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Ukraine

Post: Kiev

EU Increases Grain Quotas for Ukraine

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Report Highlights:

The EU increased Ukraine's annual import quotas for grains, which will allow higher volumes to enter duty free. It is unlikely the changes will generate additional export volumes for corn and wheat. However, slight increases of barley exports will likely occur.

General Information:

According to the <u>official notification</u> by the Council of the European Union, the EU adopted a set of temporary autonomous trade measures in favor of Ukraine. These measures should enter into force by the end of September 2017, and will apply for a period of three years (through September 2020).

This decision <u>grants</u> Ukraine additional annual import quotas (TRQs) at zero tariff rates for the following grains:

- Wheat 65,000 Metrical Tones (MT)
- Corn 625,000 MT
- Barley 325,000 MT

These TRQs will be added on top of the existing TRQs granted by <u>Regulation # 374/2014</u>:

	Existing, 1000 MT	Additional, 1000 MT	Total, 1000 MT
Wheat	950	65	1,015
Corn	400	625	1,025
Barley	250	325	575

Based on the volumes of grain exports from Ukraine to the EU, Post assesses that the increased TRQs will not stimulate more corn and wheat exports from Ukraine since exports of these commodities already exceed preexisting TRQs (please <u>click here</u> for more information about grain import regimes by the EU). However, they will likely result in more barley exports from Ukraine since the new TRQ for that commodity is set at a significantly higher threshold than actual exported volumes to the EU in 2016. See graphs below showing TRQ threshold levels compared to total exports of grains.





