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Livestock and Products

Russia Distributed All Meat and Poultry TRQs

2007

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Report Highlights:

The distribution of all beef, pork and poultry tariff rate quotas (TRQ) for 2007 has been completed. The procedure for allocating poultry quotas was based on the 2006 distribution rather than on actual import volume. Poultry importers reported that they were satisfied with the distribution process this year while many red meat importers complained that they did not get the volume they were expecting.

Includes PSD Changes: No
Includes Trade Matrix: No
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Executive Summary

On April 9, 2007, the Ministry of Economic Development and Trade (MEDT) announced that all 2007 beef, pork and poultry tariff rate quotas (TRQ) had been distributed. The timing of the publication was in accordance with Russian TRQ legislation.

One quarter of the 2007 pork and beef allocation was announced on December 15, 2006 (see GAIN report RS6070). The remaining 75 percent was allocated based on full-year import data. The United States received an allotment of 36,750 metric tons (MT) for pork, 13,575 MT for frozen beef and 630,975 MT for poultry for the duration of 2007.

The distribution of the poultry quota for 2007 was changed in accordance with the Russian Federation Decree No. 776, dated December 21, 2006. Essentially, this changed the method of calculating the 2007 poultry TRQ distribution (see GAIN report RS 6072) and stated that it would be based on the 2006 distribution rather than actual import levels.

Distribution Statistics

440,000 MT of the beef quota was distributed among 366 importers and 484,800 MT of the pork quota were divided among 370 importers. The 187 importers that purchased poultry in 2005 received 848,100 MT of poultry in the quota, while 60 importers that purchased poultry in 2006 received 40,400 MT in the quota for 2007.

New companies that purchased over quota poultry in 2006 were given a TRQ distribution in 2007 taken from the increased TRQ levels in poultry (approximately 40,500 MT). However, companies that imported poultry under the TRQ system, filled their quotas and then resorted to over quota purchases were not granted any additional quota share in 2007. Their 2007 TRQ distribution remained at 2006 levels.

The complete TRQ distribution list is available on MEDT's website at www.economy.gov.ru and is contained in the following five documents:

- 1) List of participants in foreign trade and the total calculation of the fresh and chilled beef quota (HCS 0201) in 2007 according to data from the Federal Customs Service,
- 2) List of participants in foreign trade and the total calculation of the frozen beef quota (HCS 0202) in 2007 according to data from the Federal Customs Service,
- 3) List of participants in foreign trade and the total calculation of the pork quota (HCS 0203) in 2007 according to data from the Federal Customs Service,
- 4) List of participants in foreign trade that shipped products in 2005 and the total calculation of the poultry quota (HCS 0207) in 2007 according to data from the Federal Customs Service, and
- 5) List of participants in foreign trade that shipped products in 2006 but did not ship products in 2005 along with the distribution of total import volumes for the poultry quota (HCS 0207) in 2007 according to data from the Federal Customs Service.

Comments

The distribution of the meat TRQ appears to have been done in accordance with all Russian regulations and were completed on time. Poultry meat importers reported that they were satisfied with the TRQ distribution but several red meat importers stated that they did not get the allocation that they were expecting. Importers of pork and beef that had a historically high volume of imports expected to receive a proportional share of the TRQ for 2007. Instead, they saw several new and unknown companies that purchased out-of-quota meat (at the higher tariff rate) in 2006 receive a piece of the quota in 2007.

Poultry importers expressed concern that they will not be able to fill their quotas in 2007 due to current high poultry prices in the United States. This has already resulted in a decrease in poultry shipments to Russia during the first quarter of this year.