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GOR Distributes Meat and Poultry TRQs for 2012

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Report Highlights:

On December 31, 2011, the GOR published Resolution #1194 “On tariff quotas for beef, pork and poultry meat in 2012”. The TRQ quantity for frozen beef is set at 530,000 MT, including 60,000 MT for the United States (41,700 MT in 2011). The fresh/chilled beef quantity is left unchanged from 2011 at 30,000 MT, of which the United States will be able to compete for 1,000 MT allocated to “other countries.” The pork TRQ for 2012 was set at 400,000 MT (472,100 MT in 2011) plus an additional pork trimming TRQ volume at 30,000 MT (27,900 MT in 2011). Neither have country specific allocation. The combined import quota for frozen poultry meat in 2012 totals 330,000 MT (in 2011 -- 350,000 MT). Country specific TRQ allocation was set only for frozen boneless broilers – 56,000 MT for the EU and 14,000 MT for “other countries.”

Summary

Based on a Customs Union resolution of November 18, 2011, the GOR issued Resolution #1194 “On tariff quotas for beef, pork and poultry meat in 2012” on December 29 and published it in the official newspaper Rossiyskaya Gazeta on December 31. The Resolution provides the regime of distribution of the meat and poultry tariff quotas (TRQ) among exporting countries. The Ministry of Economic Development published the distribution of 25 percent of the import licenses January 11, 2012. The remaining licenses will be distributed by April 15.

TRQ Volumes

According to the Resolution, the TRQ for frozen beef is set at 530,000 MT. The total 2012 allocation for the United States for frozen beef will increase from 41,700 MT in 2011 to 60,000 MT in 2012, and Costa Rica received 3,000 MT TRQ without impacting the total, which lowered the portion of “other countries” to 407,000 MT (in 2011 – 428,000MT; European Union (EU) TRQ was left unchanged at 60,000 MT. The fresh/chilled beef quota is left unchanged from 2011 at 30,000 MT, of which the United States will be able to compete for 1,000 MT allocated to “other countries;” the rest (29,000 MT) is allocated to the EU.

The pork TRQ quantity for 2012 was set at 400,000 MT (472,100 MT in 2011) without country specific allocations while the pork trimming TRQ became 30,000 MT (27,900 MT in 2011). Pork trimming may be imported under either TRQ.

The combined TRQ quantity for select frozen poultry meat in 2012 is set at 330,000 MT (in 2011 – 350,000 MT), including 250,000 MT for bone-in broiler halves and quarters, 70,000 MT for boneless broilers and 10,000 for boneless turkey meat. Country specific TRQ allocation was set only for frozen boneless broilers – 56,000 MT for the EU and 14,000 MT for “other countries.”

TRQ Administration

The Ministry of Economic Development published the distribution of 25 percent of the TRQ volumes among importers on January 10. Unfortunately, the reformed TRQ regime with smaller volumes has resulted in an economically challenging situation for small importers. Several licenses were issued for volumes smaller than 100kg and as small as 1kg. The Ministry of Economic Development will distribute 100% of the TRQ volumes among importers by April 15, 2012.

Future WTO Impact

MED has confirmed it will adjust numbers and product scope definitions once Russia becomes a full-fledged WTO member sometime in mid-2012 in order to abide by its commitments. While TRQ volumes for frozen beef, pork and pork trimmings already match WTO commitments, the fresh/chilled beef quota will need to increase 10,000 MT for “other countries” and frozen boneless chicken meat will need to increase 24,000 MT for the European Union and 6,000 MT for “other countries.” Nonetheless, some meat market experts believe Russia will hardly recalculate TRQ numbers in the middle of the year to comply with WTO commitments as the process of re-calculating data for each importing company is complicated and time consuming.

Resolution #1194 of December 29, 2011 “On the distribution of tariff rate quotas for beef, pork and poultry meat in 2012”

On the distribution of tariff rate quotas for beef, pork and poultry meat in 2012

Government of the Russian Federation decrees:

1. To approve the distribution of the volumes of tariff rate quotas established by the 2012 decision of the Customs Union Commission on November 18, 2011 #865 in respect of fresh or chilled and frozen beef (CU HS TN VED codes 0201 and 0202), fresh, chilled or frozen pork, and pork trimming (CU HS TN VED Code 0203), frozen bone-in halves or quarters of domestic chicken carcasses (CU HS TN VED Code 0207 14 200 1) and frozen bone-in chicken legs and cuts their of (CU HS TN VED Code 0207 14 600 1), frozen boneless meat of domestic chicken (CU HS TN VED Code 0207 14 100 1), frozen boneless turkey meat (CU HS Code 0207 27 100 1), among exporting countries according to the annex.

2. Ministry of Economic Development of the Russian Federation:

a) to distribute:

by December 30, 2011 - 25 percent of the volume of goods provided under annex to this decree, among the participants of foreign economic activity that shipped into the territory of the Russian Federation fresh or chilled, and frozen beef (CU HS TN VED 0201 and 0202) (hereinafter - beef), fresh, chilled or frozen pork and pork trimming (CU HS TN VED 0203) (hereinafter - pork) and poultry meat (CU HS TN VED 0207) (hereinafter - poultry) in 2011 in accordance with the customs procedure of release for domestic consumption proportionally to the volume of beef, pork and poultry, imported in 2009 under the customs regime of release for domestic consumption, in 2010 in accordance with the customs procedure of release for internal consumption from July 1, 2010 and the customs regime of release for domestic consumption before July 1, 2010 (hereinafter - the customs procedure of release for domestic consumption), and from January 1 to September 30, 2011, except for beef, pork and poultry originating and imported from the CIS member- countries, as well as beef, classified in 2009 in HS TN VED in sub-subheadings 0201 30 000 3, 0202 30 100 3, 0203 30 500 3, 0202 30 900 3 and in 2010-2011, sub-subheadings 0201 30 000 5, 0202 30 100 5, 0202 30 500 5, 0202 30 900 5;

by April 15, 2012 - 100 percent of the volume of goods provided under the annex to this decree, after deduction of the volume of products distributed in accordance with the second paragraph of this clause, between the participants of foreign economic activity which were engaged in the import of beef, pork and poultry in 2011 in accordance with customs procedure of release for domestic consumption proportionally to the volume of beef, pork and poultry, imported under the customs procedure of release for domestic consumption in 2009 - 2011, respectively, with the exception of beef, pork and poultry originating and imported from the CIS member countries, as well as beef, classified in 2009 in the HS TEN VED in sub-subheadings 0201 30 000 3, 0202 30 100 3, 0202 30 500 3, 0202 30 900 3 and in 2010 - 2011, in sub-subheadings 0202 30 000 5, 0202 30 100 5, 0202 30 500 5, 0202 30 900 5;

b) to approve the distribution methodology of the volume of tariff rate quotas allocations among the participants of foreign economic activity in respect of goods specified under the annex to the present

resolution;

c) to submit to the Ministry of Industry and Trade of the Russian Federation the data on distributed among the participants of foreign trade activities volumes of goods in accordance with subparagraph "a" of this Resolution covered by the annex to the present resolution.

3. The Ministry of Industry and Trade of the Russian Federation to accomplish from December 30, 2011 to December 31, 2012 inclusive, issuance of the licenses for participants of the foreign economic activity on imports of goods covered by the annex to the current resolution in volumes distributed in accordance with paragraph 2 of the resolution.

4. The decision to issue licenses to import goods under the annex to this resolution, or refusal to issue the license is taken by the Ministry of Industry and Trade of the Russian Federation within 5 working days from the date of filing an application in the prescribed manner.

Period of validity of these licenses is established from January 1 to December 31, 2012, inclusive.

5. Ministry of Economic Development of the Russian Federation jointly with the Ministry of Agriculture of the Russian Federation:

a) to monitor the status of the domestic market of beef products and frozen beef supply (CU HS TN VED Code 0202) (hereinafter - frozen beef) and poultry to the Russian Federation taking into consideration prohibitions, and (or) import restrictions on frozen beef and poultry from any country (or union of countries), as well as the requirements of Russian legislation in the field of epizootic and sanitary-epidemiological well-being, consumers' rights protection, leading to a ban and (or) restrictions on the import of frozen beef or poultry from any country (Union of countries), or in the absence of the required volume of frozen beef and poultry in the markets of any exporting country (a union of countries);

b) to submit to the subcommittee on customs tariff and non-tariff regulations and protective measures in foreign trade of the Governmental Commission on Economic Development and Integration (hereinafter - the Sub-Commission) proposals for the supply of frozen beef or poultry at the expense of the volumes (or a portion of the volume), tariff rate quotas established for the exporting country (a union of countries) from any other exporting country (a union of countries), if the volume of imports of these goods within the tariff quota of the exporting country (Union of countries) within two months is 11.5 per cent below of the annual tariff rate quota as result of the circumstances specified in bullet "a" of this paragraph.

6. Ministry of Industry and Trade of the Russian Federation taking into account the proposals endorsed by the subcommittee on the amount of frozen beef or poultry in by the volume (or a portion of the volume) of the tariff rate quotas established for the exporting country (a union of countries) from any other country (a union of countries) on the basis the request of the Foreign Economic Activity participant to issue licenses for the importation of frozen beef or poultry from any other exporting country (a union of countries) within the total volume allocated for the participant in foreign economic activities in accordance with subparagraph "a" of paragraph 2 of this Resolution.

7. The Federal Service for Veterinary and Phytosanitary Surveillance within the 3-day period from the date of introduction or withdrawal of the measures taken to ensure the epizootic welfare, which lead to a ban and (or) the restrictions on the import of frozen beef, pork and poultry from any exporting country (a union of countries), inform the Ministry of Economic Development, Ministry of Agriculture, Ministry of Industry and Trade of the Russian Federation and the Federal Customs Service of such measures.

8. Federal Service for Supervision of Consumer Rights Protection and Human Welfare to inform the Ministry of Economic Development, Ministry of Agriculture, Ministry of Industry and Trade of the Russian Federation and the Federal Customs Service in a 3-day period from the date of the measures taken to ensure sanitary and epidemiological well-being and protection of consumer rights and consumer market which lead to a ban and (or) the restrictions on the import of frozen beef, pork and poultry from any exporting country (a union of countries) of such measures.

9. Federal Customs Service to submit to the Ministry of Economic Development:

a) Prior to March 1, 2012 - List of participants of foreign trade, which imported beef, pork or poultry in accordance with the customs procedure of release for domestic consumption from January 1 to December 31, 2011, except for beef, pork or poultry originated and imported from the CIS member countries;

b) starting from February 2012 until the 15th of the month following the reporting month - data on volumes of beef, pork or poultry imported into the territory of the Russian Federation in the reporting month, within the volume of tariff rate quotas and out the volume of tariff rate quotas;

c) up to November 6, 2012 - List of participants in foreign trade, which imported beef, pork or poultry in accordance with the customs procedure of release for domestic consumption from January 1 to September 30, 2012, except for beef, pork or poultry originated and imported from the CIS member countries;

10. This Decision shall enter into force after its official publication.

Prime Minister

The Russian Federation Vladimir Putin

Distribution

of the TRQ volumes established for 2012 by the Decision of the Customs Union Commission dated November 18, 2011 #865 with regard to beef, pork and poultry, 1,000MT

Description of Goods	TRQ Volume
Cattle meat, fresh and chilled (CU HS 0201), total	30.0
Including	
--EU	29
--Other countries	1
Cattle meat, frozen (CU HS 0202), total	530.0
Including	
--EU	60
--USA	60
--Costa Rica	3
--Other countries	407
Pork, fresh, chilled and frozen (CU HS 0203) – all countries	400.0
Pork trimmings (CU HS 0203 29 550 2; 0203 29 900 2)* - all countries	30.0
Frozen bone-in chicken halves or quarters (CU HS 0207 14 200 1) and frozen bone-in chicken legs and cuts from them (CU HS 0207 14 600 1) – all countries	250.0
Frozen deboned chicken meat (CU HS 0207 14 100 1), total	70.0
Including	
--EU	56
--Other countries	14
Frozen deboned turkey meat (CU HS 0207 27 100 1) – all countries	10.0

*Pork trimmings can be imported both as part of the import quota established for pork trimmings and the tariff quota established for pork

Sources

Russian Government

<http://www.government.ru/gov/results/17684/>

Rossiiskaya Gazeta, December 31, 2011

<http://www.rg.ru/2011/12/31/myaso-site-dok.html>

Ministry of Economic Development

http://www.economy.gov.ru/minec/activity/sections/foreigneconomicactivity/regulation/doc20120110_003

Other relevant reports

[Customs Union Announces 2012 Meat and Poultry TRQs](#)

[Union State Increases Meat and Dairy Quotas in 2012](#)

[Customs Clearance Points for Raw Meat and Poultry](#)