

RUSSIA

Russia's support of grain production is from grain interventions, in which grain is purchased into a fund if market prices for farm products drop lower than the pre-determined level. Grain is sold out of the fund if there is a shortage on the market or if market prices exceed the pre-determined level. Budgetary constraints limit the ability for direct subsidies or other forms of support.

Agricultural energy is subsidized. This includes such items as fuel for machinery and natural gas. The Russian government remains committed to increasing production by increasing credit and subsidizing crop inputs, as well as offering a special machinery leasing fund. However, implementation of these programs depends on the federal budget allocation to agriculture. While no prescribed rules govern seed subsidies, many local jurisdictions offer credit for seed purchases, sell seeds below their commercial price, or cover a portion of seed treatment expenses.

Import duties for corn and soybeans were lifted in 2005 for an unspecified period of time. These commodities serve as main ingredients for the poultry and pork industries. However, Russian imports of grain have been hampered by changes in grain quality certification. Trade has been disrupted by the strengthening of phytosanitary control over grain and grain products.

CORN

- Officially, the import duty on corn is 5%, but this tariff has been temporarily lifted.
- The trade of corn has been suspended due to SPS regulations.
- Beginning December 22, 2008, the government started purchasing corn for the grain intervention fund at the ceiling price of 4,000 rubles (\$143) per metric ton.

RICE

- Rice is the only grain product imported in significant quantities.
- In December, 2006, Russia placed a ban on all rice imports from all countries. The resumption of imports will be linked to the equipping of inspection points with modern equipment that can better test quality and safety of rice. The move demonstrates the power of the Russian Federal Veterinary and Phytosanitary Surveillance Service (VPSS) to control the trade of grain products.
- The rice import tariff is 0.07 euros/kg (\$4.11/cwt).

SOYBEANS

- Import duties were suspended for soybeans in the same resolution that lifted duties for corn. The official import duty is 5%.
- Actual imports of soybeans are currently restricted by SPS requirements and unsettled GMO registration procedures. It is expected that soybean imports would increase significantly when these SPS issues are resolved.

SUGAR

- Russia is the world's largest sugar importer.
- Because the Russian government cannot offer significant support to the industry, it assists the industry primarily through border measures.
- The sugar import TRQ is at 3.65 MMT. The in-quota tariff rate is 5% but not less than 0.015 euros/kg (\$0.01/lb). The base out-of-quota tariff is set at 40% for both raw and white sugar but no less than 0.12 euros/kg (\$0.07/lb) for raw sugar and 0.14 euros/kg (\$0.08/lb) for white sugar. The out-of-quota seasonal tariff is 50% but not less than 0.15 euros/kg (\$0.09/lb) for raw sugar and 0.18 euros/kg (\$0.11/lb) for white sugar.
- On December 1, 2008, rates for the variable levy on imported sugar ranged from \$220 to \$270 per metric ton (MT), based on average monthly prices at the New York Board of Trade (NYBOT).

WHEAT

- State procurement intervention prices range from 2,300 rubles/MT (\$3.38/bu) for No.3 wheat to 1,800 rubles/MT (\$2.51/bu) for No.4 wheat.
- In November and December of 2008, when the Ministry of Agriculture increased Class 3 wheat price from 5,000 rubles to 5,500 rubles (approximately \$200) per MT for all provinces of the Russian Federation, and then raised it to 6,000 rubles (\$218) per metric ton for the Ural and Siberian Federal Districts and for Orenburg oblast.
- Russia has been expanding grain shipping and port capacity in an effort to boost exports.
- Import tariffs for all grain except rice are 5% of customs value.