

**45TH SESSION**

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Restricted

**ENGLISH ONLY**

30 May 2017

**Agenda item 3: National trade-related and other policy developments**

This document lists the latest information on national trade-related and other policy developments for grains, rice and oilseeds available to the Secretariat since the last Council Session (document GC44/2(Rev.)). The document incorporates the information provided in document MC(16/17)2/2 dated 27 February 2017.

Members are invited to provide any additional information.

**I. TRADE-RELATED MEASURES**

**A. EXPORTS**

**ARGENTINA**

The Official Gazette published on 2 January 2017 that the **soyabean** export tax (currently at 30%) would be cut by 0.5 percentage points per month over a two-year period, beginning in January 2018.

The government stated on 16 February 2017 that it would return five percentage points of the 30% **soyabean** export tax to producers in the northeast of the country. Initially, the benefit would apply to 2,000t that each farmer or company sold between March and August 2017 although the time frame could be extended. For further details see:  
<https://www.boletinoficial.gob.ar/#!DetalleNorma/159109/20170216>

**CAMBODIA**

On 12 January 2017, the Commerce Ministry stated that an inspection fee of US\$6.25 per container on milled **rice** shipments had been removed in order to boost competitiveness.

**IRAN**

On 10 January 2017, the Government Trading Corporation of Iran (GTC) announced its intention to export new crop **wheat**, with milling wheat, **durum** and other by-products placed for sale on Iran's Mercantile Exchange (IME).

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<sup>1</sup> Revised pages 3&7 (Japan)

## PAKISTAN

The Commerce Ministry said on 20 December 2016 that PKR20bn (US\$193m) would be spent over the next three years as part of efforts to boost commodity exports, including basmati **rice**.

### B. IMPORTS

## CHINA

In a final ruling, on 11 January 2017, the Commerce Ministry increased anti-dumping duties for imported US **distillers dried grain** (DDG) to 42.2%-53.7% (33.8% preliminary ruling in September), while anti-subsidy tariffs would range from 11.2%-12.0% (10.0%-10.7%).

On 17 January 2017, the government issued 5.2m t of **rice** import licences, divided equally between Indica and Japonica varieties. Of the 2.6m t long grain licences, COFCO, the state procurement agency, was allocated 1.0m, with the remainder for private buyers.

On 7 February 2017, the General Administration of Quality Supervision, Inspection and Quarantine approved **soyabean** imports from Kazakhstan and Uruguay, subject to agreed quarantine requirements.

On 30 March 2017, the Agriculture Ministry of Russia signed a long-term contract to supply agriculture products to China, including **soyabeans, barley, rapeseed** and **sunflower oil**.

On 25 April 2017, the government agreed to grant licences to eight more **rice** exporters in Cambodia, taking the total number of certified companies to 34.

On 5 May 2017, the Ministry of Finance outlined a series of tax reduction measures. Effective from 1 July, value-added tax (VAT) on the sale or import of a wide range of goods, including on agricultural products and machinery, feed and chemical fertilisers, was to be cut from 13% to 11%.

## COLOMBIA

On 3 March 2017, the government announced plans to remove restrictions on imports of paddy (**rice**) from the USA.

## EGYPT

On 13 January 2017, the Trade Ministry streamlined procedures for importing grains, under which approvals were expected to be issued within two working days of submission.

On 29 March 2017, the Supply Minister announced that private sector **wheat** imports would be closely monitored during the local procurement season (15 April -15 July).

On 18 May 2017, the General Authority for Supply Commodities (GASC) announced that the required level of protein sourced in its **wheat** import tenders would be raised by 0.5 percentage points.

## INDIA

The Ministry of Finance removed on 8 December 2016 the 10% **wheat** import duty with immediate effect.

On 28 March 2017, the Minister of State for Finance announced the reinstatement of the 10% **wheat** import duty.

## INDONESIA

Due to adequate domestic supplies, the President stated on 6 January 2017 that import permits would only be issued for premium quality and specialty **rice** grades that year.

On 25 January 2017, authorities formally sanctioned the EU (France) food grain safety system, clearing the way for a resumption of imports, including **wheat**.

## IRAN

On 11 January 2017, the government lifted a five-month ban on basmati **rice** imports from India.

On 23 January 2017, the government removed a surcharge of IRR5,000/kg (US\$154/t) on imports of **rice**, while cutting the import duty on brown rice to 5% (from 32%) and on white rice to 26% (40%). A ceiling of US\$850/t on the price of imported rice was imposed on 9 February 2017.

## IRAQ

On 9 May 2017, the Trade Ministry received authorisation to make direct purchases of **wheat** and **rice** for import.

## JAPAN

Following a brief suspension, the Ministry of Agriculture, Forestry and Fisheries resumed simultaneous buy and sell (SBS) auctions for **rice** in December 2016.

## KENYA

On 20 February 2017, the Agriculture Ministry announced plans to allow duty-free imports of at least 450,000t of **maize** over the next four months.

Amid current shortages, the Agriculture Minister confirmed on 16 May 2017 the introduction of **maize** imports subsidies.

## MEXICO

On 14 February 2017, authorities confirmed that a phytosanitary agreement had been reached allowing milled **rice** imports from Paraguay.

On 6 March 2017, the Official Journal of the Federation reported that the government would allocate 150,000t of duty-free tariff-rate quota **rice** import licences, valid for delivery until the end of 2017.

## MOROCCO

On 27 April 2017, the government announced that the import duty on milling **wheat** would be raised from 30% to 135%, effective until 31 December.

## PERU

On 16 May 2017, the National Agrarian Sanitary Service (Senasa) stated that all **rice** imports from Brazil would require a phytosanitary import permit.

## PHILIPPINES

On 28 November 2016, the National Food Authority (NFA) awarded 805,200t in **rice** import licences to private buyers under the minimum access volume.

To counter the potential for smuggling, on 29 November 2016 the Agriculture Secretary increased controls on **rice** imports, including cargo inspections and clearance procedures.

According to an executive order released on 22 May 2017, quantitative restrictions on **rice** purchases were to remain in place for a further three years. The maximum volume of rice that may be secured by private traders was to be maintained at 805,200t until 2020, subject to a 35% tariff.

## SRI LANKA

Owing to drought-related shortages, on 6 January 2017 the government decided to remove various **rice** import taxes.

On 27 January 2017, authorities halved the **rice** import duty to LKR5/kg (US\$3.50/t).

On 1 March 2017, the government approved imports of 20,000t **rice** per month.

On 3 April 2017, due to continued high domestic values, the Finance Ministry extended tax concessions on imported **rice** by two months, to 31 May.

## TURKEY

Following the resolution of a recent trade dispute, the Economy Minister confirmed on 11 May 2017 that imports of **wheat** and **sunflowerseed oil** from Russia had resumed.

On the same date, the Turkish Grain Board (TMO) received clearance to import 500,000t duty-free **maize** until 31 December 2017.

## ZAMBIA

A ban on **maize** and maize product exports was lifted by the Minister of Agriculture on 11 May 2017.

## II. OTHER POLICY DEVELOPMENTS

### ALGERIA

The value-added tax (VAT) on a number of grain and feed products, including **soyameal, maize, rice, sorghum, barley, oats** and **DDG** was increased by two percentage points, to 9%, on 31 January 2017.

On 4 April 2017, the Trade Ministry confirmed that new licences for the import of feed supplies would be issued, including for **barley, maize** and **soyameal**.

### BANGLADESH

On 28 November 2016, the government raised the paddy (**rice**) procurement price by 6% y/y, to BDT33/kg (US\$419/t). Starting from 1 December, authorities also pledged to purchase 0.3m t rice to boost public reserves and support local farmers.

### BRAZIL

On 16 January 2017, the government increased a subsidised credit line available to farmers to BRL12.0bn (US\$3.72bn) in 2017/18 (BRL10.0bn previous year), giving producers access to reduced-interest loans in order to purchase seeds, fertilisers and pesticides.

On 19 April 2017, the government stated that up to BRL500m (US\$159m) in subsidies would be allocated to assist **maize** producers sell 2016/17 crops via Pepero and PEP auctions. Separately, the 2017/18 minimum **wheat** procurement price was cut by 4% y/y.

### CANADA

On 17 May 2017, the Canadian Transportation Agency unveiled plans to maintain a revenue cap, in place since 2000, on Western grain hauled by rail for export.

### CHINA

On 30 November 2016, the National Development and Reform Commission predicted that **grain** output would decline by about 3% in the five years to 2020, with up to 5.0m ha of polluted farmland (4% of total arable area) withdrawn for rehabilitation.

The Agriculture Minister unveiled plans on 19 December 2016 to cut 2017/18 **maize** plantings by 0.7m ha, equivalent to around 2% of area.

On 21 December 2016, CNGOIC stated that highway toll fees for trucks carrying **maize** in Heilongjiang province would be cut until 30 April 2017.

Under its five-year plan, the State Administration of Grain (SAG) announced on 29 December 2016 efforts to increase production of polylactide (PLA), made from **maize** starch and sugar, used to make plastic bags and tableware.

The Agriculture Ministry suspended on 4 January 2017 trial licenses for 11 research institutes that violated rules for testing genetically-modified (GM) crops, including **maize** and **rice**.

Sinochem, the state-owned fertiliser trading company, signed on 10 January 2017 an agreement with Sinograin to collaborate on strategic stockpiling, rotation of grain reserves and the provision of modern agricultural services.

On 16 February 2017, the government revealed plans to spend CNY1.7tn (US\$248bn) on boosting the quality of arable land, dividing the country into nine zones for land consolidation, with at least 26.7m ha of high-yield farmland to be added by 2020.

On 17 February 2017, The National Development and Reform Commission set the 2017 minimum **rice** purchase price, including early season Indica at CNY2,600/t (US\$379), for mid-to-late indica at CNY2,720 (US\$396) and for Japonica rice at CNY3,000 (US\$437), all slightly lower y/y.

On 28 February 2017, the Heilongjiang Provincial Grain Administration pledged to provide eligible feedmakers with a subsidy of CNY300/t (US\$43.67) for **maize** bought before end-April and processed before end-June.

The government announced on 10 April 2017 that 70.5m ha of key agricultural production areas would be mapped and documented over the following three years, as part of efforts to ensure long-term food security.

The government stated on 12 May 2017 that the process to review eight varieties of genetically-modified (GM) crops, including **maize** and **soyabeans**, would be concluded by the end of the month.

## ECUADOR

Owing to drought, the government announced on 29 November 2016 a series of emergency measures, including the use of groundwater to irrigate affected paddy (**rice**) fields.

## EGYPT

On 4 January 2017, the Agriculture Minister announced that local **wheat** would be procured at global prices in the coming season, calculated according to those paid by GASC.

On 6 March 2017, the Supply Minister agreed to pay private mills EGP6.30/kg (US\$378/t) for white **rice**, to be sold later to outlets at EGP6.50/kg.

On 8 March 2017, the Agriculture Minister announced that local **wheat** would be procured between 15 April and 15 July, at EGP555-EGP575 per ardeb (150kg), equivalent to around US\$210-\$218/t. Before the flotation of the Egyptian pound the previous season, supplies had been procured at EGP420/ardeb (US\$315/t).

As part of measures aimed at preventing fraud in the **wheat** procurement process, the Supply Ministry stated on 14 March 2017 that supplies bought from the upcoming harvest would only be stored in public facilities.

## EU

On 6 April 2017, the European Parliament voted to ban the use of **palm oil** for biofuel production by 2020. Amendments to legislation would be drawn up and submitted to the EU Council and Commission for approval.

**EU (France):** A decree published in the Official Journal on 5 May 2017 scaled the H5N8 avian influenza alert level back to “negligible”, lifting all measures to confine poultry indoors.

### INDIA

On 15 February 2017, the Ministry for Consumer Affairs, Food and Public Distribution set the 2017/18 rabi **wheat** procurement target at 33.0m t (23.0m bought the previous year).

### INDONESIA

Bulog (state grains agency) announced on 2 February 2017 plans to allocate IDR37tn (US\$2.7bn) for the procurement of domestic commodities, including **rice**, **maize** and **soyabeans**.

On 23 February 2017, the government declared that paddy (**rice**) would be procured from farmers until August, with prices set at IDR3,700/kg (US\$278/t).

### IRAN

On 22 March 2017, the president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) stated that Iran would resume banking channels with Pakistan from April, paving the way for official trade, notably of basmati **rice**, between the two countries.

### JAPAN

With inventories falling to critically low levels due to delayed arrivals from the USA, on 1 March 2017 the Ministry of Agriculture, Forestry and Fisheries (MAFF) released at least **340,000t** of **feed grains** from emergency stockpiles.

MAFF stated on 7 March 2017 that imported **wheat** would be sold to domestic millers at an average price of JPY50,690/t (US\$445) between April and October, up 4.6% compared to the prior six-month period.

### MOROCCO

On 9 May 2017, the Ministry of Finance & Economics and the Ministry of Agriculture detailed several measures aimed at boosting local **wheat** production. Between 15 May and 15 October, a flat rate subsidy of MAD10/100kg (US\$10/t) would be provided to millers using domestic rather than imported supplies. The reference price for standard quality milling wheat was set at MAD280/100kg (US\$282/t).

### PHILIPPINES

With frequent extreme weather conditions affecting production in traditional farming areas, on 5 January 2017, the Department of Agriculture declared plans to introduce at least 1.0m ha of new areas for **rice** farming over the next six years.

On 10 April 2017, the President instructed the National Food Authority (NFA) to purchase **rice** from domestic farmers to boost stockpiles following a bumper crop.

On the same date, the government informed the World Trade Organisation (WTO) that, owing to delays in the amendment of a domestic law, it might not be possible to convert the quantitative restriction (QR) on **rice** imports into ordinary customs duties by the 1 July deadline.

The National Food Authority (NFA) introduced a series of new initiatives on 15 May 2017 aimed at preventing **rice** supply shortages and price instability, including the monitoring and inspection of warehouses as well as conducting surveys of rice outlets, mills and households.

#### **RUSSIA**

The Agriculture Minister stated on 27 April 2017 that grain procurement would begin in August, with the purchasing prices for 2017/18 third- and fourth-class **wheat** set at RUB10,300/t (US\$181) and RUB9,000 (US\$158), respectively.

#### **SOUTH KOREA**

On 21 February 2017, the Agriculture Ministry reported that subsidies totalling KRW1.5tn (US\$1.3bn) would be provided to **rice** farmers that year.

#### **SRI LANKA**

On 25 January 2017, the Ministry of Rural Economic Affairs released 90,958t of paddy (**rice**) from public reserves to private millers and Lanka Sathosa (government sale and distribution channel). This was linked to very tight supplies amid ongoing drought conditions.

#### **SYRIA**

On 1 December 2016, the government raised the **wheat** procurement price by 25%, to SYP125/kg (US\$243/t).

On 17 May 2017, the government increased the **wheat** procurement price by 12%, to SYP140/kg (US\$270/t).

#### **THAILAND**

On 11 April 2017, the government approved a budget of around THB29.8bn (US\$862m) to boost **rice** production for the following five years.

The government stated on 9 May 2017 plans to convert 160,000ha of **rice** area to organic farming over the next five years. Subsidies would be provided to farmers joining the programme in the first three years.

#### **UGANDA**

On 19 April 2017, the import tariff on brown **rice** was temporarily suspended until 31 July.

#### **UKRAINE**

On 6 December 2016, the State Food Safety and Consumer Protection Service announced its intention to strengthen checks for genetically-modified organisms (GMOs), including **soyabeans**.

## USA

On 16 December 2016, the US Trade Representative requested the establishment of a panel to investigate China's use of tariff-rate quotas (TRQs) for **rice**, **wheat** and **maize** at the WTO:

[https://www.wto.org/english/news\\_e/news16\\_e/dsb\\_agenda\\_16dec16\\_e.pdf](https://www.wto.org/english/news_e/news16_e/dsb_agenda_16dec16_e.pdf)

## ZIMBABWE

On 2 March 2017, the Agriculture Minister said that US\$140m had been budgeted to buy 800,000t **maize** from domestic farmers through the Grain Marketing Board.