**Meat import volumes to Russia to be adjusted** 10 Sep 2009

**Russia's Ministry of Agriculture has developed a decree that will regulate meat imports to Russia in 2010-2012.**

According to the law, the **quota** on poultry imports will almost be halved - from 952,000 t this year to 550,000 t in 2012. The quota for pork will gradually decline, while for beef there will be a slight rise.

In addition, the **tariff** rates on extra-quota imports will be increased for all types of meat. Russia will continue to use the current country principle of quotas allocation, but, perhaps, it will be adjusted according to real import volumes.

According to the head of the executive committee of the Russian Meat Association, Sergei Yushin, the allocation of quotas among countries should be carefully worked out:

“It makes no sense to provide the guaranteed volumes of quotas to some countries if they fail to supply their volumes to Russia. For example, 80% of licenses for the import of beef accounted for the EU, but Russia has always negotiated with the EU about the reissue of those licenses, because they did not provide the real meat volumes,” added Yushin.

As for the Russian poultry industry, according to CEO of the Russian Poultry Union Galina Bobyleva, the local producers are ready to offset the reduction in poultry imports.

“We do not expect any price fluctuations in the poultry industry, if there is a stable situation on the grain market,” she said. Over the past 7 months of this year, Russian poultry production has increased by 142,000 t compared to the same period in 2008.

Source: By Evegen Vorotnikov Source – [www.worldpoultry.net](http://www.worldpoultry.net)

**Data Response Questions – Answer all**

1. Define the following terms:
   * 1. Quota
     2. Tariff
2. With the aid of an appropriate diagram, show how the change in the import quota for poultry will affect the Russian poultry market, *ceteris paribus*.
3. With the aid of an appropriate diagram, show how the increase in tariff rates on extra-quota meat imports will affect the Russian meat market.
4. Evaluate the impact of these two actions taken together on both Russian consumers and producers, in both the short and long run, taking into account as well the purported changes in the domestic poultry industry mentioned in the article.

**Short Answer Questions – Answer one of two**

1. Explain the theory of comparative advantage and explain why it is the best argument in favour of free trade.
2. Define protectionism and outline 3 arguments in favour of countries enacting protectionist policies.