

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

Voluntary - Public

**Date:** 01.12.2009

**GAIN Report Number:** RS9074

## Russian Federation

**Post:** Moscow

### Aquaculture Update

**Report Categories:**

Fishery Products

**Approved By:**

Mary Ellen Smith

**Prepared By:**

Marina Muran

**Report Highlights:**

The government considers aquaculture as the most promising sectors of animal breeding in Russia. The potential for aquaculture in Russia suggests production increases from 120,000 MT in 2006 to 240,000 MT in 2010. However, lack of sufficient investment and poor legislature continue to be major obstacles for further development of the fishery industry.

**General Information:**

Russia's current share of world aquaculture production is less than 0.6 percent.

According to the All-Russia Scientific and Research Institute of Oceanography, Russia has 22.5 million hectares of lakes, 150,000 hectares of ponds, more than 300,000 sq. meters of hatcheries and tanks, and 523,000 kilometers of rivers. There are several institutions with different forms of ownership producing aquaculture products in Russia. The government cooperative "Rosrybkhovz"

regulates and monitors most of these facilities. The cooperative consists of 600 aquaculture facilities, including 33 facilities at the federal level, 35 joint stock companies, 26 regional councils and a large number of farms.

The government considers aquaculture the most promising sectors of animal breeding. The potential for aquaculture in Russia suggests production increases from 120,000 MT in 2006 to 240,000 MT in 2010.

According to the government reports, total 2008 farm production is estimated at 131.7 thousand MT, or 11 billion rubles in value (\$365 million), nearly 25 percent above 2007 figures. The growth in the sector is attributed the National Priority Project and government's effort to spur overall growth in the fishery sector.

In 2008, the Ministry of Agriculture allocated 120 million rubles (\$4 million) for interest rebates and investment credits up to a five-year tenor. The credit is available to agricultural commodity producers, agro industrial organizations, and commercial fish farms for purchase of brood material, equipment, and machinery for livestock and fish complexes. Also the credits up to eight-year terms are available for construction, reconstruction and modernization of livestock and fishery complexes (farms).

In 2008, aquaculture facilities concluded credit contracts for the total amount of 342 million rubles (\$11.4 million). The government allocated 160 million rubles (\$5.3 million) for epizootic activities in aquaculture, and 82 million (\$2.7 million) was sent to the regions for renovation of fish ponds. In 2009, the sector also received 45 million rubles (\$1.5 million) as government grant for maintenance of brood stock.

Recently the Governor of Murmansk oblast and one of the leading Russian fish processing holdings" Baltiyskiy Bereg" announced they will invest 3 billion rubles (\$100 million) for construction facilities for breeding Atlantic salmon in Murmansk region and Kolskiy peninsula. According to the spokesman for Baltiyskiy Bereg this project is aimed at addressing the issue of import substitution and increased per capita consumption in Russia.

Growth of aquaculture in Russia has been tempered by the following factors: a) shortage of investment capital for restructuring, maintenance, and general investment; b) lack of transparent federal regulation; c) lack of new distribution and marketing channels for both lower and higher priced aquaculture products; and d) environmental degradation of inland waterways through industrial, urban, and agrochemical pollution.