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## Russian Federation

**Post:** Moscow

### Oilseed Export Tariffs Lowered per WTO Requirements

**Report Categories:**

Oilseeds and Products

FAIRS Subject Report

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**Report Highlights:**

In accordance with WTO commitments, Resolution of the Russian Government No. 786 of August 4, 2015, decreases export duties on some non-agricultural and agricultural products, including soybeans, sunflowerseed and rapeseed. The export duties will be lowered on September 1, 2015. Thus, the export duty on soybeans will decrease from 6.67 percent, but not less than 11.67 Euro per 1 metric ton (MT), to zero. The export duty on rapeseed will be lowered from 11 percent, but not less than 19.26 Euro per 1 MT, to 6.5 percent, but not less than 11.4 Euro per 1 MT. The export duty on sunflower seed will decrease from 13.24 percent, but not less than 19.88 Euro per 1 MT, to 9.88 percent, but not less than 14.81 Euro per 1 MT.

**General Information:**

In accordance with WTO commitments, Resolution of the Russian Government No. 786 of August 4, 2015 “On amendments to the export tariffs on products exported from the Russian Federation outside states, members of the Customs Union agreement”<sup>1</sup> decreases export duties on some non-agricultural and agricultural products, including soybeans, sunflowerseed and rapeseed. The same resolution also excludes mustard seed from the list of products subject to export duties. Export duties on mustard seed were lifted in September 2013.

Russia’s WTO commitments have been gradually implemented after the first year of Russia’s WTO membership (August 2012). The table below shows the final export duties at the end of the transitional period and export duties after September 1, 2015, the third year of implementation of WTO commitments.

HS Number	Name of Product	Export duty before WTO accession	Target export duty	Transitional Period	Export duty from September 2013 through August 2014	Export duty from September 2014 through August 2015	Export duty beginning September 2015
1201	Soybean	20 percent, but not less than 35 Euro per 1 MT	0	3 years	13.33 percent, but not less than 23.33 Euro per 1 MT	6.67 percent, but not less than 11.67 Euro per 1 MT	0
1205	Rapeseed	20 percent, but not less than 35 Euro per 1 MT	6.5 percent, but not less than 11.4 Euro per 1 MT	3 years	15 percent, but not less than 27.13 Euro per 1 MT	11 percent, but not less than 19.26 Euro per 1 MT	6.5 percent, but not less than 11.4 Euro per 1 MT
1206	Sunflowerseed	20 percent, but not less than 30 Euro per 1 MT	6.5 percent, but not less than 9.75 Euro per 1 MT	4 years	16.62 percent, but not less than 24.94 Euro per 1 MT	13.24 percent, but not less than 19.88 Euro per 1 MT	9.88 percent, but not less than 14.81 Euro per 1 MT
1207 50	Mustard seed*	10 percent, but not less than 25 Euro per 1 MT	0	1 year	0	None	None

<sup>1</sup> <http://government.ru/docs/19186/>

\* Resolution No. 786 excludes mustard seeds (1207 50) from the list of products subject to export duties

Source: Russian Customs and GOR Resolution No.786

### **Possible Impact of Decreased Export Tariffs**

Russian oilseeds crushing capacity grew over the last six years. By 2014, the crushing capacity exceeded domestic production of oilseeds<sup>2</sup>. Industry analysts forecast that domestic demand for oilseeds will remain high. Moreover, they contend that the decrease in the export duties on oilseeds will have limited impact, in spite of the devaluation of the ruble to the U.S. dollar and the Euro in 2014-15 which stimulated exports of agricultural commodities.

### Exports of Soybeans:

Domestic demand for soybeans is high and despite growing domestic production of soybeans, Russia continues to import more than one million metric tons of soybeans a year. However, more than half of soybean production in Russia is concentrated in the Far East. Crushing capacity in the Russian Far East is less developed than in European Russia. However, the cost of transporting beans from the Far East to European Russia may result in beans from the Russian Far East being more expensive than imported beans. Lifting the export tariff on soybeans may stimulate exports of soybeans from the Russian Far East to neighboring countries, especially China. Moreover, the reduction of the export duty to zero may provide some encouragement for a further increase in soybean production in the Russian Far East.

Russia: Soybean production and exports, 1,000 MT.

	Sep. 2012- Aug. 2013	Sep. 2013- Aug. 2014	Sep. 2014- Jun. 2015	FAS/Moscow forecast for MY 2015/16*
Soybean production	1,806	1,636	2,594	2,600
- Production in the Far East FD	1,029	647	1,471	
Soybean exports	102	25	256	350
- Exports to China	89	15	232	

\* MY for soybeans is from September through August

Source: Russian State Statistical Service (Rosstat), Russian Customs Service (Customs), FAS/Moscow GAIN report Oilseeds Annual 2015

### Exports of Rapeseed

The impact of decreasing the export tariff on rapeseed will be negligible. Rapeseed production is concentrated in European Russia, where the capacity of oilseed crushing plants has been increasing. Crushers are interested in exporting rapeseed oil and meal instead of rapeseed.

Russia: Rapeseed production and exports of rapeseed and rapeseed oil, 1,000 MT

	Sep. 2012- Aug. 2013	Sep. 2013- Aug. 2014	Sep. 2014- Jun. 2015	FAS/Moscow forecast for MY 2015/16*
Rapeseed production	1,035	1,393	1,450	1,400
Exports of rapeseeds (HS code 1205)	54	219	67	150
Exports of rapeseed	242	325	269	300

<sup>2</sup> For more information see FAS/Moscow GAIN report [Oilseeds and Products Annual 6-2015.pdf](#)

oil (HS code 1514)				
* MY for rapeseeds is from July through June				

Source: Rosstat, Customs, FAS/Moscow GAIN report Oilseeds Annual 2015

#### Exports of Sunflowerseeds

Industry analysts do not forecast an increase in exports of sunflowerseed. Domestic demand for sunflowerseed is very high and growing. Production of sunflowerseed is concentrated in European Russia where crushing capacity has already surpassed the supply of sunflowerseed. Crushers are interested in increasing production of meal and oil for domestic and foreign markets.

#### Russia: Sunflowerseed production and exports of sunflowerseeds and sunflowerseed oil

	Sep. 2012- Aug. 2013	Sep. 2013- Aug. 2014	Sep. 2014- Jun. 2015	FAS/Moscow forecast for MY 2015/16*
Sunflowerseed production	7,993	10,554	8,929	9,500
Exports of sunflowerseeds (HS code 1206)	39	135	55	60
Exports of sunflowerseed oil (HS code 1512)	1,013	1,799	1,199	1,550
* MY for sunflowerseeds and products is from September through August				

Source: Rosstat, Customs, FAS/Moscow GAIN report Oilseeds Annual 2015

#### **Government Resolution No. 786 of August 4, 2015:**

##### *Begin Unofficial Translation:*

On Amendments to the Export Tariffs on Products Exported from the Russian Federation outside States - Members of the Customs Union Agreement

August 4, 2015, Moscow

The Government of the Russian Federation decrees:

1. Approve attached changes in the export customs tariff rates for commodities, exported from the Russian Federation outside of boundaries of member-states of the Custom Union, approved by the Russian Government Resolution # 754, dated August 30, 2013: "On Approving Export Customs Tariff Rates for commodities, exported from the Russian Federation outside the boundaries of the member-states of the Custom Union Agreement, and on recognition of ceasing to be in force some acts of the Government of the Russian Federation" (Collection of legislative acts of the Russian Federation, 2013, #36, article 4582; #47, article 6109; #52 article 7188; 2014, #30, article 4324; #31, article 4421; 2015, #1, article 285; #21, article 3106; #23, article 3317, 3318).
2. The current Resolution comes into force starting September 1, 2015.

Chairman of the Government  
Russian Federation D. Medvedev

*From Attachment:*

“ ...

3. Positions classified by Codes TN VED EAEC<sup>3</sup> 1201 10 000 0 – 1205 00 990 0 to read as follows:

1201 10 000 0	seeds for planting	0
1201 90 000 0	other	0
1205 10 100 0	seeds for planting	6.5, but not less than 11.4 Euro per 1000 kg
1205 10 900 0	other	6.5, but not less than 11.4 Euro per 1000 kg
1205 90 000 1	seeds for planting	6.5, but not less than 11.4 Euro per 1000 kg
1205 90 000 9	other	6.5, but not less than 11.4 Euro per 1000 kg
1206 00 100 0	seeds for planting	9.88, but not less than 14.81 Euro per 1000 kg
1206 00 910 0	shelled; in gray shell with white stripes	9.88, but not less than 14.81 Euro per 1000 kg
1206 00 990 0	other	9.88, but not less than 14.81 Euro per 1000 kg

4. Positions classified by Codes TN VED EAEC 1207 50 100 0 and 1207 50 900 0 to exclude.

...”

*End unofficial translation.*

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<sup>3</sup> Codes TN VED EAEC - Custom Codes of the Foreign Economic Activity of the Eurasian Economic Union are close to the HS codes