

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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

Required Report - public distribution

Date: 4/4/2013

GAIN Report Number: RS1318

Russian Federation

Oilseeds and Products Annual

Annual 2013

Approved By:

Levin Flake

Prepared By:

Yelena Vassilieva

Report Highlights:

FAS/Moscow forecasts Russia's 2013 production of its three main oilseed crops (sunflowerseed, soybeans and rapeseed) at 11.2 million metric tons (MMT), a 3 percent increase from 2012. The sunflowerseed crop is forecast to remain at 8.0 MMT, while soybean production is forecast to increase by 300,000 MT to 2.1 MMT, a new record. Rapeseed production is forecast to increase slightly to 1.1 MMT due to increased yields of winter rapeseed. With Russia joining the WTO in August 2012, export duties on oilseeds must gradually decrease, and by the end of the transitional period (3-4 years depending on the oilseed) will be eliminated (soybeans) or sharply cut (sunflowerseed, rapeseed).

Executive Summary:

Oilseeds

FAS/Moscow forecasts Russia's 2012 production of its three main oilseed crops (sunflowerseed, soybeans and rapeseed) at 11.2 million metric tons (MMT), a 3 percent increase from 2012. This increase is due to expected larger soybean and rapeseed crops, while the sunflowerseed crop is forecast to remain at 8.0 MMT. Sunflowers continue to bring stable incomes to farmers, but high grain prices (if they do in fact remain high into May), could increase competition for arable area in those provinces suitable both for spring grains and pulses and for sunflowerseed.

FAS/Moscow forecasts a 6 percent increase in sunflowerseed planted area to 6.9 million hectares, but the increase of sunflowerseed sowing is most likely on less productive lands, and as a result overall average yields could decrease from MY 2012/13. Most sunflowerseed producers in less-productive provinces do not have the financial means to afford hybrid planting seeds and expensive chemicals. Soybean production is forecast to increase by 300,000 MT to 2.1 MMT, a new record. Higher production is expected due to larger area planted in the Far East and in the Central Federal District as well as higher yields. Demand for soybean meal as the major source of protein in livestock feeding is increasing commensurate with expanding poultry and swine production, especially in the Central Federal District, where major poultry farms are concentrated. The expansion of soybean production in the Far East may be stimulated by the growing Chinese demand for soybeans and the removal of export duties. Yield forecasts for oilseeds are of course very preliminary as most of these oilseed crops will not even be planted for a number of weeks.

Rapeseed production is forecast to increase slightly to 1.1 MMT (1.035 MT in 2012) due to increased yields of winter rapeseed. Winter rapeseed typically makes up only a minor portion of the overall rapeseed planted area (only 10% last year). However, yields for winter rapeseed are usually 60-90 percent higher, and so far the condition of winter rapeseed in Stavropol kray (the major winter rapeseed area, and where the crop was largely destroyed last year by spring drought) is good. Area sown to spring rapeseeds is not expected to change, although competition for area with other spring crops will be higher in 2013 than in 2012. Industry analysts forecast a further increase in production of such oilseeds as linseeds for oil (*Crown Flax* and *Camelina*). The foreign demand for these niche crops is growing and there are no export duties on these crops. Besides, these crops are more cold resistant than other oilseeds. Potentially, area planted to these crops may expand further into northern and eastern Russian provinces. Industry analysts forecast an increase of production of these crops from the current 0.4 MMT – 0.5 MMT to up to 1 MMT in the near future.

After Russia joined the WTO in August 2012, export duties on oilseeds began gradually decreasing, and by the end of the transitional period (3-4 years depending on the oilseed) will be eliminated (soybeans) or sharply cut (sunflowerseed, rapeseed). However, since domestic demand for oilseeds and their products remains high, these duty changes are unlikely to lead to large-scale exports, although prices may be impacted as domestic consumers begin to have to compete with international buyers.

FAS/Moscow forecasts exports of three major oilseeds in MY 2013/14 at 250,000 MT, including 50,000 MT of sunflowerseed, 150,000 MT of soybeans, and 50,000 MT of rapeseed. Meanwhile, Russian farmers will continue increasing exports of linseed (for oil), which has not been subject to export duties. Despite growing domestic production of soybeans, FAS/Moscow forecasts an increase in imports of

soybeans from 0.7 MMT to 0.9 MMT due to the further improvement of logistics of soybean crushing capacity in Kaliningrad and the possible decline in international soybean prices. In MY 2012/13, Russia re-started imports of U.S. soybeans, and U.S. exports to Russia in the first half of the MY totaled 81,000 MT compared to only 30,000 MT during the same period last year.

Table 1. Russia: Consolidated PSD for Major Oilseeds for MY 2013/14, 1,000 MT, 1,000 HA

	Sunflowerseed	Soybeans	Rapeseed	TOTAL
Area Planted	6,900	1,600	1,000	9,500
Area Harvested	6,300	1,500	1,000	8,800
Beginning Stocks	95	30	43	168
Production	8,000	2,100	1,100	11,200
MY Imports	10	900	0	910
MY Imp. from U.S.	0	100	0	100
MY Imp. from EU	0	0	0	0
Total Supply	8,105	3,030	1,143	12,278
MY Exports	50	150	50	250
MY Exp. to EU	10	0	50	60
Crush	7,400	2,800	1,050	11,250
Food Use Dom. Cons.	220	0	0	220
Feed Waste Dom. Cons.	350	40	17	407
Total Dom. Cons.	7,970	2,840	1,067	11,877
Ending Stocks	85	40	26	151
Total Distribution	8,105	3,030	1,143	12,278

Note: The above table is composed of PSD forecasts for each crop, despite differing marketing years. The marketing year for sunflowerseed and soybeans is September – August. The marketing year for rapeseed is July – June. Peanuts are not produced in Russia, but imported to Russia during MY May-April)

Meal

Demand for protein feed is growing in line with the continued expansion of Russian poultry and swine industries. This demand is also supported by the growing concentration of pig and dairy production at larger integrated farms, which use more high protein compound feeds instead of grain-based feeds. FAS/Moscow forecasts total crush of Russia's three major oilseeds at 11.25 MMT in MY 2013/14, a 3.5 percent increase from the estimated 10.87 MMT in MY 2012/13. This includes 7.4 MMT of sunflowerseed (same as last year), 2.8 MMT of soybeans (up 0.4 MMT) and 1.05 MMT of rapeseed (same as last year). Since the meal extraction rate for crushing soybeans is higher than for sunflowerseed and rapeseed, Russia's total domestic production of oilseed meal will increase to 5.6 MMT from 5.3 MMT in MY 2012/13, including 2.75 MMT of sunflowerseed meal, 2.25 MMT of soybean meal, and 0.62 MMT of rapeseed meal. Import tariffs on soybean meal were lifted in 2012 in accordance with Russia's WTO commitments, and Russia will import an estimated 0.5 MMT of soybean meal in MY 2012/13 (FAS/Moscow estimate). FAS/Moscow forecasts a modest increase in soybean meal imports in MY 2013/14 to 0.55 MMT. At the same time Russian will continue exports of sunflowerseed meal. In MY 2012/13 Russia exported 1.0 MMT of sunflowerseed meal, and FAS/Moscow forecasts slight growth to 1.1 MMT in MY 2013/14.

Table 2. Russia: Consolidated PSD for Major Meals for MY 2013/14, 1,000 MT

	Sunflowerseed	Soybean	Rapeseed	Fish Meal	TOTAL
Crush	7,400	2,800	1,050	525	11,775
Extr. Rate, 999.9999	0.372	0.804	0.590	0.257	
Beginning Stocks	26	70	0	2	98
Production	2,750	2,250	620	135	5,755
MY Imports	0	550	0	70	620
MY Imp. from U.S.	0	30	0	5	35
MY Imp. from EU	0	150	0	0	150
Total Supply	2,776	2,870	620	207	6,473
MY Exports	1,100	50	250	50	1,450
MY Exp. to EU	700	0	95	0	795
Industrial Dom. Cons.	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0
Feed Waste Dom. Cons.	1,650	2,750	370	155	4,925
Total Dom. Cons.	1,650	2,750	370	155	4,925
Ending Stocks	26	70	0	2	98
Total Distribution	2,776	2,870	620	207	6,473

Note: The above table is composed of PSD forecasts for each meal despite differing marketing years.

Oil

Sunflowerseed remain the primary oilseed crop in Russia, and thus crushers' main product is vegetable oil, while meal remains a secondary product. Sunflowerseed oil dominates domestic human consumption of vegetable oils. FAS/Moscow forecasts Russia's total vegetable oil production at 3.9 MMT, 0.1 MMT up from MY 2012/13. This production will include 3.0 MMT of sunflowerseed oil (the same volume as last year), 0.4 MMT of rapeseed oil (the same as last year), and 0.5 MMT of soybean oil, a 0.1 MMT increase from last year. Russia's imports of palm oil are estimated at 0.62 MMT in MY 2012/13, and FAS/Moscow forecasts its further increase to 0.64 MMT in MY 2013/14. Palm oil is the second largest vegetable oil consumed in Russia.

There are no official data on domestic consumption of vegetable oils by types of oil, but industry analysts consider that sunflowerseed oil dominates in food consumption, while palm oil is gaining a bigger share in food processing use. FAS/Moscow forecasts further increase of Russia's exports of vegetable oils, to 1.3 MMT in MY 2013/14 from less than 1.2 MMT in MY 2012/13. Sunflowerseed oil export is forecast at 0.9 MMT (up 0.1 MMT from last year), soybean oil exports is forecast at 0.18 MMT (0.16 MMT in MY 2012/13), and rapeseed exports is forecast at 0.23 MMT (up from 0.22 MT in MY 2012/13).

Table 3. Russia: Consolidated PSD for Major Vegetable Oils for MY 2013/14, 1,000 MT

	Sunflowerseed	Soybean	Rapeseed	Palm	TOTAL
--	----------------------	----------------	-----------------	-------------	--------------

Crush	7,400	2,800	1,050		11,250
Extr. Rate, 999.9999	0.405	0.1786	0.395		
Beginning Stocks	152	44	22	29	247
Production	3,000	500	415	0	3,915
MY Imports	30	10	1	640	681
MY Imp. from U.S.	0	0	0	0	0
MY Imp. from EU	0	10	0	110	120
Total Supply	3,182	554	438	669	4,843
MY Exports	900	180	230	0	1,310
MY Exp. to EU	450	140	180	0	770
Industrial Dom. Cons.	350	45	20	135	550
Food Use Dom. Cons.	1,750	275	170	505	2,700
Feed Waste Dom. Cons.	40	0	0	0	40
Total Dom. Cons.	2,140	320	190	640	3,290
Ending Stocks	142	54	18	29	243
Total Distribution	3,182	554	438	669	4,843

Note: The above table is composed of PSD forecasts for each oil despite differing marketing years.

Commodities:

Oilseed, Sunflowerseed

Oilseed, Soybean

Oilseed, Rapeseed

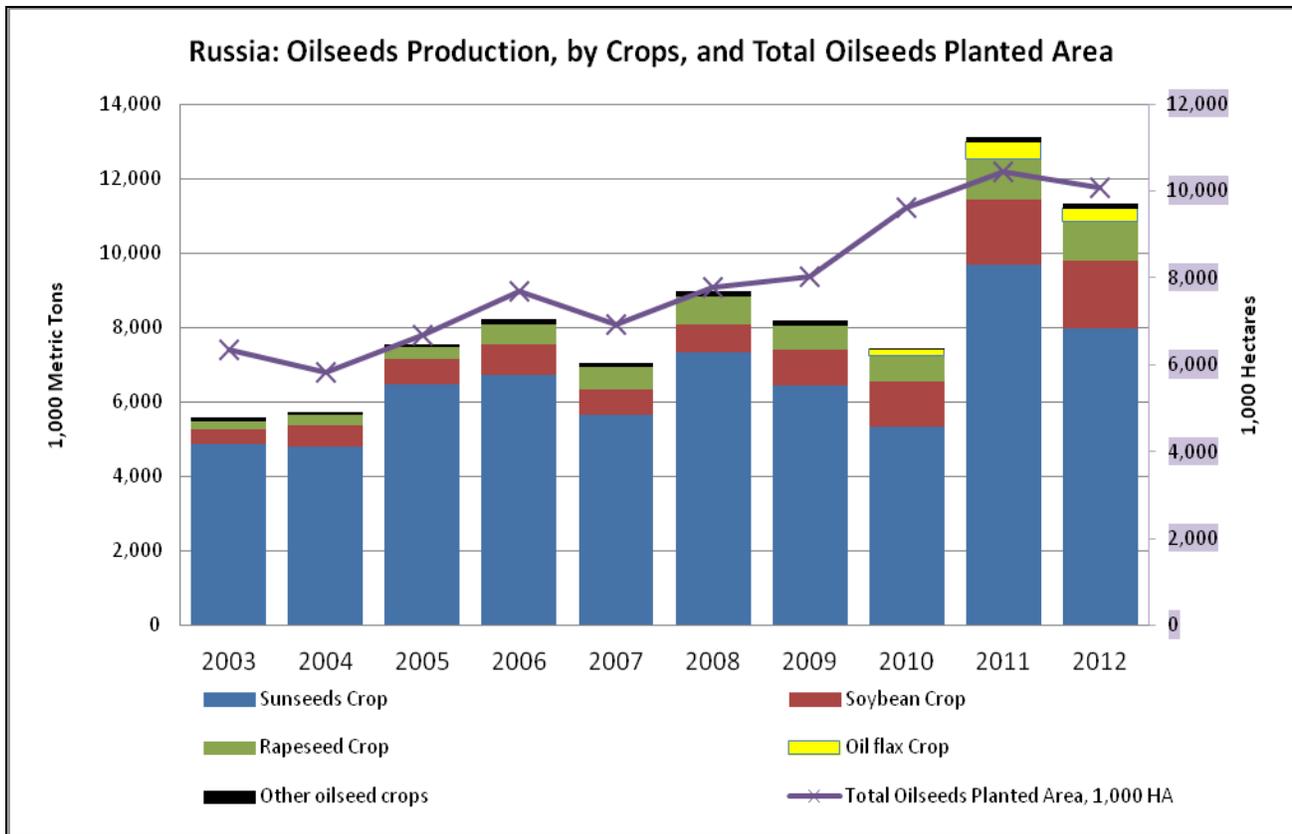
Oilseed, Peanut

Production:

FAS/Moscow forecasts that in MY 2013/14 area sown to Russia's main oilseeds (sunflowerseed, soybeans, and rapeseed) will increase by 0.3 million hectares, or 2 percent from the previous year, to 9.5 million hectares. Assuming average weather, production of these three major crops is forecast to reach 11.2 MMT in MY 2013/14. Sunflowerseed sowing prospects, to a great extent, will depend on grain prices, which, if they remain high by mid-May, may stimulate farmers in European Russia to increase spring grain and pulses sowing on fields that might be sown to sunflowerseed. In addition, a switch to grain or pulses is in accordance with traditional crop rotation patterns.

Area sown to oilseeds has been steadily growing in the last 10 years in Russia, especially for oilseeds other than sunflowerseed. Nevertheless, sunflowerseed still dominate production, and since yields of sunflowerseed are still heavily dependent on weather, and change from year to year, the fluctuations in production of oilseeds in Russia from year to year are also significant (Chart 1).

Chart 1.



Source: Rosstat

Table 4. Russia: Major Oilseeds, 2003-2012.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Planted Area, 1,000 HA										
Sunflowerseed	5,359	4,862	5,568	6,155	5,326	6,199	6,196	7,153	7,614	6,529
Soybeans	584	570	718	845	777	747	875	1,206	1,229	1,487
Rapeseed	142	252	244	512	658	680	688	856	893	1,190
--- winter	49	89	85	80	150	145	178	218	175	105
--- spring	181	163	159	432	508	535	511	638	718	1,085
Mustard	142	103	107	91	58	58	101	110	134	118
Oil flax (Crown Flax)	n/a	n/a	n/a	n/a	n/a	85	146	267	500	618
False flax (Camelina)	n/a	n/a	n/a	n/a	n/a	12	11	23	54	118
Other	128	39	43	87	112	2	3	1	23	33
TOTAL	6,355	5,826	6,680	7,690	6,931	7,783	8,020	9,616	10,447	10,087
Production, 1,000 Metric Tons										
Sunflowerseed	4,887	4,810	6,470	6,743	5,671	7,350	6,454	5,345	9,697	7,993
Soybeans	392	554	686	805	650	746	944	1,222	1,756	1,806
Rapeseed	192	277	304	522	630	752	667	670	1,056	1,035
--- winter	45	154	142	127	227	246	308	395	304	166
--- spring	147	123	162	395	404	506	359	275	752	869

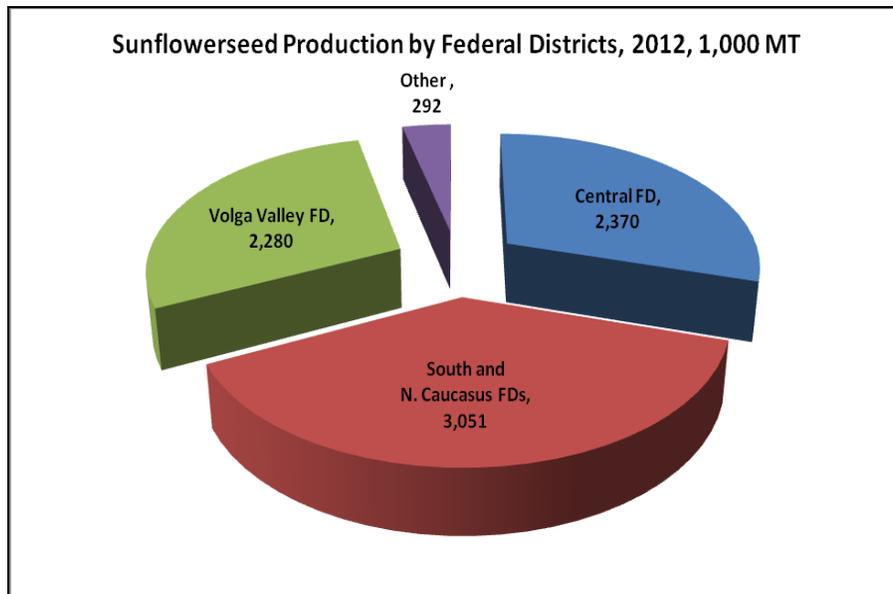
Mustard	86	55	63	64	11	29	24	36	88	42
Oil flax (Crown Flax)	n/a	n/a	n/a	n/a	n/a	86	94	173	464	361
False flax (Camelina)	n/a	n/a	n/a	n/a	n/a	1	2	9	35	56
Other	23	30	34	84	75	8	1	2	19	20
TOTAL	5,580	5,726	7,557	8,218	7,037	8,972	8,186	7,457	13,115	11,313
Yields per Harvested Area, MT/HA										
Sunflowerseed	1.00	1.02	1.19	1.14	1.13	1.23	1.15	0.96	1.34	1.30
Soybeans	0.98	1.00	1.05	0.99	0.92	1.05	1.19	1.18	1.48	1.39
Rapeseed winter	1.02	1.78	1.77	1.60	1.56	1.76	1.82	1.90	1.77	1.68
Rapeseed spring	0.96	0.84	1.10	1.07	1.04	1.04	0.93	0.69	1.13	0.99
Mustard	0.71	0.59	0.65	0.76	0.43	0.57	0.47	0.48	0.80	

Source: Rosstat

Sunflowerseeds

FAS/Moscow forecasts area sown to sunflowerseed to increase by 0.4 million hectares to 6.9 million hectares. However, this increase in area is likely to occur in less fertile areas, while more fertile land will be sown more to spring grains and pulses, soybeans and fodder crops. Thus, yields of sunflowerseed will remain low, and production is forecast at the same level as in MY 2012/13 – 8.0 MMT.

Chart 2



The South of European Russia (the Southern and North Caucasus federal districts) remains the major sunflowerseed production area, and in 2012 accounted for 38 percent of Russia's total sunflowerseed crop. However, during the last 5 years area sown to sunflowerseed in Southern European Russia has actually decreased as a result of strong competition for area with other crops. This area is not only very productive and has the best climatic conditions in Russia, it is also close to key export ports, thereby making it very attractive for grain production (which is quickly exported). As a result, sunflowerseed

production in this area has dropped by 26 percent from 2008. Meanwhile, the Central Federal District has increased sunflowerseed production by 80 percent, primarily due to improved seeds and agronomy practices, and its share in the total sunflowerseed production has reached 30 percent in 2012. The demand for sunflowerseed in the Central Federal District has been supported by the construction of several new crushing plants in Voronezh and Belgorod oblasts in the last 5 years. Farmers in the Volga Valley Federal District increased sunflowerseed production by 39 percent, mostly due to increased sown area, while average yields still remain low. The share in the total production is 29 percent. The Chart 2 shows production in 2012 by major federal districts.

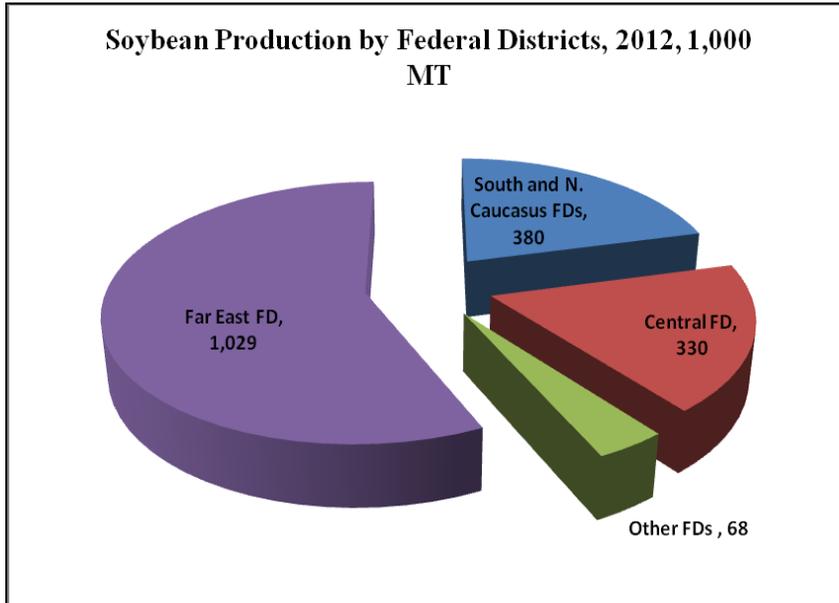
Soybeans

FAS/Moscow forecasts soybean area to increase in MY 2013/14 to 1.6 million hectares and production is forecast to increase to 2.1 MMT from 1.8 MMT in 2012. The production increase is expected mostly due to increased area planted in the Far East and in the Central European Russia. Farmers in the Central European Russia are planning to plant more soybeans and less sugar beets in 2013, because the demand for feeds was high, while sugar beet crop, one of their major crops, did not bring significant profits in 2012 because of low prices.

According to industry analysts, compound feed consumption at the livestock and poultry enterprises in Belgorod, Kursk, Voronezh, Lipetsk and Tambov oblasts (oblasts of the Central Federal District) increased in 2012 by 17 percent from the previous year and reached 5.3 MMT. By 2020, compound feeds consumption is forecasted to exceed 8 MMT, and consumption of soybean meal is forecast to increase from 523,000 MT in 2012 to 830,000 MT in 2020. Some large companies are investing in soybean crushing in the Central Federal District. Thus, the Miratorg company, Russia's major producer of pork, and expected to be a large producer of poultry in Bryansk oblast (also Central Federal District), in 2012 has built a soybean crushing plant in Beldorod oblast. Sunflowerseed crushing and vegetable oil trading company EFKO plans to construct a large soybean crushing factory in the Central Federal District as well. According to EFKO's analysis, soybeans have the following benefits for farmers in the Central Federal District: First, soybeans are the best (after peas) predecessor for grains and many other crops in crop rotation patterns; second, oats and barley leave grain on the field that may germinate and lead to spread of diseases and pests; third, soybeans leave nitrogen in the soil that leads to decreased application of fertilizer; and lastly, the time of harvesting soybeans in the Central FD coincides with the sowing winter wheat.

The Russian Far East represents 57 percent of Russia's soybean production, and production in the Far East doubled in just the last 5 years. However, soybean production in other federal district of Russia has increased even faster. For example, in the same 5 years soybean production in the South of European Russia (Southern and North Caucasus federal districts) and in the Volga Valley increased by 135 and 140 percent respectively, and soybean production in the Central Federal District increased by 560 percent from 50,000 MT in 2008 to 330,000 MT in 2012, and this district became the third largest producer of soybeans. So despite strong growth in production, in the past few years the share of the Far East in total production has actually decreased from 68 percent to 57 percent. Despite this, the Far East that still has the best prospects for higher soybean production in the coming years due to a number of factors. First, there is less competition in the Far East with other commercial crops, as opposed to Southern European Russia. And second, strong export demand and the anticipated removal of export duties is expected to also contribute to higher Far East production.

Chart 3



Rapeseed

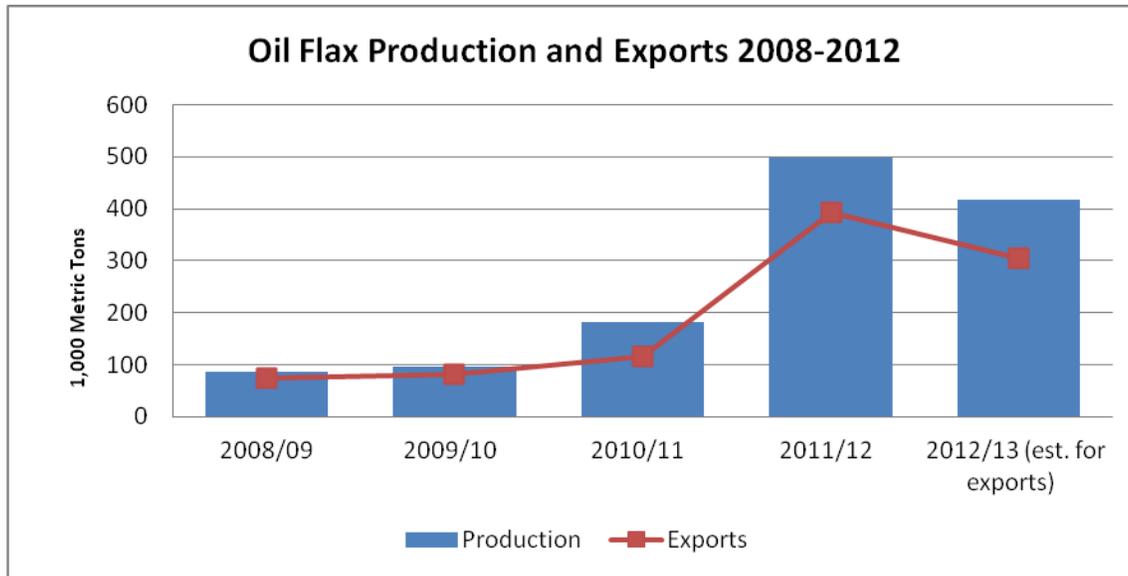
FAS/Moscow forecast rapeseed production in MY 2013/14 to increase only slightly, from 1.035 MMT to 1.1 MMT. The forecast increase is due to increased production of winter rapeseed, which although is planted to a much smaller area than spring rapeseed, has yields roughly 60-90 percent higher. Unlike last year, winter rapeseed in Stavropol kray, Russia's major producer, is currently in good condition.

Spring rapeseed still dominates sown area, and farmers in almost all federal districts, except Southern and North Caucasus federal district, plant spring rapeseed. The leading provinces for rapeseed area are Volga Valley Federal District (31 percent of the total spring rapeseed sown area in 2012), Central Federal District (27 percent of the total) and Siberia Federal District (25 percent of the total). If grain prices remain high, competition with grain for land in these federal districts will be high, and it is not likely that farmers will increase area sown to rapeseed.

Linseed for Oil (Crown flax and Cemilina)

Production of linseed for oil (crown flax and Cemilina) increased in the last 3 years driven by high foreign market demand and the absence of export duties (Chart 4). Although some varieties of these crops can be sown more to the north than sunflowerseed and soybeans, the bulk of production of these crops is found in the Southern and North Caucasus federal districts, the major export-oriented districts of European Russia. Thus, in 2012 area sown to crown flax in the Southern Federal District was 47 percent of the total Russian area sown with this crop, and area sown in the North Caucasus federal district was only 16 percent of total output.

Chart 4



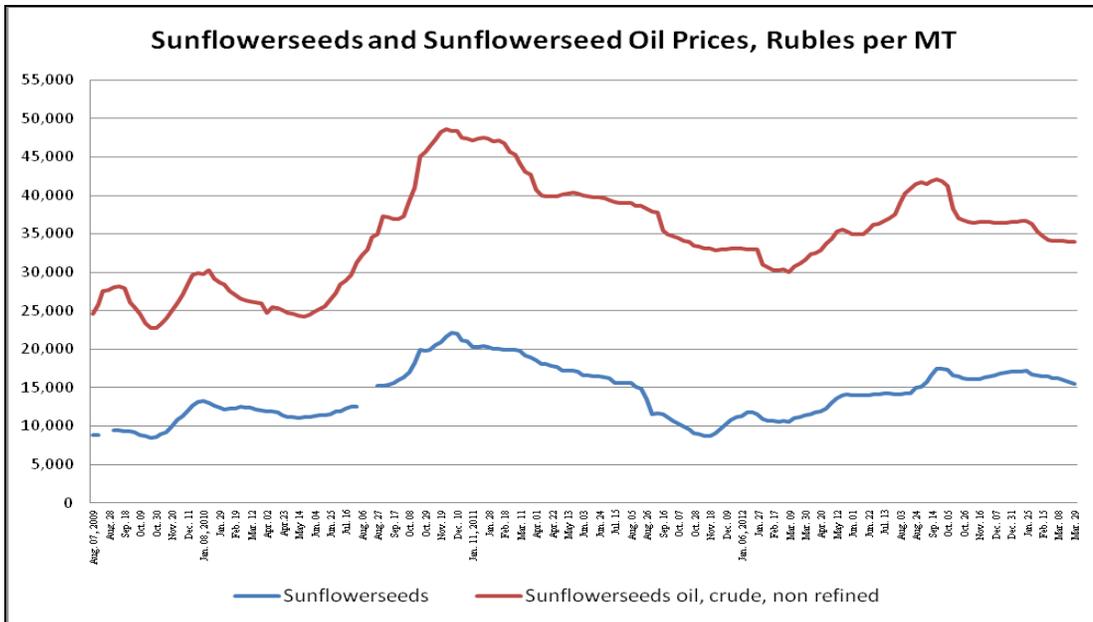
Consumption:

Industry analyst estimate Russia's oilseeds crushing capacity in at 14 MMT in 2012/13, and forecast a further increase in 2013/14. Processing of oilseeds is increasingly concentrated at modern, new crushing plants owned by large agro-holding companies while crushing at small plants is decreasing.

Sunflowerseeds

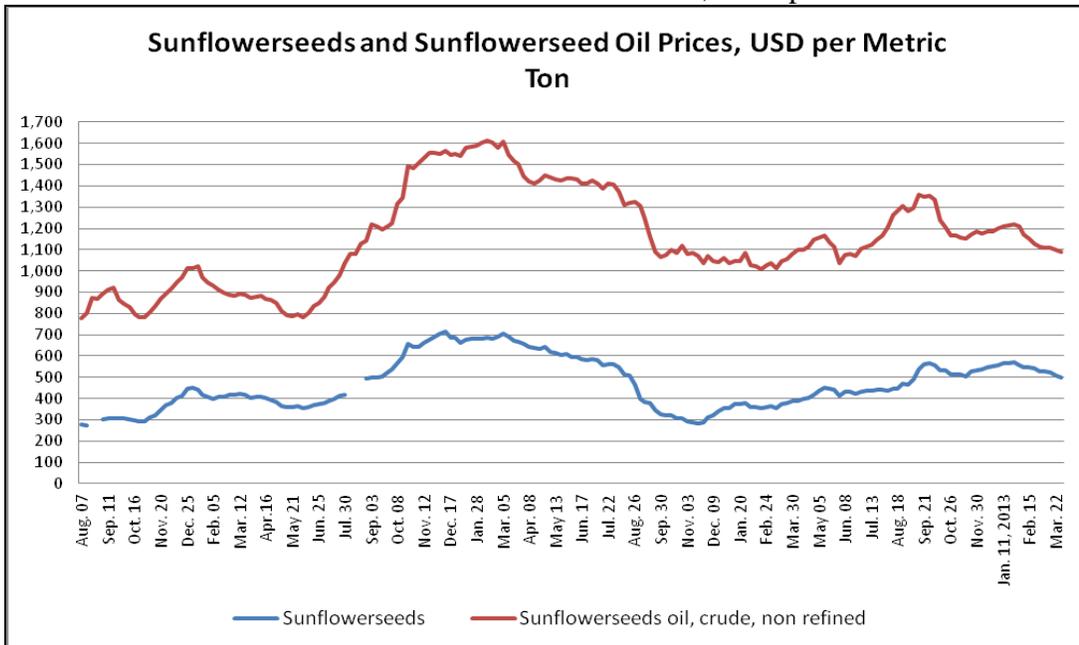
Assuming that the sunflowerseed crop is 8.0 MMT in MY 2013/14, the same as in MY 2012/13, sunflowerseed crush will remain the same as in MY 2012 at 7.4 MMT. The forecast volume of crush is expected to allow Russia to produce 2.75 MMT of sunflowerseed meal and 3.0 MMT of sunflowerseed oil. Sunflowerseed crushing still remains a profitable and attractive business for large agro-holding companies, and crushing capacity continues to grow. The gap between sunflowerseed prices and prices of crude sunflowerseed oil has remained the same during MY 2012/13. However, industry analysts estimate that domestic vegetable oil market is saturated and it is more and more difficult to keep crude sun oil prices high. Only large crushing companies can afford increased cost of production (expenses for sunflowerseed) or can find markets for processed products (meal and oil). Increased sunflowerseed prices have lead to further concentration of crushing at large modern plant owned by large agro-holding companies.

Chart 5. Sunflowerseeds and Sunflowerseed Oil Prices, Rubles per Metric Ton



Source: ProZerno

Chart 6. Sunflowerseeds and Sunflowerseed Oil Prices, USD per Metric Ton



Source: ProZerno

Soybeans

Demand for soybean meal and cake continue to grow due to stronger demand from domestic poultry and swine industries. Along with growing demand soybean crushing is also expanding. In 2012, a soybean crushing facility was constructed by one of Russia's major pork producing company in Belgorod. Russia's largest soybean crushing company, Sodruzhestvo in Kaliningrad, has increased its crushing capacity in MY 2012/13 to 2.3 MMT. FAS/Moscow forecasts soybean crush to increase from

2.4 MMT in 2012/13 to 2.8 MMT in MY 2013/14. Domestic production of soybean meal is forecast to increase from 2.0 MMT to 2.25 MMT, and oil from 0.4 MMT to 0.5 MMT.

Rapeseed

Rapeseed consumption is still driven by the EU demand for use in biofuels, since most of Russia's rapeseed oil is exported. FAS/Moscow forecasts rapeseed crush in MY 2013/14 to remain the same as in MY 2012/13 at 1.05 MMT.

Trade:

Sunflowerseed

FAS/Moscow forecasts bulk, unprocessed sunflowerseed exports in MY 2013/14 to remain at the same level as 2012/13 – 50,000 MT. In accordance with WTO commitments, Russia will be reducing export duties on sunflowerseed by equal installments during the next 4 years (since joining WTO in August 2012) until they reach 6.5 percent, but not less than 9.75 Euro per MT. Currently, the export duty on sunflowerseed is 20 percent, but not less than 30 Euro per MT. Thus, the first reduction of export duties should likely be expected by August 2013. However, since domestic demand for oilseeds and their products remains high, these duty changes are unlikely to lead to large-scale exports in MY 2013/14. Prices may be impacted as domestic crushers begin to have to increasingly compete with export demand. FAS/Moscow estimates sunflowerseed exports in MY 2012/13 at 50,000 MT. From September 2012 through February 2013, Russia exported 23,906 MT of sunflowerseed, including 11,854 MT to Turkey, 5,363 MT to Azerbaijan, 2,604 MT to Spain, 1,278 MT to Armenia.

Soybeans

Russia's exports of whole soybeans has been increasing and FAS/Moscow forecasts Russia's exports in MY 2013/14 at 150,000 MT, up from 100,000 MT. This is expected to be driven by strong Chinese demand for Russian soybeans for crushing, larger production in the Far East, and reduced export duties. In accordance with WTO commitments, the export duty on soybeans will be reduced in equal installments during the next 3 years, until it reaches zero by 2015. Thus, the first reduction of export duties should be expected by August 2013. Currently, Russia's export duty on soybeans remains 20 percent, but not less than 35 Euro per MT.

In September 2012 through January 2013, Russia exported 52,525 MT of soybeans (compared with 4,588 MT in the same period last year), including 45,114 MT to China, 4,611 MT to Spain, and 2,234 MT to Azerbaijan.

FAS/Moscow forecasts an increase of soybean for crushing imports to 0.9 MMT in MY 2013/14, from 0.7 in 2012/13. The demand for soybean meal is very high, and despite growing domestic production, Russia will continue imports of soybeans as European Russia has limited land for expansion of soybeans area, while shipments of soybeans from the Far East to the European Russia for crushing are expensive due to high transportation cost and Far Eastern beans have strong demand from China. This increase in imports is due to likely lower global soybean prices, as well as the significant expansion of crushing capacity at major importer facilities. Soybeans are imported duty free.

FAS/Moscow estimates recovery of soybean imports in the second half of MY 2012/13, after high prices slowed down in the first half of MY 2012/13, and estimates soybean imports in MY 2012/13 at 0.7 MMT. In September 2012 through February 2013, Russia imported only 264,800 MT of soybeans,

including 79,400 MT from Paraguay, 64,400 MT from Brazil, 56,000 MT from the U.S. (shipments in December – 25,700 MT and in February – 30,200 MT), and 37,200 MT from Ukraine.

Rapeseeds

FAS/Moscow forecast rapeseed exports in MY 2013/14 at 50,000 MT, an increase from 40,000 MT in MY 2012/13. Export duties (20 percent but not less than 35 Euro per MT) are to be gradually reduced during the 3 years following Russia’s WTO accession in August 2012 until they reach 6.5 percent, but not less than 9.75 Euro per MT. The first reduction is expected by August 2013. Exports may increase slightly in MY 2013/14 as a result, but producers will still likely to prefer to crush rapeseed domestically and export oil to Europe, the largest market for rapeseed oil for biodiesel. In July 2012 through January 2013, Russia exported 20,215 MT of rapeseed to Germany, Denmark and Latvia, although in January exports were very low.

Linseed for Oil (Crown Flax and Camelina)

Russia has also began exporting flax (linseed oilseeds), and this oilseed has quickly become the largest oilseed export from Russia due to stable demand and absence of duties. Exports of linseed for oil (Crown Flax and Cemelina) in September 2012 through February 2013 reached 183,778 MT. The major importers of Russian linseed for oil were Belgium (116,625 MT), Turkey (27,967 MT), Latvia (14,535 MT), Italy (13,335 MT), Germany (5,769 MT).

Policy:

The Russian government still has some programs indirectly targeted to improvement of the oilseed industry, such as “Program on the Development of the Feed Industry”. However, the financing of these programs is small, and oilseed farmers may benefit only from the government support that applies to all crop producers. In 2013 this support has been reduced due to federal budget constraints. In accord with the WTO requirements, the previous support through fuel and fertilizer price discounts was replaced with per-hectare decoupled support. Analysts estimate that the actual per hectare support fell by two or three times. However, federal support through soft-term loans (interest rate subsidies) has been expanded to processors and marketing of crops, and crushers may benefit from these changes in the interest rate-support programs.

Russia’s WTO commitments (lifting or decreasing export duties) have not yet been implemented in the first year of Russia’s WTO membership. However, the gradual decrease in oilseeds export duties will likely begin by August 2013, one year after Russia’s acceding WTO.

Table 5. Russia’s WTO commitments beginning August 2012:

HS Number	Name of Product	Current exports duty	Target export duty	Transitional Period
1201	Soybean	20 percent, but not less than 35 Euro per 1 MT	0	3 years
1205	Rapeseed	20 percent, but not less than 35 Euro per 1 MT	6.5 percent, but not less than 11.4 Euro per 1 MT	3 years
1206	Sunflowerseed	20 percent, but not less than 30 Euro per 1 MT	6.5 percent, but not less than 9.75 Euro per 1 MT	4 years
1207 50	Mustard seed	10 percent, but not less than 25 Euro per 1 MT	0	1 year

Production, Supply and Demand Data Statistics:

PSD Sunflowerseeds, 1,000 Metric tons, 1,000 Hectares

Oilseed, Sunflowerseed Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: Sep 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	5,200	7,615	5,200	6,529		6,900
Area Harvested	7,200	7,235	6,125	6,148		6,300
Beginning Stocks	113	130	91	162		95
Production	9,627	9,697	7,959	7,993		8,000
MY Imports	28	10	10	10		10
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	9,768	9,837	8,060	8,165		8,105
MY Exports	332	330	250	50		50
MY Exp. to EU	54	5	0	10		10
Crush	8,600	8,600	7,200	7,400		7,400
Food Use Dom. Cons.	250	250	205	220		220
Feed Waste Dom. Cons.	495	495	310	400		350
Total Dom. Cons.	9,345	9,345	7,715	8,020		7,970
Ending Stocks	91	162	95	95		85
Total Distribution	9,768	9,837	8,060	8,165		8,105
1000 HA, 1000 MT						

PSD Soybeans, 1,000 Metric tons, 1,000 Hectares

Oilseed, Soybean Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: Sep 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	1,200	1,230	1,200	1,490		1,600
Area Harvested	1,180	1,180	1,350	1,300		1,500
Beginning Stocks	112	112	67	74		30
Production	1,749	1,756	1,880	1,806		2,100
MY Imports	741	741	800	700		900
MY Imp. from U.S.	25	25	25	100		100
MY Imp. from EU	0	0	0	0		0
Total Supply	2,602	2,609	2,747	2,580		3,030
MY Exports	90	90	120	100		150
MY Exp. to EU	2	0	0	0		0
Crush	2,400	2,400	2,520	2,420		2,800
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	45	45	65	30		40
Total Dom. Cons.	2,445	2,445	2,585	2,450		2,840
Ending Stocks	67	74	42	30		40
Total Distribution	2,602	2,609	2,747	2,580		3,030
1000 HA, 1000 MT						

PSD, Rapeseeds, 1,000 Metric Tons, 1,000 Hectares

Oilseed, Rapeseed Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	850	890	970	1,190		1,000

Area Harvested	840	840	970	975		1,000
Beginning Stocks	98	98	123	123		43
Production	1,050	1,055	1,035	1,035		1,100
MY Imports	1	1	1	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	1	1	1	0		0
Total Supply	1,149	1,154	1,159	1,158		1,143
MY Exports	54	54	70	40		50
MY Exp. to EU	40	40	40	40		50
Crush	955	950	1,000	1,050		1,050
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	17	27	17	25		17
Total Dom. Cons.	972	977	1,017	1,075		1,067
Ending Stocks	123	123	72	43		26
Total Distribution	1,149	1,154	1,159	1,158		1,143
1000 HA, 1000 MT						

PSD, Peanuts, 1,000 Metric Tons, 1,000 Hectares

Oilseed, Peanut Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: May 2011		Market Year Begin: May 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Beginning Stocks	8	8	4	4		4
Production	0	0	0	0		0
MY Imports	128	128	155	100		130
MY Imp. from U.S.	5	5	5	10		20
MY Imp. from EU	0	0	0	0		0
Total Supply	136	136	159	104		134
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	0	0	0	0		0
Food Use Dom. Cons.	132	132	150	100		130
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	132	132	150	100		130
Ending Stocks	4	4	9	4		4
Total Distribution	136	136	159	104		134
1000 HA, 1000 MT						

Commodities:

Meal, Sunflowerseed

Meal, Soybean

Meal, Rapeseed

Meal, Fish

Production:

FAS/Moscow forecasts oilseed meal production to increase by 0.2 MMT in MY 2013/14 to 5.6 MMT. This increase is due to higher production of soybean meal to 2.25 MMT from 2.0 MMT. Production of sunflowerseed meal and rapeseed meal are forecast at the same level as last year or 2.75 MMT, and 0.6 MMT respectively.

Consumption:

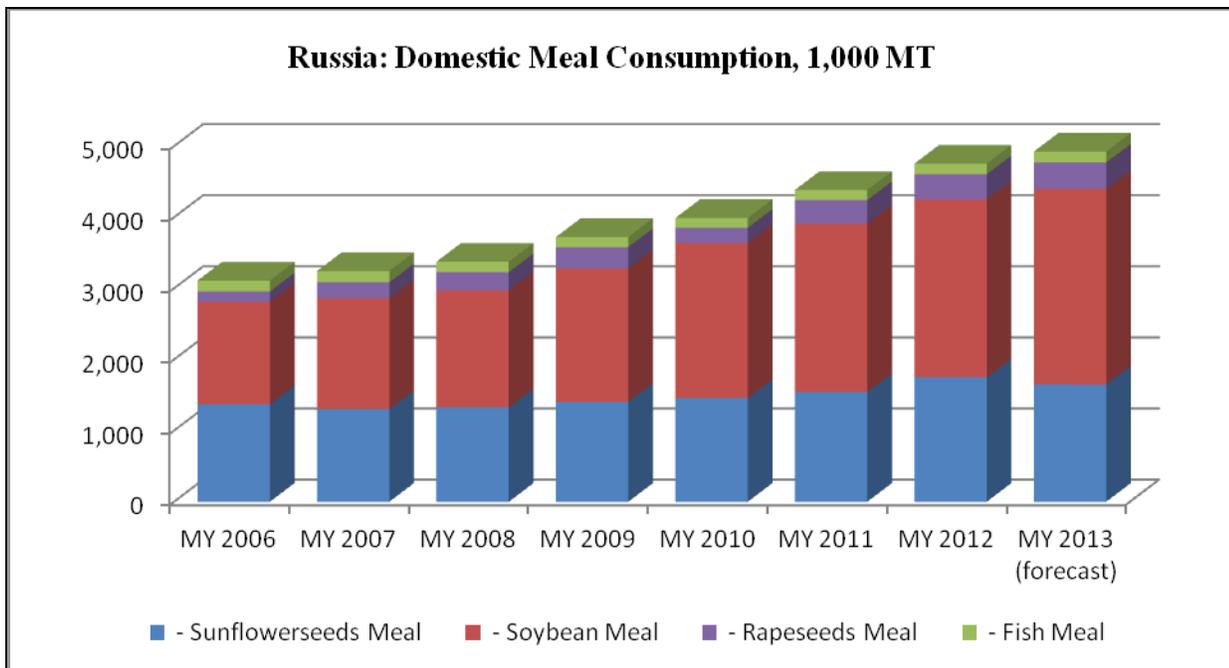
Domestic demand for protein feeds, including oilseed meals, is strengthening along with the development of poultry and swine industries and increasing concentration of poultry and pork production at large agro-holding companies. Industrial methods of feeding envisage replacement of concentrated feeds (grain based) by compound feeds that include protein meal, vitamins, and other nutrients.

FAS/Moscow forecasts that Russia's total domestic consumption of the three major oilseed meals (sunflowerseed, soybean and rapeseed) and fish meal will increase to 4.93 MMT in MY 2013/14 compared to 4.76 MMT in MY 2012/13. Soybean meal will comprise over 55 percent of total consumption, with sunflowerseed meal at 34 percent, rapeseed meal at 8 percent, and fish meal at only 3 percent.

Table 6. Supply, Exports and Domestic Consumption of Major Oilseed Meals, 1,000 MT

	MY 2006	MY 2007	MY 2008	MY 2009	MY 2010	MY 2011	MY 2012	MY 2013 (forecast)
Total Supply	4,108	4,054	4,507	4,826	4,895	6,478	6,173	6,473
- Sunflowerseed Meal	2,275	1,971	2,310	2,271	2,095	3,247	2,776	2,776
- Soybean Meal	1,453	1,624	1,668	1,959	2,245	2,475	2,600	2,870
- Rapeseed Meal	221	296	352	400	364	569	595	620
- Fish Meal	159	163	177	196	191	187	202	207
Exports Total	946	789	1,104	814	817	1,970	1,320	1,450
- Sunflowerseed Meal	866	666	965	660	588	1,681	1,000	1,100
- Soybean Meal	2	50	14	3	28	10	30	50
- Rapeseeds Meal	77	72	99	100	151	237	240	250
- Fish Meal	1	1	26	51	50	42	50	50
Consumption and Stocks	3,162	3,265	3,403	4,012	4,078	4,508	4,853	5,023
- Sunflowerseed Meal	1,409	1,305	1,345	1,611	1,507	1,566	1,776	1,676
- Soybean Meal	1,451	1,574	1,654	1,956	2,217	2,465	2,570	2,820
- Rapeseeds Meal	144	224	253	300	213	332	355	370
- Fish Meal	158	162	151	145	141	145	152	157

Chart 7



Trade:

Despite high domestic demand for protein feeds, a significant portion of sunflowerseed meal is exported, as crushers prefer shipping sunflowerseed meal abroad on stable contracts with steady buyers. In MY 2012/13, roughly 36 percent of Russian sunflowerseed meal was exported. Meanwhile, domestic poultry producers and other consumers of protein feeds prefer soybean meal, either domestic or imported.

Sunflowerseed Meal Trade

FAS/Moscow forecasts sunflowerseed meal exports in MY 2013/14 at 1.1 MMT, a 10 percent increase from the estimated 1.0 MMT in MY 2012/13. In September 2012 through February 2013 Russia exported 795,100 MT of sunflowerseed meal. Leaders in imports of Russian sunflowerseed meal were Turkey (218,700 MT), Italy (163,300 MT), Latvia (107,200 MT), Spain (70,900 MT), France (50,700 MT), and Denmark (44,100 MT). Imports of sunflowerseed meal are not significant.

Soybean Meal

FAS/Moscow forecasts Russia's soybean meal imports in MY 2013/14 at 550,000 MT, the same as in MY 2011/12, and a 10 percent increase from (estimated) 500,000 MT imports in MY 2012/13. In accordance with Russia's WTO commitments, the import duty on soybean meal fell from 5 percent to zero immediately after Russia's WTO accession in August 2012. However, international soybean meal prices remain high, and with domestic crush of soybeans increasing, total imports of soybean meal in MY 2012/13 is lower than in MY 2011/12. In September 2012 through February 2013 Russia imported 282,000 MT of soybean meal (in the same period last year – 365,800 MT). The major sources of soybean meal in this period were Argentina (176,500 MT), Brazil (75,800 MT), Germany (13,900 MT), and United States (12,400 MT).

Soybean meal exports still remain low, although in MY 2012/13 it is estimated to increase from 10,000 MT to 30,000 MT on a year-to-year basis. In previous years, Russia exported small amounts of soybean

meal to Ukraine and some other CIS countries. In MY 2012/13, Russia began exporting soybean meal to EU countries, including Denmark, Netherlands, UK, Sweden, most likely from the crushing facilities in Kaliningrad. FAS/Moscow forecasts rapeseed meal exports to increase slightly to 250,000 MT in MY 2013/14.

Production, Supply and Demand Data Statistics:

PSD, Sunflowerseed Meal, 1,000 Metric Tons

Meal, Sunflowerseed Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	8,600	8,600	7,200	7,400		7,400
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	48	53	21	26		26
Production	3,199	3,199	2,678	2,750		2,750
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	3,247	3,252	2,699	2,776		2,776
MY Exports	1,681	1,681	960	1,000		1,100
MY Exp. to EU	1,000	1,000	700	700		700
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1,545	1,545	1,708	1,750		1,650
Total Dom. Cons.	1,545	1,545	1,708	1,750		1,650
Ending Stocks	21	26	31	26		26
Total Distribution	3,247	3,252	2,699	2,776		2,776
1000 MT, PERCENT						

PSD, Soybean Meal, 1,000 Metric Tons

Meal, Soybean Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: Sep 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,400	2,400	2,520	2,420		2,800
Extr. Rate, 999.9999	1	1	1	1		1
Beginning Stocks	36	36	100	100		70
Production	1,891	1,891	1,986	2,000		2,250
MY Imports	548	548	470	500		550
MY Imp. from U.S.	30	30	30	30		30
MY Imp. from EU	150	150	150	150		150
Total Supply	2,475	2,475	2,556	2,600		2,870
MY Exports	10	10	30	30		50
MY Exp. to EU	10	0	10	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	2,365	2,365	2,450	2,500		2,750
Total Dom. Cons.	2,365	2,365	2,450	2,500		2,750
Ending Stocks	100	100	76	70		70
Total Distribution	2,475	2,475	2,556	2,600		2,870
1000 MT, PERCENT						

PSD, Rapeseed Meal, 1,000 Metric Tons

Meal, Rapeseed Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	955	950	1,000	1,050		1,050
Extr. Rate, 999.9999	1	1	1	1		1
Beginning Stocks	0	0	0	0		0
Production	569	569	595	595		620
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	569	569	595	595		620
MY Exports	237	237	240	240		250
MY Exp. to EU	193	193	85	85		95
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	332	332	355	355		370
Total Dom. Cons.	332	332	355	355		370
Ending Stocks	0	0	0	0		0
Total Distribution	569	569	595	595		620
1000 MT, PERCENT						

PSD, Fish Meal, 1,000 Metric Tons

Meal, Fish Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction	525	525	545	525		525
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	3	3	2	2		2
Production	135	135	140	135		135
MY Imports	49	49	52	65		70
MY Imp. from U.S.	0	0	0	2		5
MY Imp. from EU	0	0	0	0		0
Total Supply	187	187	194	202		207
MY Exports	42	42	50	50		50
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	143	143	142	150		155
Total Dom. Cons.	143	143	142	150		155
Ending Stocks	2	2	2	2		2
Total Distribution	187	187	194	202		207
1000 MT, PERCENT						

Commodities:

Oil, Sunflowerseed

Oil, Soybean
 Oil, Rapeseed
 Oil, Palm

Production:

Sunflowerseed oil remains the major vegetable oil consumed in Russia and FAS/Moscow forecasts that sunflowerseed oil production in MY 2013/14 will increase only slightly, by 1.6 percent, or 50,000 MT, to 3.0 MMT. This increase will result in a related increase in exports while domestic consumption will remain flat.

Production of soybean oil is increasing along with growth of domestic soybean production and imports, but the share of soybean oil in domestic consumption does not exceed 10 percent of the total domestic consumption. Consumers prefer sunflowerseed oil to soybean and other vegetable oils in food consumption. FAS/Moscow forecasts production of soybean oil at 0.5 MMT, an 14 percent, or 60,000 MT increase from the estimated production of soybean oil in MY 2012/13. Production of rapeseed oil is forecast at 415,000 MT, a 5 percent increase from the estimated production in MY 2012/13.

Consumption:

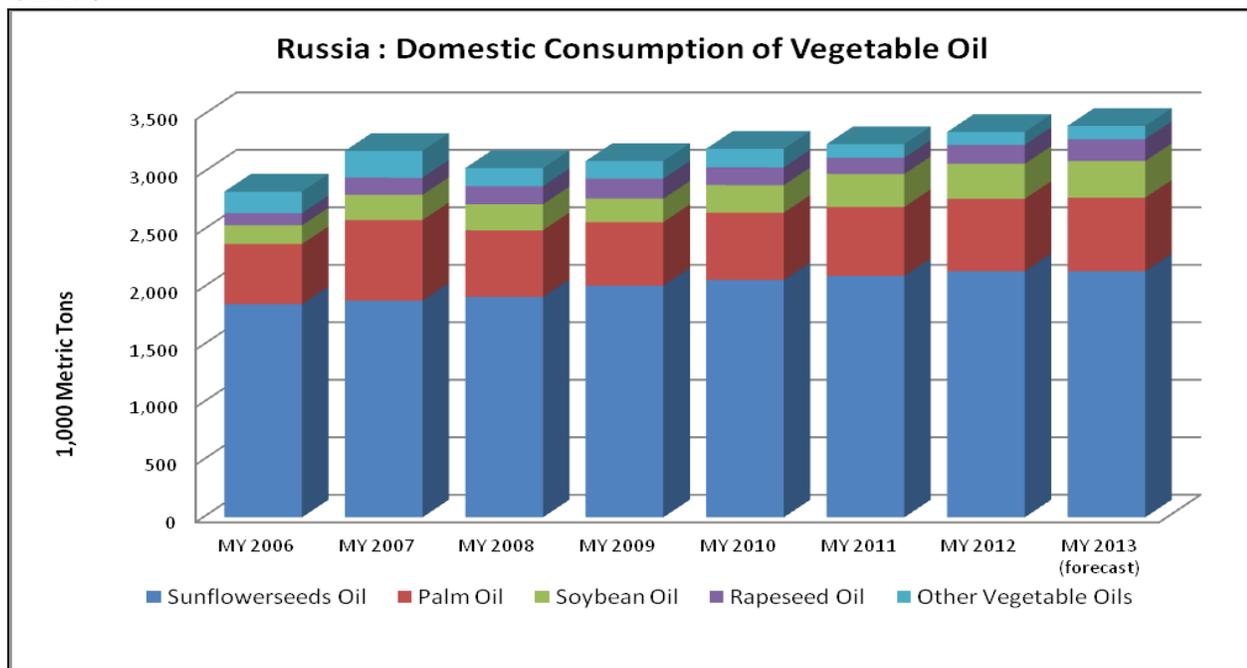
Russia's per-capita vegetable oil consumption (food and industrial) is estimated at approximately 25 liters per capita per year, lower than in Europe and in the United States. However, both food use and industrial domestic consumption have stabilized as of MY 2012/13 and consumption is not forecast to increase significantly in MY 2012/13. Sunflowerseed oil comprises 65 percent of domestic food vegetable oil consumption, and 63 percent of industrial vegetable oil consumption in Russia. Soybean oil comprises 10 percent of food consumption, and only 8 percent of food consumption. The share of rapeseed oil in food and industrial consumption is 6 percent and 4 percent respectively. The share of imported palm oil in food consumption is 19 percent, and in industrial consumption is 25 percent.

Table 7 Supply and Consumption of Vegetable Oil, MY s 2006/07 – 2013/14, 1,000 MY

	MY 2006	MY 2007	MY 2008	MY 2009	MY 2010	MY 2011	MY 2012	MY 2013 (forecast)
Total Supply	3,777	3,919	4,178	3,991	3,828	5,257	4,769	4,948
- Sunflowerseed Oil	2,675	2,384	2,779	2,619	2,330	3,650	3,092	3,182
- Soybean Oil	168	308	366	379	415	481	509	554
- Rapeseed Oil	166	199	264	282	260	387	407	438
- Palm Oil	579	794	610	557	660	620	649	659
- Coconut Oil	175	215	145	128	130	87	80	80
- Olive Oil	10	11	9	16	23	22	22	25
- Other Vegetable Oil	4	8	5	10	10	10	10	10
Exports Total	778	352	1,020	763	412	1,797	1,180	1,310
- Sunflowerseed Oil	711	322	802	504	181	1,427	800	900
- Soybean Oil	5	10	127	170	136	143	160	180
- Rapeseeds Oil	60	18	89	88	94	226	220	230
- Palm Oil	1	1	1	0	0	0	0	0

- Coconut Oil	0	0	0	0	0	0	0	0
- Olive Oil	0	0	0	0	0	0	0	0
- Other Vegetable Oils	1	1	1	1	1	1	0	0
Consumption and Stocks	2,999	3,567	3,158	3,228	3,416	3,460	3,589	3,638
- Sunflowerseed Oil	1,964	2,062	1,977	2,115	2,149	2,223	2,292	2,282
- Soybean Oil	163	298	239	209	279	338	349	374
- Rapeseeds Oil	106	181	175	194	166	161	187	208
- Palm Oil	578	793	609	557	660	620	649	659
- Coconut Oil	175	215	145	128	130	87	80	80
- Olive Oil	10	11	9	16	23	22	22	25
- Other Vegetable Oils	3	7	4	9	9	9	10	10

Chart 8



Trade:

FAS/Moscow forecasts sunflowerseed oil exports to increase by approximately 100,000 MT to 0.9 MMT, compared with 0.8 MMT in MY 2012/13, but not to reach the record 1.4 MMT level of MY 2011/12. In September 2012 through February 2013, Russia exported 461,100 MT of sunflowerseed oil, including 368,000 MT of crude oil (Turkey was the major destination – 181,200 MT, followed by Egypt – 99,200 MT) and 93,400 MT of refined oil. Imports of sunflowerseed oil were very minor: 9,300 MT only, including 7,200 MT of crude oil and 2,100 MT of refined oil.

Russia has been increasing port facilities for vegetable oil handling, including exports of sunflowerseed oil and imports of palm oil. In the beginning of 2013, the Novorossiysk Sea Commodity Port (NMTP)

that owns grain terminal in Novorossiysk concluded an agreement with the United Grain Company (in the Group Summa) on the construction of a vegetable oil tank terminal in Novorossiysk. The planned capacity of the terminal is 2 MMT. The beginning of construction is in 2014, with coming on line in 2015-16. This will be the first deep water terminal for vegetable oil handling in Russia. Presently vegetable oil is exported from the smaller terminals in the Azov basin, including from Taman, the first (semi-deep) sea terminal in the Azov-Black-Sea region, which belongs to the EFKO company, one of the Russia's major producers of vegetable oils. According to industry analysts, in MY 2011/12, exports of vegetable oil through the Azov sea ports amounted to 1.8 MMT, of which 1.4 MMT was sunflowerseed oil. There is a significant need for a deep water terminal. While importers such as Turkey and Egypt can be supplied via smaller vessels, larger ships are port handling capacity is needed to begin exporting to markets such as India and China.

Industry analysts consider that Russia has significant opportunities to increase exports of vegetable oil. The estimated profitability of companies that work with vegetable oil (from oilseeds farming through crushing and including exports) is 1.5-2 times higher than the profitability of companies that work only with grain and grain exports.

FAS/Moscow forecasts soybean oil exports to increase by 13 percent to 180,000 MT in MY 2013/14. In September 2012 through February 2013, Russia exported 73,500 MT of soybean oil, including 21,000 MT to Algeria, and the rest mostly to EU states. Exports to the EU countries varied from 9,000 MT (to France) to 500 MT to Latvia and Lithuania.

FAS/Moscow forecasts also a slight increase in rapeseed oil exports from 220,000 MT in MY 2012/13 to 230,000 MT in MY 2013/14. From July 2012 through February 2013, Russia exported 146,400 MT of rapeseed oil, and beginning 2013 exports continues at good pace. Thus, by the end of MY (March – June) Russia may export another 70,000 – 80,000 MT of rapeseed oil.

Russia continues imports of palm oil both for food and industrial use. FAS/Moscow forecasts imports of palm oil in MY 2013/14 at 640,000 MT, a 1.6 percent increase from MY 2012/13. The Customs Union technical regulations for dairy products have not been adopted so far, and there are no restrictions on use of palm oil as a replacer of milk fats in products that are called “dairy”. Palm oil is also widely used in confectionary products, and often replaces more expensive vegetable oils, such as cocoa oil in “chocolate” candies and in other confectionary and bakery products. FAS/Moscow estimates imports of palm oil in MY 2012/13 at 630,000 MT. In the period of May 2012 – February 2013, Russia has already imported 530,000 MT of palm oil, with monthly imports in January and February running at slightly less than 60,000 MT.

Policy:

Russia regulates production of vegetable oils by the safety and quality requirements as stipulated in the Russian Technical Regulation (TR) on Oils and Fats (Federal Law of the Russian Federation #90-FZ of June 24, 2008). Beginning July 1, 2013 this Russian TR will be replaced by the Customs Union TR on Oils and Fats, adopted by the Customs Union Commission on December 9, 2011:

<http://www.tsouz.ru/db/techreglam/Documents/TR%20TS%20MasloGirov.pdf> .

Russia's trade policy also influences the domestic vegetable oil market. Vegetable oils are exported duty-free and import tariffs on vegetable oil vary. Updated information on import tariffs on different

vegetable oils is available on the web-site <http://www.tks.ru/db/tnved/tree>. Import tariffs on vegetable oils for industrial processing are lower than tariffs on imports of vegetable oil for packaging and for direct human consumption.

Production, Supply and Demand Data Statistics:

PSD, Sunflowerseed Oil, 1,000 Metric Tons

Oil, Sunflowerseed Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: Sep 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	8,600	8,600	7,200	7,400		7,400
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	84	109	123	112		152
Production	3,552	3,500	2,971	2,950		3,000
MY Imports	14	30	50	30		30
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	3,650	3,639	3,144	3,092		3,182
MY Exports	1,427	1,427	900	800		900
MY Exp. to EU	219	219	450	450		450
Industrial Dom. Cons.	330	330	320	350		350
Food Use Dom. Cons.	1,740	1,740	1,740	1,750		1,750
Feed Waste Dom. Cons.	30	30	30	40		40
Total Dom. Cons.	2,100	2,100	2,090	2,140		2,140
Ending Stocks	123	112	154	152		142
Total Distribution	3,650	3,639	3,144	3,092		3,182
1000 MT, PERCENT						

PSD, Soybean Oil, 1,000 Metric Tons

Oil, Soybean Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: Sep 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,400	2,400	2,520	2,420		2,800
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	39	40	51	59		44
Production	430	430	451	440		500
MY Imports	12	12	10	10		10
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	10	10	8	10		10
Total Supply	481	482	512	509		554
MY Exports	143	143	160	160		180
MY Exp. to EU	120	120	150	130		140
Industrial Dom. Cons.	30	30	33	45		45
Food Use Dom. Cons.	257	250	277	260		275
Feed Waste Dom. Cons.	0	0	0	0		0
-	0	0	0	0		0
Total Dom. Cons.	287	280	310	305		320
Ending Stocks	51	59	42	44		54
Total Distribution	481	482	512	509		554
1000 MT, PERCENT						

PSD, Rapeseed Oil, 1,000 Metric Tons

Oil, Rapeseed Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	955	950	1,000	1,050		1,050
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	12	3	20	11		22
Production	374	374	392	395		415
MY Imports	1	1	1	1		1
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	387	378	413	407		438
MY Exports	226	226	200	220		230
MY Exp. to EU	224	224	145	150		180
Industrial Dom. Cons.	15	15	20	20		20
Food Use Dom. Cons.	126	126	169	145		170
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	141	141	189	165		190
Ending Stocks	20	11	24	22		18
Total Distribution	387	378	413	407		438
1000 MT, PERCENT						

PSD, Palm Oil, 1,000 Metric Tons

Oil, Palm Russia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: May 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	75	49	20	19		19
Production	0	0	0	0		0
MY Imports	545	545	600	630		640
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	100	100	110	110		110
Total Supply	620	594	620	649		659
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	125	125	125	135		135
Food Use Dom. Cons.	475	450	475	495		505
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	600	575	600	630		640
Ending Stocks	20	19	20	19		19
Total Distribution	620	594	620	649		659
1000 HA, 1000 TREES, 1000 MT						