

Voluntary Report – Voluntary - Public Distribution

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Report Name: Russian Proposal to Increase EAEU Import Tariff on Hatching Eggs in 2022

Country: Russian Federation

Post: Moscow

Report Category: Trade Policy Monitoring, Agriculture in the News, Poultry and Products

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Report Highlights:

The Russian Ministry of Agriculture announced a proposal to increase the EAEU import tariff on hatching eggs from the current zero percent to 5 percent as of January 1, 2022, and then further to 15 percent as of January 1, 2023. Press reports indicate that Russian EAEU partners do not support the proposal, however, consultations on the issue will continue. If approved, the change will affect U.S. hatching eggs exports to Russia, which restarted in 2020 after a four-year hiatus and are likely to grow in 2021 due to ongoing HPAI outbreaks in Russia's key suppliers in Europe.

General Information

As part of Russia's efforts to support its poultry industry and reduce import dependence, Russian Ministry of Agriculture [proposed](#) to increase the EAEU¹ import tariff on hatching eggs from the current zero percent to 5 percent as of January 1, 2022, and then further to 15 percent as of January 1, 2023. The Eurasian Economic Commission (EEC) reviewed [a similar Russian proposal](#) in mid-2020 suggesting to start the increases in 2021, but no decision was made in 2020. Recent [press reports](#) indicate that Russian EAEU partners do not support the proposal, however, consultations on the issue will continue.

According to its WTO commitments, Russia's final bound rate for hatching eggs of poultry is 15 percent. Russia reduced its 15 percent import tariff on hatching eggs of chickens to zero in 2006, while its import tariff on hatching eggs of turkeys and geese went down from 15 percent to zero in 2010. According to the Russian industry experts, imports account for about 20 percent of Russia's current needs for chicken hatching eggs and 90 percent for turkey hatching eggs.

The United States started exporting hatching eggs to Russia in 1995, reaching a record of over \$16 million in 2012, according to U.S. export statistics. That number was higher according to Russian import statistics – \$25.7 million, showing the United States was the second top exporter (after the Netherlands) of poultry hatching eggs to Russia in 2012. Exports of U.S. hatching eggs to Russia decreased in 2013 due to an over three-month gap from January 1, 2013, until a bilateral veterinary certificate for hatching eggs was negotiated between the United States and the Customs Union. One-time factors coupled with unfavorable economic and political environments led to a further sharp decrease of U.S. hatching egg exports to Russia in 2014, bringing them to a halt by mid-2015 when Russia banned imports of hatching eggs from the United States due to an HPAI outbreak. The ban was lifted in 2018, and exports of U.S. hatching eggs to Russia resumed in 2020, when the United States was the fourth top exporter of hatching eggs of turkeys and geese to Russia. For details, please see Tables 1-3 below.

Table 1. Russian Imports of Hatching Eggs in 2012-2014 and 2018-2020, USD

HS Code	Description	2012	2013	2014	2018	2019	2020
All	All	161,213,445	187,708,451	255,960,701	218,374,408	260,445,118	258,433,589
040711	Eggs of Chickens, Fertilized for Incubation	150,390,392	176,406,809	240,804,746	178,545,713	216,078,261	208,573,806
040719	Eggs of Birds, Fertilized for Incubation, Other Than Chickens' Eggs	10,823,053	11,301,642	15,155,955	39,828,695	44,366,857	49,859,783
040711 and 040719	Imports from US	25,737,906	16,028,742	2,665,092	0	0	4,439,008
	US market share, %	15,97%	8,54%	1,04%	0,00%	0,00%	1,72%

Source: Federal Customs Service of Russia

¹ For details, please see 2016 GAIN report [RS1611 Eurasian Economic Union One Year On](#).

Table 2. Russian Imports of Chicken Hatching Eggs (HS Subheading 0407 11) in 2016-2020 by Exporting Country, USD

Partner	2016	2017	2018	2019	2020
World	157,355,186	143,020,955	178,545,713	216,078,261	208,573,806
Netherlands	63,521,527	49,055,890	60,308,637	75,044,579	64,858,337
Germany	24,256,406	29,860,197	33,785,821	25,644,458	26,729,720
Czech Republic	21,555,492	23,127,051	26,203,575	29,062,726	20,195,155
France	8,721,679	6,938,326	6,501,100	12,475,299	18,247,046
Hungary	7,755,365	7,408,678	9,611,448	7,848,560	13,950,680
Spain	3,642,603	6,329,773	6,907,448	13,584,034	11,544,825
Portugal	7,137,745	6,390,364	6,434,286	6,233,127	8,889,370
Turkey	0	0	0	3,942,293	8,486,222
Slovakia	6,152,323	2,991,547	9,141,566	7,199,718	7,719,923
United Kingdom	2,927,911	5,097,727	5,230,946	10,785,325	6,944,837
Belgium	2,199,380	1,060,844	1,443,916	4,991,745	6,332,756
Belarus	2,882,638	2,492,858	3,263,448	3,818,713	5,715,221
Bulgaria	3,223,679	0	932,086	4,984,545	4,087,144
Italy	77,205	248,873	4,050,563	4,945,675	2,327,156
Sweden	997,102	1,117,143	1,843,222	4,778,169	1,519,646
United States	0	0	0	0	419,259
Denmark	0	444,853	1,976,306	171,793	326,904
Finland	0	0	472,170	191,203	160,842
Uzbekistan	0	0	0	0	118,762
Canada	0	0	120,786	0	0
Kazakhstan	0	0	238,692	1,335	0
Poland	1,977,686	183,649	0	0	0
Brazil	48,763	185,145	79,697	114,717	0
Ireland	277,680	88,036	0	260,246	0

Source: Federal Customs Service of Russia

Table 3. Russian Imports of Birds Hatching Eggs Other than Chicken (HS Subheading 0407 19) in 2016-2020 by Exporting Country, USD

Partner	2016	2017	2018	2019	2020
World	25,456,281	38,157,412	39,828,695	44,366,857	49,859,783
France	10,338,134	19,889,940	16,530,733	17,946,814	22,418,390
Canada	6,335,485	12,593,854	11,925,643	10,019,674	12,296,984
Germany	4,274,727	3,649,974	5,163,084	6,991,415	5,842,591
United States	0	0	0	0	4,019,749
Czech Republic	0	0	0	781,750	2,450,456
Slovakia	2,536,328	848,577	2,506,909	3,297,157	1,581,791
Hungary	1,576,643	512,906	2,978,581	4,357,184	927,719
Belarus	134,457	104,963	137,142	88,157	116,227

Partner	2016	2017	2018	2019	2020
Italy	165,368	488,687	14,274	722,326	108,359
Netherlands	0	0	0	0	80,573
Kazakhstan	0	25,396	167,443	101,121	16,944
Spain	0	0	270,616	0	0
Poland	95,138	43,115	134,270	61,260	0

Source: Federal Customs Service of Russia

Given the on-going HPAI situation in Europe, with most of Russia’s suppliers of poultry hatching eggs currently affected by Russia’s HPAI-related restrictions to various degrees (see affected countries **highlighted in red** in the above Tables 2-3), exports of U.S. hatching eggs to Russia are likely to grow in 2021. Further prospects for U.S. hatching egg exports to Russia will depend on whether the proposed EAEU tariff increases are implemented as planned in 2022 and 2023.

Attachments:

No Attachments.