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## Russian Federation

**Post:** Moscow

### Russian Fisheries Sector Production and Trade Update

**Report Categories:**

Fishery Products

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**Report Highlights:**

The 2015 total Russian wild catch production increased more than 4 percent compared to the 2014 total catch and is estimated at 4.41 MMT. This year Russia continued the comprehensive reorganization of the fisheries sector, from improving resources management to increasing local processing and distribution. The Government of Russia (GOR) has sought to effect these reforms through a number of government resolutions and rules to improve regulation and transparency. However, an obsolete fleet combined with an underdeveloped fishing port infrastructure, administrative barriers, and a lack of investment; remain as main constraints to sustainable development of the sector. In CY2015, Russian per capita fish consumption declined to 19 kg per and is forecast to continue to decline to 15 kg per capita by the end of 2016. The decline in consumption is largely attributable to increasing prices and declining incomes.

## **General Information:**

### **Production Wild Catch**

The Russian Center for Fisheries Monitoring at the Federal Fisheries Agency (Rosrybolovstvo) released its report estimating total wild catch for CY 2015 at 4.413 MMT, more than 4 percent higher than in CY 2014. The larger catch consisted primarily of an increased harvest of Pollock. There was also an increase in catch in zones of foreign countries and regions governed by international conventions. Additionally the catch from freshwater basins reached 160,800 MT or an 11.2 percent increase over the freshwater catch in 2014. However, wild catch production in Russia is still well below historical levels.

In the Far Eastern Basin, Russian fishermen harvested 2.79 MMT of fish and seafood in CY 2015, which is 67.2 MT more than during the same period in CY 2014. The reason for this increased catch is an improved Pollock harvest in the Okhotsk Sea, the Bering Sea and the Sea of Japan. The total Pollock catch in all three basins is reported at 1,623 MMT or 104.6 TMT more than in CY2014.

In the Northern Basin, the total catch is estimated at 554,100 MT in 2015, or 15,700 MT lower than in 2014. The decrease is due to a decrease in the cod quota by 42,700 MT (total catch down to 375.5 TMT). However, the quota for haddock is larger by 12,100 MT allowing for a total catch of 91,600 MT.

In the Baltic Sea, the fish catch is up slightly in 2015, and is estimated at 61,200 MT, or 13.1 TMT higher as a result of a larger catch for both sprat and herring.

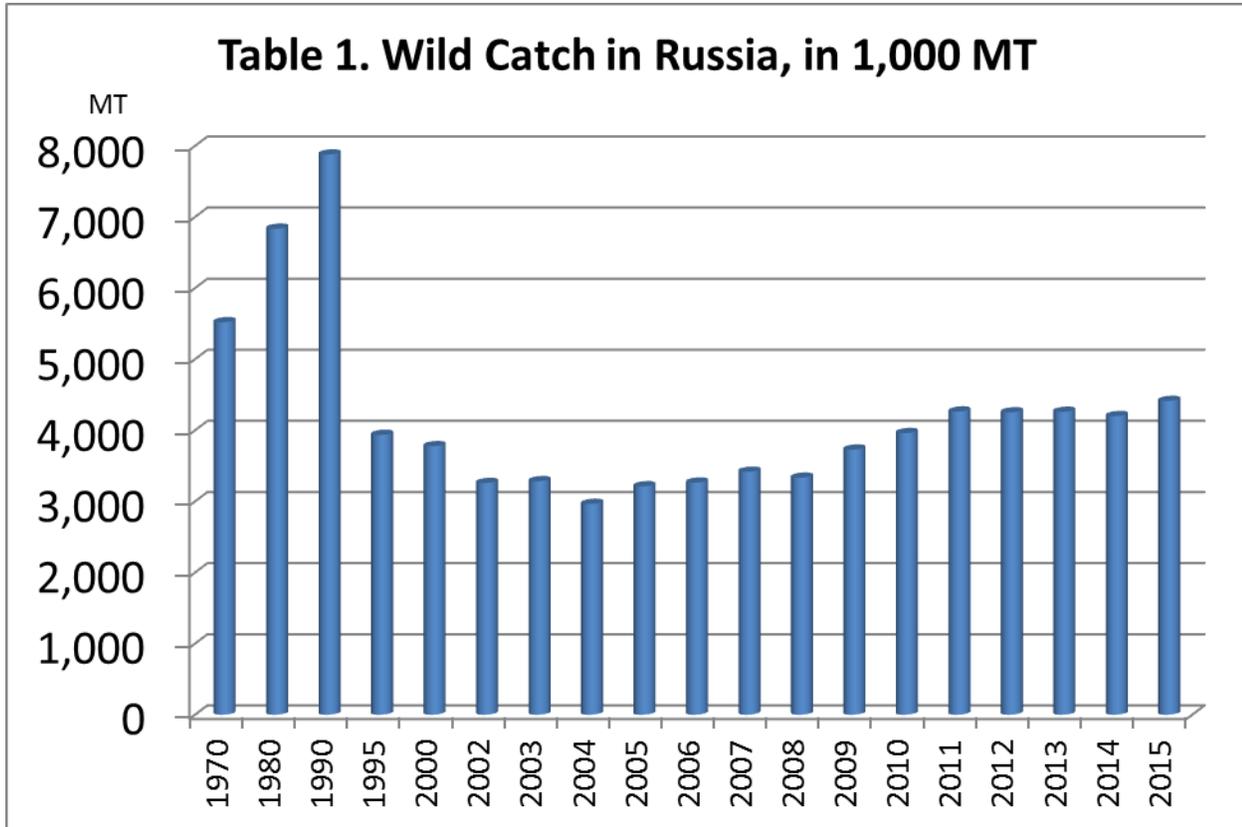
Improved weather conditions in the beginning of 2015 resulted in an increased fish catch in the Azov Sea, Black Sea and Caspian Sea. Fishermen caught 90,800 MT of fish and other seafood in the Azov Sea and Black Sea in 2015, up almost 40,000 MT from the same period in 2014. These results are attributable mostly to an increase in the catch of sprat and anchovies. The total harvest in the Caspian basin is dropped to 41,200 MT in 2015, or 3,200 MT lower than the 2014 harvest.

Rosrybolovstvo also reported that in 2015 Russian fishermen caught 458,700 MT of fish in other zones within the country, an increase of 28,500 MT compared to 2014. In regions governed by the international convention and on the high seas (also governed by the international convention), in 2015 the catch was up 32.4 percent over 2014, and reached 254,600 MT.

The Pacific salmon 2015 catch is reported at 375,500 MT, which is 42,700 MT lower than in 2013, but 38,000 MT higher than in 2014. The lower than expected catch in 2015 is attributed to inaccurate scientific forecast as well as lower than expected migration of salmon to traditional spawning zones.

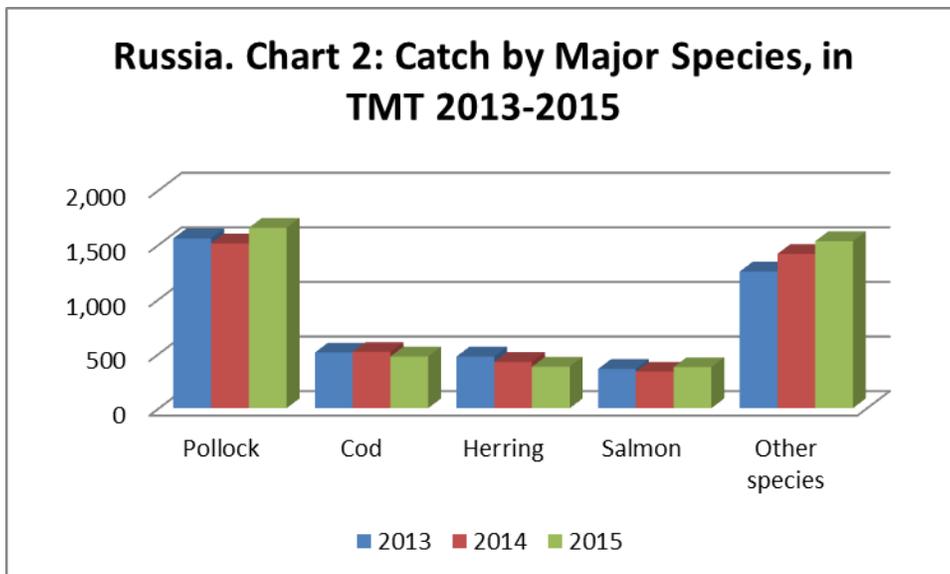
Rosrybolovstvo reports citing Russian Statistical Agency (Rosstat) that production of fish and seafood January-June 2016 reached 1.950 MMT, an increase 1.4 percent over the same period in 2015. This increase in production is primarily due to an increase in production of frozen fish fillets that reached 86.6 TMT, up 33 percent; frozen herring production reached 144.6 TMT, an increase of 29.2 percent; and canned fish production reached 280.4 thousand cans, up 3.2 percent. However, production of salted

fish, during the same period, decreased to 1.3 TMT, down 2.7 percent; and frozen (whole) fish production dropped 1.2 percent, to 1.285 MMT. The total fish and seafood catch, as of October 12, 2016, is reported at 3.283 MMT, or 5.7 percent higher than on the same date in CY 2015.



Source

: Federal Fisheries Agency



Source: Federal Fisheries Agency

The main species of the Russian wild catch consists of Alaska Pollack (35-40 percent of the total catch), followed by Atlantic and Pacific Cod (11 percent (combined) of the total catch), and herring (8-10 percent of total catch). While salmon only accounts for nine percent of the total catch (in volume), the species is very important because of its high value. Other important catch include mackerel, capelin, Pacific saury, halibut, haddock, and crab, because they are a significant input for processing and some are traditionally consumed by Russians.

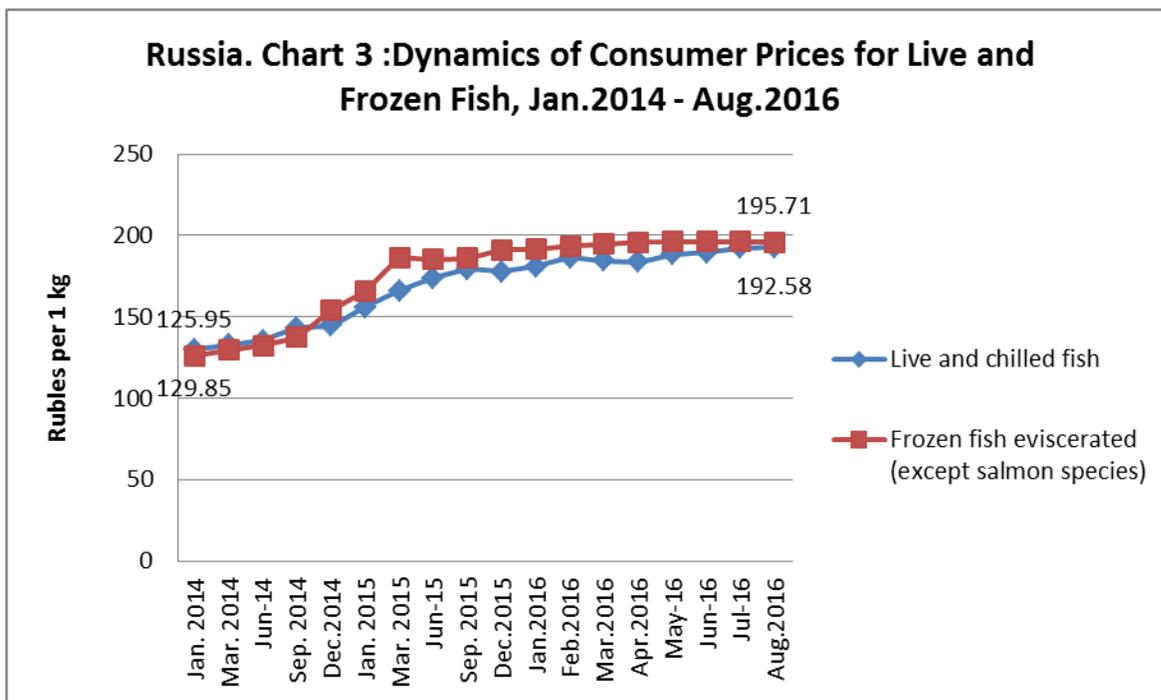
### Consumption

In 2014, RosRybolovstvo stated that the food import restrictions and the economic crisis have not affected the 2014 annual, per capita fish consumption in Russia. The agency estimated the annual per capita consumption at 22.3 kg per capita, about the same level of CY 2013.

However, in CY 2015 the annual per capita fish consumption reportedly declined to 19 kg, and is forecast to continue to decline to 15 kg per capita by the end of 2016. This would be 5 kg less than the per capita consumption recommended by the Russian Ministry of Health. The main reason for this significant downward trend in fish consumption are price increases for all categories of fish and seafood, coupled with declining household incomes, the weak ruble and limited product assortment due to Russia's countersanctions food embargo.

According to Rosstat, retail prices for fish and seafood went up by 20 percent in 2015. According to the research center "Romir," in 2015, the average Russian consumer cut their fish intake by 12.2 percent. According to the same source, retail prices for locally produced fish increased by 15 percent, whereas the retail prices for imported fish products increased on average 30 percent, largely due to increased expenses for logistics and the ruble devaluation. Representatives of X5 Retail Group noted that compared to sales in 2014, sales in 2015 dropped five fold for imported salmon (syomga) and two fold for imported sea bream and catfish. This prompted Russian producers to increase prices for local fish, leading to a decline in demand and a shift in eating habits to cheaper and poorer quality fish. Chilled fish has become unaffordable for most consumers. Trade sources believe consumption is shifting away

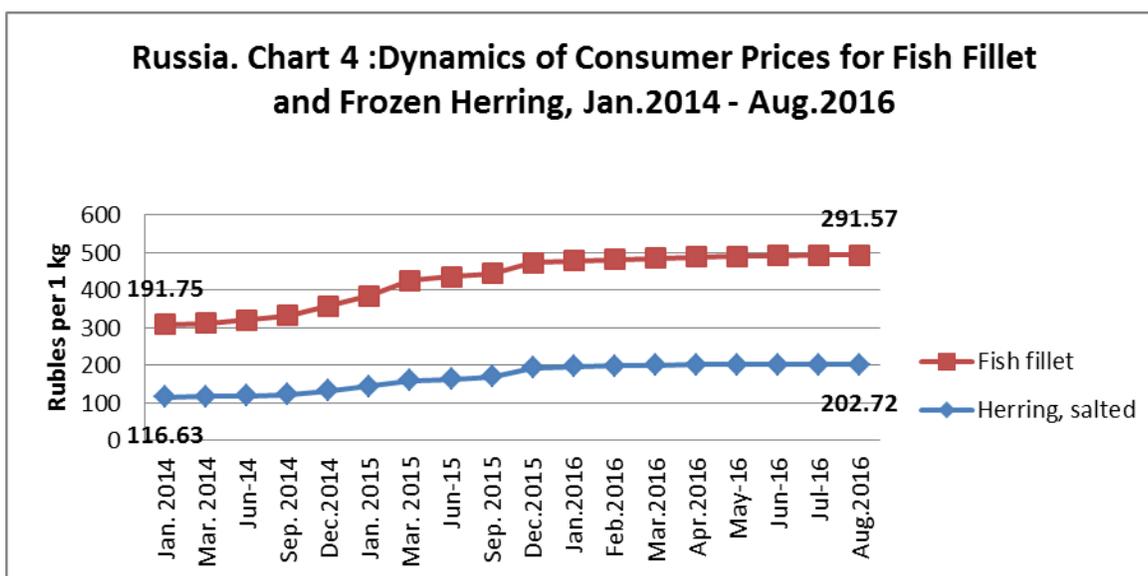
from Atlantic herring, (prices of which have nearly doubled since 2014) to local codfish and Pacific herring. However, given the initially low price for Atlantic herring, it is still affordable for many consumers. The charts below illustrate price dynamics for the dominant fish and seafood categories for the period January 2014 until August 2016. During this period, the price for live and chilled fish increased 33 percent (in ruble value) while the prices for frozen eviscerated fish increased 36 percent. However, the price for frozen and chilled salmon species skyrocketed by 68 percent.



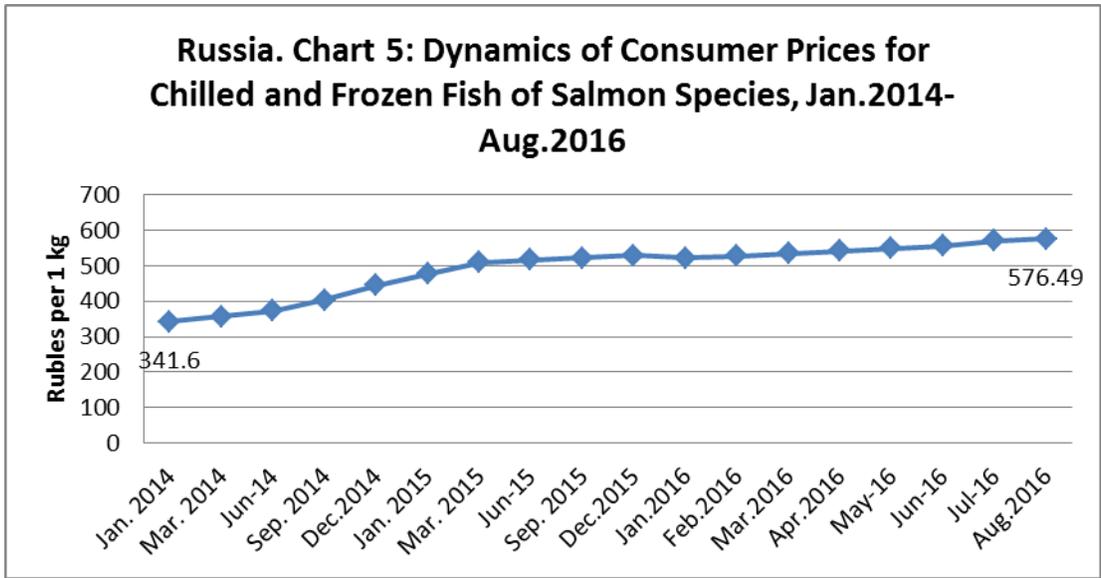
Source: Rosstat

(In 2014 1US dollar = 42.1 Rub; in 2015, 1 US dollar = 63.2 Rub; Jan-Sept. 2016, 1US dollar = 65.01)

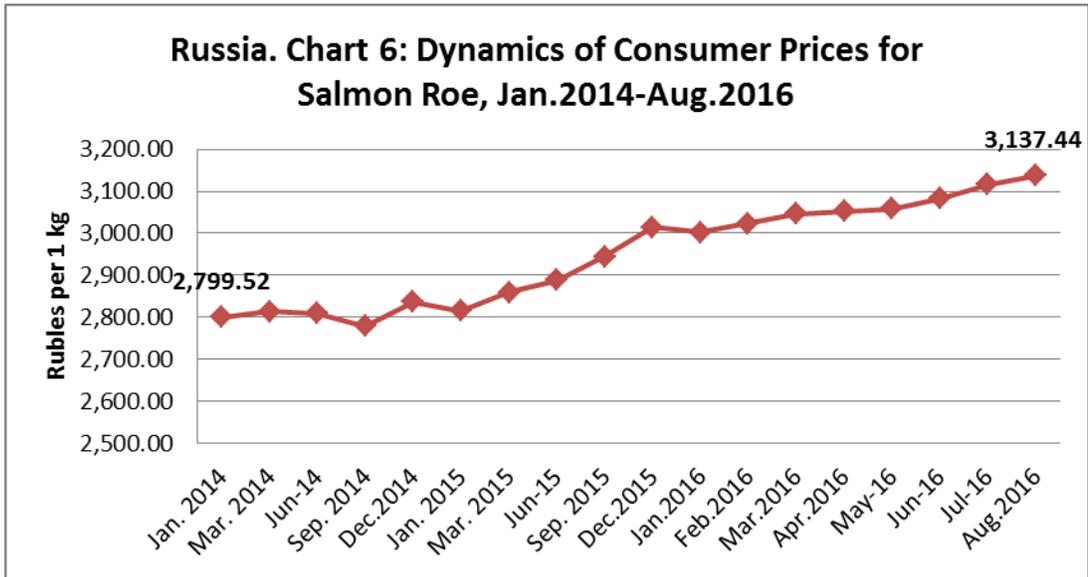
Source: cbr.ru



Source: Rosstat



Source: Rosstat



Source: Rosstat

Analysts from the BusinesStat company reported that the sales volume of fish and seafood in 2015 in Russia decreased nearly 10 percent, to 3.29 MMT, compared to the same period last year. Overall, the market has experienced a downward trend since 2014 when sales of fish products declined by 4.5 percent over sales in 2013. Analysts estimate that in 2016 fish and seafood sales will continue to decline further to 3.25 MMT. The industry forecast for 2017 calls for a rebound between 1 to 3.1 percent annually, reaching sales volume levels of 3.52 MMT by 2020.

The Russian Fisheries Union supports recommendations by the Ministry of Agriculture and the Federal Fisheries Agency to involve industry associations with the in-store, domestic fisheries product promotion programs.

The main objective of the Fisheries Union is to promote greater sales of fisheries products, which should stimulate companies to produce higher quality products. In an effort to achieve this goal, the Fisheries Union, under the auspices of the Federal Fisheries Agency, participated in the development of a concept of quality assurance of Russian products, prepared by the Ministry of Industry of Russia and approved by the government commission in April 2014.

Standards for "Pacific salmon salted slices" and "cod fillets frozen" were proposed as pilot projects. The standards were developed by the fisheries research institute, VNIRO, which reports to the Federal Fisheries Agency. These standards provide for the use of domestic raw materials only.

However, trade sources report that the quality of local fish has not improved. As a result of the recent government and industry union initiatives for promotion of healthier diets in Russia and changing consumption habits among the population, demand for semi-ready fish products, such as fish cutlets and fish sticks, declined by 10 percent, despite the fact that prices for these products have not increased as much as prices in other categories.

Other research notes that Russian consumers have less confidence in the quality of fish and seafood. Consumers are concerned about increased levels of phosphates and reports that those phosphates destroy protein in fish, add weight to the product and make the product less healthy. Another issue frequently reported by consumers is evidence that fish products have frequently been thawed and refrozen. In addition, the Russian media have reported that Russian authorities have detected numerous cases of inexpensive fish falsely labelled as more expensive fish. Such cases have included Far Eastern cod and haddock which were passed off as more expensive species, and cases where a retail chain labeled haddock as Pollock and Pacific salmon, sockeye, and pink salmon, as Atlantic salmon.

## **Government Policy and Regulation**

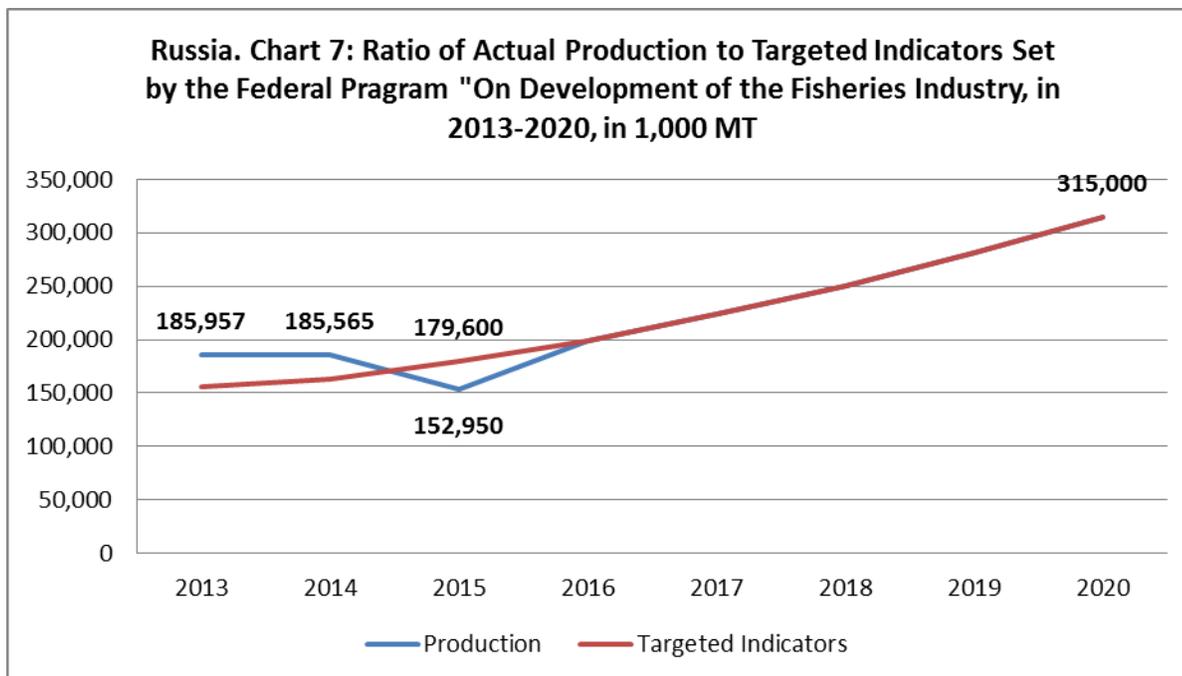
Since the GOR implemented the countersanctions food embargo in August 2014, the government announced the development of the aquaculture sector as one of the priorities in the industry. In line with the Russian Food Security Doctrine, one of the major focuses of the GOR is to further develop the fisheries sector, not only to cover the gap of imported fish products, but also to increase production of fish and seafood. Recently regulatory bodies developed a number of initiatives to achieve the set objectives. According to the Federal Program on the Development of the Fisheries Industry, Russia should produce 315,000 MT of aquaculture fish and seafood by 2020. According to the Federal Fisheries Agency (FFA), in 2015 Russia produced 152,950 MT of aquaculture fish, down 17 percent from production in CY 2014. This 2015 production level failed to reach the target level set by the GOR's commercial aquaculture development program (see chart below). This drop in production is attributed to a massive loss of salmon from infectious anemia at the largest aquaculture producer, Russian Salmon. Additionally, salmon stock at another large company, Russian Aquaculture, was also affected by the disease, but on a smaller scale.

In support of the development of aquaculture, the Ministry of Agriculture, through [Order #10](#) dated January 16, 2015 approved the program "On commercial aquaculture development for 2015-2020." The objective of the program is to increase aquaculture production and stocking material. It established a

target increase in aquaculture production to 195,500 MT (an increase of 25.8 percent from production levels in 2013), and stocking material for breeding purposes to 29,410 MT in 2015. The draft program provides for an increase in aquaculture production by 2016 to 225,400 MT (an increase of 45 percent), and by 2020 to 320,200 MT (2.1 times the 2013 production levels). With regard to stocking materials, the Program foresees growth in its production up to 31,290 MT by 2016, and up to 38,680 MT by 2020. Also, the Program provides for increasing competitiveness of local aquaculture production through the use of a new domestic fish species. Experts in the Ministry of Agriculture estimate that the annual growth in aquaculture production will be between 7-10 percent.

Additionally, on October 22, 2016, the Government of Russia issued [Decree](#) No. 1086, amending the list of agricultural products that are subject to Russia's countersanctions embargo of certain food and agricultural imports to exclude fry of flounder-turbot and fry of sea perch (HS heading 0301), and spat of white shrimp (HS heading 0306). The decision calls for attracting investment into the Russian aquaculture sector as well as increasing competitiveness of domestically produced fish in the local market. FAS Moscow is in the process of publishing a GAIN report on this decree. For more information please review GAIN report #RS1660, to be released shortly.

On March 16, 2016 a working group at the Russian Ministry of Agriculture, chaired by the Deputy Minister of Agriculture and Head of the Federal Fisheries Agency, Ilya Shestakov, developed a package of amendments to the Law on Aquaculture and to several other regulatory acts. The new amendments are directed to eliminate regulatory "gaps" and stimulate accelerated development of the aquaculture sector in Russia. Specifically, members of the working group, authored a bill to introduce additional species of fish to aquaculture farming. The Ministry of Agriculture believes that this measure will facilitate production of commercial aquaculture and increase profitability of aquaculture farms, as well as attract investment. In addition, the working group developed amendments to the Forestry Code to provide rules for the use of forest lands for aquaculture development needs. The working group plans to pass draft amendments for consideration by the State Duma in the spring session. For more information on Aquaculture production please refer to this GAIN [Report](#).



Source: Federal Fisheries Agency

Recently the Russian government approved a number of regulatory documents aimed at improving the development of the fisheries sector and preservation of fisheries resources. The most significant documents and initiatives are listed below:

- Resolution No.909 of August 29, 2015, the GOR approved the rules which define persons (groups of individuals) who are able to apply for fisheries quota. The document also establishes the procedure for providing rights for fish harvesting for different types of fisheries. The legal entity applying for fish and seafood quota cannot be under the control of a foreign investor, except in the case where the foreign investor is established under the order provided by the Law on foreign investments. <http://government.ru/docs/19527/>
- The FFA is reportedly [developing a regulation](#) that will ban commercial vessels from discharging by-catch during commercial harvesting of fish and seafood. The Head of FFA noted that fish wasted as a result of this practice accounts for 15-20 percent of the total fish and seafood harvest, or 600,000 to 800,000 MT. Instead of considering the by-catch as waste, it could be used for production of fishmeal and compound feed. Total production of feed for aquaculture in Russia is estimated at 100,000 MT, while demand in Russia for feed for aquaculture is above 200,000 MT.
- President Putin signed the [Federal Law](#) "On Ratification of the Agreement on Preservation and Rational use of Fish and Seafood of the Caspian Sea." This law, ratifying the Agreement on Preservation and Rational Use of Water Biological Resources of the Caspian Sea signed in Astrakhan on September 29, 2014, was adopted by the State Duma on November 10, 2015, and approved by the Federation Council on November 18, 2015. The Agreement organizes and defines the powers of the Commission on Preservation and Rational Use of Water Biological Resources and the management of joint stocks. It establishes specific procedures for harvesting fish and seafood in

the Caspian Sea, including the commercial catch of sturgeon species. The Agreement continues for an indefinite term with the right of each of the parties to terminate participation with written notification to the Government of the Russian Federation.

- On December 4, 2015, an [agreement](#) between the GOR and the United States to combat illegal, non-reported, and unregulated catch (NNN) came into force. The agreement was signed on September 11, 2015 in Portland, USA. In an effort to fight poaching, both countries are planning to use information exchanges, including data on import volumes of fish and seafood, unloading, violations, and suspicious vessels. Government agencies that are responsible for implementation of the agreement from the Russian side are: Federal Security Service (FSB) and Federal Customs Service, and from the U.S. side are: National Oceanic and Atmospheric Administration, and the U.S. Coast Guard. The document stipulates that in the framework of the Intergovernmental Fisheries Committee, these agencies will hold consultations aimed at preventing, curbing and liquidation of NNN catch. Earlier, Russia ratified similar NNN agreements with China, South Korea and Japan.
- On December 25, 2015, the GOR approved Resolution No. 1431 on Establishing the Government Commission on the Issues of Development of the Fisheries Sector. The Commission will ensure that actions of federal and regional executive authorities for the development and implementation of a uniform state policy in fisheries and aquaculture are coordinated. The document is prepared by the Ministry of Agriculture in implementation of the President's orders following the results of the meeting of the Presidium of the State Council on October 19, 2015. As part of the implementation of import substitution goals, the government has made the development of the fisheries sector in Russia, as well as aquaculture, a priority. <http://government.ru/docs/21284/>
- On December 24, 2015, the GOR issued Order No. 2661-p "On Measures on Implementation of the National Plan on Prevention, Control and Elimination of Illegal, Unreported and Unregulated Fishing." The program was developed under the framework of the state program "Development of the Fisheries Sector" (approved by Government order No. 315-r dated March 7, 2013) and will permit a number of measures to counteract illegal, unreported and unregulated fishing, and to provide control over the performance of the measures. The program also provides for strengthening control over fish and seafood catch turnover, the creation of a system for tracking the origin of a catch through all stages of movement, the introduction of an electronic logbook and use of a digital signature by captains of fishing vessels, the development of international cooperation in counteraction on illegal, unreported and unregulated fishing, strengthening of administrative and criminal sanctions concerning violators of legislation on fisheries and the preservation of fisheries resources, and quick and preventive measures for the identification and suppression of information on illegal production (catch) of fish. <http://government.ru/docs/21286/>
- [Amendment](#) to the Federal Law "On Fisheries and Preservation of Fish and Seafood": Federal Law 349 of July 3, 2016, amends the Federal Law "On Fisheries and Preservation of Fish and Seafood." The changes introduced to the Law include:
- increase the term for fixing quotas of production (catch) of fish and seafood from 10 up to 15 years;

- allocation of up to 20 percent of quotas of production (catch) of fish and seafood for investment purposes (investment quotas), including for construction of fish harvesting vessels (up to 15 percent) and fisheries processing facilities (up to 5 percent);
- increase the threshold of minimum catch of fish and seafood from 50 up to 70 percent of volume of the allocated industrial quotas or coastal quotas within two years in a row.

In addition, the new amendments also include more clear differentiation and specific rules between coastal and industrial fishing. Fishermen will have a choice between coastal and commercial harvesting. However, the new rules envisage preferential quota allocation for coastal fishing at 1.2 ratio. This rule will allow for reduced administrative barriers, as well as the delivery of a larger volume of live, better quality fish or chilled fish for domestic processing and consumption. Adoption of the bill will allow fisheries companies to undertake long-term economic planning, increase catch volumes allocated by quota, promote growth of investments into the construction of fish processing facilities and fishing vessels at Russian shipyards.

Starting from January 2017, fishing companies can apply to Rosrybolovstvo for investment quotas. The GOR objective with this mechanism is to build 50 new large tonnage fishing vessels and several large fish processing facilities in the next 5-6 years. Also the agency expects that 200 billion rubles of investments will be attracted to the sector as a result of this mechanism. Initially, investment quotas were planned for catching Pollock, cod, herring and haddock, the most popular species. However, reportedly President Putin ordered that the list of species eligible for investment quotas be expanded and include halibut, plaice, squid and Far Eastern cod. Currently, Rosrybolovstvo is working on the amendments to the Law. Generally, the Russian fisheries industry is in favor of the mechanism. However, there are strong doubts about whether Russian shipyards are equipped to manage the construction of high tonnage vessels. Most high tonnage vessels that Russian fishermen currently operate were built in foreign shipyards, primarily, in Ukraine and Eastern Germany. Local shipyards currently do not have the experience for construction of high tonnage vessels.

### **Total Allowable Catch (TAC) for 2016**

The Russian government sets the total allowable catch (TAC) levels for fish and seafood annually. The Ministry of Agriculture of the Russian Federation approved TAC levels for 2016 with Order #465 issued on October 7, 2015. This order set the TAC for all in-country sea waters, territorial seas of the Russian Federation and on the continental shelf and exclusive economic zones of the Russian Federation, in the Azov and Caspian Seas. The 2016 TAC level was set at 2.846 million MT, which is 64,900 MT more than the TAC in 2015. In general, the TAC for most species has remained relatively stable from year to year, although some species have seen significant fluctuations. The TAC for Pollock in the Okhotsk Sea and the Far Eastern Basin increased by over 100,000 MT, totaling 1.837 million MT as a result of improved population. The TAC for Kamchatka crab in the Northern basin also increased by 7,000 MT to 7,150 MT as a result of stronger enforcement to combat poaching and more detailed research and scientific collaboration. Also, the TAC for Pacific Halibut in the Okhotsk Sea significantly increased from 1,000 MT in 2014, to 53,000 MT in 2015. Generally, the TAC for different types of crab in the Okhotsk Sea experienced a slight increase in all species. The increase in the TAC for these species was due to improved populations and better enforcement of regulations. On the other hand, the TAC for sturgeon species in the Volga Caspian basin decreased by 30 percent, to 42,370 MT, while the TAC for Pacific herring in the Far Eastern basin increased by 30 percent compared to TAC 2015.

**Far Eastern Fisheries Basin (TAC levels for major species in Western Bering Sea Zone and Eastern Kamchatka Zone) (in thousand MT)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Pollock	730	735	750
Pacific Herring	81	39	51
Cod	93	79	77
Far Eastern Flounder	20	17	24
Black Halibut	2	2	2
Pacific Halibut	4	4	6
Greenling	75	73	68
Rockfish	5	5	5
Far Eastern Cod	15	15	15
King Crab	<1	<1	<1
Blue Crab	2	2	2
Golden King Crab	1	1	1
Snow Crab Opilio	2	3	2
Tanner Crab	1	1	1
Squid	95	110	110

**TAC levels in the Northern Fisheries Basin**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
King (Kamchatka crab)	6.5	7	7.15

**TAC levels in Okhotsk Sea**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Pollock	885	968	1074
Pacific Herring	275	270	266
Cod	20	25	26
Far Eastern Flounder	49	52	53
Black Halibut	12	13	13
Pacific Halibut	1	1	53
Far Eastern Cod	13	22	24
King Crab	6.2	7.7	9.6

Blue Crab	4	4	4
Golden King Crab	2.2	2.3	3.3
Snow Crab Opilio	12	13	15
Tanner Crab	2	2	3.6
Northern Shrimp	4	4	5

**TAC Levels for Sea of Japan (in Thousand MT)**

	2014	2015	2016
Pollock	14	13	11
Pacific Herring	1.5	0.2	0.2
Cod	2.5	3	4
King Crab	2	2	1.2
Blue Crab	2	3	2.2
Spiny crab	1	1	1
Snow Crab Opilio	10	10	10
Tanner Crab	14	13	15
Northern Shrimp	7	12	13
Pacific Squid	<1	<1	<1
Sea Urchin	1	1	1

**TAC Levels Chukotka Zone**

	2014	2015	2016
Pollock	5	6	6
Pacific Herring	<1	<1	--
Cod	7	7	5.4

**TAC for Pacific Salmon In Exclusive Economic Zone**

	2014	2015	2016
Pacific Salmon (pink salmon, sockeye, coho, chum, Chinook)	23	23	23

Source: [www.consultant.ru/.../cons\\_doc\\_LAW\\_18736](http://www.consultant.ru/.../cons_doc_LAW_18736)

**Trade**

**Imports**

According to Rosstat, Russia’s imports (by volume) for fish and seafood (HS03 and HS16) in 2015 decreased by 37 percent. Imports had also dropped 12 percent in 2014 and it is estimated at 557,655 MT. Please see chart below for snapshot of Russia’s total fish and seafood imports over the last three years.

**Table 8. Russia: Fish Imports by volume (MT)**

CY	Fish Imports by Volume (MT)	% change from previous year
2013	1,008,479	9%
2014	885,560	-12%
2015	557,655	-37%

Source: Russian Federal Customs Service

The composition of countries where Russia has sourced its fish and seafood imports has changed significantly over the last three years. For example, imports of fish and seafood from the Faroe Islands tripled from 7 percent in 2014 to more than 21.7 percent in 2015. This significant increase is attributable to Russia’s continued strong demand for Atlantic salmon. However, imports from the country where Russia had previously sourced the majority of its imported Atlantic Salmon, Norway, were banned following Russia’s implementation of the countersanction embargo of certain food and agricultural products in August, 2014. Chile’s import share increased to nearly 8 percent in 2014 and almost 12 percent in 2015. However, during those same periods, the volume of imports from Chile actually declined. In addition, import volumes from China decreased by 28 percent in 2015, however, China’s share of Russia’s total imports continued to be high, estimated at almost 15 percent. The most significant increases in import volumes to Russia in 2015 are reported from the other Eurasian Economic Union member states, such as Belarus – with almost nine percent increase year on year, doubling its imported share in the overall Russian imports from six percent in 2014 to 10.3 percent in 2015. Import volumes from Kazakhstan have seen an even greater increase with a growth of 32 percent in CY2015, compared to Russia’s fish and seafood imports from Kazakhstan in 2014. However, Kazakhstan’s share in Russia’s total fish and seafood imports still remains small - approximately only one percent. The reason for increasing imports from Belarus and Kazakhstan is, as with imports from the Faroe Islands, Russian consumer’s demand for these imported fish products remains high in spite of the Russian Government’s embargo. Industry sources report that Russian businesses utilize processing facilities in other EAEU countries to facilitate the supply to Russia of certain types of fish, specifically such traditional species as Atlantic salmon, salmon roe, herring and mackerel.

Currently salmon that is imported into Belarus or Kazakhstan from Norway or Iceland goes through minimal processing, such as adding of salt and/or spices, and is shipped to Russia for further processing and /or packaging and sale. This last step in Russia allows for the marking of the fish as a “product of Russia.” However, the processing/transportation scheme adds extra cost to the products, making them less affordable to the average Russian consumer.

In CY 2015, Russia’s value of imports of fish and fish products reached \$1,558 billion, a 45 percent drop in imports compared to CY 2014. In CY 2015 Chile has taken over Norway traditionally the largest supplier of fish to Russian until CY 2014. Chile’s export share totaled \$321,183 million (20.6 percent market share), followed by Faroe Islands at \$277,138 million (with 18 percent), China at 217 million (14 percent) and Belarus at 206,825 million MT (13.3 percent). Since August 2014, Russia has

made an effort to meet demand for fish with imports from alternative suppliers, such as China, Chile and Faroe Islands. In CY 2015, total imports of fish and seafood increased 60 percent from Faroe Islands compared to CY2014, however, imports from China dropped by 44 percent, Chile – by 15 percent, and from Belarus by 16 percent.

In 2015, shipments of fish and seafood from the United States to Russia are estimated at \$84.8 thousand, a drastic drop from \$42,105 million in CY 2014 after implementation of food embargo by the Russian government.

Please see the chart below for a comparison of changes in volume and ranking of top fish and seafood importing countries.

**Table 9. Russia: Imports of Fish and Seafood by Country by Volume (MT)**

Country	2013			2014			2015		
	Imports (MT)	Share of Russia's Total Imports	% Change *	Imports (MT)	Share of Russia's Total Imports	% Change*	Imports (MT)	Share of Russia's Total Imports	% Change *
Norway	285,694	28.36	9.03	132,467	14.96	-53.63	0	0	-100
Faroe Islands	66,272	6.58	92.44	62,663	7.08	-5.45	120,771	22	92.73
China	93,264	9.26	11.63	114,182	12.89	22.43	82,252	14.75	-27.96
Chile	55,501	5.51	70.43	70,232	7.93	26.54	67,619	12.13	-3.72
Belarus	31,156	3.09	0	53,044	5.99	70.25	57,644	10.34	8.67
Iceland	95,431	9.47	0.87	125,821	14.21	31.85	54,192	9.72	-56.93

Vietnam	33,444	3.32	5.93	32,678	3.69	-2.29	24,667	4.42	-24.52
Greenland	231	0.02	422.7	6,893	0.78	2883.0	23,573	4.23	241.98
Morocco	11,175	1.11	11.78	16,674	1.88	49.21	14,924	2.68	-10.5
Thailand	14,005	1.39	0	19,178	2.17	36.93	13,844	2.48	-27.81
Latvia	40,408	4.01	14.87	34,529	3.9	14.55	12,226	2.19	-64.59
Peru	11,088	1.1	62.84	7,506	0.85	-32.3	10,320	1.85	37.49
Kazakhstan	4,625	0.46	0	4,332	0.49	-6.34	5,723	1.03	32.14
United States	19,292	1.91	73.88	13,252	1.5	31.31	18	0	-99.87

\*- % change of imports in volume compared to previous year

Source: Russian Federal Customs Service

The following five types of fish account for over 50 percent of all volume imports in CY2015:

- 1) Frozen Fish, Nesoi (HS 030389) – 14 percent;
- 2) Frozen Mackerel (HS030354) – 11.2 percent;
- 3) Frozen Atlantic Salmon and Danube Salmon (HS030313) – 10.2 percent;
- 4) Frozen Herrings (HS 030351) – 9.4 percent;
- 5) Fish Meat, Frozen, Except Steaks – 5.3 percent Fresh or Chilled Atlantic Salmon and Danube Salmon (HS030214) – 9 percent share.

The largest drop in imports in CY 2015, compared to CY 2014, was found for the following types:

- Fresh or Chilled Atlantic Salmon and Danube Salmon (HS030214) down 66 percent to 20, 201 MT,
- Sardines/Sardinella Preserves (HS160413) down 18,530 MT,
- Frozen Fish Meat (HS030499) down 43 percent to 29,374 MT,
- and Frozen Herring (030351) down 42 percent to 52,610 MT.

During the period January to August 2016, imports of fish and seafood decreased in volume, to 269,000 MT – a 13 percent drop compared to the same period in 2015. However, share of import by species remained generally consistent.

## Exports

Total Russian exports of fish and seafood in 2015 totaled \$2.742 billion, a 3.4 percent decrease from exports in 2014.

In 2015, Russia's primary seafood export markets were concentrated in East Asia, with exports to South Korea totaling \$976.0 million (36 percent of Russia's total seafood export), China totaling \$921.0 million (34 percent), and \$370.0 million to Netherlands (13.5 percent).

Frozen Alaska Pollock (HS030367) accounted for 34 percent of total export share (by value), followed by crab, including in shell, frozen (HS030614) with 12 percent, frozen fish livers and roes (HS030390) with 9 percent, and frozen cod (HS030363) with 7 percent. In CY 2015, Russia exported about \$5.0 million worth of fish and seafood to the United States, a 48 percent increase over CY 2014, primarily as a result of increased exports of cod fillets and frozen fish fillets. Haddock and cod fillet, dried and salted fish and crab account for nearly 85 percent of the overall Russian fish and seafood exports to the U.S.

Russian fish and seafood exports (by value) during the period from January to July 2016 declined by eight percent, an estimated \$1,373 billion. Major export destinations are South Korea and China, accounting for almost 75 percent of overall Russia's exports of fish and seafood. During the same period, export shipments to Netherlands increased 37 percent, reaching \$125.0 million. During the January to July, 2016 period, 9 percent of Russia's fish and seafood exports are destined for the Netherlands, compared with six percent during the same period in 2015. Frozen Cod and cod fillet and frozen crabs constitute 88 percent of Russia's export shipments to the Netherlands.