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Report Highlights:

In July 2012, the Russian Government adopted the State Program for Development of Agriculture and Regulation of Agricultural Commodities Markets in 2013-2020. The Program plans to allocate 2.28 trillion rubles (\$76 billion) for the development of agriculture and food markets during the period 2013-2020, including 1.5 trillion rubles (\$50 billion) from the federal budget and 777 billion rubles (\$26 billion) from provincial budgets. The state funds (both federal and provincial) for the State Program are only half of what was requested in the Ministry of Agriculture's draft of August 2011. The development of the livestock industry will remain the top priority for the Ministry of Agriculture. One major change in the State Program is the method of support to agriculture will shift from subsidized interest rates toward direct income support for farmers. The Program emphasizes a social and rural development orientation, although the planned funds for these sub-programs are small. Unlike the previous program of 2008-2012, the new one does not estimate private funds that might be attracted to agriculture.

Background Information:

On July 14, 2012 the Russian Government adopted the State Program for the Development of Agriculture and Regulation of Agricultural Commodities Markets in 2013-2020 (Government Resolution #717 of July 14, 2012: <http://government.ru/gov/results/19885/>). This is the second multiple year program for the development of agriculture. The first State Program, 2008 – 2012, was adopted in 2007 in accordance with the Federal Law on the Development of Agriculture [Note: for more information on the State Program 2008-2012 see GAIN report RS7051 [Government Program for Agriculture and for Market Regulation 2008-2012](#)]. The Program 2008-2012 envisaged expenditures of 1.1 trillion rubles over five years (\$37 billion [1]), split between federal and provincial budgets. Industry analysts report that during this period of 2008-2012 the federal budget has actually spent more than called for as a result of additional support for agriculture in the years of economic crisis in 2008 and in the drought-impacted year 2010. According to preliminary estimates of the Ministry of Agriculture, the total federal budget for the program 2008-2012 may reach 665 billion rubles (\$22 billion) by the end of 2012, considerably above the planned amounts of 550 billion. The Program 2008-2012 emphasized (and concentrated funding) on boosting domestic output of meat, and meat production has increased significantly, although at a slower rate than envisaged. Meanwhile, federal allocations for some important social sub-programs were drastically reduced. Thus, the sub-program on social development of rural areas was cut by 60 billion rubles (\$2 billion), and most of the socially important targets of the program, such as sustainable rural development, increased rural employment and improved rural living standards, have not been reached. Official estimates on the implementation of the Program 2008-2012 will be available only in mid-2013.

At the request of the Ministry of Agriculture, a draft of Program 2013–2020 was prepared by agricultural economists in mid-2011, and called for significant increases of support for social programs and subsidies for producers. However, this draft was not considered by the Federal Government and the Russian Ministry of Agriculture prepared its own draft, which requested funds for the Program 2013-2020 that were lower than the one prepared by the agricultural economists. The Ministry of Agriculture's draft Program was released to the public in August 2011 [Note: for more information on the draft Program 2013-2020 see GAIN report [Russia Releases Draft of Agriculture Development Program 2013-2020](#)] The discussion of this draft lasted for almost a year, although comments were not available to the public. Finally the Program 2013-2020 was approved by the Federal Government in July 2012.

^[1] For all calculations the exchange rate is 30 rubles per \$1 although the exchange rate varied very significantly: in September 20, 2008 the average exchange rate was 25 rubles per \$1, in September 2009 it was 30 rubles, in September 2010, 2011 and 2012 it was 31 rubles to \$1.

Overview of the Program 2013-2020:

Financing

The Program 2013-2020 (hereinafter the Program) envisages the total state budget allocations in 2013-2020 at 2.28 trillion rubles (\$76 billion), including 1.51 trillion rubles (\$50 billion) from the federal budget and 778 billion rubles (\$26 billion) from provincial budgets. The federal budget funds are already planned, while financing from provincial budgets are only “forecasted”. The total state (federal and provincial) funds for the Program are only half of what the Ministry of Agriculture requested for the Program in its draft of August 2011: 2.1 trillion rubles (\$70 billion) from the federal budget, and 2.37 trillion rubles (\$79 billion) from the provincial budgets. Additionally, the Ministry of Agriculture’s draft estimated that the state financing would attract another 28 trillion rubles (\$76 billion) of non-budget funds for the development of agriculture. The approved Program 2013-2020 implies that some social- and rural development-oriented sub-programs might attract an additional 165 billion rubles (\$5.5 billion) of non-budget funds. The Program, however, mentions participation of state corporations and companies with state held shares, such as Rosagroleasing, Rosselkhozbank and the United Grain Company, in implementation of the Program, without defining their possible funds or contributions to the Program.

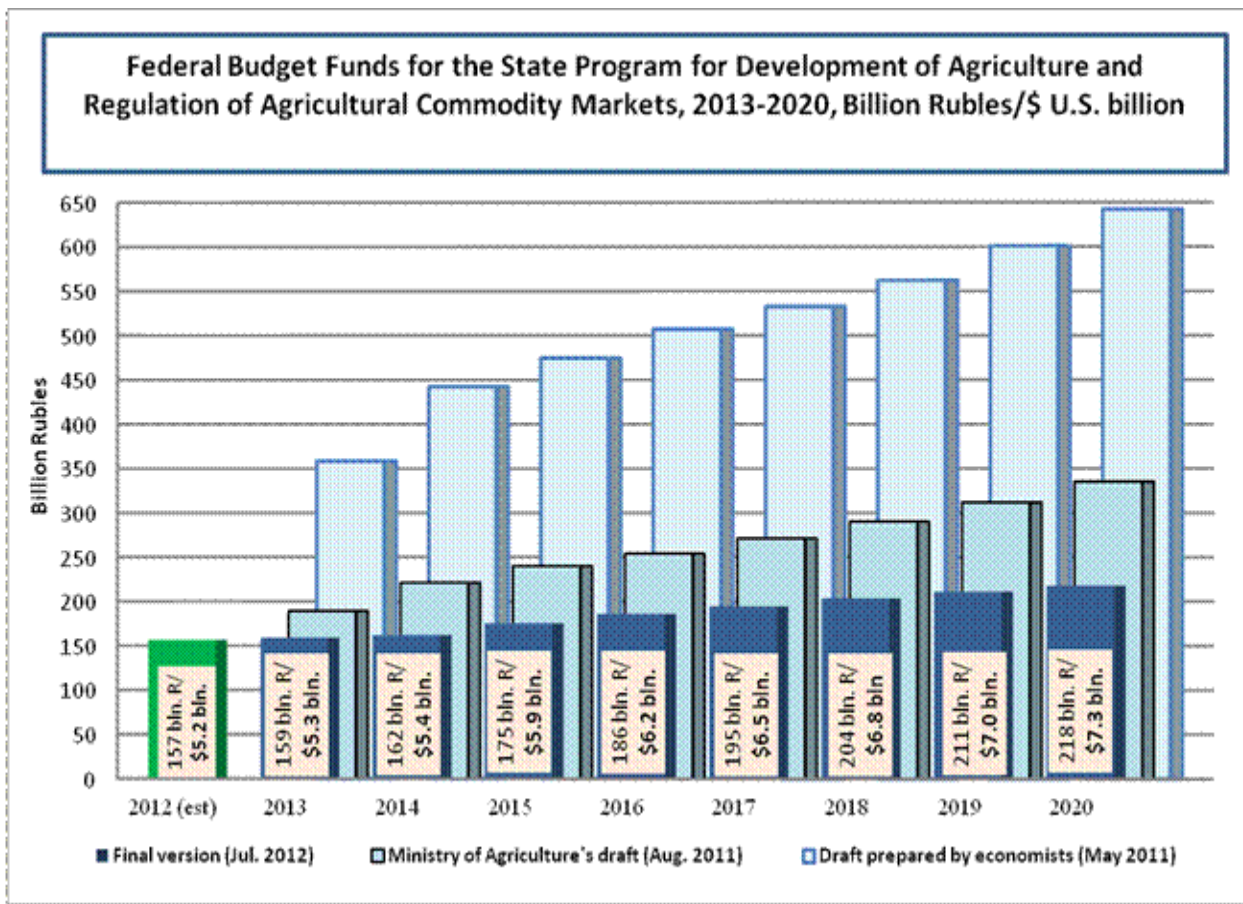
The Program consists of six sub-programs and four target programs for development of rural area and soil reclamation, with a separate federal budget for each sub-program/target program for the whole period of 2013-2020:

- Sub-program “Development of Crops Production, Processing and Marketing of Products of Plant Origin” - 466.6 billion rubles (\$15.6 billion). Compared to the Ministry of Agriculture’s draft the federal financing was decreased by 18 percent for this program. The forecasted provincial budget funds for this sub-program are 212.91 billion rubles (\$7.1 billion).
- Sub-program “Development of Animal Production, Processing and Marketing of Products of Animal Origin” envisages 499.37 billion rubles (\$16.6 billion) from the federal budget, or 29 percent less than the Ministry of Agriculture’s draft requested (701.8 billion rubles, or \$23.4 billion). However, the Program includes an additional related subprogram - “Development of the Beef Cattle Industry” - which was not present in the Ministry of Agriculture’s draft.
- Sub-program “Development of Beef Cattle Industry” envisages subsidies from the federal budget at 65.39 billion rubles (\$2.2 billion). Thus, the funds for these two sub-programs aimed at development of livestock industry will amount to 564.76 billion rubles (\$18.8 billion) that is only 20 percent less than the draft program envisaged for livestock industry. The forecast provincial budgets for these two animal production development programs are 274.87 billion rubles (9.2 billion) and 41.55 billion rubles (\$1.4 billion) respectively.
- Ministry of Agriculture’s requests for other sub-programs were cut more severely:
 - funds for the support of small business from the federal budget are cut by 23 percent to 83.6 billion rubles (\$2.8 billion). Funds from provincial budgets are forecasted at 13.8 billion rubles (\$460 million);
 - funds for technical and technological modernization are 23.7 billion rubles (\$790 million), or less than one fifth of what was requested by the Ministry’s draft. Funds from provincial budgets are forecast at 12.5 billion rubles (\$416 million);
 - funds for sustainable development of rural territories are set at 90.4 billion rubles (\$3.0 billion), less than a third of the draft’s request of 294.5 billion rubles (\$9.8 billion). Provincial investments for this target program are forecast at 134.5 billion rubles (\$4.5 billion);

- funds for development of land improvement and irrigation are 62 billion rubles (\$2.1 billion), a quarter of what was requested in the Ministry’s draft. Moreover, this target program on land improvement and reclamation is still in the draft format, the further budget cuts are possible before the draft is approved. Provincial money for this target program is forecast at 62.0 billion rubles (\$2.1 billion).

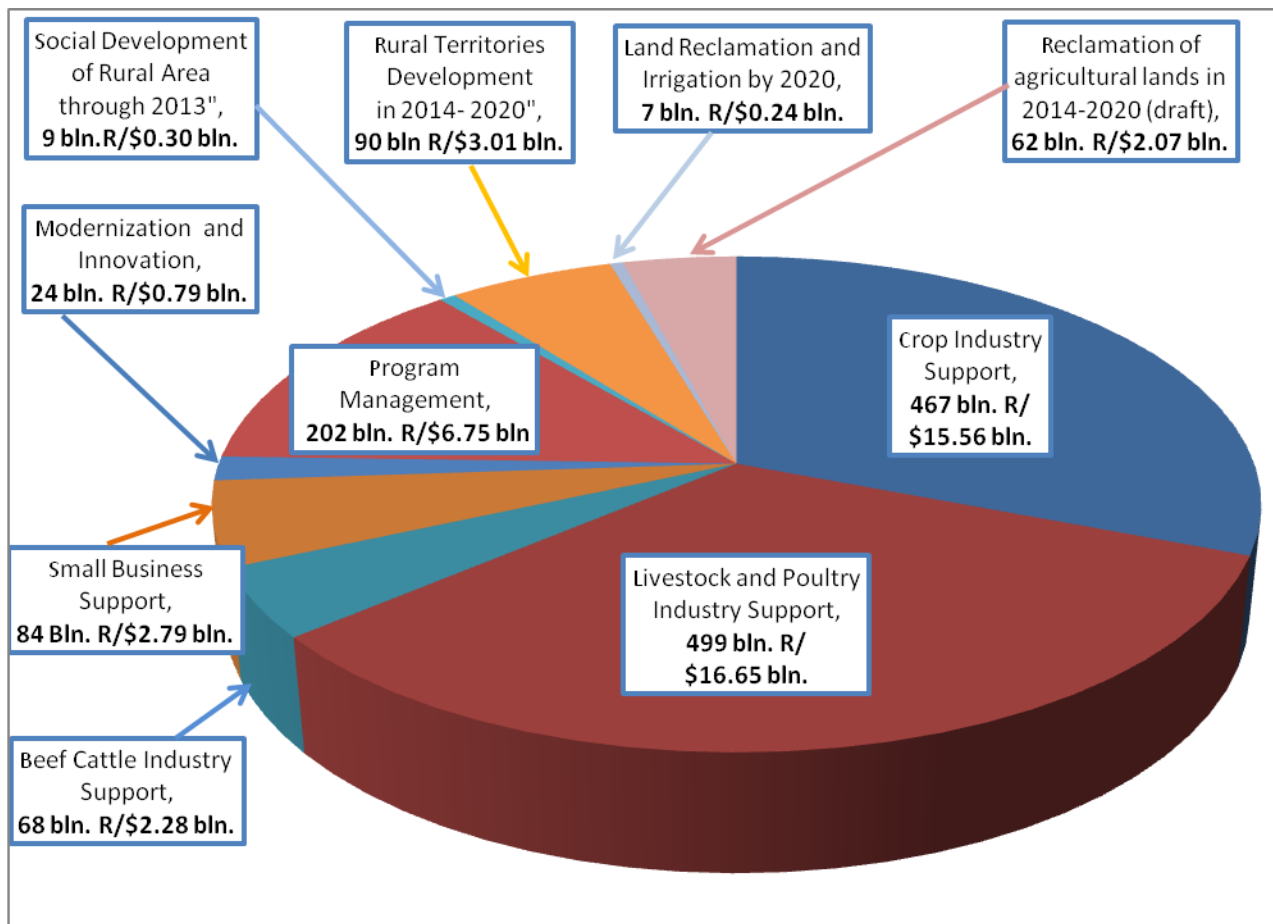
The annual allocations for the Program in eight years will grow slowly, at 4.6 percent, from 159 billion rubles (\$5.3 billion) in 2013 to 218 billion rubles (\$7.27 billion). The Program envisages that in the first 2 years (2013 and 2014) the budget allocations will be almost flat, and they will accelerate in 2015-2018 (Graph 1). According to industry analysts, the cuts in budget funds compared to the Ministry of Agriculture’s draft were caused primarily by federal budget constraints and uncertainties, and only partially by Russia’s WTO obligations, since the most drastic cuts were in spheres in the “green box” that can have unlimited domestic support.

Graph 1. Federal Budget Allocations for the State Program for Development of Agriculture and Regulation of Agricultural Commodity Markets in 2013-2020.



Source: Data from the State Program 2013-2020, Ministry of Agriculture’s draft of August 2011, and the first draft prepared by economists in 2011.

Graph 2. Federal Budget Allocations by Sub-Programs in 2013-2020



Source: Source: Data from the State Program 2013-2020.

Production Targets

Sector analysts also have noted that Russia revised downward some of the Program’s production targets by 2020. Thus, the adopted Program sets the grain production target by 2020 at 115 million metric tons (the Ministry of Agriculture’s draft envisaged 125 MMT’s grain production by 2020), and forecasts grain exports at 30 MMT by 2020, while the original draft envisaged 40 MMTs of exports. The sugar beet production target was revised from 42 MMT to 40.9 MMT, and potato production – from 34 MMT to 32 MMT. However, production targets for livestock and poultry (live weight) remained at 14.1 MMT, as in the Ministry of Agriculture’s draft, and the milk production target was actually raised from 36 MMT to 38.1 MMT by the end of 2020.

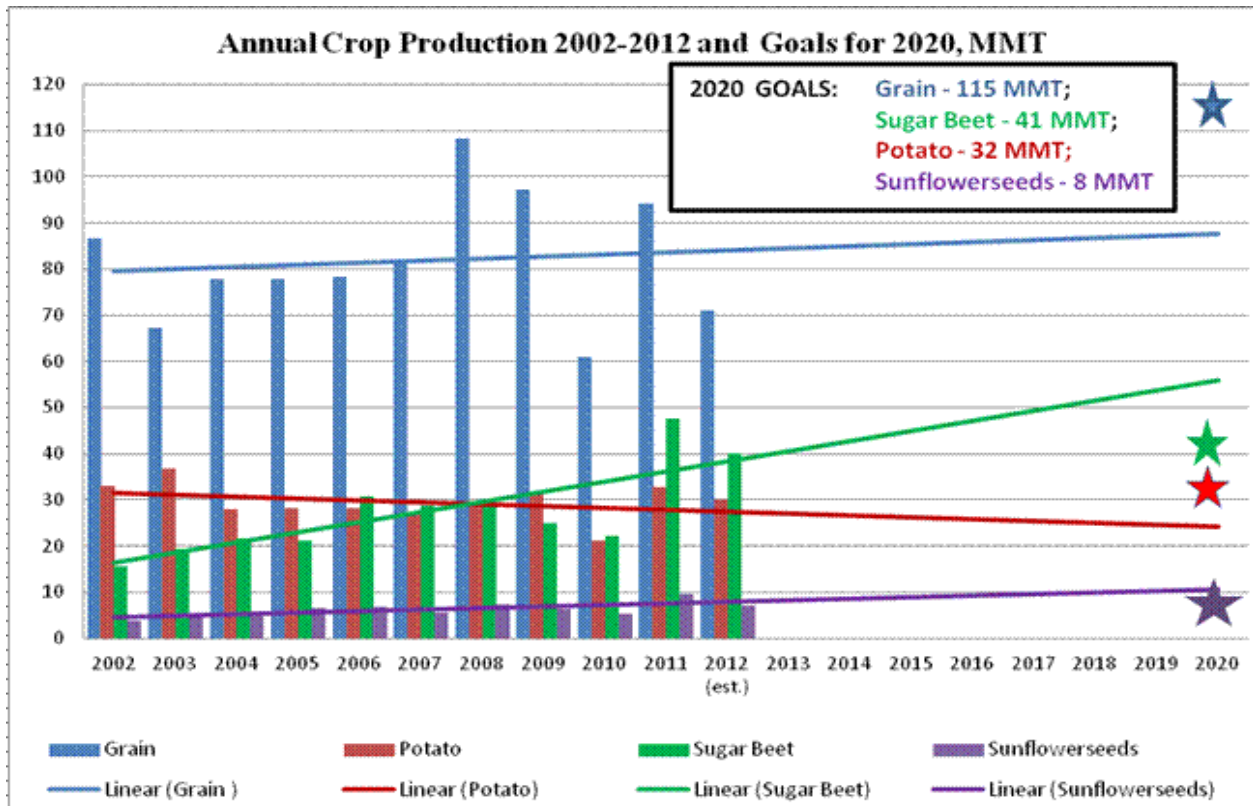
As expected, the Program calls for meeting the major self-sufficiency targets already set in Russia’s Food Security Doctrine. The Program forecasts production increases from a base of average production levels in 2006-2010, and sets the following targets for groups of product:

- **Grain** production is planned to increase by 35 percent from the base to 115 MMT by 2020 from the 85.2 million metric tons (MMT) average in 2006 – 2010, and, considering exports and carry-over stocks, will cover 99.7 percent of Russia’s need in grain. The grain intervention fund is planned to increase to 8.5 MMT, and grain exports potential are planned at 30 MMT. As for improvement of grain logistics, the Program envisages the increase of grain storing capacity by 2020 by 17.1 MMT, but does not mention the present capacity. In crop production the increase is

expected to be due to improved use of agricultural lands and the development of seed breeding industry. [Note: the Program goal for grain production by 2020 is 115 MMT. For comparison purposes, a 10-year trend line extrapolated to 2020 shows a projected production of 88 MMT (Graph 3)];

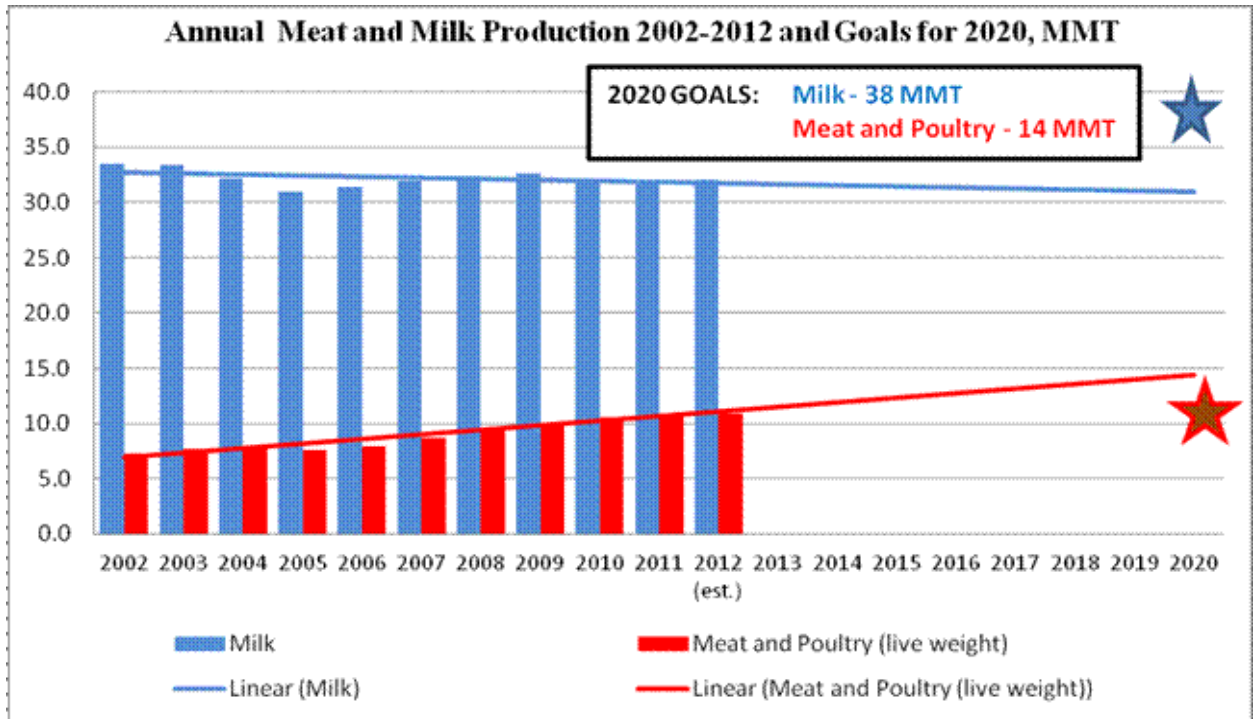
- **Sugar beet** production is planned to increase by 51 percent from the base to 41 MMT (from 27.1 MMT average in 2006-2010), and production of sugar would reach 5.4 MMT and will cover 93.2 percent of Russia's domestic needs in sugar. Industry analysts note that this target is not ambitious since in 2011 Russia already produced 47.6 MMT of sugar beets. [Note: the Program goal for sugar beet production by 2020 is 41 MMT. For comparison purposes, a 10-year trend line extrapolated to 2020 showed a projected production to exceed 55 MMT (Graph 3)];
- **Sunflowerseed** production is planned to reach 7.5 MMT, which will allow increasing sunflowerseed oil production to 3.3 MMT to cover 87.7 percent of domestic needs in sunflowerseed oil. In 2011, Russia already produced 9.7 MMT of sunflowerseeds, 2 MMT more than the Program envisions by 2020. [Note: the Program goal for sunflowerseed production by 2020 is 7.5 MMT. For comparison purposes, a 10-year trend line extrapolated to 2020 showed a projected production of 10 MMT (Graph 3)];
- **Potato** production is planned to stabilize at 32 MMT a year in order to cover 98.7 percent of Russia's needs in 2020. Actually, in 2011 Russia produced 32.7 MMT of potato, which covered, according to industry analysts, 99 percent of needs for table potato. [Note: the Program goal for potato production by 2020 is 32 MMT. For comparison purposes, a 10-year trend line extrapolated to 2020 showed a projected production of only 25 MMT (Graph 3)];
- **Meat and poultry** production is planned to increase by 33.3 percent by 2020 from the base level 2006-2010, and will reach 14.1 MMT (live weight). This will allow covering 88.3 percent of Russia's needs in meat and meat products (including poultry meat). In meat and milk production, the increase in production will be due to improvement of breeds of animals. The per capita meat consumption in Russia is forecast to increase to 73.2 kg by 2020 from the present 69.1 kg. The program envisages that increase of production of meat and poultry will allow exporting up to 0.4 MMT of poultry meat and up to 0.2 MMT of pork by 2020. [Note: the Program goal for meat production by 2020 is 14 MMT. For comparison purposes, a 10-year trend line extrapolated to 2020 showed a projected production of 14-15 MMT (Graph 4)]
- **Milk** production is planned to increase by 19.9 percent to 38.2 MMT, and will allow meeting 90.2 percent of Russia's domestic needs in milk and dairy products. The per capita consumption of milk and dairy products will increase from the present 247 kg a year to 259 kg in 2020. [Note: the Program goal for milk production by 2020 is 38 MMT. For comparison purposes, a 10-year trend line extrapolated to 2020 showed a projected production of less than 32 MMT (Graph 4)].

Chart 3. Annual Crop Production 2002-2012 and Goals for 2020



Source: Rosstat data for 2002 -2011, and FAS/Moscow estimates for 2012.

Chart 4.



Source: Rosstat data for 2002 -2011, and FAS/Moscow estimate for 2012.

Methods of Support

A key aspect of the Program is the shifting of government support away from subsidized interest rates to more direct support of farmers targeted at raising their productivity and their incomes. However, the Program mentions but does not specify the new mechanisms for farmer income support. It is assumed that these concrete mechanisms will be developed by the Ministry of Agriculture in cooperation with industrial unions and associations. Nikolay Fedorov, The Russian Minister of Agriculture, commented on the Program 2013-2020 to mass media, and reported that the subsidies for agriculture will be more in form of direct payments to farmers than in the subsidizing bank interest rates for agricultural loans; and beginning in 2013, there will be direct subsidies to farmers for fertilizer, fuel and lubricants, and direct reimbursement of expenses for soil nutrients, and the cost of interest on certain short-term loans. The subsidies for crop producers will be made per hectare of cultivated farmland, and the rates of direct payments will vary depending on the type and condition of soil, natural and bio-climatic conditions. The subsidies for milk producers will be made per liter of milk, but will include some indexes for support of animal head numbers. However, the concrete formulas for calculation of subsidies have not been approved yet by the Ministry of Agriculture, and experts still have not come to consensus on these formulas.

The federal budget will continue subsidizing interest rates, especially for loans for livestock, poultry and meat producers, but according to Ministry of Agriculture's officials, these subsidies will be reduced considerably. The Program, however, does not breakout the funds for interest rate support or direct subsidies. The funds for interest rate support or direct subsidies are to be specified in the annual budgets of the Ministry of Agriculture.

In a recent report to media, Minister Fedorov emphasized that the government will be paying more attention than before to the responsibility of provincial budgets. Thus, the Ministry will be signing special agreements with provincial authorities that the latter participate actively in co-financing of agricultural sub-programs, and in developing local rural social and business infrastructure necessary for meeting Program targets.

Program Priorities

The Program outlines two sets of priorities. However, the so called "second level" of priorities may not be given significant financial support.

The first level of priorities:

- In the production sphere – development of the cattle industry (production of meat and milk) as the core (strategic) sub-industry that use the "competitive advantages of the country", such as availability of significant agricultural lands;
- In the economic sphere – increase of returns of agricultural producers;
- In the social sphere the priorities are very general: sustainable development of rural territories as the precondition for preservation of labor resources and the territorial integrity of the country; and creation of conditions for economic and physical availability of food for the vulnerable stratus of population (based on the rational norms of consumption);
- In the sphere of development of production potential – reclamation and irrigation of agricultural land, recovery of non-used arable land and other agricultural lands;
- In the sphere of institutional development – development of integration links in the agro-industrial complex and formation of food sub-complexes, as well as territorial vertically integrated agribusiness, so called "clusters";
- In the sphere of science and personnel, the Program's priority is to "provide for a innovative

agro-industrial complex”

The second level of priorities:

- Development of import-substitution industries, including vegetable and fruits production;
- Ecological safety of agricultural and food products;
- Increase of exports of agricultural products, raw agricultural materials and foodstuff, if and when the domestic markets are saturated;
- Minimize the cost of logistics and support the competitiveness of production, considering at the same time the rational location and specialization of agricultural and food industries by zones and regions of the country.

Adaptation of Program to WTO requirements

The Program supports Russian agriculture adaptation to WTO requirements and considers relevant plans of actions of the Russian Government, business, and the Ministry of Agriculture. The Program proposes the following measures to adapt Russian agriculture to WTO requirements:

- The Ministry of Agriculture developed and adopted a intra-departmental plan of actions to adapt agriculture to WTO, which includes a “road map” of tariff and non-tariff regulation of imports of agricultural products;
- Russia develops a national standard and system of evaluation of quality of beef meat;
- The Program envisages other measures:
 - Extension of tax preferences for agricultural producers, such as profit tax exempts for agricultural producers, VAT-free imports of pedigree cattle, embryos, semen till 2020 [Note: these measures will be introduced in 2013 in accord with Federal Law No. 161 of October 2, 2012, for more information see GAIN Report RS1262 _ Russian Legislation on Tax Benefits for Farmers _ Moscow _ Russian federation _ 10/10/2012];
 - A Federal Law “On Veterinary” will improve Russian veterinary legislation [Note: this Federal Law is still under discussion];
 - Russia prepares a list of agricultural and food products for State and municipal needs which can only be purchased from producers within the Customs Union.
 - Strengthening customs management (*administrirovaniye*) of imports of agricultural products, especially beef;
 - Making amendments to the Federal Law “On Agriculture” in order to determine criteria for territories unfavorable for agriculture, support of which will not be limited by the WTO;
 - Stimulate demand for agricultural raw materials and food products by low income populations, support of food consumption by some social groups, i.e. school feeding, reforming the system of procurement of products and food for the state needs (procurement of domestic food for the Ministry of Defense, for the State Reserve, etc.).

According to Russian authorities, the major adaptation to WTO requirements was the reduction of federal and provincial funds for the Program. Meanwhile, industry analysts emphasize that the reduction has been much below the levels that were agreed by WTO negotiators for the first 2-3 years following Russia’s accession. The agreed level of budget support in the “amber box” was set at \$9 billion for 2013 with the following decrease of this support to \$4.4 billion in 2018. The WTO obligations did not limit “green box” support. The planned Program funds, “amber” and “green” measures together, will hardly exceed 256 billion rubles (\$8.5 billion) in 2013, including the planned 156.6 billion rubles (\$5.2 billion) from the federal budget and the possible 97 billion rubles (\$3.2 billion) from provincial budgets (if assuming 1/8th of the total provincial budgets forecasted for eight years). For 2018 (the end of

transitional period for the WTO accession) the total support (“amber” and “green” box) is planned at 203.5 billion rubles (\$6.8 billion) from the federal budget and the possible 97 billion rubles (\$3.2 billion) from the provincial budgets.

Annex 1. Government Resolution #717

Begin unofficial translation

**Resolution of the Government of the Russian Federation #717 of July 14, 2012
“On the State Program for Development of Agriculture and Regulation of markets of
Agricultural Products, Raw Materials and Foodstuffs in 2013 – 2020”**

In order to implement the Federal Law "On the Development of Agriculture" the Government of the Russian Federation decrees:

1. To approve the State Program for Development of Agriculture and Regulation of markets of Agricultural Products, Raw Materials and Foodstuffs in 2013 – 2020 (hereinafter - the State Program).
2. Ministry of Agriculture of the Russian Federation to develop and by October 1, 2012, in consultation with the Ministry of Economic Development and the Ministry of Finance of the Russian Federation, in accord with the established procedure to submit to the Government of the Russian Federation the draft concepts of the federal target programs "Sustainable Development of Rural Areas for 2014 - 2017 and for the period through 2020 "and" Development of Russia’s Agricultural Land Reclamation in 2014 - 2020."
3. To establish that in course of implementing the State program, the Ministry of Finance of the Russian Federation on the proposal of the Ministry of Agriculture of the Russian Federation agreed, if necessary, in the prescribed order with the Ministry of Economic Development of the Russian Federation, in accordance with the budgetary legislation of the Russian Federation redistribute funding between the activities of the State Program without changes of its total funding.
4. Ministry of Agriculture of the Russian Federation until March 1, 2013, in the prescribed manner to conclude agreements on implementation of the State Programs with to the bodies authorized by the highest executive authorities of subjects of the Russian Federation participating in the State Program.
5. To recommend to the state authorities of the Russian Federation to take into account the provisions of the State Program at the adoption of regional programs aimed at agricultural development and regulation of markets for agricultural products, raw materials and foodstuff.

Prime Minister of the Russian Federation

Dmitry Medvedev

End unofficial translation

**Annex 2. Description of the State Program for Development of Agriculture and Regulation of
Agricultural Commodity Markets for 2013-2020**

Begin unofficial translation

Executive body in charge of implementation of the State Program	Ministry of Agriculture of the Russian Federation
Participant of the State Program	Federal Service for Veterinary and Phytosanitary Surveillance – VPSS (Rosselkhoz nadzor), Russian Academy of Agricultural Sciences
Sub-programs of the State Program	<ul style="list-style-type: none"> • Development of Crops Production, Processing and Marketing of Products of Plant Origin • Development of Animal Production, Processing and Marketing of Products of Animal Origin • Development of Beef Cattle Industry • Support of Small Forms of Business • Technical and Technological Modernization and Innovative Development • Ensuring the Implementation of the State Program
Target program instruments of the State Program	<p>Federal target programs:</p> <ul style="list-style-type: none"> • “Social Development of Rural Area until 2013” adopted by the Russian Government (GOR) Resolution #858 of December 3, 2002; • "Sustainable Development of Rural Territories in 2014 - 2017 and until 2020" (draft); • “Preservation and Restoration of Soil Fertility of Agricultural Lands and Agro-landscapes as Russia’s National Patrimony for 2006-2010 and the period through 2013” approved by the GOR Resolution #99 of February 20, 2006; • - “Development of Reclamation of Agricultural Lands in Russia for 2014-2020”(draft)
Objectives of the State Program	<ul style="list-style-type: none"> • to guarantee food independence within the parameters defined by the Food Security Doctrine of the Russian Federation approved by the Order of the President of the Russian Federation #120 of January 30, 2010; • to increase the competitiveness of Russian agricultural products in domestic and foreign markets in the framework of Russia’s WTO accession; • to increase the financial stability of enterprises of agro-industrial complex; • to ensure sustainable rural development; • to ensure reproduction and more efficient use of agricultural land and other natural resources, make production more environmentally friendly
Tasks of the State Program	<ul style="list-style-type: none"> • to stimulate the growth of the main types of agricultural and food products; • to implement the anti-epizootic measures for quarantine and highly dangerous animal diseases; • to support the development of agro-food market infrastructure • to increase effectiveness of regulation of markets for agricultural products, raw materials and food; • to support small forms of business; • to stimulate innovative activities and innovative development of agro-industrial complex; • to develop biotechnology; • to create conditions for effective use of agricultural lands; • to develop reclamation and irrigation of agricultural lands
Indicators of the State Program	<ul style="list-style-type: none"> • Index of agricultural production in farms of all categories (in comparable prices) • Index of crop production (in comparable prices) • Index of livestock production (in comparable prices) • Index of food, beverages and tobacco production (in comparable prices) • Index of physical volume of capital investments (investments in fixed assets) in agriculture • Profitability of agricultural enterprises

	<ul style="list-style-type: none"> • Average monthly nominal wages in agriculture (in agricultural enterprises that are not small business enterprises)
Time period of implementation of the State Program	2013-2020
Budget allocations for the State Program	<p>Budget allocation for the implementation of the State Program from the federal budget is 1,509,745,406.93 thousand rubles (current prices) (Russian Ministry of Agriculture – 1,423,857,912.33 thousand rubles, VPSS – 85,887,494.6 thousand rubles.), including:</p> <ul style="list-style-type: none"> • Sub-program “Development of Crops Production, Processing and Marketing of Products of Plant Origin” 466,557,604.49 thousand rubles; • Sub-program “Development of Animal Production, Processing and Marketing of Products of Animal Origin” - 499,373,485.24 thousand rubles through the Ministry of Agriculture - 10,099,832.28 thousand rubles through the VPSS • Sub-program “Development of Beef Cattle Industry” – 65,389,532.9 thousand rubles; • Sub-program “Support of Small Forms of Business” – 83,667,009.9 thousand rubles; • Sub-program “Technical and Technological Modernization and Innovative Development” – 23,696,025.94 thousand rubles; • Sub-program “Ensuring the Implementation of the State Program” – 202,454,766.29 thousand rubles: - 126,667,103.97 thousand rubles through the Ministry of Agriculture – - 75,787,662.32 thousand rubles through the VPSS; • Federal Target Program "Social Development of Rural Area through 2013" – 9,012,300 thousand rubles • Federal Program "Sustainable development of rural territories in 2014-2017 years and the period through 2020¹⁾" (draft) – 90,415,000 thousand rubles; • Federal Target Program “Preservation and Restoration of Soil Fertility of Agricultural Lands and Agro-landscapes as Russia’s National Patrimony for 2006-2010 and the period through 2013” – 7,154,270 thousand rubles; • Federal Target Program “Development of Reclamation of Agricultural Lands in Russia for 2014-2020²⁾” (draft) – 62,025,412.16 thousand rubles <p>Financing of the state programs from the federal budget by years will be the following: 2013 – 158,942,948 thousand rubles; 2014 – 161,998,547 thousand rubles; 2015 – 175,419,198.5 thousand rubles; 2016 – 185,964,557 thousand rubles; 2017 – 194,733,295 thousand rubles; 2018 – 203,515,499 thousand rubles; 2019 – 211,251,499 thousand rubles; 2020 – 217,919,863 thousand rubles</p> <p>This includes: Allocations to the Ministry of Agriculture, by years: * 2013 – 149,485,558 thousand rubles ³⁾; * 2014 – 150,876,667 thousand rubles ³⁾; * 2015 – 164,980,409 thousand rubles ³⁾; * 2016 – 175,523,728.5 thousand rubles; * 2017 – 184,028,379 thousand rubles; * 2018 – 192,539,586 thousand rubles; * 2019 – 200,009,963 thousand rubles; * 2020 – 206,413,622 thousand rubles</p> <p>Allocations to the VPSS, by years:</p>

	<ul style="list-style-type: none"> * 2013 – 9,457,390 thousand rubles 3); * 2014 – 11,121,880 thousand rubles 3); * 2015 – 10,438,790 thousand rubles 3); * 2016 – 10,440,828.5 thousand rubles; * 2017 – 10,704,915 thousand rubles; * 2018 – 10,975,913 thousand rubles; * 2019 – 11,241,536 thousand rubles; * 2020 – 11,506,242 thousand rubles <p>The forecasted budget allocations from the consolidated budgets of subjects of the Russian Federation is 777,567,275.13 thousand rubles.</p>
Expected results of the State Program	<p>Increasing the share of domestic food products in total resources of these products, considering the structure of carry-over stocks by 2020 to: grain - 99.7 percent, sugar from sugar beet – 93.2 percent, vegetable oil – 87.7 percent, potatoes – 98.7 percent, meat and meat products – 88.3 percent, milk and dairy products - 90.2 percent</p> <p>Increasing agricultural production in farms of all categories (in comparable prices) in 2020 compared with 2012 – by 20.8 percent, food production, including beverages and tobacco – by 35 percent;</p> <p>Providing an annual average growth rate of investments in fixed capital assets in agriculture at 4.5 percent;</p> <p>Increasing the average level of profitability of agricultural enterprises by not less than 10-15 percent (considering subsidies)</p> <p>Increasing the level of wages in agriculture to 55 percent of the average wages in the domestic economy</p>

¹⁾ The volumes of financing will be corrected after adoption of the program

²⁾ The volumes of financing will be corrected after adoption of the program

³⁾ With the possible specification of these volumes in accordance with the budget legislation

End unofficial translation

Annex 3

Federal Budget Allocations for the Program 2013-2020, by Sub-Programs, 2012 (estimate) and Plans for 2013-2020, Billion Rubles.

	2012 (est.)	2013 (plan)	2014	2015	2016	2017	2018	2019	2020
State Program for Development of Agriculture and Regulation of Agricultural Commodity Markets	156.6	158.9	162.0	175.4	186.0	194.7	203.5	211.3	217.9
-----Ministry of Agriculture	147.9	149.5	150.9	165.0	175.5	184.0	192.5	200.0	206.4
-----VPSS	8.6	9.5	11.1	10.4	10.4	10.7	11.0	11.2	11.5
Including Sub-Programs and Target programs:									
- Development of Crops Production, Processing and Marketing of Products of Plant Origin	40.2	46.0	43.4	47.3	53.7	60.2	67.3	72.7	76.1
- Development of Animal Production, Processing and Marketing of Products of Animal Origin	50.4	57.8	61.9	67.3	66.6	65.2	62.4	59.9	58.3
-----Ministry of Agriculture	50.4	57.5	60.7	66.0	65.2	63.8	61.0	58.4	56.7
-----VPSS	0.0	0.2	1.3	1.3	1.3	1.4	1.5	1.5	1.6
- Development of beef cattle	0.0	9.8	7.1	7.7	8.0	8.4	8.7	9.1	9.5

industry									
- Support of Small Forms of Business	11.2	8.6	8.6	9.9	10.4	10.8	11.3	11.8	12.3
- Technical and Technological Modernization and Innovative Development	12.0	2.0	2.0	3.3	3.2	3.2	3.3	3.3	3.4
- Management of Implementation of the State Program	21.2	21.7	22.7	22.1	25.2	26.2	27.1	28.3	29.1
----- <i>Ministry of Agriculture</i>	12.6	12.5	12.9	13.0	16.1	16.9	17.6	18.5	19.2
----- <i>VPSS</i>	8.6	9.2	9.8	9.2	9.1	9.3	9.5	9.7	9.9
- Federal Target Program "Social Development of Rural Area through 2013"	8.7	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Federal target program "Sustainable Development of Rural Territories in 2014 - 2017 and Until 2020"	0.0	0.0	9.0	9.0	10.6	11.9	14.2	16.5	19.2
- Federal Target program "Development of Land Reclamation and Irrigation by 2020"	10.9	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Support of on-farm land reclamation	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Federal Target Program "Development of reclamation of agricultural lands in 2014-2020 (draft)"	0.0	0.0	7.2	8.8	8.4	8.8	9.2	9.6	10.0

Source: www.mcx.ru

Federal Budget Allocations for the Program 2013-2020, by Sub-Programs, 2012 (estimate) and Plans for 2013-2020, Billion U.S. Dollars

	2012 (est.)	2013 (plan)	2014	2015	2016	2017	2018	2019	2020
State Program for Development of Agriculture and Regulation of Agricultural Commodity Markets (TOTAL)	5.22	5.30	5.40	5.85	6.20	6.49	6.78	7.04	7.26
-- <i>Ministry of Agriculture</i>	4.93	4.98	5.03	5.50	5.85	6.13	6.42	6.67	6.88
-- <i>VPSS</i>	0.29	0.32	0.37	0.35	0.35	0.36	0.37	0.37	0.38
Including Sub-Programs and Target Programs:									
- Development of Crops Production, Processing and Marketing of Products of Plant Origin	1.34	1.53	1.45	1.58	1.79	2.01	2.24	2.42	2.54
- Development of Animal Production, Processing and Marketing of Products of Animal Origin	1.68	1.93	2.06	2.24	2.22	2.17	2.08	2.00	1.94
-- <i>Ministry of Agriculture</i>	1.68	1.92	2.02	2.20	2.17	2.13	2.03	1.95	1.89
-- <i>VPSS</i>		0.01	0.04	0.04	0.04	0.05	0.05	0.05	0.05
- Development of beef cattle industry		0.33	0.24	0.26	0.27	0.28	0.29	0.30	0.32

- Support of Small Forms of Business	0.37	0.29	0.29	0.33	0.35	0.36	0.38	0.39	0.41
- Technical and Technological Modernization and Innovative Development	0.40	0.07	0.07	0.11	0.11	0.11	0.11	0.11	0.11
- Management of Implementation of the State Program	0.71	0.72	0.76	0.74	0.84	0.87	0.90	0.94	0.97
- - <i>Ministry of Agriculture</i>	0.42	0.42	0.43	0.43	0.54	0.56	0.59	0.62	0.64
- - <i>VPSS</i>	0.29	0.31	0.33	0.31	0.30	0.31	0.32	0.32	0.33
- Federal Target Program "Social Development of Rural Area through 2013"	0.29	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Federal target program "Sustainable Development of Rural Territories in 2014 - 2017 and Until 2020"			0.30	0.30	0.35	0.40	0.47	0.55	0.64
- Federal Target program "Development of Land Reclamation and Irrigation by 2020"	0.36	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Support of on-farm land reclamation	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Federal Target Program "Development of Reclamation of Agricultural Lands in 2014-2020 (draft)"			0.24	0.29	0.28	0.29	0.31	0.32	0.33