



Foreign Agricultural Service

**GAIN Report**

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## **Russian Federation**

### **Poultry**

## **Russia Restricts Border Crossing Points for U.S.**

### **Poultry Imports**

**1999**

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#### **Report Highlights:**

**Russia will limit points of entry for poultry by restricting imports of products from non-contiguous countries to 30 sea ports. If enforced, this regulation would eliminate U.S. poultry shipments to Russia through Baltic countries.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Moscow [RS1], RS

## GOR Decree #531

Russian State Custom Committee promulgated a decree (#531), "On determining the border crossing points of the Russian Federation for poultry imports" which was published in Rossiiskaya Gazeta, on September 27, 1999 p.14. According to the decree, poultry meat and offal (HSC 0207) shipped to Russia for consumption from countries which do not have land routes to Russia must enter Russia through sea ports which are included in the attached list of permitted crossing border points. Shipment of poultry products through other custom posts is prohibited. The decree will be implemented on October 27, 1999, 30 days after official publication.

Below is the list of the border crossing points through which imports of poultry products from countries which do not have land routes to Russia are permitted:

1. Viborg sea port
2. S-Petersburg sea port
3. Murmansk sea port
4. Arkhangelsk sea port
5. Kaliningrad sea port
6. Yeisk sea port sea port
7. Azov sea port
8. Taganrog sea port
9. "Kavkaz" sea port
10. Novorossisk sea port
11. Anapa sea port
12. Gelendgik sea port
13. Sochi sea port
14. Tuapse sea port
15. Astrakhan sea port
16. Nikolaevsk-on-Amyr sea port
17. Bay of providance sea port
18. Vanino sea port
19. Soviet harbour sea port
20. Vladivostok sea port
21. "Eastern" sea port
22. Magadan sea port
23. Nakhodka sea port
24. Kholmsk sea port
25. Nevel sea port
26. Korsakov sea port
27. Petropavlovsk-Kamchatsky sea port
28. Posiet sea port
29. Zarubino sea port
30. Slavyanka sea port

## **Trade Discrimination**

The new regulation affects countries that ship poultry products by sea and then to Russia through third countries (e.g. United States and Brazil). Countries that have land routes to Russia, will not be affected. EU countries, which have established land transportation routes, are unaffected by the new resolution. It would appear that the decree is not compatible with the US - Russian bilateral agreement which calls for most favoured nation treatment.

## **The Impact of the New Regulation**

After the August 1998 crisis, many poultry import companies were forced out of business, particularly small companies because they were unable to afford entire shipments of 3,000 - 5,000 MT on full advance payment terms. In response, US exporters made their product more affordable by shipping to the Baltic states, storing it in warehouses, and selling smaller quantities to importers. Currently, Russian importers pay for and take possession of the product before it enters Russia. They are responsible for paying the duties. Imports through ports in the Russian Far East (RFE) almost ceased, as it became more economical for traders to import through the Baltics and ship to the RFE and Siberia by rail car.

Currently, US poultry accounts for almost 80 percent of the import market. About 85 percent of all US poultry products come to Russia through the Baltic ports of Kaliningrad, Klaipeda, Tallinn and Riga. The regulation limits border crossing points, and will eliminate trade US trade through Baltic countries. Now importers of US poultry products will be forced to pay for entire vessels of poultry on full advance payment terms. Meanwhile, EU poultry exports will gain market share, as importers of EU product will still be able to buy in smaller truckload lots, and bring only the amount of poultry across the border that they can afford.