



# **Grain-Oilseed Market Index (GOMAI) Soybean Report**

Prepared for:

**North American Export Grain Association**

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## North American Export Grain Association

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## 1. EXECUTIVE SUMMARY

The Grain-Oilseed Market Access Index (GOMAI) report is a collaborative effort between the North American Export Grain Association and the U.S. Soybean Export Council to document and quantify barriers to US grain and oilseed products in international markets.

This report updates similar analyses performed from 2004 to 2010 and highlights some of the changes that have taken place. It reflects market access conditions for US grains and oilseeds in 39 countries as of the end of 2011. The earlier reports reflected conditions in varying numbers of countries as of the end of 2003, 2004, 2005, 2007, 2008 and 2009. The resulting database and market access indexes from these studies are used to:

- focus attention on the most egregious market access barriers,
- allow one to measure progress over time in improving market access,
- facilitate comparisons among countries and among commodities, and
- provide the information in a form conducive to its most effective use.

Market access is a necessary condition but not a sufficient one for generating US grain and oilseed exports to a particular country. There may also be a general lack of import demand, or economic disruption due to wars, uprisings or recessions, or an importing country may have a very open market but its buyers choose to purchase supplies from a competing exporter due to lower transportation costs or other factors.

Therefore US cooperators focus their efforts on a range of objectives that include expanding or maintaining demand in target markets (a bigger pie), expanding US market share (a bigger slice of that pie), and achieving greater market access (a seat at the table).

Three countries are added to the study this year - Australia, Dominican Republic, and Tunisia - bringing the total to 39. In the last report, eight had been added: Lebanon, Libya, Nigeria, Romania, Sudan, Syria, Trinidad & Tobago, and Yemen. Six commodities are covered: wheat, corn, soybeans, soybean oil, soybean meal, and distillers dried grains. Durum and common wheat are again treated as a single category for scoring purposes this year, as are crude and refined soybean oil. However, in the accompanying Excel file we maintain separate sets of information for those commodities.

The Excel database that accompanies this report organizes market access barriers into three broad categories: tariffs and other price measures, quotas and other quantity measures, and technical or procedural measures. Each barrier is scored on a scale of zero to six, where zero means imports are prevented, and six indicates that imports are unrestricted. We surveyed USSEC staff and NAECA consultants in order to get scores that might serve as a reality check on scores derived from our market access database. We updated that database from secondary sources and insights gained from survey results. From analysis of the revised database, we updated the set of market access indexes

## I.1 The big picture

On balance, access to foreign markets for US grains and oilseeds improved somewhat over the course of 2010 and 2011. Formal tariff barriers were mostly unchanged or less onerous, and in many cases were suspended due to the high world market prices. Quantitative and technical barriers tended to be reduced during the period. US exports also benefited from the production problems in a number of other major exporting countries.

The global economic slowdown and concerns about the financial system affected commodity trade in 2009 by cutting deeply into trade financing as well as influencing governments' attitudes towards imports. Conditions improved in 2010 and 2011. The World Trade Organization reports that world trade rebounded by 14% in 2010 after a 12% decline in 2009. Trade in agricultural products was up 7.5% after a 2.5% decline in 2009. Growth in trade continued in 2011 but the final results are not yet in.

## I.2 Summary of database results

The average ratings from the database using the 0-6 scale are shown in the table below. In our scores for the end of 2005 and 2007, price measures were the most serious barrier; quantity measures the least serious, and technical and procedural somewhere in between. For 2008, the average score for quantity measures was unchanged and the average for price measures rose for the second year in a row as a number of countries reduced tariff protection, partly due to high world market prices. The average score for technical measures fell again slightly as some countries resorted more to this type of barrier.

Looking at the situation at the end of 2009, the same pattern continued: the average score on price measures rose slightly to 4.3 from 4.2 a year earlier, while the average for quantity measures fell a tenth of a percent to 5.4 and the average for technical measures fell two tenths to 3.5. The increase in price measures was mostly due to the more lenient scoring of value added taxes that we adopted in response to a critique of the methodology. Of course at a more disaggregated level, each year there are many significant differences in scoring for particular commodities in various countries.

With the passage of two more years, the changes in scoring were again small. The averages for price and technical measures for 2011 went up by a tenth of a point, while the average for quantity measures declined by a tenth of a point.

	Database
Price measures	4.4
Quantity measures	5.3
Technical measures	3.6

However, if one takes into account the fact that the commodities not included in this year's report generally had higher scores two years ago than those we do cover, one concludes that there was actually a noticeable improvement in market access for these six commodities. (The

products that are not covered this time are barley, sorghum, malt, ethanol, and corn gluten feed and meal.)

One reason that scores for the six are higher is that we have been in a period of high world prices for grain and oilseeds, and other exporters were more constrained by poor crops in 2010. Thus many importing countries eliminated or relaxed the various market access barriers because they needed the imports and they were coming in at prices that did not undermine domestic markets in any way. We tried to reflect the official tariffs in the scoring, even if suspended, but we did grade barriers less severely if the country was actually importing a significant volume of US product.

Agralytica analysts' scoring of the database was converted to the 100-point scale we use for the market access indexes. Index scores were generally higher than two years ago. Brazil and India received the lowest scores, at 11.4 and 10.3, respectively. Of the three new countries covered, Australia and Dominican Republic had high scores, in the 80s, and Tunisia scored 33.5.

Fifteen countries had scores of 70 or higher, eleven were in the 50-69 range, nine in the 30-49 range, and four had scores below 30. That last group includes Romania and Russia in addition to Brazil and India. On a commodity basis, the weighted averages across countries all ended up in a fairly narrow range, between 56.2 and 65.3, but these indexes are all up sharply from those calculated two years ago:

Product	Index Dec 2009	Index Dec 2011	Change
Wheat	35.9	58.7	+22.8
Corn	22.7	57.8	+35.1
Soybeans	47.4	65.3	+17.9
Soybean oil	37.1	56.2	+19.1
DDG	56.5	65.4	+8.9
Soybean meal	45.3	64.7	+19.4

The report compares the current market access indexes to the scoring done two years ago for the situation at the end of 2009. It includes only those countries and commodities common to both years' studies. Most of the changes in the simple average of a country's six commodity indexes are in the range of plus or minus 10 points. Only one country, Brazil, had scores fall by more than 10 points, while 9 countries had scores increase by more than 10 points. Syria registered the largest increase, followed by the European Union and Romania (a member of the EU) where there was some improvement in access for genetically modified commodities. Taiwan, Thailand and Venezuela also had significant improvements in their market access indexes.

Looking at the individual commodities, there were 10 or 11 countries with more than a 10 point index increase for wheat, corn and soybeans. There were 7 or 8 with more than a 10 point increase for soybean oil, distillers grains, and soybean meal. For each commodity there were between 2 and 4 countries with more than a 10 point index decline.

### I.3 Summary of survey results

We had fewer survey participants this time due to time constraints. For wheat and corn, each of the 39 countries was scored (except for Australian wheat). For the soybean complex we only received surveys for 15 countries. For all the surveys we received, the average unweighted ratings across all the responses for the three classes of market access barrier were as follows:

	Survey
Price measures	4.1
Quantity measures	4.4
Technical measures	4.1

These averages are unchanged from two years ago for price measures, and up by a tenth of a point for quantity and technical measures. But again we note that the prior study covered additional commodities, so the averages are not strictly comparable.

The averages are unweighted by the importance of consumption in or trade with different countries or by the relative importance of the different commodities in US or world trade. But they provide a general indication that, in the collective judgment of survey respondents, quantity and technical measures have become a bit less of a market access barrier for these US exports.

This year's survey results on the 100 point index scale confirm the wide disparity in market access among countries. For the average of the six commodities, twelve countries have scores of 70 or above and these include major trading partners like Japan, Taiwan and South Korea. Six countries have scores below 30, including major countries like Brazil, China and Russia. A dozen countries have index scores in the 30-49 range, and the final 9 are in the 50-69 range.

In terms of the individual commodities, the weighted average index scores across the 39 countries are in the mid-40s for wheat and corn, and the mid to upper 80s for the soybean complex. No survey scores were submitted for DDGs. The comparisons to the weighted averages in the survey two years ago are as follows:

Product	Index Dec 2009	Index Dec 2011	Change
Wheat	30.7	45.8	+15.1
Corn	40.8	46.1	+5.3
Soybeans	53.8	86.9	+33.1
Soybean oil	43.5	83.2	+39.7
DDG	51.0	-	-
Soybean meal	61.6	89.7	+28.1

### I.4 Comparison of survey and database results

The broad similarities between the average results of the two approaches clearly disguise some larger differences in assessing market access barriers at the level of country-commodity combinations. This was probably inevitable given the different resources that each group brought

to the task. Agralytica analysts applied some specific rules, working from a broad set of information including what had been highlighted by the survey respondents. The latter group was asked for subjective assessments of the relative importance of the three types of access barriers. Their responses were necessarily and appropriately colored by their own experiences in working in the trenches of market development.

Charts are provided that show how each commodity was scored across the 39 countries, ranked from most protective at the bottom of the chart to most open at the top. When one gets down to this level of commodity-country pairs, there can be significant changes in the ranking of the countries in these charts. This is mostly due to changes in the countries' individual scores, but is also influenced by the addition of three countries.

For each country we provide a two-page discussion including a figure showing both the survey and database indexes on a commodity by commodity basis. The commodities are ranked using the database indexes, with the most protected commodity at the bottom of the chart, and those for which there is better market access for US origin material at the top. The corresponding index from the survey is shown as the upper, lighter bar of each pair (or the light blue bar if viewed in color). An "NR" indicates that there was no survey response for that commodity-country pairing. If there is no bar at all and no "NR", the index is zero, implying virtually no access to that market for the US product. Each chart is accompanied by brief commentary on the market access picture and the grain-oilseed situation in the country, with the relevant supply-demand balance, if available, from USDA's PSD online database.

## 2. METHODOLOGY

This section reviews the methodology for the different parts of the project: the survey of experts, analysis of the survey results, desk research for constructing the database, scoring of the database, and preparation of the final market access indexes. We used the same methodology for database scoring as in the reports prepared in 2004 - 2010. The survey and database now cover the 39 countries listed in the following table, with the newly added countries shown in italics.

Algeria	Indonesia	Russia
<i>Australia</i>	Iraq	Saudi Arabia
Brazil	Japan	South Korea
Canada	Lebanon	Sudan
China	Libya	Syria
Colombia	Malaysia	Taiwan
Costa Rica	Mexico	Thailand
<i>Dominican Rep.</i>	Morocco	Trinidad
Ecuador	Nigeria	<i>Tunisia</i>
Egypt	Pakistan	Turkey
European Union	Peru	Venezuela
Guatemala	Philippines	Vietnam
India	Romania	Yemen

Six commodities in the wheat, coarse grain and soybean sectors are included:

Wheat	Soybean oil
Soybeans	Corn
Soybean meal	Brewers & distillers dried grains

### 2.1 Survey methodology

We e-mailed the survey to the country directors of the U.S. Soybean Export Council in early January. In addition, one NAEGA trade consultant completed surveys on wheat and corn for the targeted countries. The survey and instructions sent to USSEC staff are included as an example in Annex A.

The very compressed one-month timeframe for the project precluded a broader survey of attaches and cooperator staff.

The survey asked respondents to rate three categories of market access barrier on a scale of “0 to 6” where “0” was virtually no access and “6” was unfettered access. The three categories were the following:

**Price measures** like tariffs, import fees, taxes, etc.

**Quantity measures** like quotas, import licensing, monopoly purchasers, etc., and

**Technical or procedural measures** that make trade more difficult, expensive, or risky like customs procedures, sanitary and phytosanitary regulations, corruption, etc.

In addition, the survey asked respondents to identify the one or two primary barriers in each of those three categories that market development work should focus on eliminating.

## 2.2 Database scoring and aggregation

We group trade barriers in five categories in the database:

**Tariffs**

**Other price measures** like import fees, customs charges, taxes, etc.

**Quotas**

**Other quantity measures** like import licensing, monopoly purchasers, etc., and

**Technical or procedural measures** that make trade more difficult, expensive, or risky like customs procedures, sanitary and phytosanitary regulations, corruption, etc.

While we now score the database using a zero to six scale, rather than the one to seven scale used in prior years, we still convert those results to a zero to 100 scale by the same method, described below in Section 2.4.4. For purposes of summarizing and analyzing the results, one has to weight the responses for each country-commodity pair, for each commodity across all countries, and for each country across all the commodities. The procedures used are reviewed below.

**Weights for commodity-country pairs.** We again simply weighted the three measures - price, quantity, and technical - equally in calculating the average index for a commodity in a particular country, in the absence of a rationale for any alternative set of unequal weights.

**Weights for a commodity across all countries.** Quantities of production, consumption or trade are the obvious alternative weighting factors for coming up with a single market access index for US exports of a commodity to this set of 39 countries. Using trade data would underweight countries that successfully block or limit imports from the United States. Therefore, where possible, we again used total domestic disappearance in 2010/11 from USDA's PS&D database. In the case of DDG we used total consumption of corn, barley and sorghum. Since soybean meal and oil compete with a wide range of oilseed meals and fats and oils, we used Oil World's 2010/11 domestic disappearance of those broader categories as weights.

**Weights for a country across all commodities.** Since some of these commodities have markedly different unit values, using quantities as weights is less appropriate. Yet the value of domestic use is generally not available. We therefore use a simple average of the indexes for each commodity.

## 2.3 Database research methodology

In constructing the database we drew on the same wide range of materials we have used in the past. For the bulk of the information, we relied on six main sources: the Foreign Agriculture Service (FAS),

the US Trade Representative (USTR), the Department of Commerce (DOC), the Animal and Plant Health Inspection Service (APHIS), and the International Customs Tariff Bureau and a multitude of other tariff sources. Where available, we also relied on specific country government or regional trade association websites and material from the Economist Intelligence Unit.

### 2.3.1 FAS

For nearly every country, we used the 2010 and 2011 Grain and Oilseed attaché reports, the most recent FAIRS reports, and any other relevant reports. In general, the attaches provided useful information regarding tariffs and other trade policy issues. However, some reports provided little or no information. The FAIRS reports provided some useful technical information and occasionally provided tariff measures. All reports can be found at the following web link:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>.

### 2.3.2 USTR

The USTR's 2010 and 2011 National Trade Estimate Reports on Foreign Trade Barriers provided general trade barrier information by country. Reports were published for many countries, but there was no information for some countries. We also used the most recent USGC and USWA submissions to USTR on trade barriers of concern.

The reports included the most restrictive measures in place that affect US market access. Such measures included tariff and non-tariff price measures, quantitative measures (quotas, licenses, and import bans), and technical measures (SPS, biotechnology regulation, customs procedures, and corruption).

In addition to other sectors, the reports addressed general agriculture issues. However, there was a commodity focus if significant commodity-specific barriers existed. They can be accessed at:

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2009/2009-national-trade-estimate-report-foreign-trad>

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2010>

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2011>

### 2.3.3 DOC

The Commerce Department's export.gov site provides some overview information related to trade. The information from export.gov is useful to see overall trade patterns and where exports are going by HS chapter. While the information provided is excellent, it is not detailed enough to analyze more than one chapter at a time, or compare HS chapters.

<http://tse.export.gov/>

The more useful tool is the Customs Info Database, which is free if accessed through the export.gov site at the following link:

[http://export.gov/logistics/eg\\_main\\_018130.asp](http://export.gov/logistics/eg_main_018130.asp)

Additional country reports were available for nearly every country and can be found under country information at <http://www.export.customsinfo.com/default.aspx>

#### **2.3.4 APHIS**

APHIS and Plant Protection and Quarantine (PPQ) operate the Phytosanitary Certificate Issuance and Tracking System (PCIT), which maintains the Phytosanitary Export database. This database covers the most recent sanitary and phytosanitary requirements for imported plants by country.

<https://pcit.aphis.usda.gov/PExD/faces/ViewPExD.jsp>

#### **2.3.5 Tariff Information**

Tariff information was the most difficult to compile. Since our last report the centralized tariff databases we had been using have either gone out of business, or converted to subscription services. Unfortunately, these subscriptions cost many thousands of dollars, and several would have to be used for a complete dataset. The costs are prohibitive. Because of the difficulty of obtaining accurate and up to date tariff information we tried to use at least two sources to verify the current applied tariff rates. In many cases this was impossible because of conflicting information so, it was decided in those cases to use the most recent data. If the USDA reports contained tariff information, it was considered the most up to date.

We used the International Customs Tariff Bureau extensively. The BITD has PDF's of the official published tariff schedule of many countries.

<http://www.bitd.org/HomePage.aspx>

For some of the missing countries we used the information on Canada's Foreign Affairs and International Trade Website.

[http://www.international.gc.ca/trade-agreements-accords-commerciaux/goods-produits/ac\\_link.aspx?lang=eng](http://www.international.gc.ca/trade-agreements-accords-commerciaux/goods-produits/ac_link.aspx?lang=eng)

In many cases the tariff schedule of a country is published online. Canada's site links directly to many of those online publications. In other cases we had to find the tariff schedule on the official government website. We cross referenced the published information with the unified WITS database when possible. The WITS dataset contains the UNCTAD-TRAINS databases, the UNSD COMTRADE database, and the WTO's IDB and CTS databases. Many parts of this database are accessed only with a donation of \$5,000; however, the WTO part of the dataset is freely available -

<http://wits.worldbank.org/witsweb/>

### **2.4 Protocols for scoring the database: prior method**

First of all, it is important to remember that we were trying to assess conditions as of the end of 2011. We note any changes scheduled to take place in early 2012, but the scores are based on rules and practices in effect in December 2011.

In each of the three classes of barrier, every country started as a six and then we applied a series of deductions, as outlined below, based on the particular market access barriers identified in the database.

While traders might view a particular measure as simply a cost of doing business rather than an effective market access barrier, e.g. a 10% tariff that applies to imports from all countries, we treated all measures that discourage imports of US products as market access barriers to one degree or another.

#### 2.4.1 Price measures

Tariffs are the main barrier and in most cases are specified in percentage terms. However there are also tariffs of fixed amounts per unit, and variable tariffs such as those under the Andean Price Band system. Other price-related measures to be taken into account in some way include taxes (VAT, excise, sales, etc.), advance payment requirements, foreign exchange controls, and tariff preferences for competitors. We used the following rules of thumb in scoring the price measures in the database:

For tariffs, the deductions were as follows:

Tariff (%)	Penalty
0	0
1-10	-1
11-20	-2
21-30	-3
31-40	-4
41-50	-5
> 50	-6

For absolute rather than percentage tariffs, we converted to a percentage basis using representative recent market prices (average US export values for 2011 plus estimated transportation costs).

For variable tariffs like the Andean Price Band system, we deducted an additional one point beyond those called for by the base tariff level because this type of system tends to keep prices stable in the country using it while forcing all the market adjustment onto other importers and exporters. In addition, if there were tariff preferences for significant competing suppliers, we deducted one.

For VAT and other taxes that are applied to both domestic and imported products, we deduct nothing if the tax is 15% or less and 0.5 if more than 15%. If they applied only to imports, we treated them as an additional tariff.

For advance payment requirements or foreign exchange controls, we deducted 0.5.

#### 2.4.2 Quantity measures

The basic quantity barriers are tariff rate quotas, which may or may not be restrictive. In addition, various countries have import licensing, local purchase requirements, monopoly purchasers or other measures that potentially limit trade.

If there is an import ban, we deducted 6. If there is a TRQ, we deducted at least one, and as much as 5 depending on the degree of restrictiveness.

For import licensing, import permits, preshipment authorization, a monopoly purchaser, or a domestic purchase requirement, we deducted one in each instance.

#### 2.4.3 Technical and procedural measures

For the countries under study, the measures most frequently mentioned were SPS barriers (inspections, quarantine, testing), GMO labeling or sensitivity, and corruption.

For corruption, we deducted one if the country's score on the Transparency International list was below 3.0 in 2008. We deducted 0.5 if the score was between 3.0 and 4.0.

For GMO labeling requirements, we deducted one if there is a 5% or more threshold, 3 if there is a 1% or less threshold, and 2 if between 1% and 5%. For bans on varieties approved in the United States that tend to preclude trade, we deducted up to 6 depending on impact. If customs procedures were mentioned, we deducted one. For SPS barriers (inspections, quarantine, testing) we deducted 1-3 depending on severity.

We viewed these as rules of thumb. In some cases the deductions added up to more than six but our rating scale constrained us to a rating no less than zero. In other cases where we ended up with a rating of zero but there was still a significant level of US exports to the country, we adjusted the rating upwards to a one or two.

#### 2.4.4 Conversion to a 100-point scale

In converting the ratings to an index, we decided in 2004 to insure that in cases where imports were effectively blocked by some access measure and the rating was a "1" on the one-to-seven scale used then that the index would be zero. This year we accomplished this by adding "1" to each score of 0 to 6, taking the natural logarithm of the result, and multiplying the three natural logs together to get a converted average survey score. Since the natural log of one is zero, this ensured that a closed market received a zero score.

A perfect rating of three sevens would translate into 7.368 when the three natural logs of 1.946 are multiplied together. To convert this and all other combinations to a 100-point scale, we divided 100 by 7.368, getting 13.572 and then multiplied this factor times all the converted average survey scores.

The resulting scale is slightly non-linear, giving a downward bias to the scores. For example, three threes, which one can think of as the midpoint of a 0 to 6 scale, translate into a rounded score of 36. Three fours yield a score of 57. Another result is that the more dispersed the three ratings are, the lower the index. A 5, 4 and 3 will yield an index of 54 while a 6, 4 and 2 result in a 47. Yet the average of the three ratings in both cases is 5. This has the effect of giving a heavier weight to a low rating.

## 2.5 Preparation of the final indexes

The ratings that we gave each country for the three types of market access barrier are preserved in an Excel file provided separately to study sponsors. After conversion to a 100-point scale as described above, the resulting market access indexes based on our analysis of the database are presented in tables and charts in the following discussion of the results.

### 3. REVIEW OF RESULTS

#### 3.1 Database results

The average ratings from the database are shown in the table below. In our scores for the end of 2005 and 2007, price measures were the most serious barrier; quantity measures the least serious, and technical and procedural somewhere in between. For 2008, the average score for quantity measures was unchanged and the average for price measures rose for the second year in a row as a number of countries reduced tariff protection, partly due to high world market prices. The average score for technical measures fell again slightly as some countries resorted more to this type of barrier.

Looking at the situation at the end of 2009, the same pattern continued: the average score on price measures rose slightly to 4.3 from 4.2 a year earlier, while the average for quantity measures fell a tenth of a percent to 5.4 and the average for technical measures fell two tenths to 3.5. The increase in price measures was mostly due to the more lenient scoring of value added taxes that we adopted in response to a critique of the methodology. Of course at a more disaggregated level, each year there are many significant differences in scoring for particular commodities in various countries.

With the passage of two more years, the changes in scoring were again small. The averages for price and technical measures for 2011 went up by a tenth of a point, while the average for quantity measures declined by a tenth of a point. However, if one takes into account the fact that the commodities not included in this year's report generally had higher scores for 2009 than those we did cover, one concludes that there was actually a noticeable improvement in market access for these six commodities.

	Database
Price measures	4.4
Quantity measures	5.3
Technical measures	3.6

One reason that scores for the six are higher is that we have been in a period of high world prices for grain and oilseeds, and other exporters were more constrained by poor crops in 2010. Thus many importing countries eliminated or relaxed the various market access barriers because they needed the imports and they were coming in at prices that did not undermine domestic markets in any way. We tried to reflect the official tariffs in the scoring, even if suspended, but we did grade barriers less severely if the country was actually importing a significant volume of US product.

Table 1 presents the results of Agralytica analysts' scoring of the database on the 100-point scale we use for the market access indexes, following the procedures described in Section 2. Brazil and India received the lowest scores, at 11.4 and 10.3, respectively. Of the three new countries covered, Australia and Dominican Republic had high scores, in the 80s, and Tunisia scored 33.5.

Fifteen countries had scores of 70 or higher, eleven were in the 50-69 range, nine in the 30-49 range, and four had scores below 30. That last group includes Romania and Russia in addition to Brazil and

India. On a commodity basis, the weighted averages across countries all ended up in a fairly narrow range, between 56.2 and 65.3, but these indexes are all up sharply from those calculated two years ago. This is due to a combination of real improvements in market access, and the nonlinear effects of raising some very low scores, as discussed in Section 2.4.4.

Product	Index Dec 2009	Index Dec 2011	Change
Wheat	35.9	58.7	+22.8
Corn	22.7	57.8	+35.1
Soybeans	47.4	65.3	+17.9
Soybean oil	37.1	56.2	+19.1
DDG	56.5	65.4	+8.9
Soybean meal	45.3	64.7	+19.4

Table 2 shows the change by commodity and country in each score from the scoring done two years ago for the situation at the end of 2009. It includes only those countries and commodities common to both years' studies. Here the specifics of improvement in market access for these commodities become a little more obvious.

Looking at the final column that shows the simple average of the changes in scores for each commodity, one sees that most are in the range of plus or minus 10 points. Only one country, Brazil, had scores fall by more than 10 points, while 9 countries had scores increase by more than 10 points. Syria registered the largest increase, followed by the European Union and Romania (which is a member of the EU) where there was some improvement in access for genetically modified commodities. Taiwan, Thailand and Venezuela also had significant improvements in their market access indexes. (One should take into account the fact that our logarithmic method of developing the 100-point scale exaggerates the changes to a certain extent at lower levels of scoring.)

Looking at the individual commodities, there were 10 or 11 countries with more than a 10 point index increase for wheat, corn and soybeans. There were 7 or 8 with more than a 10 point increase for soybean oil, distillers grains, and soybean meal. For each commodity there were between 2 and 4 countries with more than a 10 point index decline.

### 3.2 Survey results

We had fewer survey participants this time due to time constraints. For wheat and corn, each of the 39 countries was scored (except for Australian wheat). For the soybean complex we only received surveys for 15 countries. For all the surveys we received, the average unweighted ratings across all the responses for the three classes of market access barrier were as follows:

	Survey
Price measures	4.1
Quantity measures	4.4
Technical measures	4.1

These averages are unchanged from two years ago for price measures, and up by a tenth of a point for quantity and technical measures. But again we note that the prior study covered additional commodities, so the averages are not strictly comparable.

The averages are unweighted by the importance of consumption in or trade with different countries or by the relative importance of the different commodities in US or world trade. But they provide a general indication that, in the collective judgment of survey respondents, quantity and technical measures have become a bit less of a market access barrier for these US exports.

This year's survey results on the 100 point index scale are shown in Table 3. Looking at the simple averages of the commodity scores for each country in the right hand column, it is clear that there is a wide disparity in market access among countries. Twelve countries have scores of 70 or above and these include major trading partners like Japan, Taiwan and South Korea. Six countries have scores below 30, including major countries like Brazil, China and Russia. A dozen countries have index scores in the 30-49 range, and the final 9 are in the 50-69 range.

In terms of the individual commodities, the weighted average index scores across the 39 countries are in the mid-40s for wheat and corn, and the mid to upper 80s for the soybean complex. No survey scores were submitted for DDGs. The comparisons to the weighted averages in the survey two years ago are as follows:

Product	Index Dec 2009	Index Dec 2011	Change
Wheat	30.7	45.8	+15.1
Corn	40.8	46.1	+5.3
Soybeans	53.8	86.9	+33.1
Soybean oil	43.5	83.2	+39.7
DDG	51.0	-	-
Soybean meal	61.6	89.7	+28.1

### 3.3 Comparison of survey and database results

The broad similarities between the average results of the two approaches clearly disguise some larger differences in assessing market access barriers at the level of country-commodity combinations. This was probably inevitable given the different resources that each group brought to the task. Agralytica analysts applied some specific rules, working from a broad set of information including what had been highlighted by the survey respondents. The latter group was asked for subjective assessments of the relative importance of the three types of access barriers. Their responses were necessarily and appropriately colored by their own experiences in working in the trenches of market development.

We used the database scorings in Table 1 to construct Figures A-1 to A-3. These charts show how soybeans, soybean meal and soybean oil were scored across the 39 countries, ranked from most protective at the bottom of the chart to most open at the top. When one gets down to this level of commodity-country pairs, there are significant changes in the ranking of the countries in these

charts. This is mostly due to changes in the countries' individual scores, but is also influenced by the addition of three countries.

For each country we provide a two-page discussion including a figure showing both the survey and database indexes on a commodity by commodity basis. The commodities are ranked using the database indexes, with the most protected commodity at the bottom of the chart, and those for which there is better market access for US origin material at the top. The corresponding index from the survey is shown as the lower, lighter bar of each pair (or the light blue bar if viewed in color). An "NR" indicates that there was no survey response for that commodity-country pairing. If there is no bar at all and no "NR", the index is zero, implying virtually no access to that market for US product. Each chart is accompanied by brief commentary on the market access picture and the grain-oilseed situation in the country, with the relevant supply-demand balance, if available, from USDA's PSD online database.

Table 1: Average market access rating - database for end of 2011

Average rating	Wheat	Corn	Soybean	SBO	DDG	SBM	Average
Algeria	47.6	76.2	76.2	72.5	53.2	68.4	65.7
Australia	79.6	79.6	88.6	92.1	79.6	79.6	83.1
Brazil	15.4	0.0	12.4	14.8	16.8	9.0	11.4
Canada	68.5	84.3	96.2	96.2	96.2	96.2	89.6
China	27.9	27.9	76.8	56.6	80.7	84.3	59.0
Colombia	59.9	35.2	46.6	41.7	68.5	41.7	48.9
Costa Rica	92.1	84.8	92.1	92.1	92.1	92.1	90.9
Dominican Republic	82.7	82.7	82.7	92.1	92.1	92.1	87.4
Ecuador	50.8	40.2	45.9	45.9	82.7	29.8	49.2
Egypt	68.5	68.5	71.2	65.6	65.6	65.6	67.5
EU	28.7	47.9	40.2	0.0	52.0	31.9	33.4
Guatemala	77.3	67.7	77.3	82.7	87.6	82.7	79.2
India	0.0	0.0	0.0	13.9	29.4	18.5	10.3
Indonesia	68.5	65.6	59.3	47.1	82.7	82.7	67.7
Iraq	70.7	77.6	80.7	80.7	72.5	80.7	77.1
Japan	76.2	63.0	82.7	65.6	92.1	92.1	78.6
Lebanon	76.2	65.6	65.6	72.5	62.4	62.4	67.4
Libya	71.2	71.2	71.2	77.3	71.2	71.2	72.3
Malaysia	84.8	84.8	84.8	78.1	100.0	100.0	88.7
Mexico	77.3	71.2	71.2	87.6	82.7	71.2	76.9
Morocco	28.7	80.7	87.6	84.3	80.7	72.5	72.4
Nigeria	68.4	58.9	58.9	29.5	68.4	58.9	57.2
Pakistan	44.5	25.8	79.6	72.5	0.0	72.5	49.1
Peru	84.3	77.6	87.6	92.5	92.5	92.5	87.8
Philippines	63.0	21.0	70.1	70.1	70.1	76.2	61.8
Romania	28.7	47.9	32.8	0.0	30.2	30.2	28.3
Russia	27.1	30.2	30.2	23.4	27.1	27.1	27.5
Saudi Arabia	92.1	92.1	92.1	84.8	84.8	92.1	89.6
South Korea	60.4	60.4	65.6	54.3	54.3	54.3	58.2
Sudan	46.7	46.7	43.6	27.5	43.6	43.6	42.0
Syria	65.6	65.6	65.6	65.6	65.6	65.6	65.6
Taiwan	72.5	62.4	68.5	72.5	68.5	68.5	68.8
Thailand	71.2	42.0	54.3	0.0	65.6	51.6	47.5
Trinidad	87.6	87.6	87.6	54.3	96.2	87.6	83.5
Tunisia	9.0	48.7	58.9	9.0	21.0	54.3	33.5
Turkey	23.9	28.7	60.4	0.0	57.5	42.2	35.4
Venezuela	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Vietnam	82.7	82.7	82.7	76.2	65.6	82.7	78.8
Yemen	70.1	63.0	63.0	63.0	63.0	63.0	64.2
<b>Weighted average</b>	<b>58.7</b>	<b>57.8</b>	<b>65.3</b>	<b>56.2</b>	<b>65.4</b>	<b>64.7</b>	

Table 2: Change in database scores from end of 2009

Average rating	Wheat	Corn	Soybean	SBO	DDG	SBM	Average
Algeria	-4.7	-3.4	0.0	0.0	0.0	2.8	-0.9
Brazil	0.0	-15.4	-15.6	-18.7	-21.2	-11.4	-13.7
Canada	-2.7	-3.3	-3.8	-3.8	-3.8	-3.8	-3.5
China	-28.1	27.9	-3.9	-3.4	-7.9	-4.3	-3.3
Colombia	2.5	-5.7	1.1	-10.5	-3.1	-17.9	-5.6
Costa Rica	0.0	8.6	0.0	9.4	7.3	7.3	5.4
Ecuador	-8.2	23.6	34.1	31.0	11.5	-41.5	8.4
Egypt	-2.7	-2.7	0.0	-2.9	-2.9	-2.9	-2.4
EU	0.0	47.9	40.2	0.0	52.0	31.9	28.7
Guatemala	-10.3	-4.7	-10.3	-4.9	-4.5	-4.9	-6.6
India	-15.9	0.0	0.0	4.1	4.9	7.7	0.1
Indonesia	-2.7	2.5	0.0	0.0	14.2	5.4	3.2
Iraq	1.0	-3.5	-3.6	3.9	-4.3	-3.6	-1.7
Japan	25.4	9.7	0.0	0.0	0.0	26.5	10.3
Lebanon	-6.6	-5.6	-5.6	-7.1	-6.1	-6.1	-6.2
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaysia	0.0	8.6	8.6	7.9	0.0	43.5	11.5
Mexico	6.1	0.0	0.0	4.9	0.0	0.0	1.8
Morocco	-5.4	-3.6	0.0	0.0	-6.9	-8.2	-4.0
Nigeria	9.5	0.0	0.0	0.0	4.5	3.9	3.0
Pakistan	7.4	-42.7	8.3	13.5	0.0	4.1	-1.6
Peru	15.7	9.9	10.3	0.0	0.0	4.0	6.6
Philippines	8.4	2.6	18.2	-0.5	7.8	13.8	8.4
Romania	28.7	47.9	32.8	0.0	30.2	30.2	28.3
Russia	27.1	30.2	9.4	-42.2	-24.9	-3.1	-0.6
Saudi Arabia	0.0	0.0	0.0	-7.7	-7.7	-4.1	-3.3
South Korea	3.4	10.4	18.9	11.3	-15.9	6.4	5.7
Sudan	3.1	0.9	0.0	11.4	0.0	0.0	2.6
Syria	40.2	40.2	40.2	40.2	44.5	40.2	40.9
Taiwan	10.0	0.0	23.2	31.2	27.3	23.2	19.2
Thailand	25.9	11.9	54.3	0.0	16.1	0.0	18.0
Trinidad	-4.5	2.8	-4.5	-2.2	-3.8	-8.6	-3.4
Turkey	16.3	17.6	-2.7	-33.3	9.6	-18.2	-1.8
Venezuela	27.6	14.3	24.1	20.7	3.6	20.7	18.5
Vietnam	82.7	3.1	3.1	-6.6	-2.9	3.1	13.8
Yemen	15.9	5.5	5.5	5.5	5.5	5.5	7.2

Table 3: Average market access rating - survey for end of 2011

Average rating	Wheat	Corn	Soybean	SBO	DDG	SBM	Average
Algeria	16.6	22.7	100.0	100.0		100.0	67.9
Australia		38.6					38.6
Brazil	33.3	21.0					27.1
Canada	46.7	56.6					51.7
China	14.3	36.2					25.2
Colombia	43.0	43.0					43.0
Costa Rica	56.6	78.1					67.3
Dominican Republic	70.1	78.1					74.1
Ecuador	28.7	18.1					23.4
Egypt	36.2	36.2					36.2
EU	18.0	14.3	23.4	35.6		56.5	29.6
Guatemala	56.6	56.6					56.6
India	38.6	28.7					33.6
Indonesia	63.0	70.1	92.1	82.7		100.0	81.6
Iraq	56.6	56.6					56.6
Japan	56.6	56.6	100.0	82.7		100.0	79.2
Lebanon	36.2	56.6					46.4
Libya	36.2	36.2	100.0	100.0		71.2	68.7
Malaysia	48.7	38.6	100.0	71.2		100.0	71.7
Mexico	56.6	63.0					59.8
Morocco	56.6	56.6	100.0	100.0		100.0	82.6
Nigeria	78.1	56.6					67.3
Pakistan	28.7						28.7
Peru	36.2	36.2					36.2
Philippines	78.1	78.1	92.1	82.7		100.0	86.2
Romania	18.0	36.2	100.0	100.0		100.0	70.8
Russia	18.0		18.0	18.0		18.0	18.0
Saudi Arabia	56.6						56.6
South Korea	78.1	63.0	78.1	100.0		100.0	83.8
Sudan	36.2	28.7					32.4
Syria	36.2	28.7					32.4
Taiwan	78.1	70.1	100.0	100.0		100.0	89.6
Thailand	78.1	70.1	100.0	92.1		100.0	88.1
Trinidad	48.7	48.7					48.7
Tunisia	36.2	28.7	100.0	100.0		100.0	73.0
Turkey	36.2	28.7					32.4
Venezuela	36.2	36.2					36.2
Vietnam	56.6	78.1	100.0	82.7		100.0	83.5
Yemen	36.2	11.4					23.8
<b>Weighted average</b>	<b>45.8</b>	<b>46.1</b>	<b>86.9</b>	<b>83.2</b>		<b>89.7</b>	

Figure A-1

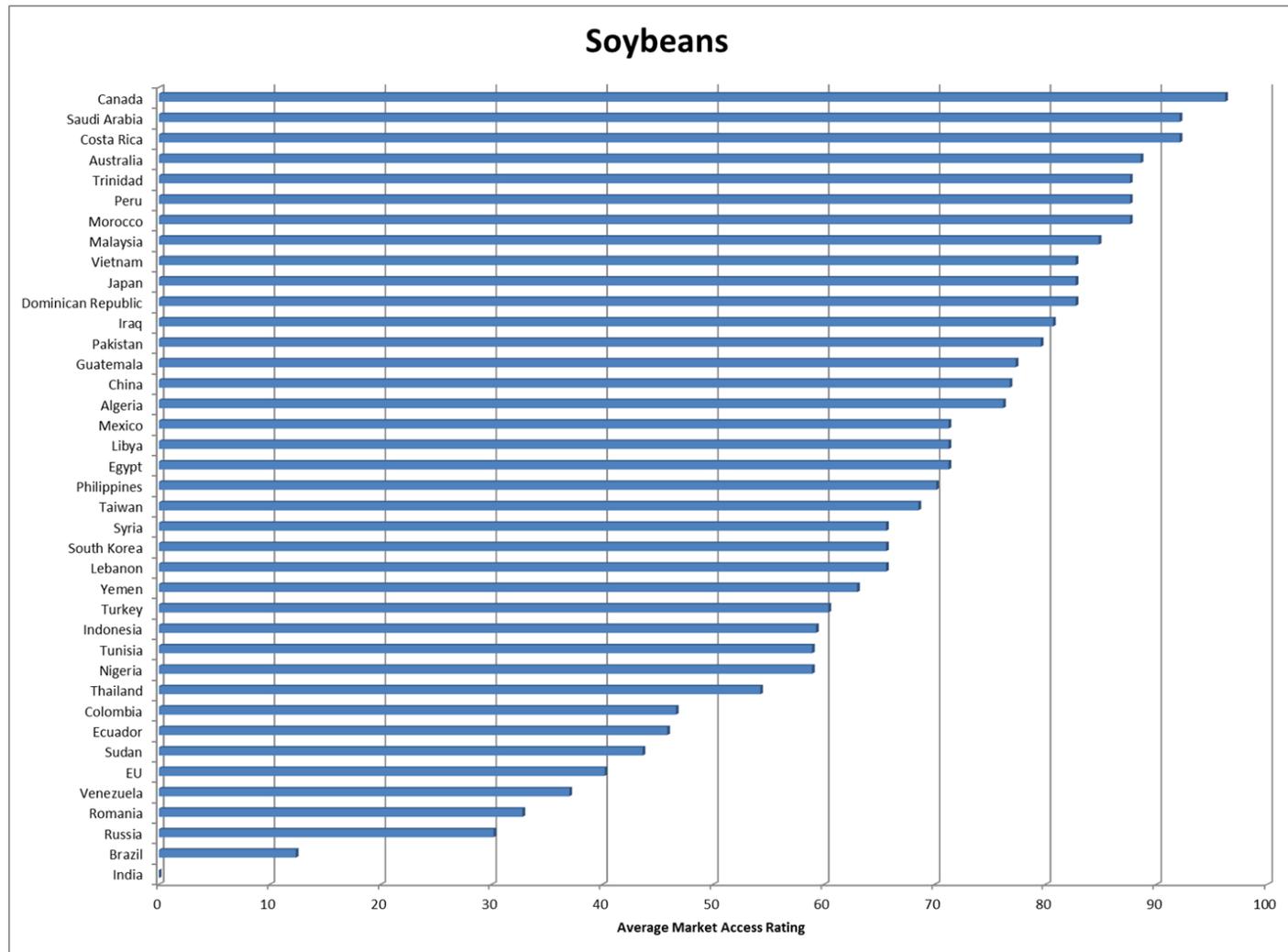


Figure A-2

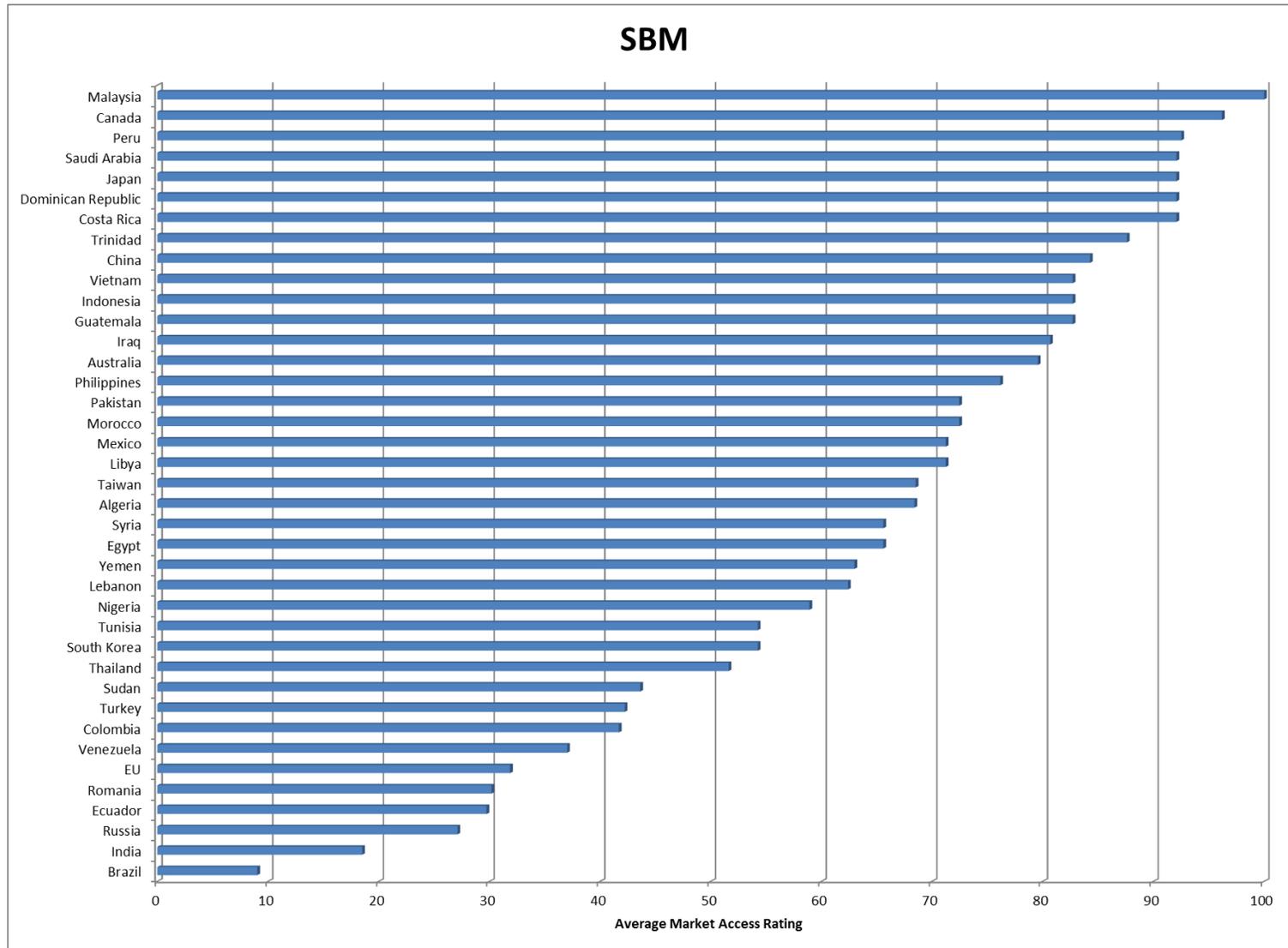
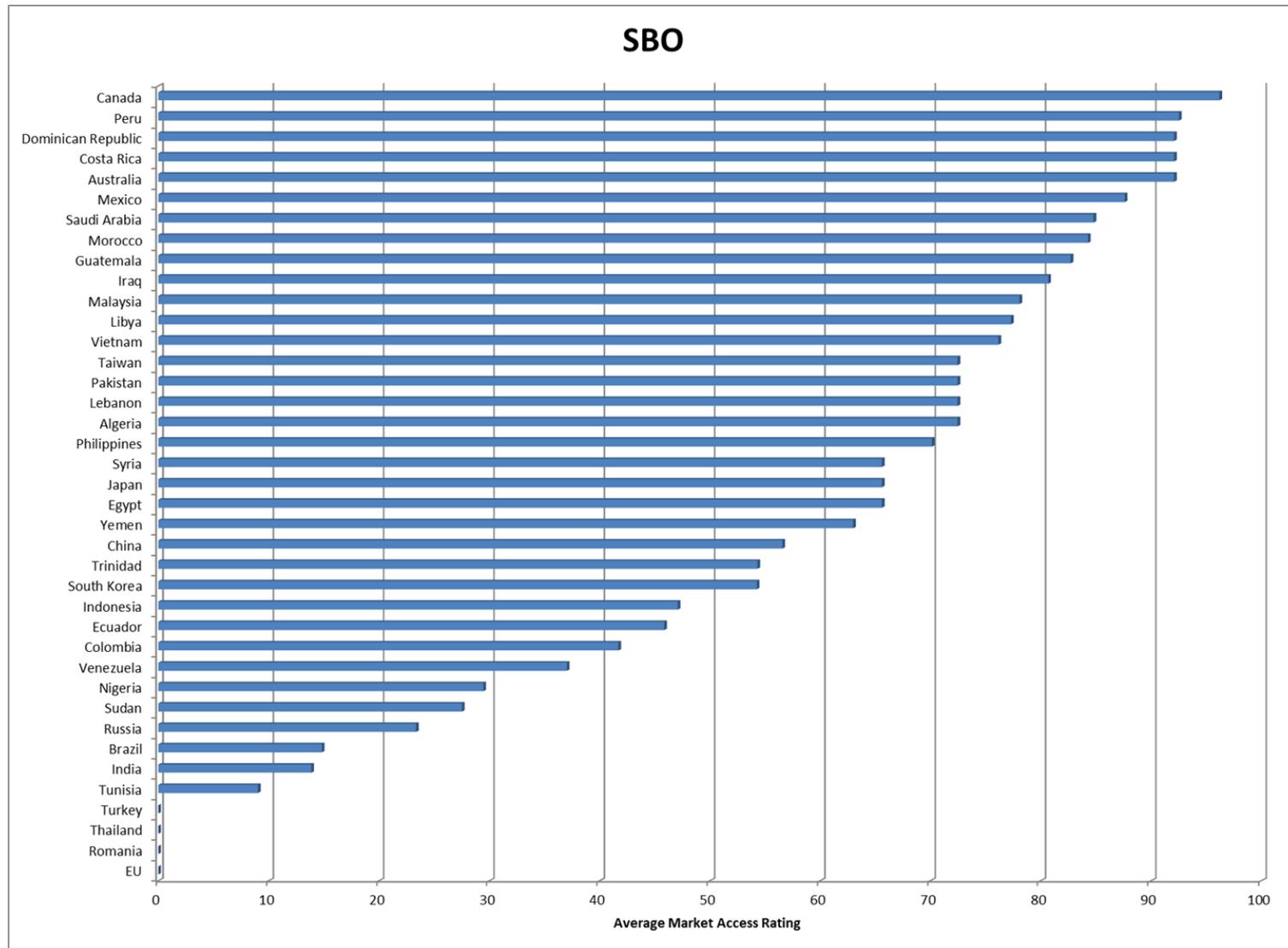
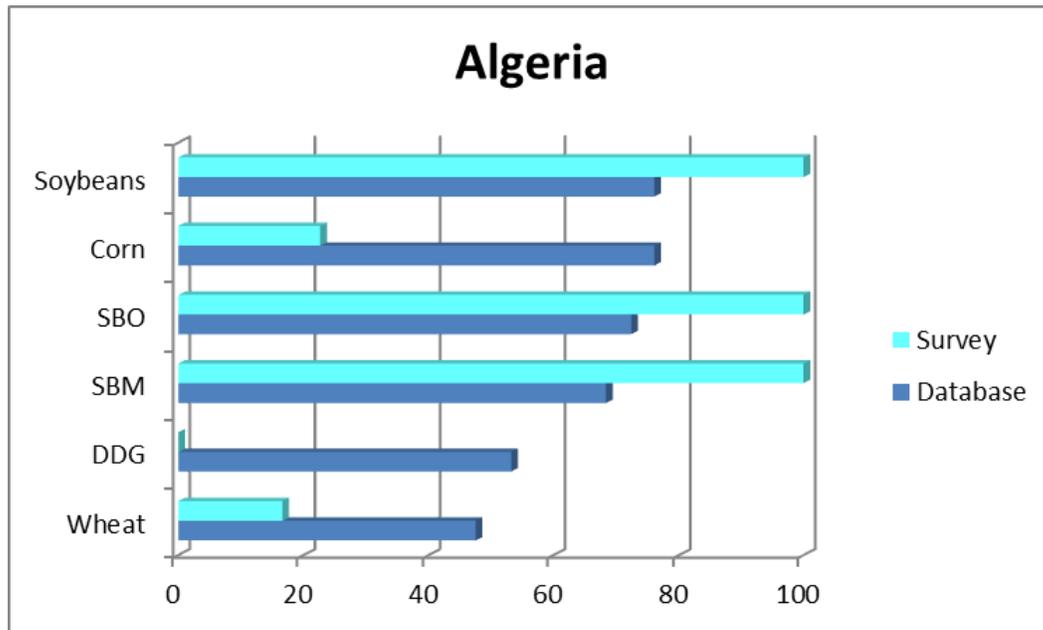


Figure A-3



## 4. COUNTRY ASSESSMENTS

### ALGERIA



#### Market access

Algerian tariffs and taxes on US agricultural commodities are low, and there are normally no quantitative restrictions. Both the Algerian Office of Grains and private sector companies import grains. The normal grain and oilseed tariffs are 5%. Exceptions include soybean oil and brewing and distilling dregs which have a 30% tariff. Occasionally, when domestic production is high, additional taxes are levied to prevent imports.

At present, there are preferential duties between Algeria and the European Union (EU), as well as with the four other countries of the Arab Maghreb Union. There is a VAT of 17% for most goods; wheat is VAT exempt, and the VAT on corn is 7%.

Algeria has relatively few technical and procedural barriers to importing, though plant health inspections and phytosanitary certificates are routinely required. Corruption remains a problem, however - Algeria scored a 2.9 on Transparency International's Corruption Perception's Index, placing it in the bottom third of the countries reviewed.

## Grain-oilseed situation

Algeria must import two-thirds of its wheat needs. It is the world's seventh-largest grain importer. The government provides price incentives to encourage local wheat procurement and imposed a tax on durum imports in August 2010 to encourage purchase of a record cereals crop in 2009. The tax was repealed in November 2011.

Argentina has been the main supplier of corn to Algeria since 2008.

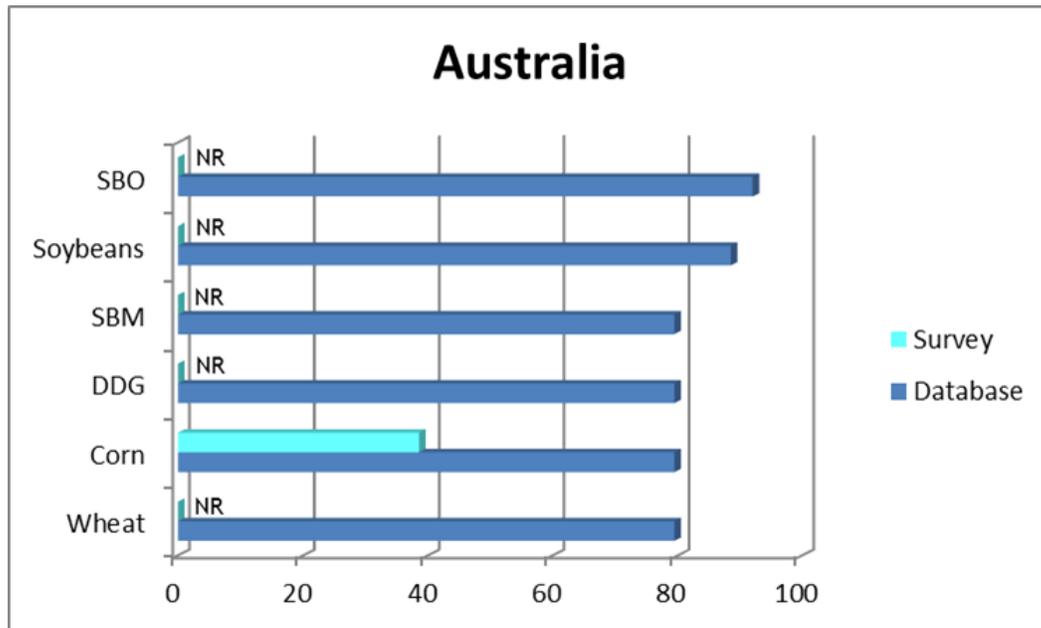
Soybean demand is driven by the poultry feed manufacturing sector. There is no crush capacity in Algeria so soybean meal is imported (just under 1 MMT in 2010). As with corn, Argentina has become the country's main supplier. Algeria has not imported soybean meal from the US since 2008.

The market for DDG's is still new in Algeria. Demand is expected to increase, however the 30% duty discourages use.

Algeria: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
TY Imports from US	40	15	5	5	5
TY Imports	724	727	850	930	950
Total Supply	724	727	850	930	950
Feed Dom. Consumption	724	727	850	930	950
Domestic Consumption	724	727	850	930	950
Total Distribution	724	727	850	930	950

Source: USDA PS&D, January 2012

## AUSTRALIA



### Market access

There are relatively few quantitative restrictions on US agricultural exports to Australia. All products in the GOMAI are duty-free, except for soybean oil which faces a 5% tariff. The two countries negotiated a free trade agreement in 2004 that removed any significant obstacles to trade in grain and oilseed products.

For some products, however, Australia's technical barriers are restrictive. Whole grain wheat except triticum tauschii is prohibited; pelted wheat is subject to SPS obstacles. Green undried soybeans for processing must be frozen or must meet other SPS requirements.

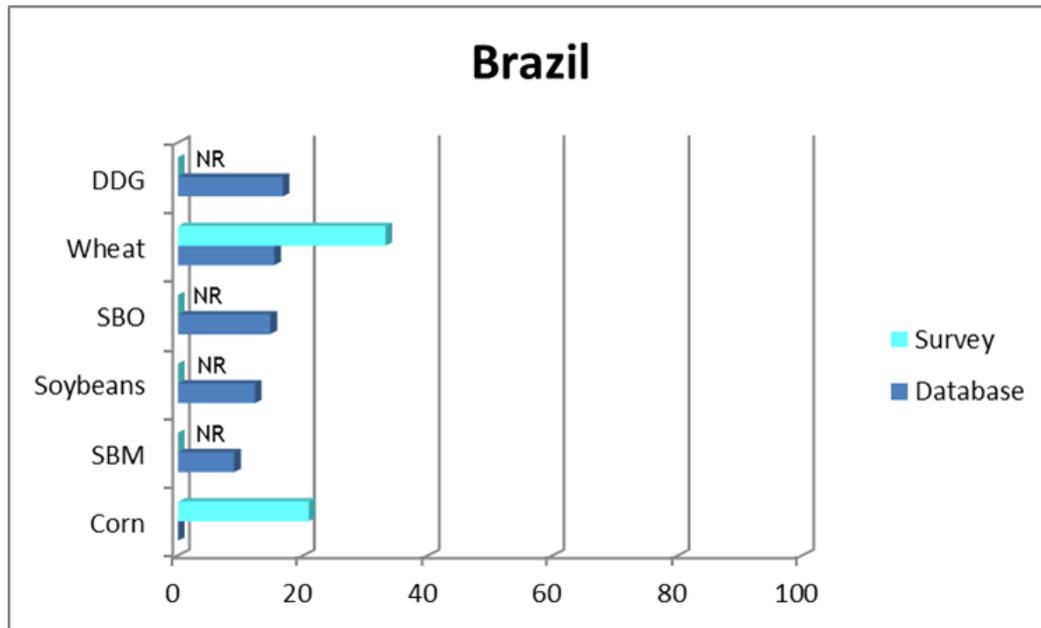
### Grain-oilseed situation

Australia is a major wheat exporter and thus imports only token quantities (100,000 MT per year). Argentina and the US are the #1 and #2 wheat exporters. Australia is also a major producer and exporter of canola, barley and sorghum. Australia produces some corn and soybeans to meet its own modest market needs, and does import soybean meal: over 500,000 MT per year, including about 50,000 tons from the United States.

Australia: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	15	45	31	20	32
Yield (mt/ha)	2.33	2.24	2.26	2.50	2.50
Beginning Stocks	12	3	9	1	1
Production	35	101	70	50	80
MY Imports from US	0	0	0	0	0
Imports	1	1	1	1	1
Total Supply	48	105	80	52	82
Exports	2	7	2	2	2
Crush	38	84	72	45	75
Feed Waste Dom. Cons.	5	5	5	4	4
Domestic Consumption	43	89	77	49	79
Ending Stocks	3	9	1	1	1

Source: USDA PS&D, January 2012

## BRAZIL



### Market access

Brazil continues to participate in the Mercosur/Mercosul common market and maintains common external tariffs on feed grains, oilseeds, and byproducts of grains and oilseeds accordingly. Tariffs are mostly in the 6-10% range. The main challenge for US exporters is not so much the tariffs but the duty-free access that Argentina and other Mercosur members have to the Brazilian market, and the fact that Brazil is itself a major producer of commodities. In 2007, Brazil reinstated stiff Merchant Marine Taxes on bulk grain imports in addition to preferential treatment for domestic producers on taxes and phytosanitary regulations.

Of all the products covered in this year's GOMAI indexes, wheat is the only product the US sold to Brazil in 2011, and even that, in relatively small quantities (just over 70,000 MT for the year ending in September). Opportunities for US wheat are generally in the June-August timeframe at Northeastern ports, and are dependent on the availability of Argentine wheat. Phytosanitary restrictions limit US wheat exports to red varieties shipped through Gulf of Mexico or Atlantic ports.

### Grain-oilseed situation

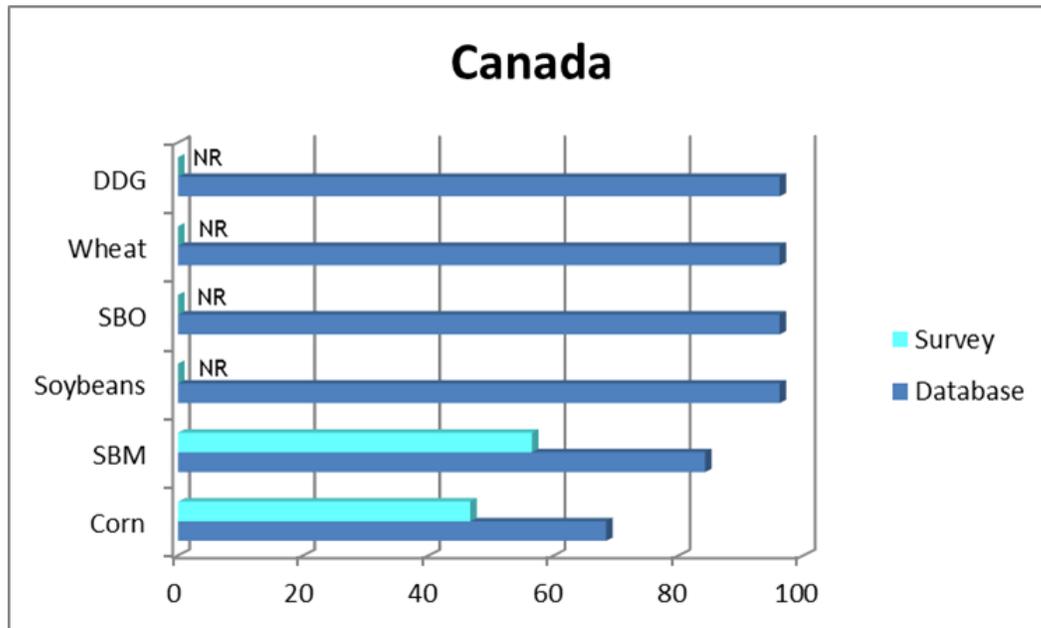
Brazil's grain and oilseed production has expanded rapidly over the past decade - record volumes of corn and soybeans were produced in 2011 - and the country has become a major competitor of the United States in world markets. Production of these two crops is projected to continue to expand as new land is brought into production to meet both export demand and the needs of their growing domestic livestock and poultry industries. The government also provides price support to farmers for several grain and oilseed commodities.

Brazil remains a major wheat importer, however, with net imports of 6-7 million tons annually, principally from Argentina.

<b>Brazil: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	21,300	21,700	23,500	24,200	25,000
Yield (mt/ha)	2.86	2.66	2.94	3.12	2.96
Beginning Stocks	18,189	18,898	12,037	15,836	22,189
Production	61,000	57,800	69,000	75,500	74,000
MY Imports from US	0	0	0	0	0
Imports	150	44	174	37	50
Total Supply	79,339	76,742	81,211	91,373	96,239
Exports	25,364	29,987	28,578	29,951	39,000
Crush	32,117	31,868	33,700	35,933	36,475
Feed Waste Dom. Cons.	2,960	2,850	3,097	3,300	3,400
Domestic Consumption	35,077	34,718	36,797	39,233	39,875
Ending Stocks	18,898	12,037	15,836	22,189	17,364

Source: USDA PS&D, January 2012

## CANADA



### Market access

Canada is the most accessible large regional market for GOMAI commodities, second in size only to Mexico. Although survey responses in the past have described a relatively closed market, access for grains and oilseed products is reasonable: with only 0.5% of the world's population, Canada buys between 2% and 15% of US corn, soybean oil, DDGs, and SBM.

Wheat, however, has remained restricted to a single desk marketing program under the Canadian Wheat Board (CWB), which also provided trade and export credit financing to private importers. Board operations had controlled the wheat market, and phytosanitary requirements for visual distinguishability of wheat classes had erected discriminatory barriers to US wheat marketing efforts in Canada.

### Grain-oilseed situation

On December 15, 2011, a new law was passed eliminating the CWB's monopoly in two brief stages. The new law is being disputed in the Canadian court system but will likely be upheld.

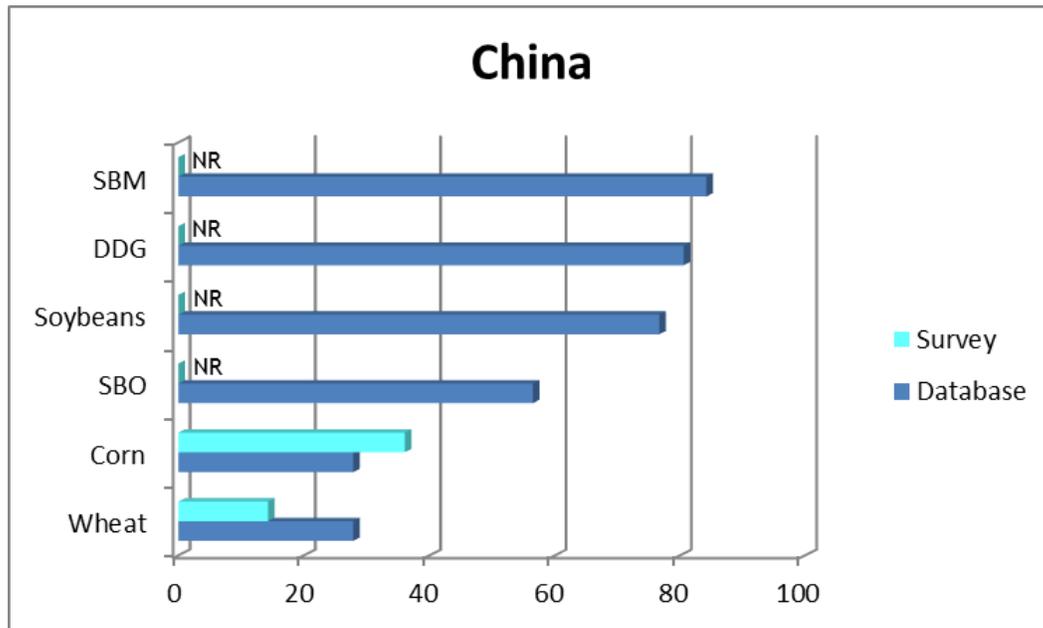
Canada is a major wheat, barley and canola exporter but imports both corn and soybean meal from the United States. Annual production of corn and soybeans is normally about 10 and 3 million tons, respectively. Canada typically imports about 2 million tons of corn, 1.5 MMT of soybean meal, and 300,000 tons of soybeans. In the year ending in September 2011, imports of corn, soybeans, and SBM from the US were 950,000 MT, 240,000 MT, and 1.1 MMT, respectively.

Canola production is normally about 10 MMT with more than half of that being exported, including to the US.

<b>Canada: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	1,172	1,195	1,380	1,477	1,542
Yield (mt/ha)	2.30	2.79	2.54	2.94	2.75
Beginning Stocks	655	174	174	175	153
Production	2,696	3,336	3,507	4,345	4,246
MY Imports from US	302	376	364	225	275
Imports	309	387	375	246	300
Total Supply	3,660	3,897	4,056	4,766	4,699
Exports	1,753	2,017	2,247	2,946	2,880
Crush	1,383	1,286	1,292	1,337	1,300
Feed Waste Dom. Cons.	350	420	342	330	366
Domestic Consumption	1,733	1,706	1,634	1,667	1,666
Ending Stocks	174	174	175	153	153

Source: USDA PS&D, January 2012

## CHINA



### Market access

China currently produces about 115 MMT of wheat and imports less than 1% of its needs, up to 1.5 MMT; most of these imports enter under a TRQ which was 963,000 MT for 2011. About 20% of China's imports typically come from the US. The corn TRQ for 2011 was 7.2 MMT. Out of quota, wheat and corn tariffs were 65%. Tariffs are low on soybeans, SBO, DDGs, and soybean meal (all under 10%).

In addition to tariffs, however, China's VAT (either 13% or 17% depending on the product) does not apply to many domestic crops, so the VAT has the same effect as an additional tariff.

China passed its first comprehensive food safety law in 2008. It took effect June 1, 2009. The full implications are not yet clear. There are specific labeling requirements for transgenic products.

Additional barriers to the Chinese market include transparency issues, opaque regulatory regimes, import licenses, and SPS measures with questionable scientific bases. The AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China) regularly restricts trade. The AQSIQ requires importers to obtain a Quarantine Inspection Permit (QIP), a cumbersome process, particularly since AQSIQ slows down or even suspends the issuance of QIPs at its discretion. Tariff classification, reference price lists and minimum price lists also cause problems.

Finally, corruption is endemic in China. China scored a 3.6 out of a possible 10 points (with 10 being the least corrupt) on Transparency International's Corruption Perceptions Index.

## Grain-oilseed situation

As a matter of basic food security policy, China has been expanding wheat and corn area planted in recent years in pursuit of self-sufficiency. Trade has been discouraged even where it would make more economic sense to import than to transport the grain internally from surplus to deficit areas.

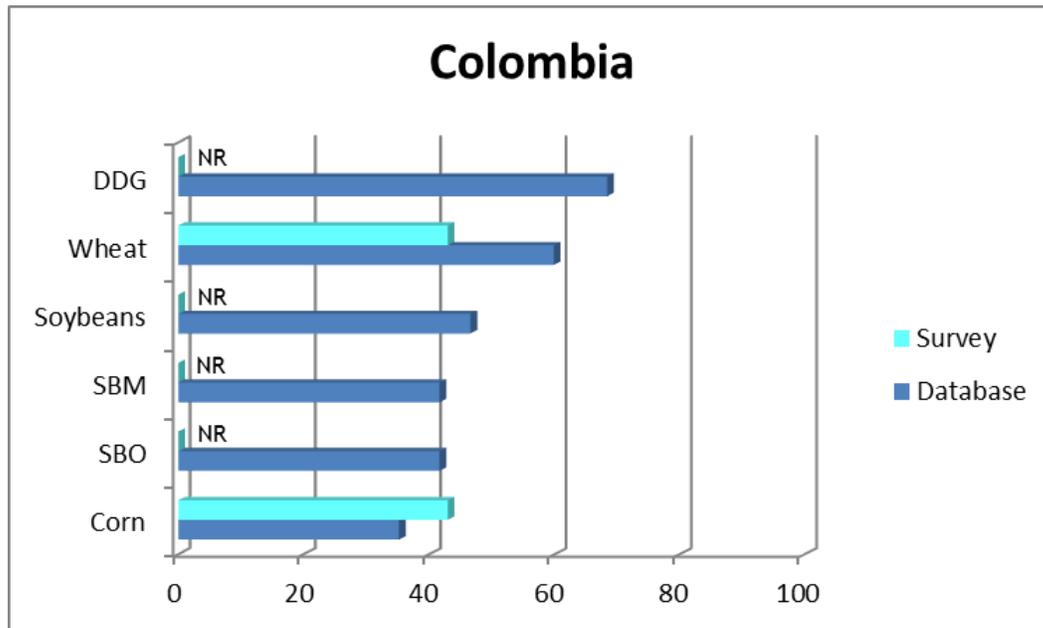
Wheat consumption has decreased over the last 10 years, especially in wealthy, rural areas where grains have been replaced with more expensive animal proteins. Consequently, corn supplies have tightened as demand for feed corn has risen. This in turn results in more feed quality wheat, soybean meal, and DDGs being used in feed formulas.

Something had to give and it was oilseed self-sufficiency. China's imports of soybeans have grown rapidly, and are projected to reach 56.5 MMT in 2011/12, while production is forecast at 14.6 MMT.

China: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	8,750	9,130	9,190	8,520	7,650
Yield (mt/ha)	1.53	1.70	1.63	1.77	1.76
Beginning Stocks	1,807	2,752	7,555	13,259	14,558
Production	13,400	15,540	14,980	15,100	13,500
MY Imports from US	13,726	18,649	22,568	24,983	19,000
Imports	37,816	41,098	50,338	52,339	56,500
Total Supply	53,023	59,390	72,873	80,698	84,558
Exports	453	400	184	190	200
Crush	39,518	41,035	48,830	55,000	60,100
Feed Waste Dom. Cons.	1,700	1,700	1,750	1,850	1,800
Domestic Consumption	49,818	51,435	59,430	65,950	71,100
Ending Stocks	2,752	7,555	13,259	14,558	13,258

Source: USDA PS&D, January 2012

## COLOMBIA



### Market access

Colombia is a significant market for US products. It is also a relatively open market as far as barriers go; however, the US is disadvantaged on price relative to regional competitors (both in the Andean Pact and Mercosur) and in 2011, to Canada as well - these competitors all have improving/preferential access.

Colombia has tariff rate quotas (TRQs) on many products, including soybeans, yellow corn, white corn, and other products. Within the quota (e.g., 2.04 MMT of yellow corn), there is a 10% duty reduction (to 5%). The catch is that quota allocations are conditioned upon purchases of domestic commodities.

The US-Colombia Trade Promotion Agreement - which will allow the US to better compete on price by eliminating duties on many US goods - passed in the US but will only go into effect later in 2012. Changes the agreement will bring include:

- For corn: an immediate 2.1 MMT TRQ, to be increased by 5% annually, plus an out-of-quota tariff of 25% to be phased out over 5 years;
- For wheat and barley: immediate elimination of tariffs; and
- For soybean products: immediate elimination of tariffs on soybeans and SBM; soybean oil will have a duty-free TRQ.

In addition to tariffs and quotas, Colombia participates in the Andean Price Band System (APBS), which includes a common external tariff, and which also adds duties on imports when world prices are relatively low and lowers or eliminates them when prices are high.

Imports from other Andean countries are not subject to APBS levies, and other regional suppliers have a discount off APBS tariffs, giving their products an additional advantage over US exports.

Because of high commodity prices at the end of 2011, however, tariffs on some products were reduced due to the APBS: the crude soybean oil tariff was 1%, soybeans 9%, and corn 0%.

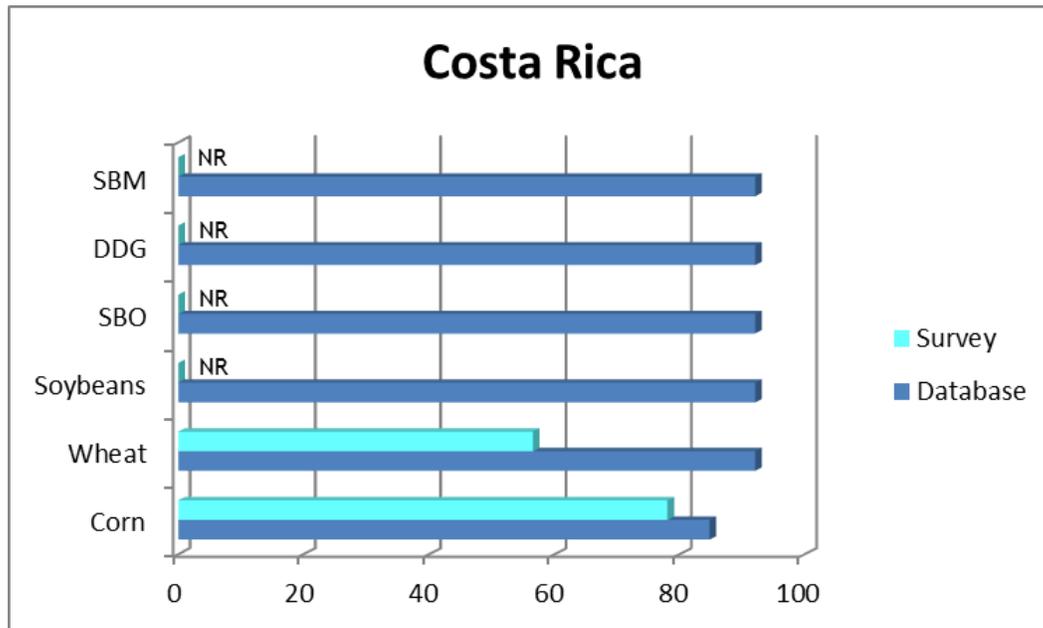
### Grain-oilseed situation

Despite the competitor preferences, Colombia remains an important US trading partner. It is a net importer of the key crops - corn, wheat, and soybeans and products. It buys virtually all of its wheat and most of its soybeans from abroad. Wheat imports are normally about 1.3 MMT, with about half of that coming from the United States. In the year ending in September 2011, the US shipped over 0.8 MMT of wheat to Colombia, plus 0.5 MMT of corn, 120,000 MT of soybeans, and over 160,000 MT of soybean meal.

<b>Colombia: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	26	29	32	30	30
Yield (mt/ha)	2.04	2.17	2.03	2.13	2.00
Beginning Stocks	33	9	5	22	20
Production	53	63	65	64	60
MY Imports from US	234	215	230	100	125
Imports	265	290	348	320	349
Total Supply	351	362	418	406	429
Crush	218	230	260	250	265
Feed Waste Dom. Cons.	124	127	136	136	139
Domestic Consumption	342	357	396	386	404
Ending Stocks	9	5	22	20	25

Source: USDA PS&D, January 2012

## COSTA RICA



### Market access

Costa Rica has very few barriers to US imports; access has not changed since the last report. The US-Central America Free Trade Agreement (CAFTA) was signed into law in August 2005 (and went into force for Costa Rica in 2009); consequently, tariffs faced by US products are either zero (wheat, yellow corn, soybeans, and DDGs) or low (3.6% for crude soybean oil and SBM; 15% for refined soybean oil).

The primary remaining barriers include some in the technical/procedural measure category (e.g. a reportedly cumbersome and lengthy procedure for obtaining standard phytosanitary documentation).

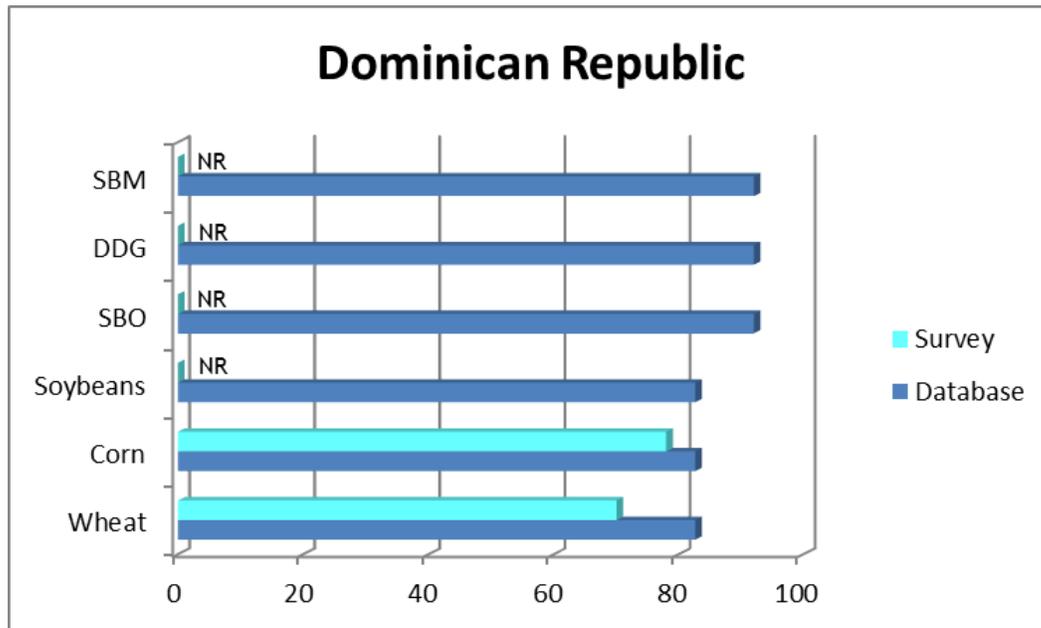
### Grain-oilseed situation

Costa Rica is not a significant commodity producer so it is heavily dependent on imports of basic grains and oilseeds, of which it sources almost all from the United States. In the year ending September 2011, it imported 201,000 MT of wheat, 658,000 MT of corn, and 220,000 MT of soybeans from the US.

Costa Rica: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Imports	230	218	244	235	245
MY Imports from US	230	218	244	235	245
Total Supply	230	218	244	235	245
Crush	225	213	239	230	240
Food Use Dom. Cons.	5	5	5	5	5
Domestic Consumption	230	218	244	235	245
Total Distribution	230	218	244	235	245

Source: USDA PS&D, January 2012

## DOMINICAN REPUBLIC



### Market access

The Dominican Republic is a nearby and significant market for US agricultural commodities. For most of the products under review, tariffs are set at zero (wheat, corn, soybeans, DDGs, and SBM). The DR-CAFTA agreement, which includes the US and which was implemented in March 2007, locked in a zero duty for soybean meal and crude degummed soybean oil and is phasing out duties on refined soybean oil over a 15 year period.

The Dominican Republic's imports of US wheat and corn totaled more than half a million MT each in the year ending September 2011. Although soybeans are not imported, its imports of soybean oil and meal account for more than 5% of US exports.

Corruption can be a problem in the Dominican Republic, with the country scoring only 2.6 out of 10 on Transparency International's Corruption Perceptions Index.

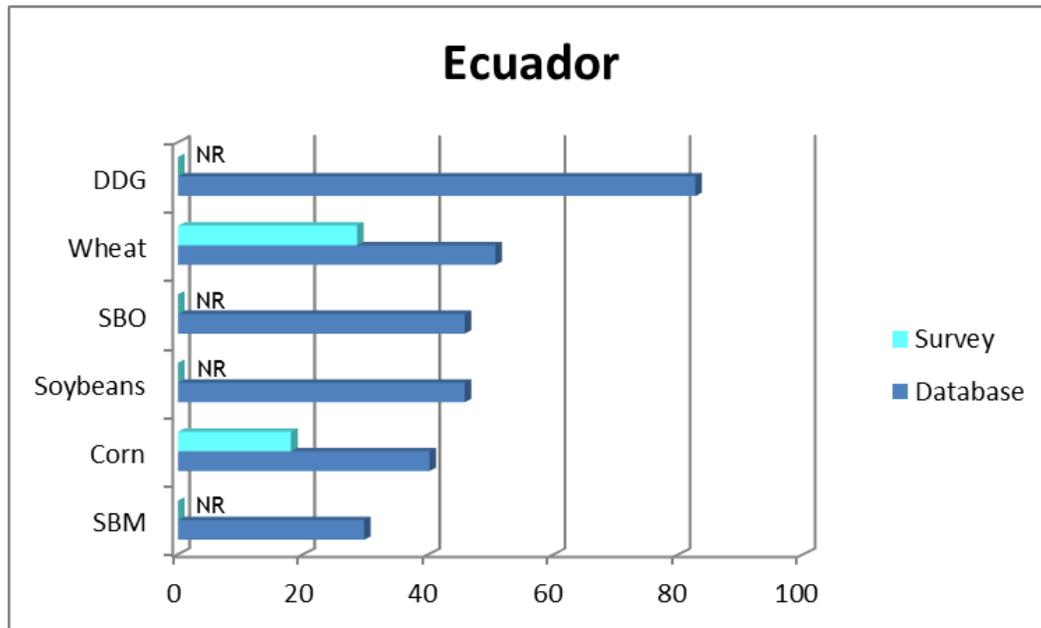
### Grain-oilseed situation

The DR produces only small quantities of corn and imports all of its wheat, almost all of its corn, and all of its soybean products. Nearly all imports come from the US.

Dominican Republic: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Beginning Stocks	44	4	4	3	4
TY Imports from US	368	350	400	401	425
TY Imports	368	380	408	401	425
Total Supply	412	384	412	404	429
Feed Dom. Consumption	408	380	409	400	425
Domestic Consumption	408	380	409	400	425
Total Distribution	412	384	412	404	429
Ending Stocks	4	4	3	4	4

Source: USDA PS&D, January 2012

## ECUADOR



### Market access

Ecuador is a member of the Andean Community (CAN) and applies the common tariff rates (0% to 20% for most of the commodities under review in the GOMAI). These rates are adjusted, based on world prices, according to the Andean Price Band System (APBS), which increases tariffs when world prices drop below a threshold value, and lowers tariffs when world prices are high.

As a CAN member, Ecuador maintains preferential treatment for Uruguay, Paraguay, Argentina and Brazil, in the form of percentage discounts off the combined base rate plus APBS adjustment. Preferential treatment is applied to all of the products under review. By contrast, wheat imports from the United States are subject to a 10 percent duty.

Corruption can be a problem in Ecuador, with the country scoring only 2.7 out of 10 on Transparency International's Corruption Perceptions Index. In addition, anti-GMO legislation is on the books but remains unenforced.

### Grain-oilseed situation

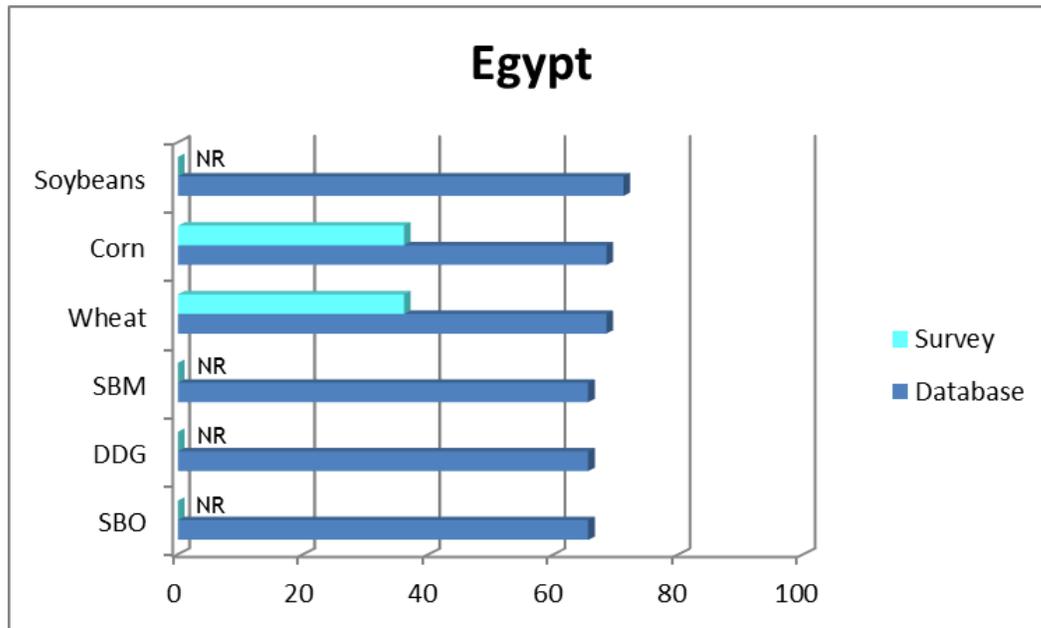
Ecuador is neither a major producer nor importer of most grains and oilseeds. It typically imports close to half a million tons of both wheat and corn. The US supplies about one-quarter of the wheat imports, and its corn import share has dropped in recent years to about one-third.

Ecuador produces and imports only small volumes of soybeans, though it does import SBM in larger volumes. US exports of SBM to Ecuador have been growing and reached 188,000 MT in the year ending September 2011.

<b>Ecuador: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	47	47	50	50	50
Production	65	65	70	70	70
Crush	36	39	43	43	43
Food Use Dom. Cons.	23	26	27	27	27
Domestic Consumption	59	65	70	70	70
Total Distribution	65	65	70	70	70

Source: USDA PS&D, January 2012

## EGYPT



### Market access

Egypt is one of the world's largest grain importers, second only to Japan. It imports more than half its wheat, almost half its corn and almost all its soybeans. Consequently, these commodities can be imported duty free. Duties on other commodities are also low, with 2% tariffs on SBO and DDGs, and a 5% tariff on soybean meal. Egypt generally purchases grains based on price and quality assessments.

Testing procedures, though for many years opaque and unevenly applied, were improved with the issuance in October 2005 of new import/export regulations and the use of internationally accredited labs. Regulations are still not applied consistently or uniformly, however.

SPS measures continue to be non-transparent and burdensome. For example, in April 2010 a zero tolerance policy was imposed on Ambrosia seeds in wheat. USDA/APHIS cannot certify that shipments are free of Ambrosia. Egypt's Central Administration for Plant Quarantine removed the requirement for the US but not for wheat from other origins.

Corruption also remains a problem in Egypt. In 2011, it received a score of 2.9 on Transparency International's Corruption Perceptions Index.

### Grain-oilseed situation

Following Russia's wheat export ban, the US has played a major role in supplying wheat to Egypt. Egypt was the top market for US wheat in MY 2010/11. Imports from the US will continue to be a

significant supply source to Egyptian flour mills for the subsidized baladi bread. Corn, soybeans and soybean meal also recorded substantial growth.

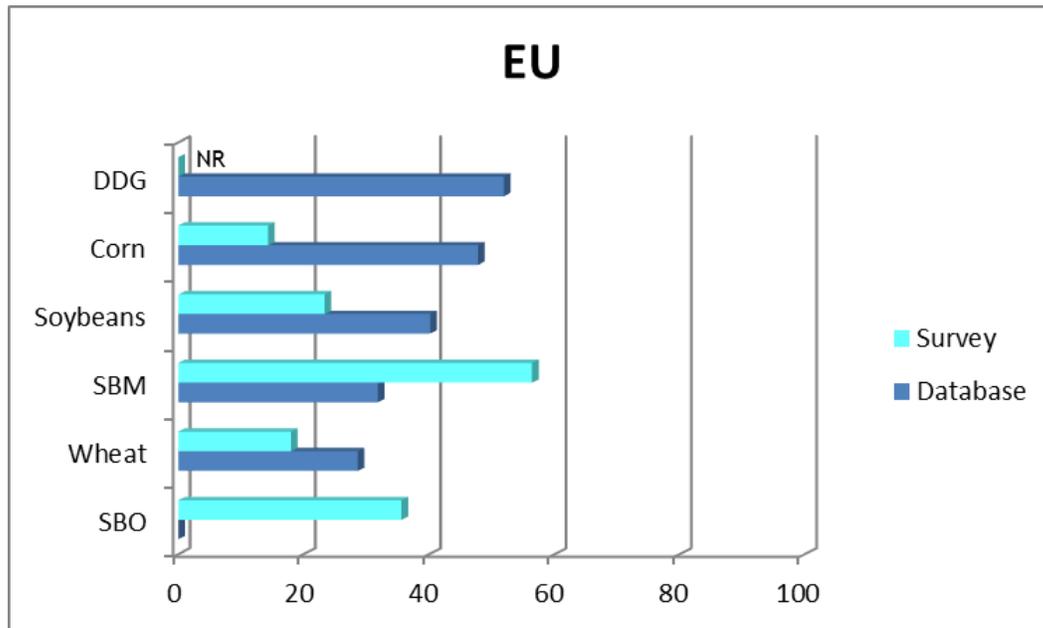
Egypt imports 8-10 MMT of wheat per year; the US share in 2010/11 was 36%, almost 3.9 MMT, though the amount purchased from the United States is highly variable. In the case of corn, the US was the dominant supplier, with import market share at 55% of Egypt's 5.4 MMT total imports.

In the oilseed complex, domestic production of soybeans is negligible. Egypt's consumption of soybean meal has expanded in recent years, but soybean meal imports have declined as the country has built up its crushing capacity. The US supplied 42% of Egypt's 1.6 MMT of soybean imports in 2011. Similarly, the US accounts for about 50% of the 200,000 MT of soybean meal imports.

Egypt: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	13	13	12	11	10
Yield (mt/ha)	2.46	2.46	2.25	2.18	2.50
Beginning Stocks	95	23	48	42	30
Production	32	32	27	24	25
MY Imports from US	728	1,097	935	684	725
Imports	1,061	1,575	1,638	1,644	1,750
Total Supply	1,188	1,630	1,713	1,710	1,805
Crush	1,129	1,545	1,635	1,644	1,750
Feed Waste Dom. Cons.	24	22	20	20	20
Domestic Consumption	1,165	1,582	1,671	1,680	1,787
Ending Stocks	23	48	42	30	18

Source: USDA PS&D, January 2012

## EU-27



### Market access

Though durum, high quality soft wheat, and corn are all duty free, the EU has strict price and quantity barriers in place for other grains and oilseeds. Most price barriers are in the form of duties based on volume. For some products, there are TRQs within which duties are lower. For instance, for medium and low quality soft wheat, in 2011 the US had a 572,000 MT TRQ which faced duties of €12/MT (just over 4% based on market prices); the out of quota rate was €95/MT (approximately 33%). Canada had a 38,853 MT TRQ, and the rest of the world 2,378,387 MT.

The EU has strict SPS criteria managed by the industry. The strongest barrier is the EU limitation on GM commodities, both for import and cultivation (with the exception of one type of corn, and even this remains prohibited in Germany, France, and four other EU member nations).

The EU is dependent on corn and soybean imports for its feed ingredients, however, so the EU policy on imports of GM products is less restrictive than that on GM crops. Imports of SBM and DDGs have been growing.

Corruption is not generally a concern in the EU, except for some of the newer member countries and even then it is less of a concern than in many other export markets around the world.

### Grain-oilseed situation

Overall grain production is estimated to rise in MY2011/12 but will not reach record levels set in 2008/09. Wheat consumption is expected to rise 2% in 2011/12 to 127 MMT. Most of the increase is from the industrial use of wheat in the bioethanol sector. In 2011/12, corn area increased 8%

and production rose by 8 MMT to 64 MMT, following planted area reductions and poor corn yields in 2010/11. Even with high corn prices imports are expected to reach 3 MMT, but probably little of that will be from the United States.

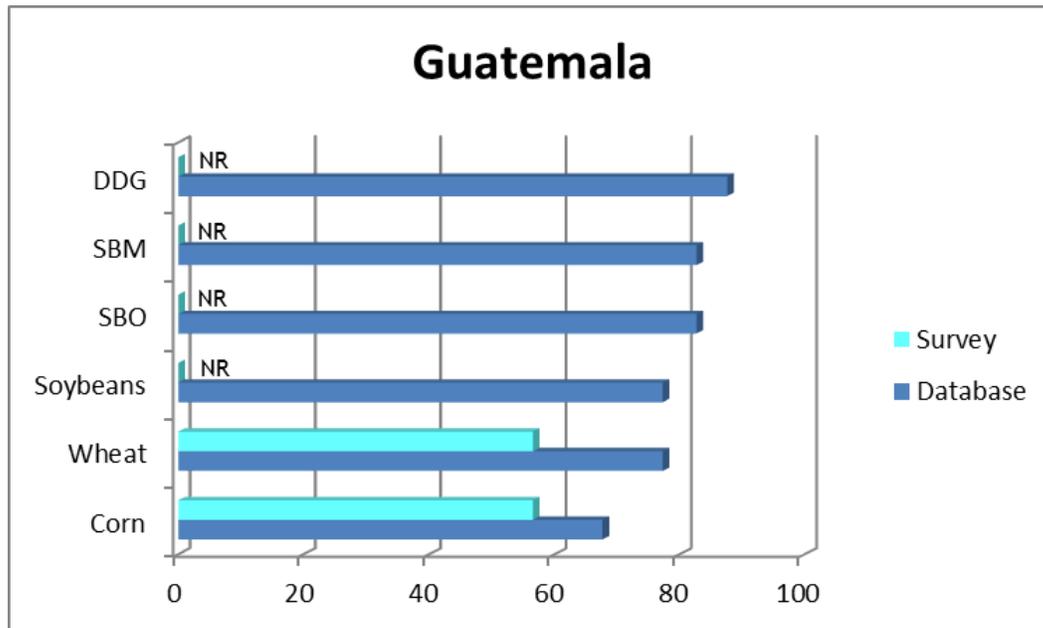
The largest category of GM products consumed in the EU is soybean meal; roughly 30 MMT is consumed each year. The second largest category of GM products is DDGs, which experienced explosive growth in 2011 but is still small; the US was the leading supplier.

Rapeseed availability was down and prices were higher. This will increase the demand for soybean meal by 2% to 31 MMT in 2011/12, mostly from Brazil and Argentina. Demand for soybeans is expected to decline slightly. With an increase in soybean meal imports and a decrease in soybean oil demand, crushing demand is down, but soybeans will still account for about 30% of EU oilseed crushings.

<b>EU-27: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	342	237	308	375	420
Yield (mt/ha)	2.11	2.70	2.71	2.79	2.90
Beginning Stocks	1,007	709	453	546	539
Production	723	639	836	1,048	1,220
MY Imports from US	3,756	2,231	2,700	2,700	900
Imports	15,129	13,213	12,675	12,465	12,000
Total Supply	16,859	14,561	13,964	14,059	13,759
Exports	37	22	36	55	30
Crush	14,870	12,860	12,510	12,265	11,900
Feed Waste Dom. Cons.	1,128	1,116	750	1,080	1,080
Domestic Consumption	16,113	14,086	13,382	13,465	13,100
Ending Stocks	709	453	546	539	629

Source: USDA PS&D, January 2012

## GUATEMALA



### Market access

Guatemala is one of the five Central American nations that have ratified the Dominican Republic-Central America Free Trade Agreement with the United States. It was ratified and implemented by the United States on June 30, 2005, and went into full force with Guatemala on July 1, 2006. Under the agreement, tariffs and non-tariff barriers on a variety of products have been either eliminated, or in some cases will be gradually eliminated over a 15 to 20 year period. For most products, the tariff faced by US exports is 0%, other than yellow/white corn (17.5%/20%) over the large US quota, and refined soybean oil (10%).

The time and expense for imports have been dramatically reduced following the implementation of DR-CAFTA. Tariffs and quantity restrictions have been removed or remain low; in some cases, due to ongoing phase outs, tariffs have dropped slightly since the last GOMAI.

Price and quantity restrictions for sensitive products such as white corn remain high, but are scheduled to be phased out over time. Phytosanitary certificates and import permits remain an issue. In addition, corruption can be a problem: Guatemala's score on Transparency International's Corruption Perceptions Index has dropped from 3.4 to 2.7 over the past two years.

### Grain-oilseed situation

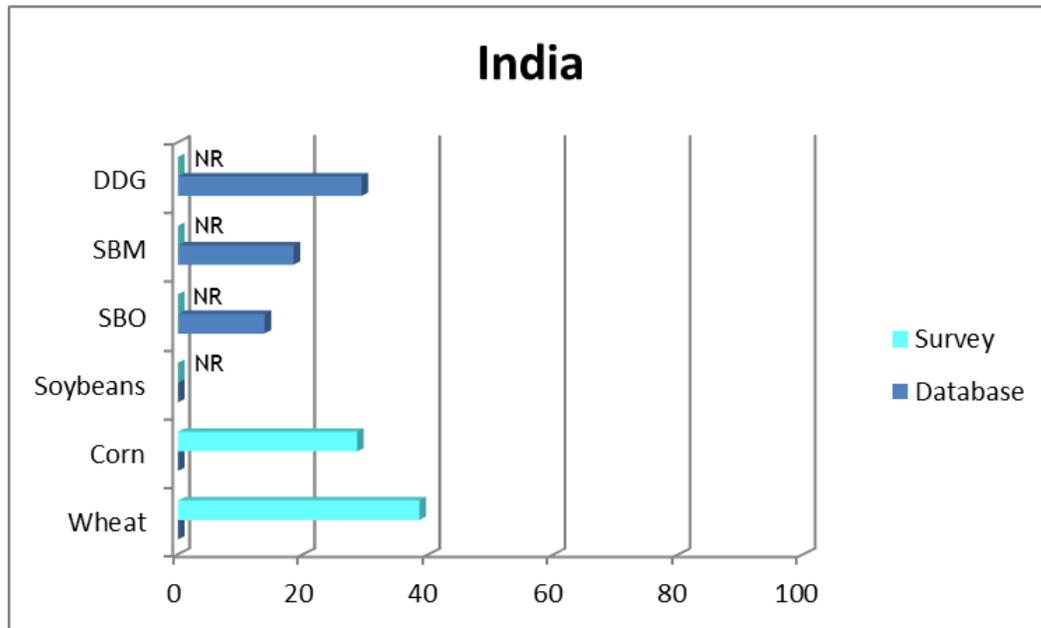
Guatemala does not produce any significant amount of wheat, corn or soybeans. The country relies primarily on the United States for its import needs. It does not have any significant amount of soybean crushing capacity and therefore imports soybean meal and oil.

The US shipped 468,000 MT of wheat, 673,000 MT of corn, and 289,000 MT of soybean meal to Guatemala in the year ending September 2009.

Guatemala: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	13	14	14	14	14
Yield (mt/ha)	2.69	2.57	2.57	2.57	2.57
Beginning Stocks	0	0	0	0	2
Production	35	36	36	36	36
MY Imports from US	1	0	0	8	5
Imports	1	0	0	8	5
Total Supply	36	36	36	44	43
Feed Waste Dom. Cons.	36	36	36	42	42
Domestic Consumption	36	36	36	42	42
Ending Stocks	0	0	0	2	1

Source: USDA PS&D, January 2012

## INDIA



### Market access

India continues to maintain its reputation for being one of the most difficult markets for US grain exporters to penetrate. With minor exceptions, the country effectively blocks imports of wheat, corn, and soybeans.

The majority of products face tariffs from 15% to 40%. Compounding the effect of these tariffs are taxes levied by the city, state, and central authorities (effective tax rates range from 22 percent to 26 percent). The total impact of these different charges is a much higher effective applied rate that sharply increases retail prices of imported goods. India has previously raised tariff rates to WTO bound levels (as high as 100%) in order to manage prices and supply.

Since 2007, India has had a wheat export ban in place, which helps insulate the market from global prices. There is a 500,000 MT TRQ for corn, for which the duty is 15%, though the TRQ procedures are onerous and restrictive. Outside of the quota, the duty is 50%. In 2011, soybean oil tariffs were raised to 35% (from 0% for crude SBO and 7.5% for refined SBO, respectively).

Many non-tariff barriers also exist. SPS requirements are particularly restrictive. India wheat tenders frequently include SPS requirements that cannot be certified to by the US. In addition, tender specifications remain all but impossible to meet because of prohibitive weed seed requirements and unnecessary fumigation requirements. India's SPS requirements have kept US wheat imports out of the country. In April of 2011, India issued a notification introducing maximum residue levels for 14 insecticides including several used in oilseed production.

To these SPS restrictions can be added opaque customs procedures and import licensing - i.e., the requirement to obtain prior approval from India's Genetic Engineering Approval Committee and mandatory labeling to import genetically modified goods. The government specifies technical requirements on all grains but applies them to exclude specific commodities. In addition, documentation procedures frequently are met with delays.

Corruption remains an issue, as India scored a 3.1 out of a possible 10 points (with 10 being the least corrupt) on Transparency International's Corruption Perceptions Index.

### Grain-oilseed situation

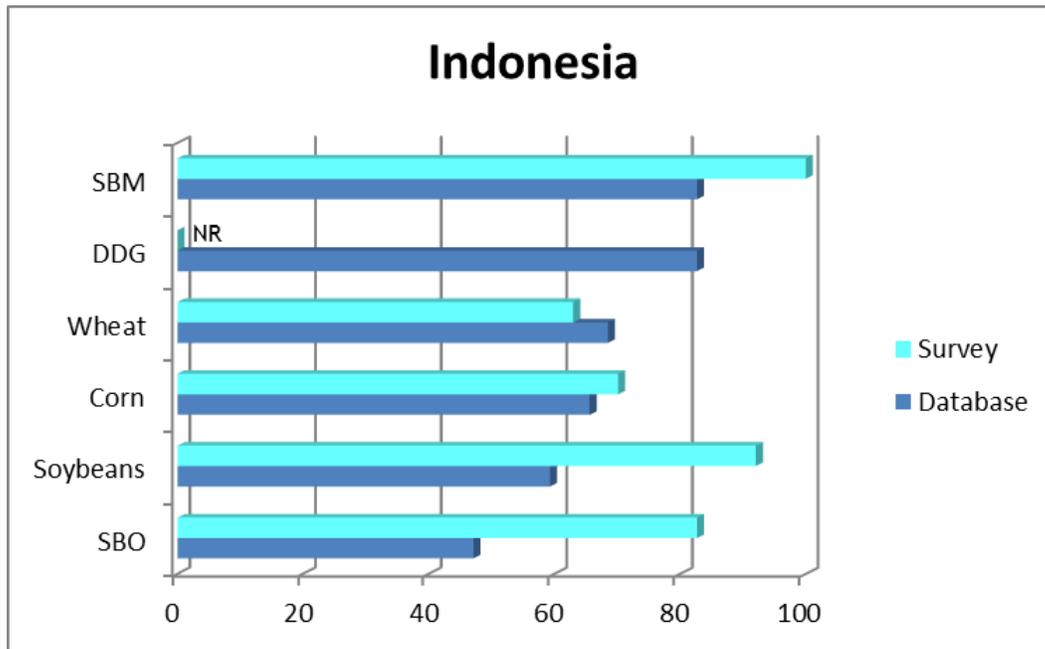
India is a sizeable producer of wheat, corn, and soybeans, in any given year producing approximately 80 MMT, 20 MMT, and 10 MMT of each crop, respectively. The country effectively blocks imports of these three commodities, with very small exceptions.

Demand for imported oils exceeds domestic production, however. Most imports are of palm oil, though India does import approximately 1 MMT of soybean oil (duty free) per year. The country also exports excess soybean meal, approximately 4.5 MMT in 2011. SBM exports are decreasing, however, due to growing internal demand for feed.

India: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	8,800	9,600	9,600	9,300	10,270
Yield (mt/ha)	1	1	1	1	1
Beginning Stocks	218	146	766	1,695	600
Production	9,470	9,100	9,700	9,800	11,000
MY Imports from US	0	0	0	0	0
Total Supply	9,688	9,246	10,466	11,495	11,600
Exports	12	55	10	10	10
Crush	8,400	7,200	7,500	9,600	9,800
Feed Waste Dom. Cons.	750	800	810	805	900
Domestic Consumption	9,530	8,425	8,761	10,885	11,200
Ending Stocks	146	766	1,695	600	390

Source: USDA PS&D, January 2012

## INDONESIA



### Market access

Indonesian tariffs are mostly zero for GOMAI products, with the exception of corn which is 5%. In December 2010, the Indonesian government increased import duties for several grain and feed and oilseeds from zero to five percent; protests from industry and rising food prices caused the government to rescind the increase in January 2011, temporarily lowering the rate on multiple goods (including wheat, corn, and DDGs) to zero for the rest of the year, but the official rate on corn remains 5%.

The government requires import licenses for grains and oilseeds, as well as phytosanitary certificates. Restrictions on GM products are not enforced.

A lack of transparency and widespread corruption are significant problems for companies doing business in Indonesia. The country scored a 3.0 of a possible 10 points (with 10 being the least corrupt) on Transparency International's Corruption Perceptions Index.

### Grain-oilseed situation

Indonesia imports all its wheat, over 6.6 MMT in MY 2010/11. Approximately 10%-20% of imports come from the US.

Corn production declined to 6.8 MMT in 2010/11 but jumped back up to a more normal 8.1 MMT on a rebound in plantings. Corn imports are nevertheless projected at 1.5 MMT as demand from feed mills continues to grow. In addition, a major new corn wet mill came online in 2011. The

new facility, located in West Java, has a milling capacity of 1,000 MT of corn per day and expects to double its capacity in 2011. Moreover, the mill reportedly prefers US corn due to consistency in specifications and supply; it has the potential to become a major and consistent importer of US corn, dramatically increasing the US import share from 5%-10% to 20%.

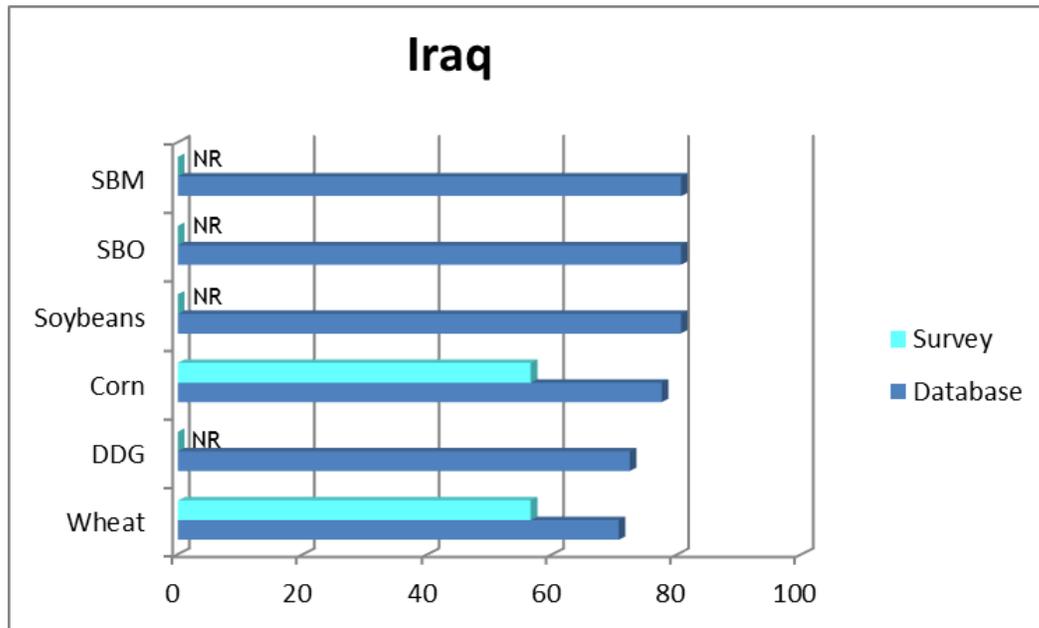
Demand for DDGs by Indonesian feed mills has increased as well; 90% of DDGS are sourced from the US. Promotional activities and technical assistance have aided in the success of DDGS as a feed.

Indonesia produces only 0.7 MMT and must import most of its soybean needs. The country is projected to import more than 1.9 MMT in 2011/12. The majority of these imports will come from the US.

<b>Indonesia: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	600	620	530	470	465
Yield (mt/ha)	1.30	1.29	1.32	1.38	1.38
Beginning Stocks	139	23	100	70	50
Production	780	800	700	650	640
MY Imports from US	986	1,245	1,467	1,320	1,350
Imports	1,147	1,393	1,620	1,897	1,950
Total Supply	2,066	2,216	2,420	2,617	2,640
Exports	1	0	0	0	0
Feed Waste Dom. Cons.	42	35	50	55	50
Domestic Consumption	2,042	2,116	2,350	2,567	2,590
Ending Stocks	23	100	70	50	50

Source: USDA PS&D, January 2012

## IRAQ



### Market access

Import demand is expected to continue increasing as the nation rebuilds. Iraq continues to operate the state-run Iraqi Grain Board to facilitate the distribution of grain to Iraqi industrial users and households based on rationing. The FAS attaché reports that the state tender process is “unprofessional”.

Generally, tariff rates are low, in the 5%-10% range. However, market access for grains and oilseeds to Iraq remains limited due to inconsistent application of laws and regulations, corruption, poor infrastructure, limited working capital, and competition from informal markets. Complex feed test processes stop vessel sized shipments of grain. Seasonal bans on many imports and requirements for sampling prior to arrival further hinder trade.

In July 2011, the government announced an initiative to purchase corn - through an initial tender of 100,000 MT - and provide it at a 25% discount to the domestic poultry industry.

Corruption is systemic in Iraq which remains one of the worst ranked countries in the world. Transparency International has marginally increased Iraq’s score on the Corruption Perceptions Index to 1.8 points out of 10, up from a miserable 1.3 in 2009.

### Grain-oilseed situation

Wheat production for 2011/12 is estimated at 2.0 MMT, a 15% decline from the previous crop, due to shortages of quality seeds, fertilizer, and irrigation. Wheat is one of 5 basic commodities

distributed through the Iraqi Public Distribution System (PDS), and as a result, imports should again be in the 3.6-3.9 MMT range with as much as a third coming from the US.

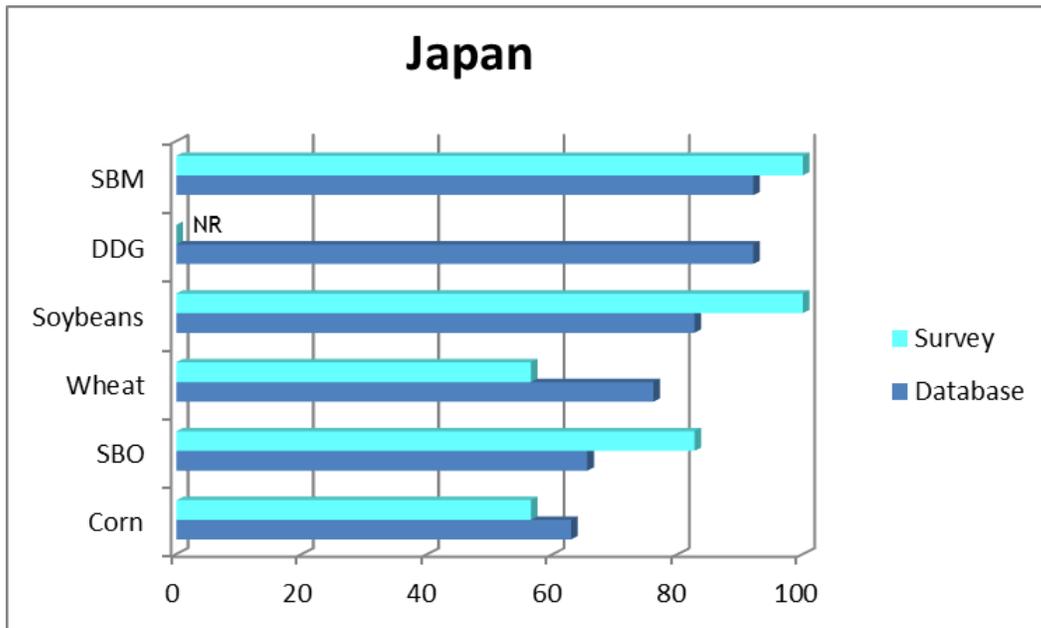
Corn production and imports are modest, at an estimated 125 TMT and 100 TMT, respectively. The US has not been a recent corn supplier.

The Ministry of Agriculture has been planning support mechanisms for the domestic poultry sectors and as indicated above, intends to subsidize feed inputs for the sector. Soybean meal imports have been quite small though.

Iraq: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
TY Imports	25	30	35	35	35
Total Supply	25	30	35	35	35
Feed Dom. Consumption	25	30	35	35	35
FSI Consumption	25	30	35	35	35
Domestic Consumption	25	30	35	35	35

Source: USDA PS&D, January 2012

## JAPAN



### Market access

Japan is a critical destination for US agricultural exports. State trading is the rule for wheat and the Ministry of Agriculture, Food, and Fisheries controls all imports and maintains significant market access barriers in an effort to support farm prices and incomes. The Japanese government revises the domestic price of wheat twice annually.

Tariff rate quotas for grains remain the government's major tool for regulating the market. In-quota tariffs for TRQ items are zero. The US is the key grain and oilseed supplier under this system.

Japan's plant quarantine system frequently bans all imported products when the home country imposes a quarantine of any kind (narrow though it may be).

### Grain-oilseed situation

Japan is heavily import-dependent when it comes to grains (other than rice), oilseeds, and oilseed products. Japan is among the largest and most reliable importers of US agricultural commodities and the United States usually has a very high market share - typically 90% for corn, 55% for wheat, and 70% for soybeans.

Animal agriculture consumes most of the corn and soybean meal. Despite animal disease outbreaks, Japan's livestock populations have not decreased dramatically. Japan's feed price subsidy programs have absorbed the increasing feed prices, especially corn. Soybean meal

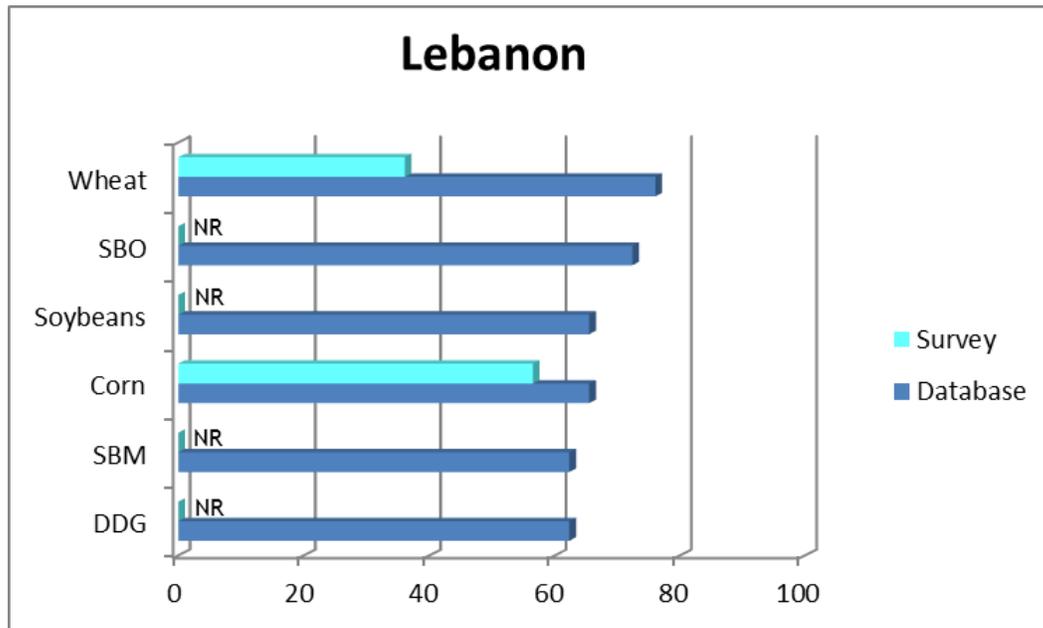
imports increased to 2.2 MMT in 2010/11 (400,000 MT from the US), because of decreased crushing capacity following the earthquake and tsunami in March 2011.

From 2006/07 to 2010/11 US DDG exports to Japan increased from 88,000 MT to 284,000 MT. DDGs are mainly used in dairy cattle feed.

Japan: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	138	147	138	135	135
Yield (mt/ha)	1.63	1.78	1.62	1.63	1.63
Beginning Stocks	258	274	180	220	102
Production	225	262	223	220	220
MY Imports from US	2,977	2,469	2,492	2,070	1,800
Imports	4,014	3,396	3,401	2,917	2,850
Total Supply	4,497	3,932	3,804	3,357	3,172
Exports	5	0	0	0	0
Crush	2,890	2,497	2,370	2,070	1,920
Feed Waste Dom. Cons.	291	250	219	190	180
Domestic Consumption	4,218	3,752	3,584	3,255	3,085
Ending Stocks	274	180	220	102	87

Source: USDA PS&D, January 2012

## LEBANON



### Market access

Lebanon has comparatively open markets for agricultural commodities. There are no import quotas on any of the products under review, and there are no import duties on wheat, corn, soybeans, or refined soybean oil. There is a 5% tariff on soybean meal and DDG, and on crude soybean oil. Both domestic and imported products are subject to a 10% VAT. Lebanon applied for WTO membership in 1999 and has gone through some of the required steps, but progress slowed after 2009 for reasons unrelated to agricultural trade. The US Agency for International Development is currently providing assistance to the Lebanese government in advancing the process.

Technical and procedural barriers to trade appear to be modest. However, corruption is a significant issue in Lebanon. Bribes for importation purposes are illegal but are clearly a very real problem. Lebanon scores a 2.5 of a possible 10 points on Transparency International's Corruption Perceptions Index.

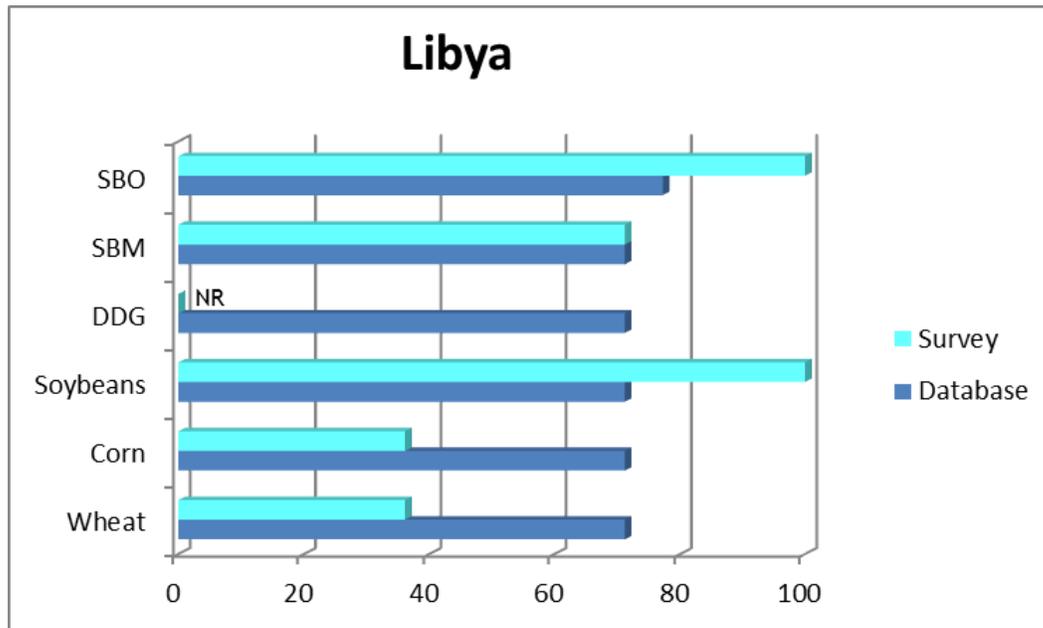
### Grain-oilseed situation

Lebanon has significant demand for wheat, corn and soybean meal imports. Only corn, soybean meal and small quantities of soybean oil are imported from the United States. Lebanon does not produce any significant quantity of corn, so it is virtually all imported at an average rate of 350,000 MT per year, with 50% of it coming from the US. Imports of wheat average about 400-500,000 MT, and are mostly Black Sea or EU origin due to the geographic proximity of those suppliers. A small amount was purchased from the United States in 2010/11. Soybean meal imports are about 110,000 MT, and about a third is sometimes US origin.

Lebanon: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Beginning Stocks	0	5	28	8	8
Production	75	75	75	75	75
TY Imports from US	39	31	11	0	0
TY Imports	100	118	70	110	110
Total Supply	175	198	173	193	193
Exports	5	5	5	5	5
FSI Consumption	165	165	160	180	180
Domestic Consumption	165	165	160	180	180
Total Distribution	175	198	173	193	193
Ending Stocks	5	28	8	8	8

Source: USDA PS&D, January 2012

## LIBYA



### Market access

The aftermath of the 2011 uprising in Libya and the ousting of the old regime have created new and different obstacles to doing business, apart from any traditional market access issues. Infrastructure damage and the disruption of commercial relationships will take time to set right. While most of the UN sanctions that froze Libya's foreign assets were lifted in December 2011, the banking system is still not functioning and foreign exchange shortages persist. On the positive side, Libya imposes no quotas or import duties on the products under review. For food imports requiring health clearance there is an estimated waiting time of ten days before final clearance is granted. The required documents for clearing customs are the original bills of lading, copies of all invoices, health certificates, packing list and certificate of origin. Since Libya is not yet a member of the WTO it is not party to the key agreements, including the Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) Agreements, which constrain these types of import restrictions.

Corruption has historically been a major problem in Libya. Libya's score is among the lowest in the world at 2.0 of a possible 10 points on Transparency International's corruption index. Whether that will change under a new government remains to be seen.

### Grain-oilseed situation

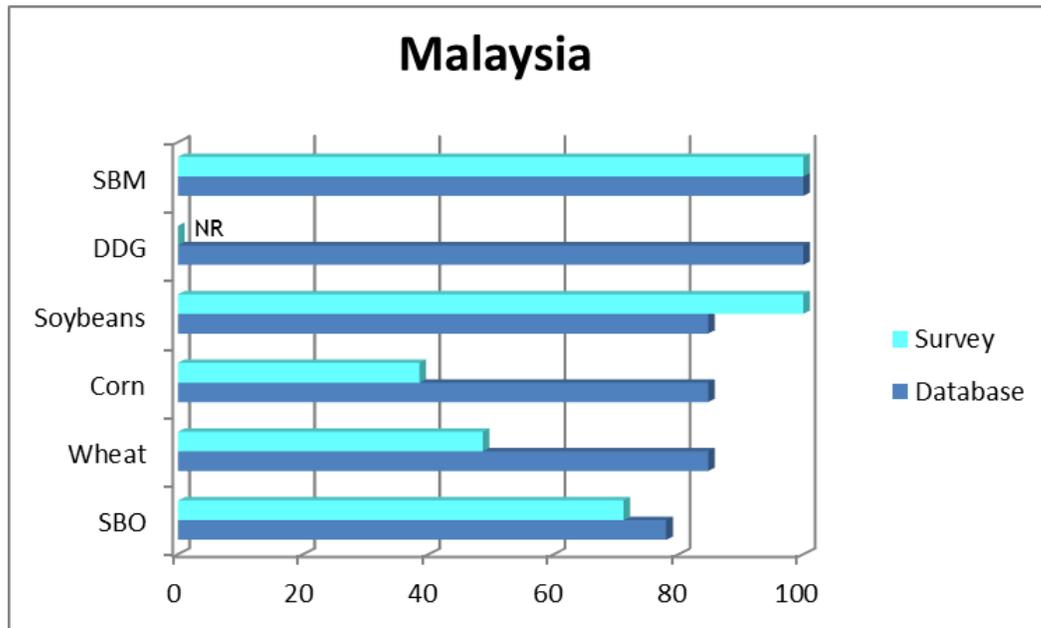
Climatic conditions and poor soils severely limit agricultural output, and Libya imports about 75% of its food. Libya's primary agricultural water source remains the Great Manmade River Project, but prior to the uprising, significant resources were being invested in desalinization research to meet growing water demands.

Libya's arable land is just 1% of the total area due to water limitations. Agriculture comprises only 12% of Libya's total GDP. Libya has significant demand for wheat, wheat flour, corn, and soybean meal. Libya imports about 1.5 MMT of wheat and wheat flour and about 500,000 MT of corn. The US exported 132,000 MT in 2010/11 for the first time in recent years. Meanwhile US corn imports have fallen from 40% of the corn imported to 0% in 2010/11. Soybean meal also has a significant demand with about 225,000 MT imported annually, but the US only contributes sporadic amounts of the soybean meal imported into Libya.

Libya: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
TY Imports from US	0	21	0	0	0
TY Imports	213	214	314	130	255
Total Supply	213	214	314	130	255
FSI Consumption	213	214	314	130	255
Domestic Consumption	213	214	314	130	255
Total Distribution	213	214	314	130	255

Source: USDA PS&D, January 2012

## MALAYSIA



### Market access

Malaysia produces no wheat or soybeans, and very little corn. Consequently, it meets its needs through imports and has few price barriers: GOMAI products are duty free, except for a 5% tariff on soybean oil.

In November 2010, Malaysia began enforcing mandatory labeling of food and food ingredients obtained through modern biotechnology, a consequence of the Biosafety Act of 2007. A grace period for compliance runs through July 2012.

### Grain-oilseed situation

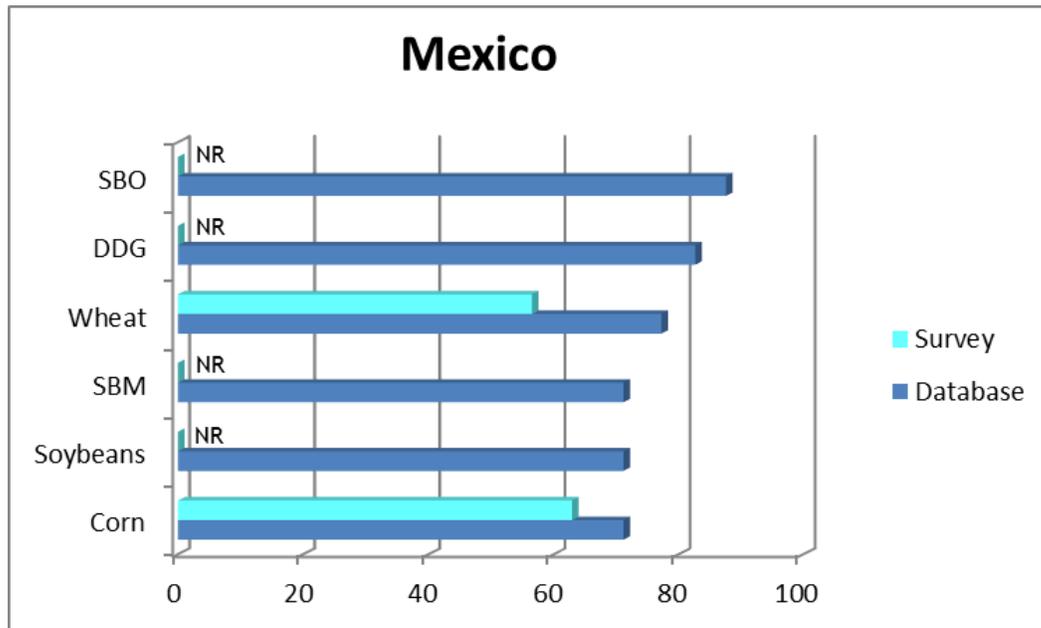
Malaysia is the world's second largest palm oil producer, but relies on imports for its wheat, soybeans, and most of its corn. Annual imports of the three commodities are typically 1.5, 0.5 and 3.0 MT, respectively. Imports of wheat from the US grew from 178,000 MT in 2009/10 to an estimated 340,000 MT in 2010/11, in conjunction with expanded domestic consumption. Corn imports are also expected to grow as the livestock sector expands to meet consumers' demand for pork and poultry. The US is not a significant supplier of corn to the market. The US did have over a 50% share of the soybean import market in 2009/1 and 2010/11, however.

Nevertheless, some expect a trend toward decreased soybean imports, as feed producers increase their direct imports of soymeal. Argentina is the dominant supplier of soymeal to the Malaysian market. In addition, soybean oil refiners have been buying crude SBO for processing and resale in the region.

Malaysia: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Beginning Stocks	20	27	5	15	33
MY Imports from US	236	222	345	360	340
Imports	504	530	583	610	620
Total Supply	524	557	588	625	653
Exports	26	29	24	25	25
Crush	310	360	380	400	420
Feed Waste Dom. Cons.	23	25	28	32	32
Domestic Consumption	471	523	549	567	596
Ending Stocks	27	5	15	33	32

Source: USDA PS&D, January 2012

## MEXICO



### Market access

Mexico is the largest market for US grain and oilseed products in the Americas. The US shipped Mexico large quantities of all products covered in the GOMAI survey. As of January 1, 2008, the final NAFTA provisions entered into force, eliminating tariffs and quotas on all varieties of US grains and oilseeds, including sensitive corn/maize imports. Accordingly, US grains and oilseeds are competitively priced and enjoy preferential market access, effectively solidifying a dominant market share for US products.

In late 2010, in response to vegetable oil industry complains, Mexico put in place 5%/10% duties on crude/refined vegetable oil imports from non-trade partners. This did not affect the US, but was targeted at South American suppliers that are said to subsidize exports.

Trade administration procedures and regulations remain complex, and are sometimes applied in an opaque manner at border crossings and in administrative adjudication. US commodities continue to be subjected to multiple SPS measures and other requirements, which have created ongoing problems with delayed and blocked shipments of US commodities. Mexico's rating on Transparency International's Corruption Index dropped from 3.3 to 3.0 in 2011.

In addition, new laws may prohibit the growing of biotech crops throughout most of the country.

### Grain-oilseed situation

Mexico expanded wheat plantings in recent years in response to the high prices. Wheat production has gone from 40% of requirements to 60%. But Mexico also exports wheat so imports

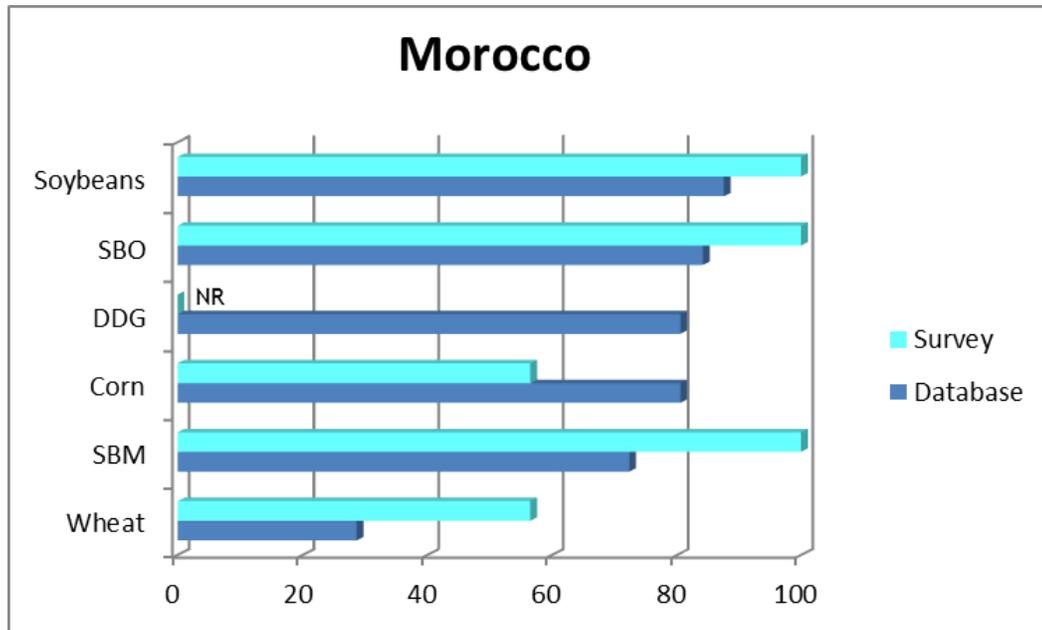
have remained at about 3.6 million tons a year. Two-thirds to three-quarters of that is bought from the United States, and the remainder from Canada. Corn production has dropped over the past several years; imports of corn from the US still account for one quarter of consumption. Due to the favorable logistics, Mexico continues to source almost all of its soybean and soybean meal imports from the US.

US exports to Mexico in the year ending in September 2011 included over 17 MMT of products covered under this year's GOMAI survey: 2.9 MMT of wheat, 7.5 MMT of corn, 3.4 MMT of soybeans, 168,000 MT of soybean oil, 1.8 MMT of DDG, and 1.5 MMT of soybean meal. For all but soybean oil, these figures represent increases.

<b>Mexico: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	63	76	81	112	133
Yield (mt/ha)	1.40	2.01	1.49	1.50	1.50
Beginning Stocks	39	56	36	45	51
Production	88	153	121	168	200
MY Imports from US	3,613	3,281	3,354	3,337	3,300
Imports	3,614	3,327	3,523	3,498	3,500
Total Supply	3,741	3,536	3,680	3,711	3,751
Crush	3,650	3,465	3,600	3,625	3,650
Feed Waste Dom. Cons.	35	35	35	35	35
Domestic Consumption	3,685	3,500	3,635	3,660	3,685
Ending Stocks	56	36	45	51	66

Source: USDA PS&D, January 2012

## MOROCCO



### Market access

The United States-Morocco Free Trade Agreement (FTA) entered into force on January 1, 2006, gradually eliminating duties on more than 95 percent of all goods and services, including soybeans and DDGs.

Other products continue to face tariffs. US corn and SBM exports face a 10% tariff; SBO has a 2.5% duty. Wheat, however, still faces tariffs of 65%, depending on the season and local crop. When domestic wheat is readily available, US exports can see higher tariffs and when wheat supplies in Morocco are low or world prices are high, tariffs are suspended, as they were in 2011. The remaining commodities have benefited more from the FTA; the import tariff for soybeans has dropped from 44% to zero.

In addition to tariffs, US wheat also faces progressive import duties based on threshold prices set by the Customs Administration of Morocco.

In the past, market access issues for grains and oilseeds to Morocco included prohibitively high tariffs, poor infrastructure, and a lack of regular shipping services. These have all improved in recent years. Furthermore, the GOM has reformed the customs service to allow for more timely and efficient processing and administration.

Large grain silos are being built at ports; in conjunction with deepwater ports that became available in recent years, the US no longer is at a such a disadvantage to smaller EU shipments.

### Grain-oilseed situation

Morocco's wheat production is erratic due to climatic conditions. Consequently, it has become one of the world's largest wheat importers. Imports vary significantly from year-to-year, typically in the 2-4 MMT range. The US share of Morocco's wheat imports averages about 10%, but the US volume and share are highly variable.

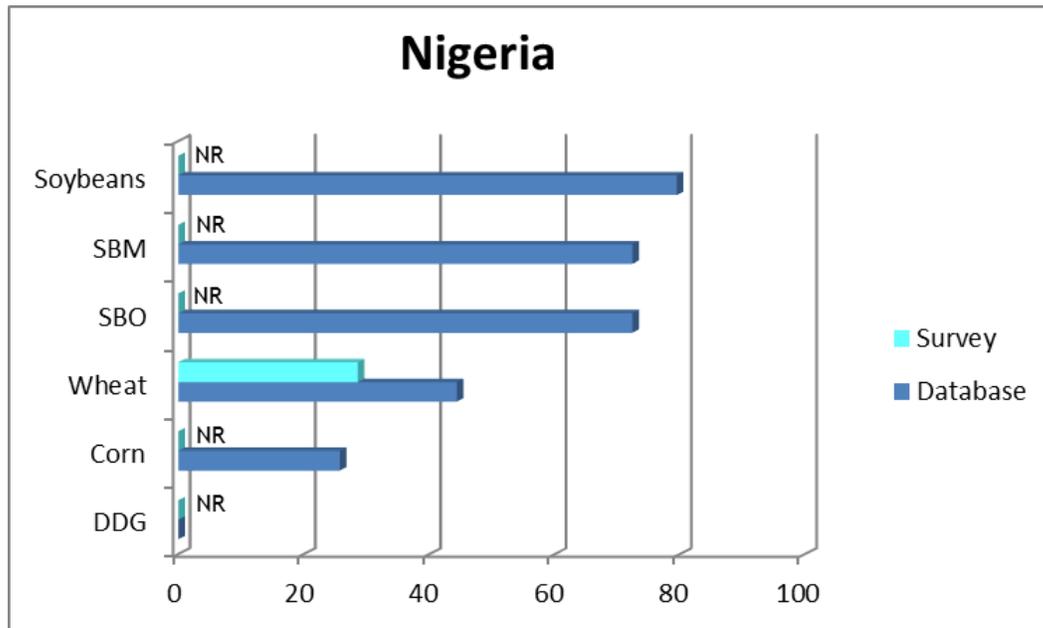
Morocco imports 90% of its corn needs, but the US import share has dropped significantly, from close to 50% in 2007/08 to under 10% in 2010/11.

Morocco does not produce soybeans. The US typically provides over half the market's supply; soybean imports have dropped, however, from 440 TMT in 2007/08 to 150 TMT in 2010/11.

Morocco: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Beginning Stocks	29	28	19	6	6
MY Imports from US	217	142	106	105	135
Imports	409	386	187	150	200
Total Supply	438	414	206	156	206
Crush	410	395	200	150	200
Domestic Consumption	410	395	200	150	200
Ending Stocks	28	19	6	6	6

Source: USDA PS&D, January 2012

## NIGERIA



### Market access

Nigeria's wheat and corn tariffs are 5%, soybeans, DDGs, and SBM are 10%, and SBO, 35%. Application of these duties is far from transparent and consistent, however. Nigeria's import policies and restrictions are designed to protect local production and limit imports.

Despite a 2010 Presidential Task Force's findings that these policies have been ineffective at creating jobs or increasing production, and have in fact led to increases in smuggling and a reduction of government receipts, the government continues to try to limit imports.

In its effort to reduce the country's dependence on 4 MMT of wheat imports (and growing), the government's latest effort is a regulation, unveiled in November 2011, requiring wheat millers to include 10% cassava in their flour production. (A similar requirement was imposed in 2005 and led to the temporary shutting down of industry, but had to be rescinded because there was insufficient cassava processing capacity to meet the regulation.)

In addition to phytosanitary certificates and import permits, Nigeria also requires destination inspection for imports. Long lists of prohibited items and incorrect declarations by importers result in almost all containers being physically examined, adding delays and costs.

International monitoring groups rank Nigeria among the most corrupt countries. The latest Transparency International rating was 2.4, down from last year. Nigeria's corruption levels remain high and its main anticorruption institution, the Economic and Financial Crimes Commission, has faltered recently in its reputation and commitments on the issue.

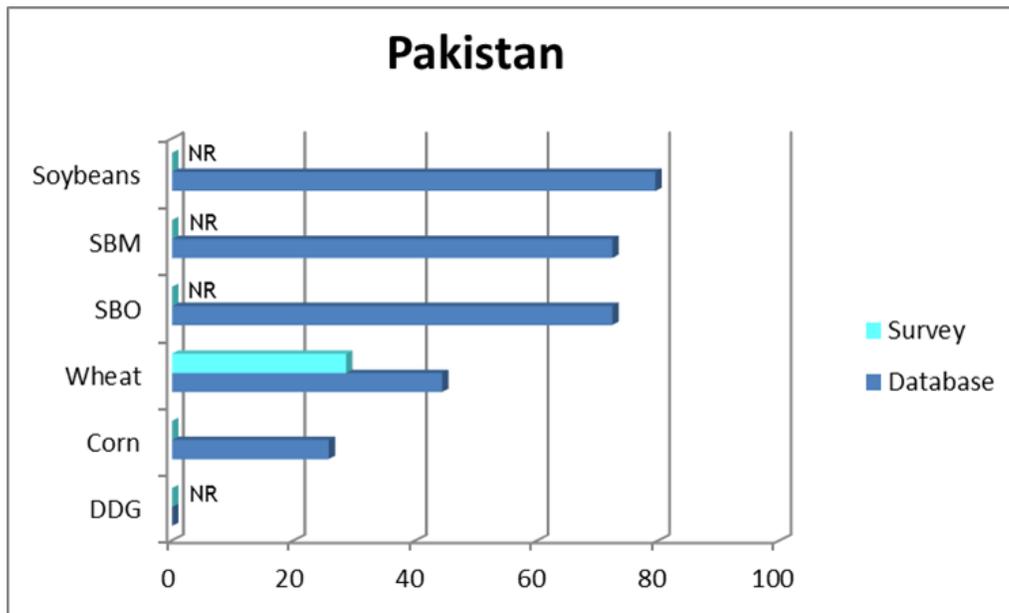
### Grain-oilseed situation

Nigeria is one of the largest global destinations for US wheat exports. The country produces minimal quantities of wheat and had to import 4.1 MMT in 2010/11, over 90% of which (3.7 MMT) came from the US. The country also produces corn (about 9 MMT) and soybeans (less than 500,000 MT), but imports minimal volumes of these commodities.

Nigeria: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	440	440	440	440	440
Yield (mt/ha)	0	0	0	0	0
Production	450	450	450	450	450
MY Imports from US	0	0	0	0	0
Imports	15	4	4	4	4
Total Supply	465	454	454	454	454
Crush	228	228	228	228	228
Domestic Consumption	465	454	454	454	454

Source: USDA PS&D, January 2012

## PAKISTAN



### Market access

Other than soybeans, which enter duty free, tariffs on GOMAI products in Pakistan are 10% (wheat, corn, DDG, SBM) or very close to 10% (crude SBO is assessed just over \$100/MT). The soybean meal rate was recently lowered from 20%. These products also are subject to a 16% VAT.

There are relatively few quantitative restrictions on US agricultural exports to Pakistan. For most commodities, Pakistan's technical barriers are still the most prohibitive. US wheat is subject to SPS obstacles in the form of an unreasonable test for a rye disease. White wheat exports are also blocked by an unusually high wet gluten content requirement. Currently there are no restrictions on importing genetically modified products from the United States as long as they meet U.S. standards.

The government controls the entire wheat marketing system, setting prices, managing inventories, and controlling imports and exports as necessary. With good crops the last three years, exports have been authorized.

Corruption continues to be an issue in Pakistan which scored a 2.5 on the Corruption Perceptions Index in 2011, keeping it in the bottom third of the countries studied.

### Grain-oilseed situation

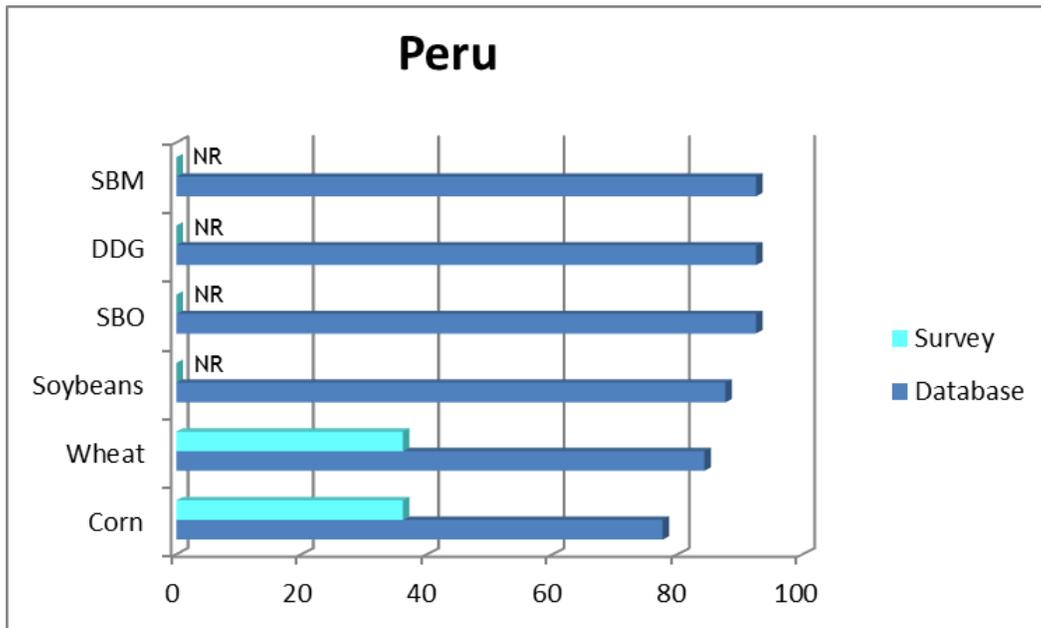
Pakistan both imports and exports wheat but its net trade averages much less than 1 MMT and is quite small in relation to the 20-24 MMT of annual domestic production. In recent years it has been a net exporter of about 200,000 MT. Imports have been low so little wheat has been purchased from the United States recently. Pakistan is self-sufficient in corn and neither imports

nor exports much. Soy imports are very small - about 275,000 tons of meal and negligible quantities of beans and oil. Occasionally the beans and oil are US origin, but not usually. Meal imports are primarily Indian due to lower freight costs.

<b>Pakistan: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	2	2	2	2	2
Yield (mt/ha)	1.00	1.00	1.00	1.00	1.00
Beginning Stocks	12	0	0	0	0
Production	2	2	2	2	2
MY Imports from US	0	2	2	2	2
Imports	0	0	10	10	10
Total Supply	14	2	12	12	12
Crush	12	0	10	10	10
Feed Waste Dom. Cons.	2	2	2	2	2
Domestic Consumption	14	2	12	12	12

Source: USDA PS&D, January 2012

## PERU



### Market access

The Peruvian market was relatively open before, and access has improved further with the US-Peru free trade agreement (PTPA) that went into effect on February 1, 2009. It immediately eliminated tariffs on many agricultural products, including wheat, soybeans, SBO, DDGs, and soybean meal. Peru has also agreed to eliminate its use of the Andean Price Band System (APBS) on US products.

The US has been assigned its own yellow corn TRQ, which stood at 561,800 MT in 2011 (it began at 500,000 MT in 2009, increasing 6% per year until tariffs are phased out by 2020). White corn also has tariffs which will be reduced stepwise. During the early years of these phase outs, the US will face the MFN rate as it will be the lowest rate available; eventually, however, the US scheduled rates will drop below the MFN rate and the US may benefit from preferential access.

Since the last GOMAI, Peru's VAT has been reduced from 17% to 16%.

### Grain-oilseed situation

Peru is not a significant wheat producer and has to import about 90% of its requirements. In recent years about one third of the 1.5 million tons of wheat imports have been of US origin.

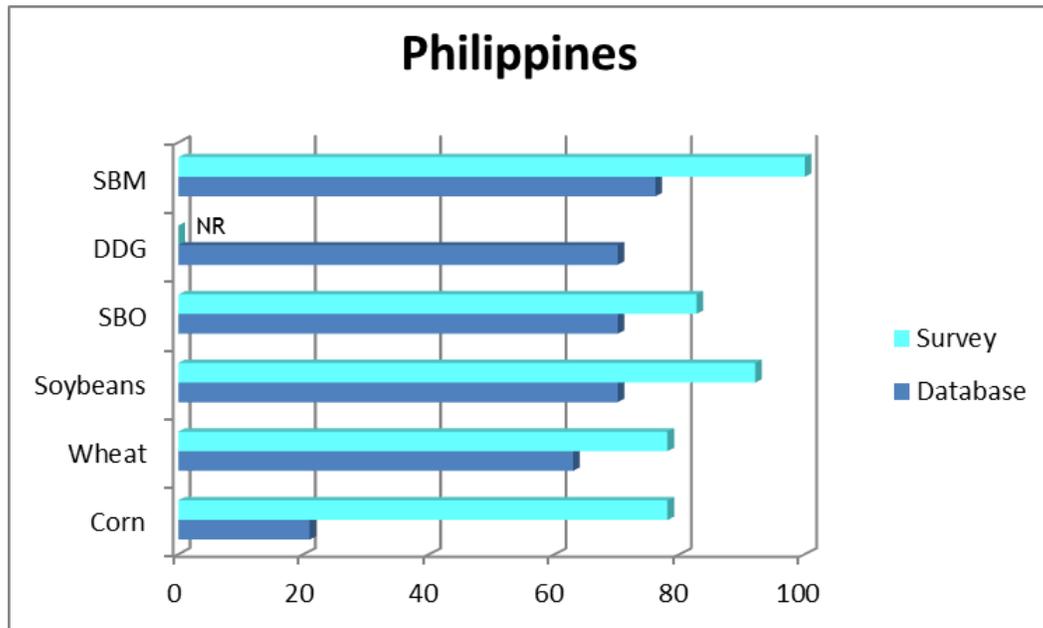
Corn demand is growing in Peru and is being met through rising imports. On average about 20% of the imports come from the US, although US exports dropped sharply in 2011. Peru imports mostly soybean meal (900,000 tons) rather than beans (100,000 tons). While an occasional shipment comes from the United States, the market is dominated by Southern Hemisphere producers.

In the year ending September 2011, the US shipped 1.0 MMT of wheat, 66,000 MT of corn, 45,000 MT of soybean oil, and 49,000 MT of soybean meal to Peru.

Peru: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	2	2	2	2	2
Yield (mt/ha)	1.50	1.50	1.50	1.50	1.50
Beginning Stocks	0	10	3	5	1
Production	3	3	3	3	3
MY Imports from US	0	0	0	0	0
Imports	105	92	101	95	100
Total Supply	108	105	107	103	104
Crush	2	2	2	2	2
Feed Waste Dom. Cons.	96	100	100	100	100
Domestic Consumption	98	102	102	102	102
Ending Stocks	10	3	5	1	2

Source: USDA PS&D, January 2012

## PHILIPPINES



### Market access

The Philippines has relatively open market access, particularly after the recent implementation of the ASEAN FTA which cut duties on imports from ASEAN partners to 0-5% in 2010. This put US exporters at a small disadvantage on some products. In 2008, the government exempted some grains from duties and subsequently extended the exemptions. Overall, tariffs for US grains remain relatively low, ranging from 1-7% and imports are VAT exempt. The exception is corn, which faces a TRQ with an in-quota tariff of 35% (and 50% over-quota). Duties for oilseeds also continue at low rates, and are now VAT exempt. Both grains and oilseeds are subject to various import surcharges.

High food prices are politically sensitive in the Philippines and the government often intervenes to hold down food price inflation or to promote economic development.

Phytosanitary certificates and an import permit are required for grain shipments to the Philippines. Corn must be certified as testing negative for Starlink. Wheat straw is prohibited from entering the country. The Corruption Perceptions Index rating for the Philippines has improved slightly to 2.6 but this still leaves the country in the bottom third of the countries studied.

### Grain-oilseed situation

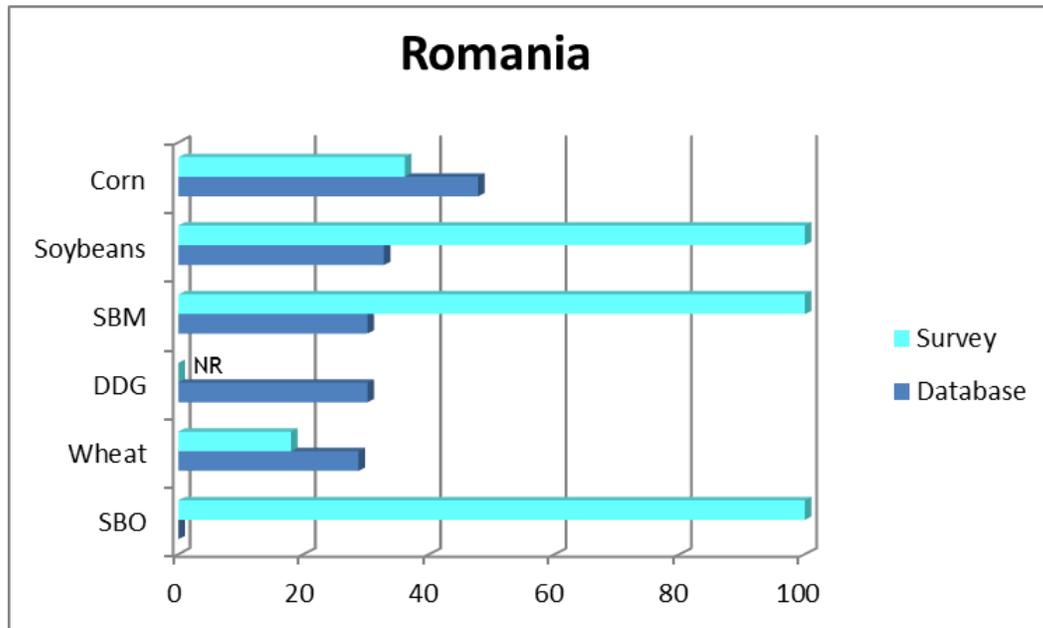
The Philippines is a significant importer of US wheat and soybean meal and has begun to import some DDG. The country is largely self-sufficient in corn and only an occasional buyer from the US. It does not produce wheat and has annual imports of about 3 MT, of which about half are

regularly purchased from the US. Normally the Philippines acquires a significant portion of the small volume of soybeans it imports from the US. Soybean meal imports have increased from 1.6 MMT a few years ago to almost 2 MMT currently. The US share has varied between about a third and a half of the total.

<b>Philippines: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	1	1	1	1	1
Yield (mt/ha)	1.00	1.00	1.00	1.00	1.00
Beginning Stocks	86	11	5	10	7
Production	1	1	1	1	1
MY Imports from US	22	24	35	35	35
Imports	41	35	111	80	95
Total Supply	128	47	117	91	103
Crush	100	39	100	80	95
Feed Waste Dom. Cons.	2	2	2	1	0
Domestic Consumption	117	42	107	84	98
Ending Stocks	11	5	10	7	5

Source: USDA PS&D, January 2012

## ROMANIA



### Market access

Romania is a part of the EU and as such, adheres to the standard EU tariff and policy procedures with only minor modifications. However, since 1998, the EU has had a de facto moratorium on approvals of new biotechnology products. Thus, the Romanian market is effectively closed to US imports. As a result, US corn exports have been very small.

The EU has extremely strict SPS criteria that are industry managed. Phytosanitary certificates, additional declarations, quality certificates, and testing are required. In addition, since 2004 the EU has enforced regulations pertaining to the labeling and traceability of biotech food and feed products. Many food processors and exporters in the EU have pursued non-GM sources, significantly hindering US exports of these products.

Romania also has problems with corruption. It ranked a 3.6 according to Transparency International, down from 3.8 two years ago, putting it in the middle third of countries evaluated.

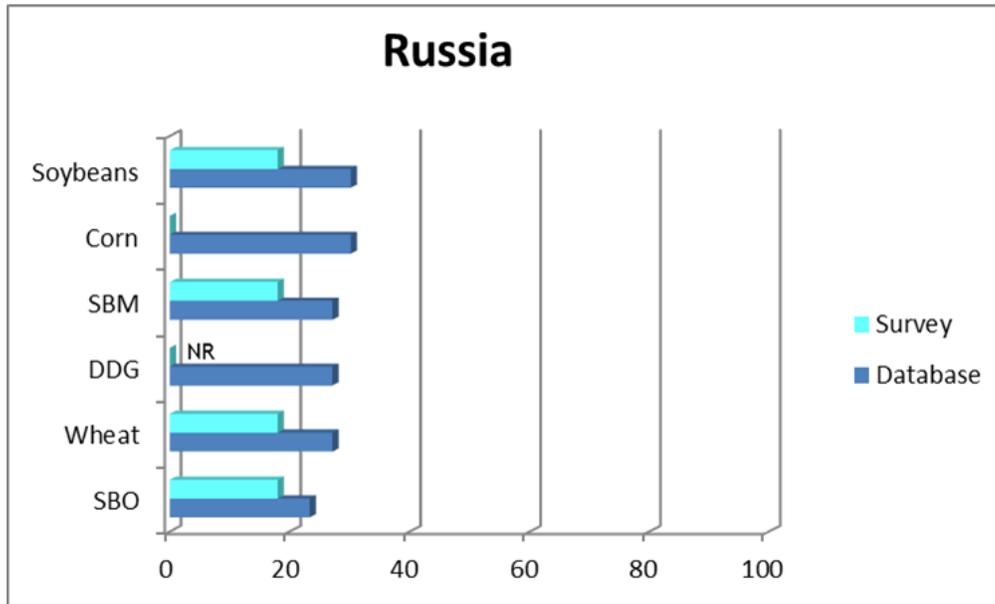
### Grain-oilseed situation

Romania has significantly expanded grain output over the last two seasons. It produces 6-7 MMT of wheat and is a net exporter to both EU and non-EU countries of more than two million tons. The country produces over one million tons of barley and exports half of it. Corn production is 9-10 MMT and 2-3 million tons are exported. Agriculture still employs about 30% of the labor force in this country of 21 million people.

Romania is also a traditional producer of sunflower seed, with an annual crop of over one million tons. Recently production of rapeseed, another high oil content seed, has also become important. Romania is a net exporter of oilseeds but does import over 400,000 MT of soybean meal, although very little from the US. Soybean oil is not a significant presence in the market, nor have DDGs made any inroads.

Since Romania has been part of the EU since 2007, the USDA does not produce separate supply-demand balances for the country.

## RUSSIA



### Market access

On January 1 2010, the Customs Union between Russia, Kazakhstan, and Belarus entered into force, with common external tariffs, mostly matching Russia's applied rates at the time. Any changes are now decided by the Customs Union Commission rather than the national government. In January 2012, the WTO also approved Russia's application to join the organization. Russia has until June 15 to pass the implementing legislation. These two developments should make the country's import policies more stable and predictable, and gradually reduce import barriers over time. Russia will continue to impose export restrictions on grain when export commitments become excessive.

Wheat import duties have been reduced to zero. Corn was already duty-free. Soybean meal and DDG face an MFN rate of 5%, but the WTO bound rate will be zero once Russia is officially a member. Soybeans are subject to a 20% export duty (but not less than €35/MT - about \$45) to promote domestic crushing. Soybean oil for edible use faces a duty of 15%.

Russia continues to maintain a number of barriers with respect to imports, including discriminatory and prohibitive charges and fees and discriminatory licensing, registration, and certification regimes. US companies report that Russian standards and procedures for certifying imported products are non-transparent, expensive, time-consuming, and beset by redundancies. Corruption is also an issue, as Russia scored only 2.4 of a possible 10 points on Transparency International's Corruption Perceptions Index.

Imports of biotech crops and food or feed containing a biotech event are permitted if the event is registered and the individual product is registered. Products do not have to be declared as GMO if they are less than 0.9% GMO (0.5% for non-registered events). There is still consumer

resistance to GMOs and some parts of the country have declared themselves GMO-free zones. There is a de-facto ban on cultivation of biotech crops.

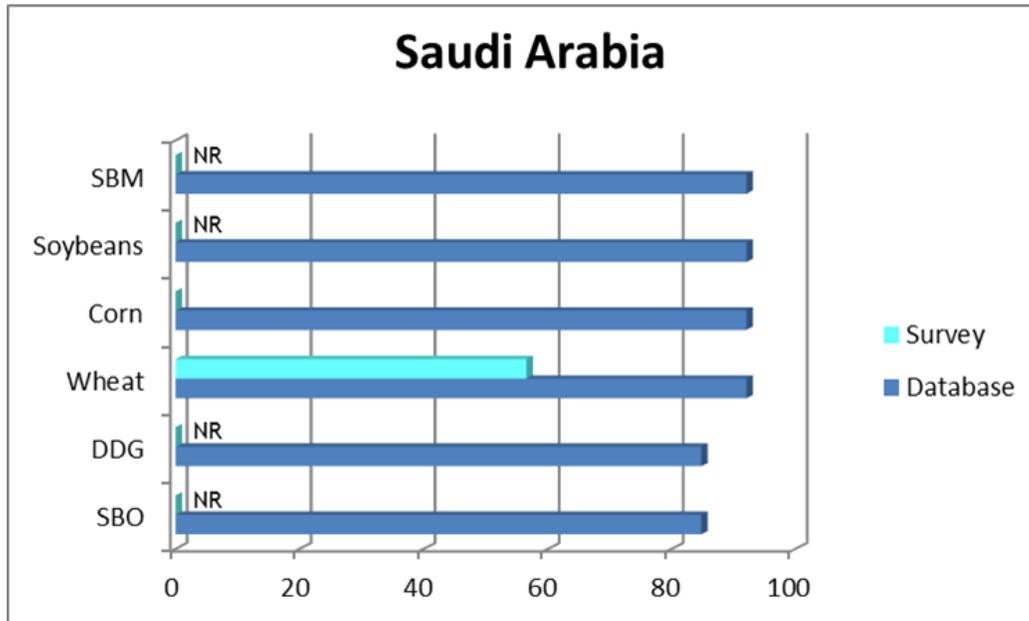
### Grain-oilseed situation

Russia's grain and oilseed production rebounded in 2011 from the very poor crop results the prior year. Historically a major wheat exporter, Russia is also now a net exporter of corn. Soybean meal demand is rising rapidly and soybean plantings have increased to meet that demand. Domestic soybean meal production surpassed imports in 2007/08 and now accounts for over 80% of total supplies. Russia imports about 1 million tons of soybeans and 400,000 tons of soybean meal, mostly Southern Hemisphere material, with an infrequent cargo from the United States.

<b>Russia: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	709	709	792	1036	1200
Yield (mt/ha)	0.92	1.05	1.19	1.18	1.25
Beginning Stocks	22	40	92	91	112
Production	652	744	942	1,222	1,500
MY Imports from US	0	26	96	27	25
Imports	442	837	1,037	1,000	900
Total Supply	1,116	1,621	2,071	2,313	2,512
Exports	5	2	0	1	0
Crush	1,051	1,497	1,950	2,170	2,340
Feed Waste Dom. Cons.	20	30	30	30	50
Domestic Consumption	1,071	1,527	1,980	2,200	2,390
Ending Stocks	40	92	91	112	122

Source: USDA PS&D, January 2012

## SAUDI ARABIA



### Market access

Since the last report, there have been no significant access changes to Saudi Arabia's relatively open market. There are no quantitative barriers to US market access and tariffs are 0% on wheat, corn, soybeans and soybean meal and 5% for soybean oil and DDG.

There are a few technical and procedural barriers to trade. Biotech labeling, production and expiration date regulations, and Arabic labeling requirements are problematic. Certain phytosanitary measures are in place for wheat, barley, corn, sorghum, and soybeans. Furthermore, certain products must meet fumigation requirements.

One very positive change from the perspective of US exporters is that King Abdullah ordered a doubling of animal feed subsidies and this took effect in July 2011. For example, corn receives an import subsidy of \$120.53 per MT and soybean meal receives \$202.13. This can only have the effect of stimulating demand.

### Grain-oilseed situation

Saudi corn production is negligible so the country imports almost 2.0 million tons annually. In recent years US corn has accounted for a quarter to a half of the imports.

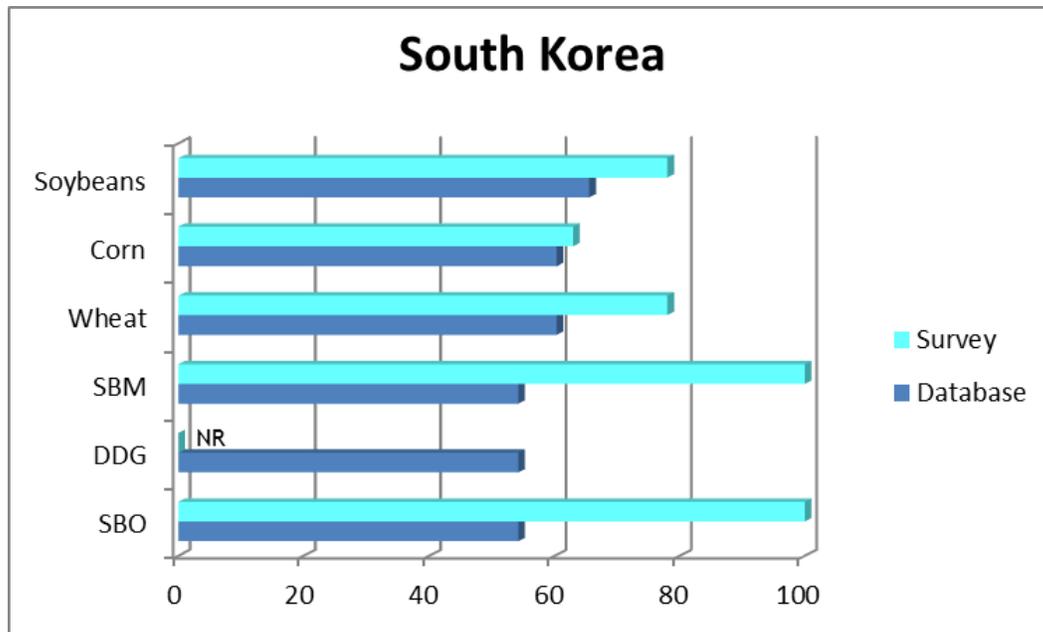
In the case of wheat, the high prices and tight world supplies over the last couple of years interrupted the decline in plantings due to the phase out of the support program. Nevertheless, imports are running at about 2 million tons annually and more than a quarter of the 2010/11 imports were US origin.

Saudi Arabia is not a big soybean importer and seldom buys any from US suppliers. However US soybean meal usually accounts for a small share of the 700,000 MT the country imports.

<b>Saudi Arabia: Soybean Meal (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Beginning Stocks	20	20	61	9	9
TY Imports from US	276	144	110	110	110
TY Imports	648	691	598	557	600
Total Supply	668	711	659	566	609
Feed Dom. Consumption	648	650	650	557	600
Domestic Consumption	648	650	650	557	600
Total Distribution	668	711	659	566	609
Ending Stocks	20	61	9	9	9

Source: USDA PS&D, January 2012

## SOUTH KOREA



### Market access

Korea is a leading market for US wheat, corn and soybeans. Import tariffs are low, and while the country uses import quotas, they are mostly non-restrictive. In March 2011 the government announced temporary in-quota duty reductions from 1% to 0% for corn and soybean meal, and from 4% to 2.5% for soybean oil.

US wheat exporters have some concerns regarding stricter limits on mycotoxins than those imposed by most other countries. Passage of the Korea-US FTA in late 2011 will eliminate tariffs on wheat, soybeans for crushing, corn for feed use, and various corn products and by-products. Some other tariffs will be phased out over a number of years. There will be a new TRQ for edible soybeans.

Korea ratified the Cartagena Protocol on Biosafety (CPB) on October 2, 2007, and on January 1, 2008 passed the Living Modified Organism Act, Korea's implementing legislation for the CPB. That Act is now being revised. Korea imports biotechnology crops and products for food and feed, but not for propagation. Foods for human consumption containing biotech events must undergo a complete safety assessment conducted by the Korean FDA. Biotechnology crops/products that contain unapproved events are not allowed to be imported or sold on the Korean market. The most important biotech crops imported from the US are corn and soybeans, which are used for further processing and animal feed in Korea. Biotech crops and products destined for human consumption and animal feed must carry a biotechnology label. Non-GMO grains must have IP

documentation or official government certification of the non-biotech status of the shipment. KFDA maintains a zero-tolerance policy for the inadvertent presence of biotech content in processed organic products. There has been strong consumer and government resistance to acceptance of biotech wheat.

### Grain-oilseed situation

Historically the United States provided a high proportion of South Korea’s grain and oilseed imports. That has changed for a number of reasons, including the growth and price competitiveness of Southern Hemisphere supplies, availability of corn from China in some years, the increased importance of freight, and perhaps an intentional effort to diversify sources of supply.

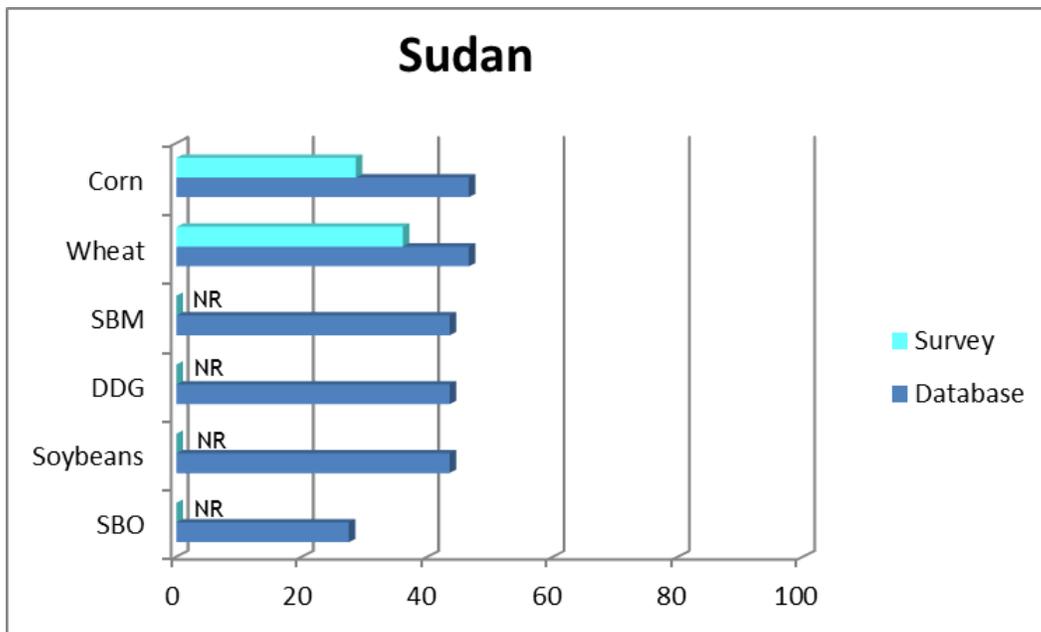
Korea does not produce wheat or corn. The country annually imports more than 4 million tons of wheat (a quarter to a third US) and 8 million tons of corn. Corn sourcing varies; the US share of imports has been 75-80% in recent years.

Korea imports 1.2 MMT of soybeans, about 90% of the soybeans it uses. The US share is about 50%. In addition the country imports 1.7 MMT of soybean meal, but only 10% of that is US origin.

<b>South Korea: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	76	75	70	72	81
Yield (mt/ha)	1.50	1.76	1.99	1.46	1.69
Beginning Stocks	83	43	50	52	18
Production	114	132	139	105	137
MY Imports from US	435	386	709	702	620
Imports	1,232	1,167	1,197	1,239	1,260
Total Supply	1,429	1,342	1,386	1,396	1,415
Crush	916	841	881	918	920
Feed Waste Dom. Cons.	50	51	50	50	50
Domestic Consumption	1,386	1,292	1,334	1,378	1,395
Ending Stocks	43	50	52	18	20

Source: USDA PS&D, January 2012

## SUDAN



### Market access

Sudan is a member of COMESA, the Common Market for Eastern and Southern Africa. In theory, that group of countries constitutes a free trade area, moving towards a customs union with a common external tariff of 0% for capital goods and raw materials, 10% for intermediate products, and 25% for finished products. In practice, there seems to be little coordination of import duty rates. As best we can determine, Sudan's tariffs remain very high at 25% for grains and feeds, and 40% on soybean oil. The one exception is durum wheat with a tariff of 3%. Sorghum has also been duty free. Sudan routinely applies seasonal bans to control imports as there are no quotas in place. In addition Sudan applies a 10% VAT on imported products. Duties are applied on the CIF price.

Sudan applies significant service fees for shipping, clearing and forwarding services. There is also a Cure Tax payable to the Ministry of Defense at 1% of CIF value payable inside the port area. An additional 1% is collected by the State Government (local authority) in charge of the port locality when goods leave the port area but before the transport manifest is stamped to allow for travel to final destination. There are also various charges, estimated at USD 25, payable to each of the 5 state governments between Khartoum and Port Sudan.

Certificates of origin, and phytosanitary certificates are required. Shipments to Sudan must be covered by a bill of lading and a separate certificate of origin which must be issued by the competent authority in the country of origin. Commercial invoices must show the name and address of supplier and purchaser, quantity, gross weight, etc. Genetically modified seeds are prohibited. Corruption is perceived to be a major problem in Sudan, scoring among the lowest in the world, at just 1.6 on Transparency International's index.

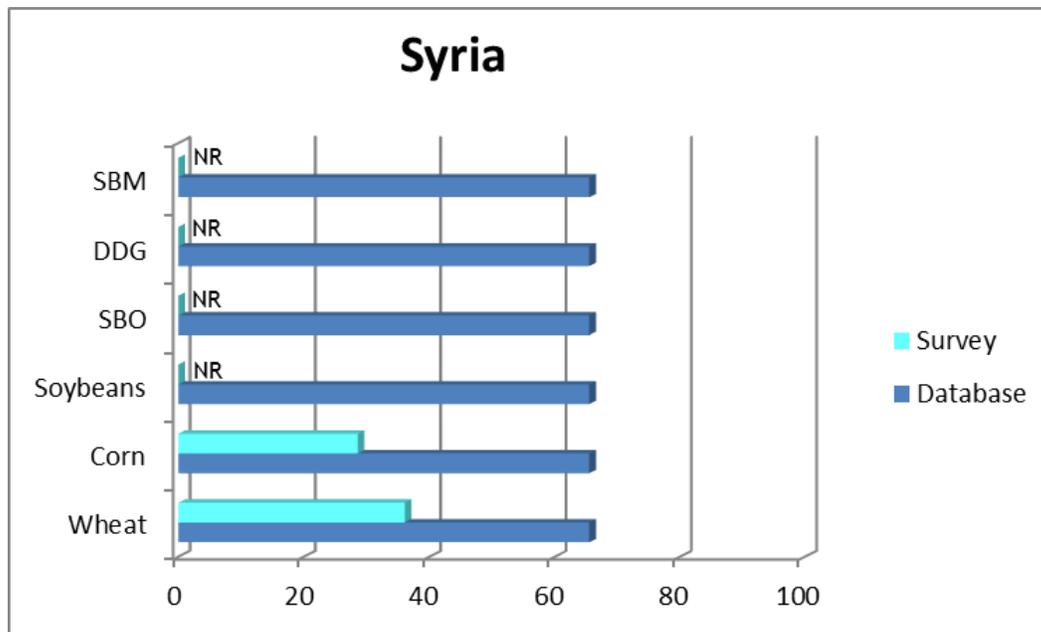
### Grain-oilseed situation

The bulk of Sudan's population of 44 million is involved in subsistence farming and about 80% of employment is in agriculture. Sorghum and wheat are the two major food grains. Sudan normally produces about 4 MMT of sorghum and supplements this with about 300,000 MT of imports that usually come from the United States.

Wheat production is much lower at about 400-500,000 MT. Net imports of about 1.7 MT raise available supplies to the 2.2 MMT needed to feed the population. US exporters have only managed to sell small quantities of US wheat to the country, and nothing in the last five years.

Sudan does not have much active trade in the oilseed sector. Domestic disappearance of oilseed meals is about 400,000 MT and this requirement is met primarily from domestic production of groundnut (peanut), cottonseed, and sesame meals. The country consumes a similar quantity of fats and oils, but imports are only about 100,000 MT and soybean oil does not play a big role in that trade.

## SYRIA



### Market access

Syria has low tariffs in the 1-3% range for many commodities, but 10% on DDG and corn gluten.

Import requirements and procedures are complicated, especially the requirement that importers obtain an import license from the Ministry of Economy and Trade. In addition, importers of agricultural and food products often must secure prior approval from the Ministry of Agriculture and Agrarian Reform. Testing imports at the Central Laboratory for Feed is very difficult. Weed seeds are a real problem in such tests. A ship load can be refused if certain un-permissible weed seeds are present in the shipment. Imports of food products should be accompanied by a certificate of origin, a phytosanitary certificate, an analysis certificate, and a certificate for the level of radiation. All certificates must be authenticated by the Syrian embassy in the country of origin, or any other Arab consulate if there is no Syrian embassy in the country of origin.

There is zero tolerance for ergot and some US cargos have been turned away due to its presence.

Corruption can be a problem in Syria, which scores in the bottom third of countries, at 2.6 on Transparency International's 10-point scale.

### Grain-oilseed situation

Syria is a key country in the Middle East with a population of 23 million plus about 1 million Iraqi refugees. Demand for basic agricultural commodities has been growing steadily but has been disrupted in the past year by ongoing civil strife. About 17% of employment is in agriculture and the country used to be a net exporter of wheat. However, for a number of reasons Syria has

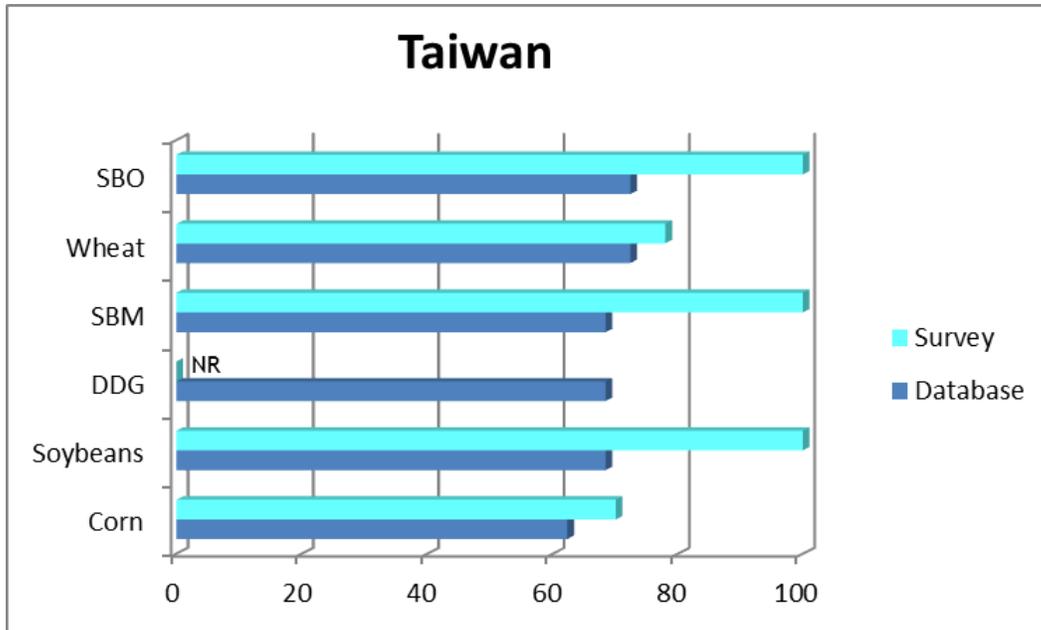
become an importer of about 1 million tons annually, mostly from Russia and Ukraine. Syria produces 0.5-1.0 MMT of barley and imports a comparable quantity for animal feed, again mostly from Black Sea origins. Corn is the other major feed grain and Syria only produces about 10% of its requirements. Imports are now running close to 2.0 MMT annually and the United States and Ukraine are the leading suppliers.

Syria is not a significant oilseed producer. It imports 400-500,000 tons of soybeans each year and the United States supplies about two-thirds of that amount. Imports of oilseed meals are typically about 600,000 MT, of which soybean meal accounts for the majority. The US has only a small share of Syria's soybean meal market. Imports of fats and oils exceed 200,000 MT but the US has not sold any soybean oil there in recent years.

<b>Syria: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	1	1	1	1	1
Yield (mt/ha)	2.00	2.00	2.00	2.00	2.00
Production	2	2	2	2	2
MY Imports from US	344	413	350	200	225
Imports	360	560	540	350	400
Total Supply	362	562	542	352	402
Crush	360	554	536	345	395
Feed Waste Dom. Cons.	2	8	6	7	7
Domestic Consumption	362	562	542	352	402

Source: USDA PS&D, January 2012

## TAIWAN



### Market access

US grains and oilseeds have relatively open market access in Taiwan. Due to high commodity prices, Taiwan temporarily reduced wheat tariffs to 3.25% during various portions of 2008, 2009, 2010 and 2011. Taiwan waived the 5 percent VAT on imported barley, corn, soybeans, and wheat, effective for the period from August 6, 2007 to February 5, 2008 and extended this through June 2010. Taiwan also has numerous other minor price measures in place such as business taxes, trade promotion fees, import inspection fees, port charges, quarantine inspection fees, harbor construction fees, and Customs clearance fees. They are generally a fraction of one percent and are not a significant obstacle.

Taiwan's unwillingness to recognize international MRLs for new chemical/product combinations, coupled with a slow and cumbersome approval process, has resulted in a backlog of over 1,500 MRL applications. Taiwan's inability to keep pace with requests to establish new MRLs has resulted in the rejection of various U.S. agricultural shipments including wheat, barley, strawberries, and corn, and is creating a significant level of uncertainty in the U.S. agricultural industry as a whole.

All food products containing 5 percent or more bioengineered soybean or corn ingredients by weight must be labeled as "Genetically Modified (GM)" or "Containing Genetically Modified." Highly processed food items (items with no proteins or DNA) do not require GM labels. Taiwan Council of

Agriculture plans to set standards for mycotoxins and to regulate biotech for feed applications would duplicate Taiwan FDA regulations and hurt grain imports.

### Grain-oilseed situation

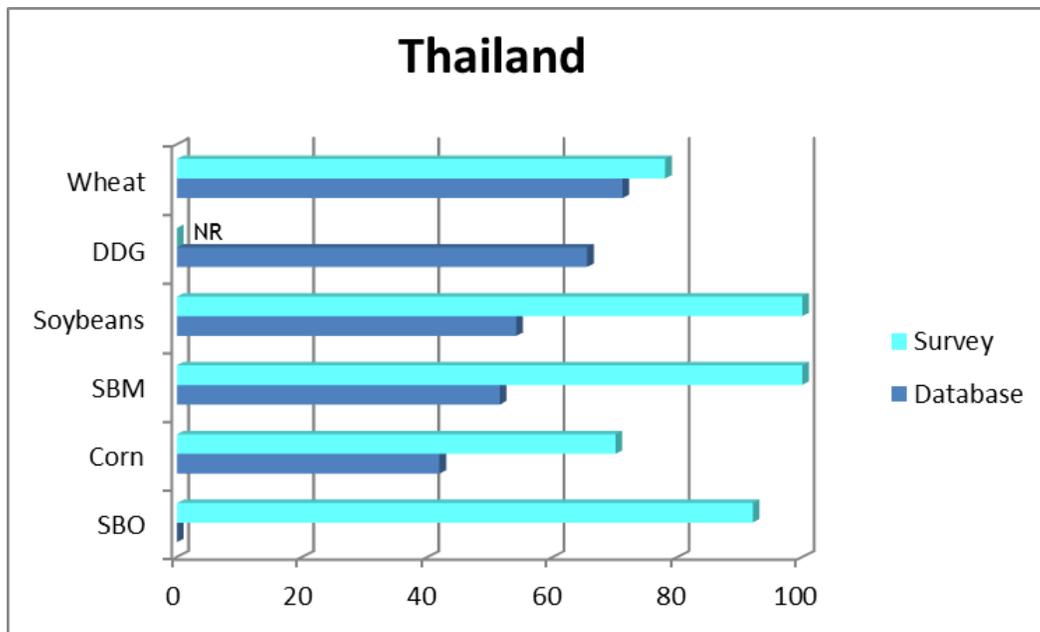
Taiwan has had a close political, military, and economic relationship with the United States for decades and historically went out of its way to buy American when sourcing basic agricultural commodities. However, they have been diversifying sourcing in recent years. Taiwan does not produce wheat or soybeans, and corn output is negligible. Wheat imports are 1.2-1.3 MMT annually, and two-thirds of that is US origin. Taiwan historically bought 100% of its corn imports from the US but the US share has fallen to about 60%.

Almost all soybean meal used by Taiwan is from domestic crushings of imported beans. The United States now supplies about 60% of the 2.5 MMT of soybean imports. Taiwan has also begun to import almost a million tons of distillers' grains from the United States each year.

Taiwan: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Beginning Stocks	133	56	80	124	148
Imports	2,148	2,216	2,469	2,454	2,400
MY Imports from US	1,892	1,630	1,662	1,490	1,300
Total Supply	2,281	2,272	2,549	2,578	2,548
Crush	1,965	1,917	2,150	2,150	2,160
Food Use Dom. Cons.	260	275	275	280	280
Domestic Consumption	2,225	2,192	2,425	2,430	2,440
Ending Stocks	56	80	124	148	108

Source: USDA PS&D, January 2012

## THAILAND



### Market access

Price and quantitative controls and non-tariff barriers substantially restrict US market access to Thailand. However, sales of agricultural products remain exempt from the value-added tax implemented in 1992.

TRQ restrictions on corn and soybean oil remain as before. There is a 54,700 MT TRQ for corn with an in-quota duty rate of 20%. In 2007, Thailand relaxed TRQ allotments, allowing unlimited imports of soybeans and soybean meal for specific producer groups at lower in-quota rates. On December 29, 2009, the Thai government granted an unlimited in-quota amount of soybeans for 2010 with a zero percent-tariff rate and an unlimited in-quota amount of soybean meal with a tariff reduction from 4 percent to 2 percent, but, for certain importers only with a domestic purchase agreement. Imports from ASEAN countries will enjoy quota and tariff free access, in accordance with the ASEAN Free Trade Agreement that came into effect on January 1, 2010.

Although the government of Thailand maintains relatively open access according to WTO tariff rate quota rules, US exporters report restrictive and burdensome requirements for import permits and licenses, including compulsory purchase of local feed ingredients. Thailand maintains a complicated and burdensome import permit regime. Feed and livestock price control measures are non-transparent. Importers report inconsistent application of WTO transaction valuation methodology for customs clearance of fees and taxes. Thailand's customs reference price system often disregards the declared transaction price of products.

In July 2011 the government issued a rule requiring imported DDGS to be at least 26% protein, which will increase testing costs.

### Grain-oilseed situation

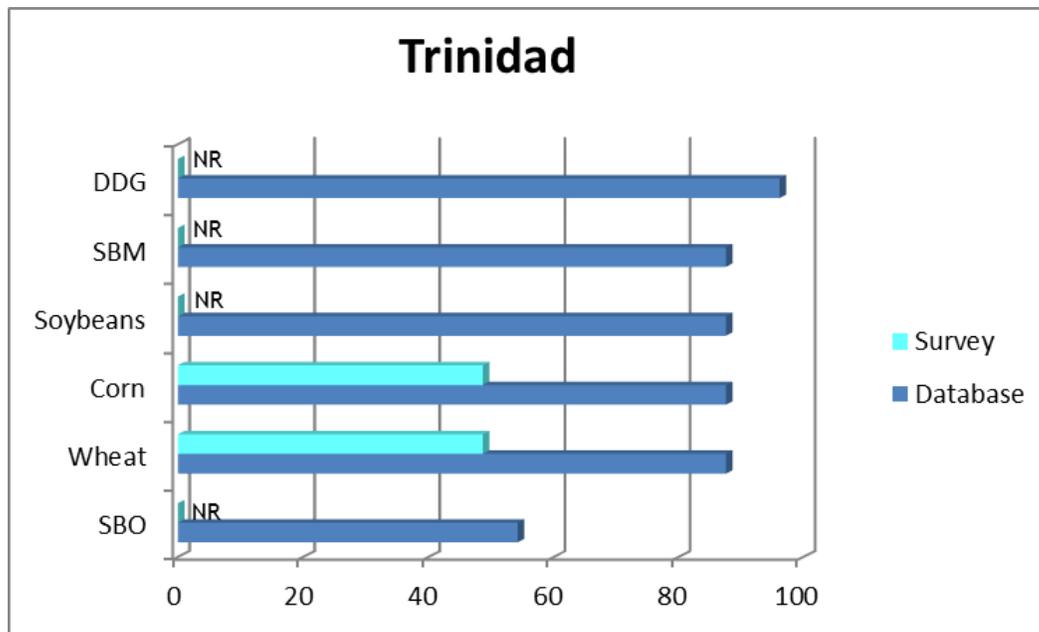
Corn and wheat consumption in Thailand have grown quite a bit since 2008/09, and there has been some increase in soybean meal demand. Thailand produces most of its corn needs. Imports and exports vary year to year, but have been about equal if one looks at the last five years as a whole. Thailand imports virtually no corn from the US. There is no wheat production so the country imports an average of 1.7 MT, of which about 500,000 tons are US origin.

Thailand imports 1.6 MT of soybeans and 2.2 MT of soybean meal. The US supplies about 15% of the soybeans and about 10% of the meal.

<b>Thailand: Soybean (1,000 mt)</b>					
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Area Harvested (1,000ha)	140	120	110	120	120
Yield (mt/ha)	1.50	1.50	1.55	1.50	1.50
Beginning Stocks	64	143	97	46	164
Production	210	180	170	180	180
MY Imports from US	164	206	450	270	270
Imports	1,753	1,510	1,660	2,139	2,000
Total Supply	2,027	1,833	1,927	2,365	2,344
Exports	2	1	1	2	2
Crush	1,514	1,390	1,520	1,820	1,775
Feed Waste Dom. Cons.	158	140	145	155	150
Domestic Consumption	1,882	1,735	1,880	2,199	2,159
Ending Stocks	143	97	46	164	183

Source: USDA PS&D, January 2012

## TRINIDAD



### Market access

The Trinidad market, though small, is highly accessible. Tariffs follow the Caribbean Community's common external tariffs, and are zero except for corn (5%), crude soybean oil (40%), and refined soybean oil (10%). Moreover, the country's value-added tax does not apply to unprocessed foods, soybean oil, or animal feedstuffs.

Trinidad has phytosanitary requirements for unprocessed commodities, requiring phytosanitary certificates and import permits for grain and oilseeds, but these have not been used as a barrier to trade. Although the USDA phytosanitary database currently lists Trinidad as prohibiting wheat imports, US export data show robust exports (over 140,000 MT in the year ending September 2011).

Trinidad's rating on Transparency International's Corruption Index dropped from a 3.6 to a 3.2.

### Grain-oilseed situation

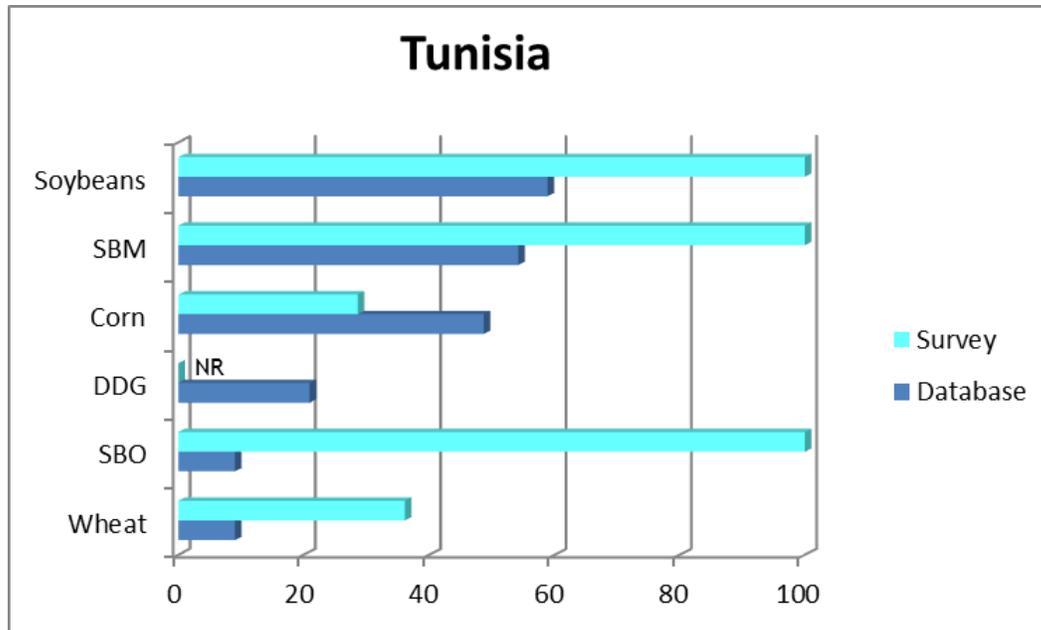
Trinidad and Tobago has a population of 1.2 million so it is not a large market. However, it has a surprisingly vibrant economy and manufactures food and beverage products both for domestic use and for export to other Caribbean countries. There is no significant amount of grain or oilseed production on the islands so almost all the basic agricultural commodities are imported. The United States is the dominant supplier by far.

The country typically imports about 125,000 MT of wheat, 100,000 MT of corn, 45,000 MT of soybean meal, and 30,000 MT of fats and oils (including about 5,000 MT of US soybean oil). Most of these goods usually come from the US.

Trinidad and Tobago: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
TY Imports from US	55	27	44	41	45
TY Imports	55	27	44	41	45
Total Supply	55	27	44	41	45
Exports	1	0	0	0	0
Feed Dom. Consumption	54	27	44	41	45
Domestic Consumption	54	27	44	41	45
Total Distribution	55	27	44	41	45

Source: USDA PS&D, January 2012

## TUNISIA



### Market access

Tunisia has a prohibitive 60% tariff on wheat, but the main market access constraint is the government monopoly on imports. Official tariffs on soybean oil are also 60% but imports are done by the state-run National Oil Board (ONH), and in 2010 customs duties and VAT on soybean and other vegetable oils were eliminated to hold down consumer prices. Imported crude oils are allocated to local refiners under a quota system.

Corn, soybeans and soybean meal were all officially subject to import duties of 17%, but the duty on soybeans was eliminated in 2008, and soybean meal currently faces a 7% import duty.

### Grain-oilseed situation

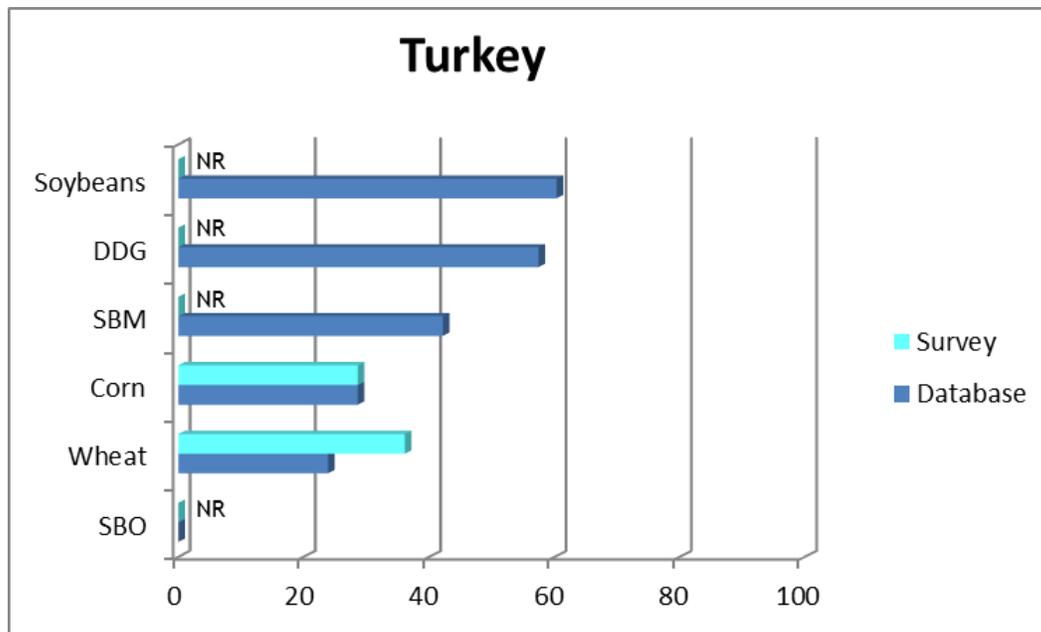
Tunisia's wheat production is highly variable due to climatic conditions and at best accounts for half of domestic requirements. Imports have recently averaged about 1.8 million tons annually, but only about 5% of that is from the United States. The EU and Black Sea countries are the main suppliers. In contrast, the United States is the main supplier of corn, which is not produced in the country.

The first oilseed crushing plant in the country began operating in 2008, using mostly US soybeans. Volume increased to 320,000 MT by 2010 but operations in 2011 were disrupted somewhat by the political turmoil that year. With the new domestic production of soybean meal, imports have fallen sharply. Tunisia imports soybean oil from multiple sources, palm oil, and US corn oil, and exports olive oil.

Tunisia: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Beginning Stocks	15	10	10	0	10
Production	16	130	250	340	350
TY Imports from US	0	20	5	5	5
TY Imports	350	233	99	40	40
Total Supply	381	373	359	380	400
Feed Dom. Consumption	371	363	359	370	390
Domestic Consumption	371	363	359	370	390
Total Distribution	381	373	359	380	400
Ending Stocks	10	10	0	10	10

Source: USDA PS&D, January 2012

## TURKEY



### Market access

The government of Turkey issued new Biotechnology Regulations in October 2009 that blocked imports of transgenic food and feed ingredients, including soybeans, soy meal, corn, corn gluten feed (CGF), distillers dried grains (DDGS) and other products. Following court challenges, the import regime changed several times and the market re-opened to certain products between January 25 and March 1, 2010. A new Biosafety Law was passed on March 26, 2010, with implementation scheduled for September 26 of that year. In May 2010, a Scientific Committee met and approved all of the corn and soybean events approved by the EU except T25 in corn. Nevertheless, there is public confusion about what is permitted and what's not. Food use of soy oil of any type is still not allowed.

The Government of Turkey requires a Control Certificate on the majority of food and non-food imports. This is effectively an import license and is granted arbitrarily by the import officials. The certificates are only valid for between 4 months and a year.

Turkey's principal quantitative barriers include TRQs (with preferences to the EU and other countries in the region) and licensing requirements. Tariffs on wheat and corn are very high at 130% but have recently been suspended by the Council of Ministers on quota allocations to the Turkish Grain Board. Turkey's principal technical/procedural barriers include the difficulty of obtaining SPS certifications, testing requirements, corruption, and lack of transparency in the implementation of import policy. For instance, required documents necessary for imports can be subject to changes with little or no prior notification. Corruption is still a minor issue in Turkey. It scored a 4.2 out of a possible 10 in Transparency International's Corruption Perceptions Index (down from 4.6 in 2008).

### Grain-oilseed situation

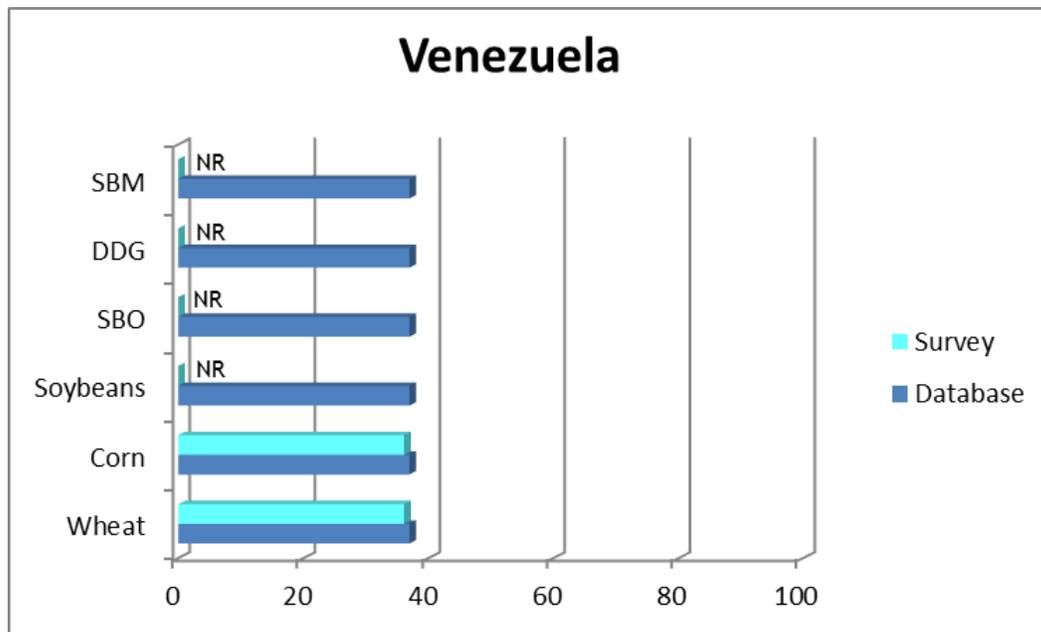
Turkey has had reasonably good wheat and corn crops the last three years but has still needed to import about 3.5 MMT of wheat and 0.5 million of corn each year. During 2010/11 Turkey finally bought a significant volume of US wheat, but US corn has not gotten any traction there the last few years. Turkey does buy 100-200,000 MT of US soybean meal though, along with several hundred thousand tons of DDG.

In the case of soybeans, Turkey does not produce much and imports about 1.3 MT each year, plus 350-400,000 MT of soybean meal. US soybean exports to Turkey have ranged from 235,000 to 928,000 MT over the last five years. As a result of the Customs Union with the EU, there are TRQs of 60,000 MT for crude soybean oil from the EU and 2,000 MT for refined soybean oil. There is also a 9,000 MT TRQ for crude Romanian soybean oil.

Turkey: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	7	8	12	17	15
Yield (mt/ha)	3.57	3.75	3.33	3.53	3.33
Beginning Stocks	161	257	257	526	453
Production	25	30	40	60	50
MY Imports from US	397	649	806	419	300
Imports	1,339	1,076	1,648	1,351	1,200
Total Supply	1,525	1,363	1,945	1,937	1,703
Crush	415	410	520	550	550
Feed Waste Dom. Cons.	828	671	874	909	800
Domestic Consumption	1,268	1,106	1,419	1,484	1,375
Ending Stocks	257	257	526	453	328

Source: USDA PS&D, January 2012

## VENEZUELA



### Market access

Venezuela continues to maintain a highly protectionist import policy, using many barriers to limit access to its markets. These barriers include foreign exchange controls, requirements for “insufficiency of production” permits, SPS barriers, and corruption, among others. Venezuela’s corruption score of 1.9 on Transparency International’s annual index is among the worst in the world.

The five-year APBS regime phase-out period required by the Andean Pact expired during 2011. (Venezuela left the Andean Pact in 2006). Venezuela’s membership in Mercosur is still pending acceptance by Paraguay. Nevertheless, key Mercosur suppliers Brazil and Argentina have growing tariff preferences, which are either duty free for some products or a discount of 54% to 72% off the standard tariff rate, on a schedule to be phased out entirely, for others. In principal, these and other suppliers also benefit from ALADI (Latin American) regulations that allow for exports without foreign exchange controls.

In practice, however, the Venezuelan government blocks any products it wishes to keep out from entering the country, but makes exceptions on a product-by-product basis based on its perceived needs.

Fortunately for US exporters, Venezuela’s production shortages, its need for staple goods, and its geographical proximity make it a very important destination for US agricultural commodities.

Over the past year, there has been some relaxation of phytosanitary controls, with the duration of phytosanitary permits being extended from 3 months to 12. Also, though VAT has increased

from 9% to 12% since the last GOMAI report, a number of products are now VAT-exempt, including wheat seed, yellow and white corn, soybeans, DDGs, and SBM.

### Grain-oilseed situation

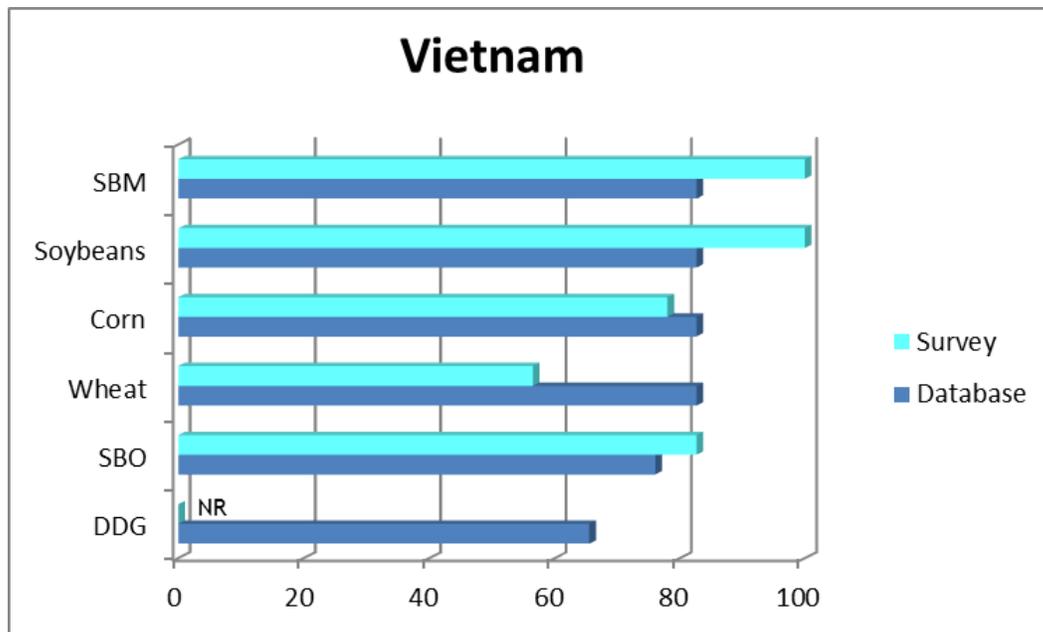
Corn use has been growing in Venezuela, and the United States continues to be the main supplier of imports (0.9 MMT in the year ending September 2011) despite the tense political relationship. In addition, Venezuela does not produce wheat and therefore imports 1.5-1.7 MMT annually. The US has supplied close to half of the wheat imports over the last four years, with 500,000 MT shipped in the year ending September 2011.

Venezuela is not a significant soybean importer but it buys about one million tons of soybean meal from Southern Hemisphere producers. In the year ending September 2011, the US shipped 650,000 MT of soybean meal to Venezuela.

Venezuela: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	37	40	40	40	40
Yield (mt/ha)	1.62	1.85	1.85	1.85	1.85
Beginning Stocks	0	0	0	0	50
Production	60	74	74	74	74
MY Imports from US	11	32	91	51	30
Imports	22	34	102	197	85
Total Supply	82	108	176	271	209
Crush	80	106	174	219	207
Feed Waste Dom. Cons.	1	1	1	1	1
Domestic Consumption	82	108	176	221	209
Ending Stocks	0	0	0	50	0

Source: USDA PS&D, January 2012

## VIETNAM



### Market access

Market access to Vietnam for grains and oilseeds has improved in recent years due to Vietnam's accession to the WTO, and the country's continued investment in infrastructure. Vietnam entered the World Trade Organization in January 2007. Upon WTO accession, most US exports to Vietnam became subject to duties of 15 percent or less. Many agriculture products are at 5% or below.

Importers report that the Vietnamese customs clearance procedures are inconsistent with WTO customs valuation agreement principles. The government of Vietnam established a Sanitary and Phytosanitary Authority in October 2007 and reported early notification to the WTO in January 2008. Vietnam is developing agricultural biotechnology regulations for establishing field trials, protecting biodiversity, assessing risks to human health, and managing trade in biotechnology-derived products. In October, 2009, the government approved field trials for the first three genetically modified crops - corn, soybeans, and cotton.

Infrastructure remains a significant barrier to trade in Vietnam. 78 percent of national container traffic is funneled into Ho Chi Minh City and an additional 19 percent of container traffic is operated in the ports of Haiphong and Cai Lan. Improvements in Vietnam's trade-related infrastructure, such as port facilities, have helped increase not only US corn exports to Vietnam but also other commodities like soybean meal, DDGS, and soybeans.

Vietnam continues to experience problems related to corruption but has seen slight improvement since 2009, and now scores 2.7 on the Corruption Perceptions Index administered by Transparency

International. Lower scores on other technical and regulatory barriers offset some of the effects of higher scores on tariff and price measures.

### Grain-oilseed situation

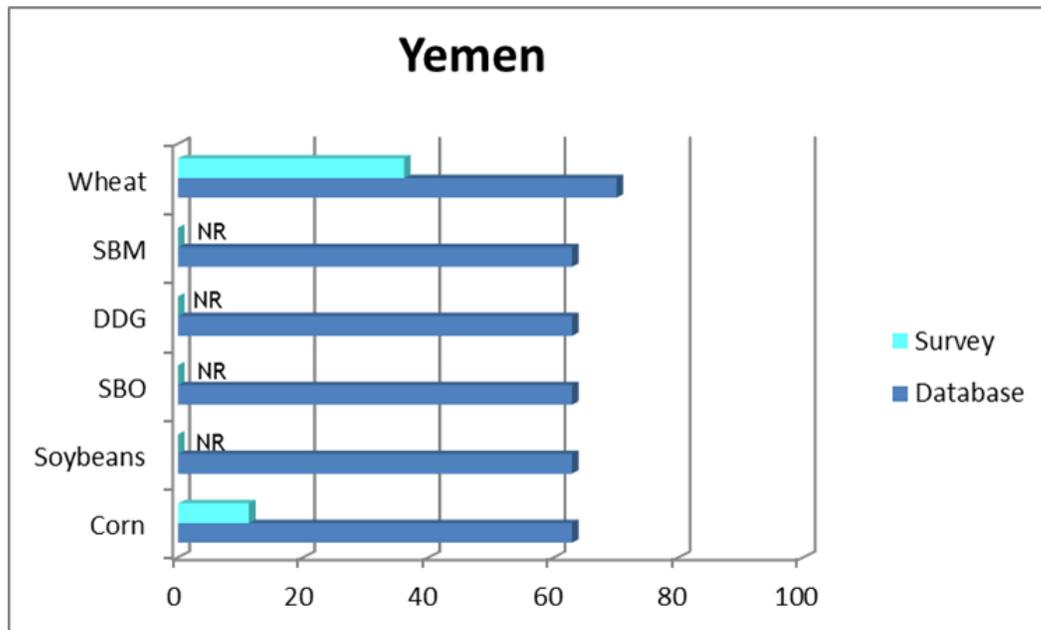
Feed demand has been growing rapidly in Vietnam but so have corn yields, so corn imports have only risen about 0.5 MMT to 1.1 MMT annually. Wheat consumption has also started to increase, boosting imports to more than 2 MMT a year. Purchases of both commodities from US sources are infrequent.

Vietnam produces about 300,000 MT of soybeans and is projected to import 1.4 MMT in 2011/12. Rising domestic crushings have reduced imports of soybean meal, which are estimated at just under 2 MMT in 2011/12, down from 2.6 MMT two years earlier. As in the case of the grains, the US is a marginal supplier of meal but has about a third of the growing soybean import market.

Vietnam: Soybean (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
Area Harvested (1,000ha)	187	192	146	198	215
Yield (mt/ha)	1.48	1.40	1.47	1.50	1.63
Beginning Stocks	23	5	13	25	108
Production	276	269	214	297	350
MY Imports from US	106	141	178	200	500
Imports	120	184	230	840	1,400
Total Supply	419	458	457	1,162	1,858
Crush	0	0	0	540	1,200
Feed Waste Dom. Cons.	112	145	132	170	180
Domestic Consumption	414	445	432	1,054	1,722
Ending Stocks	5	13	25	108	136

Source: USDA PS&D, January 2012

## YEMEN



### Market access

Currently the biggest obstacles to trade with Yemen are political instability and the low level of economic development. Overall, Yemen has low tariff rates. Yemen imposes 5% tariffs on most imports. Some tariffs are slightly less, like corn at 4.3% and soybeans at 4%. However, Yemen applies a 5% tax and a 5% additional fee. In addition, some imports are levied shipping taxes of 1-3% and an income tax of 5%. For soybean oil, if the packaged quantity exceeds 150 kg then the tax is 10% instead of 5%. The government of Yemen places a high priority on cereal crops, especially wheat. Consequently the tariff, taxes and fees on wheat are waived.

Yemen does not apply any tariff rate quotas but does control import quantities with import licenses on all imports and preauthorization requirements on wheat, barley and corn. Import licenses are valid for one year and may be extended for an additional year. Yemen is a signatory of the Arab Common Market Free Trade Agreement and as such, provides favorable duties to the member countries.

Corruption is a major problem in Yemen. Yemen ranked as one of the lowest scored countries in the world and is considered the most corrupt country in the region. Yemen scored a 2.1 of a possible 10 points on Transparency International's Corruption Index.

### Grain-oilseed situation

With its limited agricultural resources and its large and rapidly growing population, currently about 23 million people, Yemen is an important market for US wheat exports. The country typically imports about 2.7 MMT annually with the United States supplying about a quarter to a third of that.

Yemen's economy is quite undeveloped and has to rely heavily on its declining petroleum resources. As a consequence, the livestock product sector is either subsistence based or relies mostly on grazing rather than intensive feeding. Thus there has been limited demand for oilseed or protein meal imports, and that is primarily for the poultry and egg sector. Yemen imports about 100,000 MT of soybean meal annually, but seldom any from the United States. The country also imports about 400,000 MT of corn each year, primarily for food use. Total imports of fats and oils are about 150,000 MT but there have been no purchases of US soybean oil in recent years.

Yemen: Soybean Meal (1,000 mt)					
Attribute	2007/08	2008/09	2009/10	2010/11	2011/12
TY Imports from US	0	7	0	0	0
TY Imports	96	96	103	109	115
Total Supply	96	96	103	109	115
Feed Dom. Consumption	96	96	103	109	115
Domestic Consumption	96	96	103	109	115
Total Distribution	96	96	103	109	115

Source: USDA PS&D, January 2012