

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary - Public

Date: 9/20/2010

GAIN Report Number:

Turkey

Post: Ankara

Turkey decreases red meat custom tax and opens red meat imports

Report Categories:

Livestock and Products

Approved By:

Clay Hamilton, Agricultural Counselor

Prepared By:

Samet Serttas, Agricultural Specialist

Report Highlights:

Live slaughter and fattening cattle import failed to reduce the extremely high red meat prices (11 USD/kg carcass weight) the government has decided to allow red meat imports by decreasing the custom tax to 30% from 225% until January, 2011.

General Information:

Background

1st Step: In response to high red meat prices, the Turkish Council of Ministers announced import quotas for live slaughter cattle and beef on April 30, 2010. These quotas were to be administered by the Meat and Fish Institute via public tenders.

Table 1: Live slaughter cattle and red meat import tariff quota

Turkey: Live cattle and red meat import quota allocated in April 30, 2010				
HS Codes	Product	Quantity (MT)	Tariff	Expiration of Tariff Quota
02.01	Cattle meat (Fresh or chilled)	7,500	25	December 31, 2010
0202	Cattle meat (Frozen)			
0102.90	Live cattle, Other	16,000	10	December 31, 2010

The Meat and Fish Institute (EBK) imported 16,000 MT of live slaughter and fattening cattle under first import quota which was issued in April 30, 2010.

2nd Step: The government published an additional duty free quota allocation of 100,000 MT of live cattle for import through the EBK (a quasi government agency) at zero custom duty. The decision was published in the official gazette dated June 29, 2010. After a new import quota was announced, the EBK held its sixth live cattle import tender on July 15, 2010 for 50,000 MT of slaughter cattle.

The EBK has held six tenders starting from May 4, 2010 and imported 66,000 MT of live cattle, with a total tender amount expected to reach 76,000 MT on September 27, 2010 with a new tender of 10,000 MT of live slaughter cattle.

The EBK import tender has not been successful in decreasing meat prices. For this reason the government has decreased the custom tax of live slaughter and fattening cattle to 40% from 135%

3rd Step: Two new import regimes were published in the Official Gazette on August 7, 2010 and August 13, 2010 According to this new regime the customs duty for imported live fattening cattle was decreased to 40% from 135% until 04/01/2011 and custom duty of live slaughtering cattle decreased to 40% from 135% until 12/31/2010. As opposed to the tender which was limited to

use by the EBK, private companies can now import animals under the reduced duties.

The Latest Step: A New Import Duty Reduction

A change in the import regime was published in the official gazette dated September 19, 2010 which further reduced the custom duty for live slaughter cattle from the already reduced 40% to 30%. Moreover the import duty for live lamb (one year old and younger) was also reduced to 20% from 135%. The custom tax for red carcass meat was also reduced to 30% from 225%, until January 1, 2011. The table below shows current and previous custom tax.

Table 2: New custom tax for live slaughtering cattle and red meat

HS CODE	NAME OF PRODUCT	EU&EFTA	B.HERZ	OTHERS	PREVIOUS
0102.90.05.00.00	Live Domestic Bovines Of A Weight <= 80 Kg (Excl. Pure-Bred Breeding Animals)	20 ¹	20 ¹	20 ¹	135
0102.90.29.00.00	Live Domestic Bovines Of A Weight Of > 80 Kg And <= 160 Kg (Excl. Animals For Slaughter And Pure-Bred Breeding Animals)	20 ¹	20 ¹	20 ¹	135
0102.90.49.00.00	Live Domestic Bovines Of A Weight Of > 160 Kg And <= 300 Kg (Excl. Animals For Slaughter And Pure-Bred Breeding Animals)	20 ¹	20 ¹	20 ¹	135
0102.90.71.00.00	Live Domestic Bovines Of A Weight Of > 300 Kg, For Slaughter	30 ¹	30 ¹	30 ¹	135
0104.10.30.00.00	Live Lambs "Sheep Up To A Year Old" (Excl. Purebred Breeding Animals)	20 ²	20 ²	20 ²	135
0104.10.80.00.00	Live Sheep (Excl. Lambs And Pure-Bred Breeding Animals)	20 ²	20 ²	20 ²	135
0201.10.00.00.00	Carcases Or Half-Carcases Of Bovine Animals, Fresh Or Chilled	30 ³	30 ³	30 ³	225
0201.20.20.00.00	"Compensated" Quarters Of Bovine Animals With Bone In, Fresh Or Chilled	30 ³	30 ³	30 ³	225
0201.20.30.00.00	Unseparated Or Separated Forequarters Of Bovine Animals, With Bone In, Fresh Or Chilled	30 ³	30 ³	30 ³	225
0201.20.50.00.00	Unseparated Or Separated Hindquarters Of Bovine Animals, With Bone In, Fresh Or Chilled	30 ³	30 ³	30 ³	225

0202.10.00.00.00	Carcasses And Half-Carcasses Of Veal, Frozen	30 ³	30 ³	30 ³	225
0202.20.10.00.00	Frozen "Compensated" Bovine Quarters, With Bone In	30 ³	30 ³	30 ³	225
0202.20.30.00.00	Frozen Unseparated Or Separated Bovine Forequarters, With Bone In	30 ³	30 ³	30 ³	225
0202.20.50.00.00	Frozen Unseparated Or Separated Bovine Hindquarters, With Bone In	30 ³	30 ³	30 ³	225

1. 135 % Custom tax will be applied starting from April 1, 2011
2. 135 % Custom tax will be applied starting from January 1, 2011
3. 225 % Custom tax will be applied starting from January 1, 2011

The Ministry of Agriculture and Rural Affairs, General Directorate of Protection and Control is now working on technical requirements and specifications for imports of red meat. It is claimed that Germany, Austria and Sweden will be added to the new list other than countries stated in the previous EBK tenders.

According to Ministry sources, One technical staff from Ministry of Agriculture and one from Meat and Fish Institute will go the exporter country and watch the slaughtering process to make sure slaughtering will be done under halal condition and to make sure that the meat satisfies their technical specifications (which will be announced in September 23 or 24, 2010). Chilled and frozen meat can be imported under this regime change. First class slaughterhouses, the Meat and Fish Institute (EBK), meat product producer facilities and catering facilities are eligible to receive import control certificates for red meat imports. According to official sources, the red meat should not contain "any residue and should be obtained from cattle that are 30 months or younger". (Note: details on "residues" have not been provided).