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2017 Poultry and Products Semi-Annual Report

Approved By:

Rachel Vanderberg

Prepared By:

Moscow Staff

Report Highlights:

FAS Moscow decreased 2017 forecasts of broiler meat production to 3.75 MMT (0.8 percent growth), imports to 0.20 MMT (7 percent decline), exports to 0.115 MMT (10 percent growth), consumption to 3.835 MMT (flat). The industry has reached the capacity needed to satisfy domestic demand. GOR continues to support large scale producers seeking more independence from imports of feed ingredients and genetics. Slowly growing exports and declining imports encourage the leading producers to slightly increase production as domestic demand stabilizes. HPAI and economic recovery are the new game-changers in the market; successful performance depends on effective response to these challenges.

General Information

NOTE: USDA unofficial data excludes Crimean production and exports. However, as of June 2014, the Russian Federal State Statistics Service (Rosstat) began incorporating Crimean production and trade data into their official estimates. Where possible, data reported by FAS/Moscow is exclusive of information attributable to Crimea.

Executive Summary

FAS/Moscow decreased the 2017 forecast of broiler meat production to 3.75 MMT, which still reflects 0.8 percent annual growth. The industry has reached the capacity needed to satisfy domestic demand. Slowly growing exports and a continued decline of imports will encourage the most efficient producers to slightly increase production.

Despite expected improvements of the economic outlook in Russia in 2017, the financial health of the broiler production sector is questionable. Average net profit margins reportedly have declined from 10 percent in 2015 to 3 percent in 2016. The decline of profitability forced leading companies to lower production targets and focus on operational efficiency and better flexibility to market. Consolidation is anticipated to continue with the possible inflow of foreign investments as access to domestic credit remains limited. The Government of the Russian Federation (GOR) continues to pursue import substitution policies and support large scale integrators, who are reducing dependence on imported components, such as hatching eggs and ingredients of compound feeds.

The GOR has redesigned its agricultural support program in 2017 as the focus of support has shifted from production growth to operational efficiency. The transition to a new distribution system of federal subsidies has increased uncertainty. As of the date of the report, most broiler producers, in particular those of small and medium scale, remain excluded from preferential credits for operational needs and development. The companies located in the regions where governors do not consider broiler production as a priority sector will likely be strongest hit by the change.

FAS/Moscow changed its 2017 consumption forecast to 3.835 MMT, from minor annual growth to flat. Consumption of broiler meat was growing while the more expensive red meats lost the place in consumers' baskets in 2014-2015. Overall consumer demand remains weak after the economic recession, but pork has started regaining market share in the second half of 2016. The competition between pork and poultry will intensify in 2017, as domestic pork production is anticipated to grow and pork prices to decline.

The counter-sanctions food import [ban](#) will continue to influence broiler meat trade with a number of western countries until at least the end of 2017. FAS/Moscow forecasts broiler imports to decline to 200,000 MT in 2017. The absence of most competitors allows local companies with average Feed Conversion Ratio (FCR) 1.85-1.87 to win market from non-banned suppliers. In-quota imports of chicken cuts may see some increase in 2017, while out-of-quota imports continue falling. FAS/Moscow revised its 2017 export forecast to 115,000 MT, and its 2016 estimate to 105,000 MT. Restrictions on exports to Hong Kong and Kazakhstan due to a High Pathogenic Avian Influence (HPAI) outbreak in South Russia resulted in broiler exports lower than previously anticipated. The 21 percent appreciation of the ruble to the U.S. dollar in 2016 also constrained the growth of exports. Uncertainty related to animal diseases such as HPAI and African Swine Fever (ASF) is becoming a game-changer in the market and realization of forecasts depends on how effectively the country responds to animal health challenges.

Broiler Meat Production

Table 1. Russia: Broiler Production, Supply and Demand, 1,000 MT (Ready-to-cook), Million head

Poultry, Meat, Broiler Market Begin Year Russia	2015		2016		2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Inventory (Reference)	420	410	439	426	440	427
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	61	61	35	35	40	30
Production	3,600	3,600	3,750	3,720	3,770	3,750
Total Imports	249	249	220	215	220	200
Total Supply	3,910	3,910	4,005	3,970	4,030	3,980
Total Exports	71	71	130	105	150	115
Human Consumption	3,804	3,804	3,835	3,835	3,840	3,835
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	3,804	3,804	3,835	3,835	3,840	3,835
Total Use	3,875	3,875	3,965	3,940	3,990	3,950
Ending Stocks	35	35	40	30	40	30
Total Distribution	3,910	3,910	4,005	3,970	4,030	3,980

(MIL HEAD), (1,000 MT)

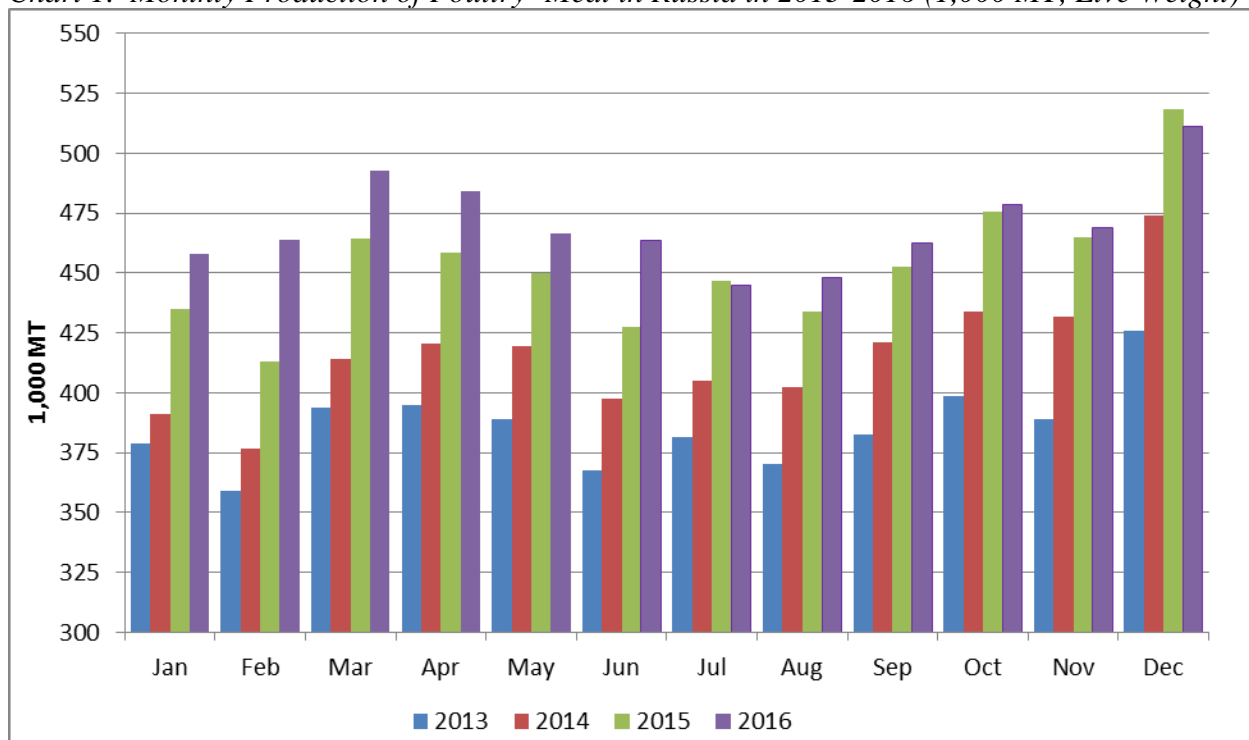
NOTE: Not Official USDA Data.

Official USDA data is available at <http://apps.fas.usda.gov/psdonline>

FAS/Moscow slightly decreased the forecast of broiler meat production to 3.75 MMT (Ready-to-cook weight)¹ in 2017, which is still 0.8 percent growth from 3.72 MMT. The 2016 production estimate also decreased by 30,000 MT. Growth of the poultry production sector has slowed in 2016 after two decades of accelerated development, 14 percent per year on average. The industry has reached the capacity needed to satisfy domestic demand. Slowly growing shipments to external markets and a continued decline of imports will encourage the most efficient producers to slightly increase production in 2017. However, the domestic market, which is anticipated to stabilize at 2016 levels, will continue to drive production levels.

¹ Ready-to-cook (RTC) weight equivalent includes dressed poultry, without feathers, head, feet, and most internal organs. Includes neck and giblets. Source: <https://www.ers.usda.gov/data-products/food-availability-per-capita-data-system/glossary/>

Chart 1. Monthly Production of Poultry² Meat in Russia in 2013-2016 (1,000 MT, Live Weight)



Source

: Rosstat

Production estimates for both 2016 and 2017 have fallen mostly because the amount of broiler meat shipped to external markets in 2016 was lower than previously anticipated. A stronger ruble reduced price competitiveness in export markets and resulted in an excess supply of chicken meat that pushed down domestic commodity prices. For approximately 18 months starting in January 2015, consumer prices on broiler meat grew more slowly than the inflation rate. This factor, in combination with increased prices for compound feeds in the first half of 2016, pressed producers' margins to very uncomfortable low points³. As a result several leading broiler companies revised down their ambitious production plans for 2016 and the first quarter of 2017. Additionally, some poultry plants decreased

² Source Rosptitzesouz: Agricultural organizations (excluding backyard and small peasant farms) account for 91.5 percent of all poultry meat production. 91.2 percent of industrially produced poultry is broiler meat, 4 percent is meat of spent layers; 3 percent is turkey meat; 1.3 percent duck, 0.5 percent - goose.

³ Please refer to 2016 Poultry Annual report for more information on margins in the sector. Also for reference: [Cherkizovo Group \(LSE: CHE; MOEX: GCHE\) operating results 9M 2016](#): Sales volume in nine months of 2016 increased by 9% year-on-year to 372,070 tons of sellable weight from 341,370 in January-September of 2015. This growth was driven by higher production levels, which resulted from improvements in efficiency, sales of excess inventory and the launch of new poultry houses. The average price during the nine months of 2016 dropped by 3 percent to 92.26 RUB/kg (in the first half of the year the average price was 90.06 RUB/kg, or 6 percent less year-on-year). <http://cherkizovo.com/press/company-news/7657/>

output after mergers or changes of ownership⁴. Year-on-year production growth in 2016 was only 2.4 percent compared to 8.5 percent growth in 2015⁵.

According to Rosstat data, several major broiler producing regions decreased output in 2016 compared to the previous year: Belgorod 2.83 percent less; Leningrad region 0.8 percent less, Krasnodar Krai 4.63 percent less, Mari-El 21.9 percent less. Supply has adjusted to the existing demand, and commodity prices increased in the second half of 2016, in particular in the Central and Southern Russia. In December 2016 the wholesale prices for whole broilers were approximately 10 percent higher than in December 2015⁶, and above the annual inflation level of 5.4 percent⁷.

By the beginning of 2017, margins slightly improved due to favorable feed prices after a record grain crop and 21 percent appreciation of the ruble exchange rate between January 2016 and January 2017⁸. The average wholesale price for whole chicken was 1.84 US dollar per kg. in January 2017, an increase of 32.1 percent year-on-year⁹. Despite this recovery in prices, production growth remains constrained by price-sensitive consumer demand, competition from pork and turkey, and limited operational funds for additional hatching eggs or feeds.

Prices for chicken meat in the mid-term will most likely be shaped by currency rates, inflation, and changes in consumer purchasing power. If no unpredicted financial or veterinary shocks occur in 2017, broiler prices are expected to remain relatively stable because the industry now has additional capacity and flexibility to adjust supply to demand.

The veterinary risks associated with spread of Avian Influenza in the Central-European and Southern regions of Russia remain high and may impact production. Since June 2016, Avian Influenza in poultry has been confirmed in Krasnodarsky Krai and in the Tyva, Kalmykia, Astrakhan, Rostov and Voronezh Regions. The commercial egg production farm “Khabarlinskaya” in Astrakhan region culled 642,000 hens after detection of HPAI in December 2016. In January 2017, Russia’s largest producer of turkey meat “Evrodon” culled 220,000 birds at two of its twenty farms in Rostov region.¹⁰

According to the Veterinary and Phytosanitary Surveillance Service (VPSS) there is a strong risk of further spread of HPAI in South Russia and North Caucasus. Industry experts are mostly concerned about introduction of the AI virus to Belgorod region, where the three major broiler producers are located. Even if veterinary authorities and farms in South Russia coordinate efforts and effectively control further spread of the virus, the disease may increase volatility in the market. Industry contacts

⁴ Most significant M&A deals of 2016: #1 “Agrocomplex named after N. Tkachyov” purchased 7th largest broiler producing company “Akashevskaya” (annual production capacity: 200,000 MT ; located in Mari-El). “RusGrain” reportedly (not confirmed due to low transparency of the deals) purchased leading egg producing company “Sinyavinskaya” (annual production capacity 1.3 billion eggs; located in Leningrad Region); Poultry plants “Zdorovaya Ferma”/“Uralbroiler” (annual capacity 110,000 MT; located in Chelyabinsk Region. More reading (article in Russian) <http://www.agroinvestor.ru/investments/article/25466-vliyanie-i-pogloshcheniya/>

⁵ Source: Rosstat

⁶ Source: Market Research Agency “E-meat”

⁷ source Central Bank of Russia

⁸ [Official](#) Rub to Dollar Exchange rate peaked on January 22, 2016 at 83.59 Rub per USD. Official exchange rate as of February 15, 2017 is 57.73 Rub per USD.

⁹ Source: Market Research Agency “E-meat”

¹⁰ For more information please refer to [GAIN RS1704 Avian Influenza in Russia 2016-2017](#). For the most recent up-date on HPAI notifications please refer to the official web sites of the Russian Federal Service for Veterinary and Phytosanitary Surveillance ([VPSS](#)) and [OIE](#)

believe that any reduction of poultry meat supply would have a positive effect on prices, which would likely motivate producers to fill poultry houses to capacity and quickly oversupply the market again¹¹.

Chart 2. Russia's Top 20 Poultry Producing Regions in 2016. (Production of poultry meat in 2016: broilers spent hens, turkey, other (1,000 MT, live weight); change 2016/2015 (%); largest companies located in the region: AI Outbreaks in 2016-17)



Sources: Rosstat; Russian Federal Service for Veterinary and Phytosanitary Surveillance

- 1.** Belgorod Region (798,500 MT; - 2.83% “Priorskolye”; “Belgrankorm”; “Belaya Ptitsa”)
- 2.** Chelyabinsk Region (347,500 MT +0.5% Group of Companies “Zdorovaya Ferma”; “Sitno”; “Ravis - Sosnovskaya Poultry Factory”; “Chebarkulskaya Ptitsa”)
- 3.** Leningrad Region (294,300 MT - 0.79% “Severnaya” Poultry Factory (CPF PCL); five major Egg producing companies)
- 4.** Stavropolsky Krai (291,900 MT; +20.9 % Group of Agricultural Companies “Resurs”)
- 5.** Bryanskaya Oblast (261,200 MT; +20.6%; “Cherkizovo”; “Miratorg”)
- 6.** Penza region (212,200 MT; +16.8%; “Cherkizovo”; “Damate” {turkey meat})
- 7.** Krasnodarskiy Krai* (203,900 MT; -4.63% “Agrokomplex Tkachova”; Group of Agricultural Companies "Resurs")
- 8.** The Republic of Mordovia (196,000 MT; +14% "Agricultural Company Oktyabrskaya"; "Poultry Factory Chamzinskaya")
- 9.** Moscow Region (197,700; +10.7 %; “Cherkizovo”; “Elinar Broiler”)
- 10.** Tatarstan (183,000 MT; +4.7% "Chelny-Broiler"; “Ak Bars”)
- 11.** Lipetsk region (174,800 MT +0.7% “Cherkizovo”)
- 12.** the Republic of Mari El (163,000 MT; -21.9%; “Akashevskaya”)
- 13.** Kursk Region (143,500 MT; +3.3%; “Belaya Ptitsa”)
- 14.** Sverdlovsk Region (140,000; +2.2%; "Reftinskaya Poultry Factory")
- 15.** Rostov Region* (136,900; 26%; “Prodo”, “Eurodon” {turkey meat})
- 16.** Tambov Region (+3% Group of Agricultural Companies

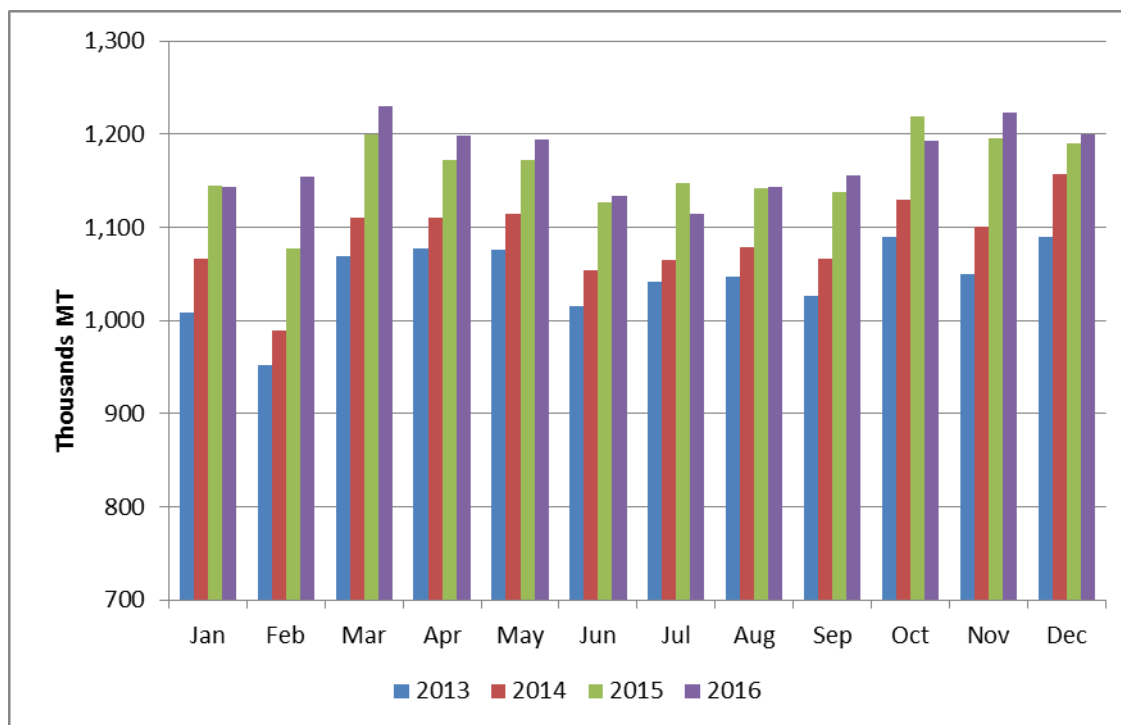
¹¹ Articles in Russian on the issue “Avian Influenza Impact on poultry prices”: <https://don24.ru/publications/18683> ; <https://rg.ru/2017/01/11/kak-povliiaet-ptichij-gripp-na-ceny-na-kuriatinu.html> <https://www.utro.ru/articles/2017/02/01/1314973.shtml>

“Resurs”; "Cherkizovo" {turkey meat}) **17.** Novgorod Region (115,300; +7%) **18. Voronezh Region*** (113,700; +2%; "Cherkizovo"); **19.** Novosibirsk Region (+8%); **20.** Altaysky Kray (-3.99%)

* Registered Cases of H5 Avian Influenza (AI) between June 2016 – January 2017 (Wild birds and poultry)

As noted above, feed and feed component prices come into play as many Russian companies develop their own feed production units. The Ministry of Agriculture reported that approximately 40 MMT of forage grains (mostly wheat) of Russian origin was used for production of compound feeds for livestock and poultry in 2015 and in 2016. Forage grains harvested in Russia account for approximately 65-70 percent of compound feeds consumed by the broiler industry. A decade ago broiler producers were buying ready to use compound feeds mixed by standard recipes. However, since 2006 leading companies have increasingly invested in modern feed production facilities and have launched production of more sophisticated compound feeds, adjusted to the specific needs of producers and prices for different ingredients. According to Rosstat 14 MMT of compound feeds were produced specifically for poultry industry in 2015, and the lion’s share, approximately 10 MMT, were produced by companies from top-20 broiler producers list (see Table 2 below). In January-November 2016 Russia produced 12.89 MMT of compound feeds for poultry, which is 1.9% growth year-on-year. Favorable weather and soil conditions for winter sowing in the fall 2016 promise another good crop in MY 2016/17. Therefore, the prices for grain components of feeds are expected to be stable in 2017 (Please refer to [RS 1701 “Russian Federation Grain and Feed Update”](#) for crop forecast).

Chart 3. Monthly Production of Compound Feeds for Poultry in Russia in 2013-2016)



Source: Rosstat; Code OKPD 15.71.10.191

Table 2. Ratings comparison: Major broiler producers in the Largest Compound Feed Producers Rating in 2015

Largest Compound Feed Producers Rating	Company Name	Compound Feeds Production, 1,000 MT	Place in Top 20 broiler meat producer Rating	Broiler meat production 1,000 MT 2015
1.	“Cherkizovo”	1,495	2	573
2.	“Miratorg”	1,337	11	101
3.	“Priorskoye”	1,288	1	638
4.	“BEZRK-Belgrankorm”	953	4	281
5.	“Cargill”	850	N/A (feeds)	N/A
6.	GAP “Resurs”	702	3	300
7.	“Prodo”	593	8	192
8.	“RusAgro”	579	N/A (pork)	N/A
9.	“Charoen Pokpand Foods” (“Severnaya” poultry farm)	550	5	248
10.	“Agro-Belogorye”	459	N/A (pork)	N/A
11.	“Comos Group”	400	N/A (pork)	N/A
12.	“Agrocomplex” named after N. Tkachyov	398	13	98
13.	Bogdanovichskiy Compound Feed Facility ¹²	313	N/A	N/A
14.	“Belaya Ptitsa”	285	6	236
15.	“AgroPromKomplektatsiya”	272	N/A (pork)	N/A

Sources: *AgroInvestor Magazine*; *Rospitisesouz*

Unlike forage grains, the expenses for other ingredients, such as soy, vitamins and minerals, as well as production costs of compound feeds may increase in 2017. After multiple restrictions on imports of soybeans and soybean meal¹³ in 2016, the prices for imported proteins increased. However, supplies of

¹² Cooperates with Reftinskaya poultry plant # 16 in broiler producers rating ; Article in Russian: “ That’s money down the drain” <http://argumenti.ru/economics/2016/06/452781>

¹³ In addition to the SPS ban on imports of U.S. soybeans for crushing, VPSS tightened requirements for registration of biotech grains, oilseeds and feeds. Rosselkhoznadzor also recently introduced multiple temporary bans on imports from a number of Brazilian, Chinese, Argentinian, German and Ukrainian feed trading companies due to findings of non-registered

soy and soy products from Latin America continued in the second half of 2016 and prices stabilized. The trade remains vulnerable to changes in policy and currency rates, making it difficult to forecast prices on imported proteins.

Leading producers are pursuing import substitution policies to reduce the volatility of compound feed costs resulting from fluctuations of currency rates and world prices. Supported by government incentives, businesses have invested in growing more oilseeds and launching production of feed additives. Preliminary Rosstat data shows 3.1 MMT production of soy in 2016, 14.5 percent growth year-on-year. The production of soy remarkably increased 45.4 percent in the Central Federal district, from 0.839 MMT in 2015 to 1.221 MMT in 2016. With uncertain access to supplies of proteins from the world market, areas planted in soy in the European part of Russia will most likely increase 2017; however, it is too early to make predictions of next year's crop. For more information please refer to GAIN [Report RS1614](#) "Oilseeds and Products Annual".

Recently opened lysine plants in Belgorod¹⁴ and Volgograd¹⁵ exemplify the new¹⁶ import substitution projects that the GOR is willing to support. The two new plants have enough capacity to cover the needs of the whole broiler industry¹⁷. According to industry contacts, however, problems with the quality of lysine from one of the new plants reportedly hurt the performance of its clients in the first half of 2016. Regardless of this hurdle, if production costs of compound feeds grow due to prices of imported ingredients, the expectation for 2017 is that low prices on local grain, oilseeds and other ingredients can improve margins for some poultry producers.

The absence of highly efficient competitors in the market allows local companies to maintain a relatively high ratio of low priced domestic forage grains in feeds, even at the expense of operational efficiency. The average feed conversion ratio (FCR), 1.85-1.87¹⁸, allows domestic industry to win market share over the current importers. Russian companies continue to benefit from restricted competition as the market remains closed for the most efficient western suppliers. As internal competition becomes more intensive, broiler companies that have a feed production component in their business structure (so called "vertically integrated agricultural corporations"; refer to Table. 2 above) will take the most advantage of the situation in the feeds market. If prices for proteins increase, this will contribute to faster consolidation in the broiler production sector. Experts anticipate "faster and bigger mergers and acquisitions processes, which will mean both vertical and horizontal integration, including potential involvement of foreign investors"¹⁹.

genetically engineered components in their products. The adoption of Federal Law 358 in July 2016 banned cultivation of genetically engineered crops in the country.

¹⁴ Leading Poultry producer "[Priorskolye](#)" invested in lysine production plant in Belgorod Region. The plant started operations in September 2015.

¹⁵ LLC "Megamix" <http://megamix.ru/contacts/>

¹⁶ Since 2006 the priority projects eligible for state subsidies were the projects with strong potential for import-substitution. Industry has reached its self-sufficiency goals in poultry meat, and the next ambitious goal to substitute the components needed for meat production: hatching eggs, minerals, vitamins, feeds, equipment. Publications (in Russian): "Heroes of our Breed" Expert Ural Magazine 2016 N8 (677) <http://expert.ru/ural/2016/08/geroi-nashego-plemeni/> ; "One Third Russian Broiler" Agro Investor Magazine N2 (9909) February 2017 <http://www.agroinvestor.ru/markets/article/25805-na-tret-rossiyskiy-broyler/>

¹⁷ Article in Russian : Amino Acids Market in Russia Outlook <http://www.agritimes.ru/articles/1913/tendencii-rossijskogo-rynka-aminokislot/>

¹⁸ FCR Sources: Ministry of Agriculture; Rosptitsesouz, Refer to Table 6

¹⁹Source: Marketing Agency "AGRIFOOD Strategies", Jan 2017

Poultry producers, who enjoyed good margins and benefited from preferential access to loans and refinancing for the last decade, now have to face the new realities of a mature market. In addition to record low margins, the industry has pessimistic views and expresses concerns about changes of the state support in 2017. In the beginning of the new annual production cycle, most broiler producers have no clear understanding if they will receive preferential credits or any subsidies at all. Many agricultural producers of small and medium scale have no clear understanding of how funds will be distributed by the regional authorities, and what portion will be financed from the regional and what from the federal budget. In regions where governors do not consider broiler production a priority sector, companies will likely suffer from the changes.

The State Program of Agricultural Development in 2013-2020²⁰ was drafted in 2012 to create conditions for fast growth of agricultural production in Russia and strengthen competitiveness of Russian food products. As written, GOR planned to spend 300 billion rubles for the program in 2017. However, the government eventually allocated only 214 billion rubles for all expenditures of the Ministry of Agriculture in 2017 (approximately \$3.34 billion, less than 1.6 percent of all [federal expenditures](#)), and only 184.54 billion for the State Program of Agricultural Development. Following the government meeting on December 13, 2016, when officials discussed the new forecast of agriculture development²¹, Prime Minister Medvedev requested the Ministry of Agriculture to draft the new agriculture development plan for 2017-2025 “based on science and new technologies”. After years of accelerated growth and preferential support of high-margin sectors including poultry (also pork, sugar, and oilseeds production), the ministry reportedly is reviewing the goals of its Agricultural program and support mechanisms. The Deputy Agricultural Minister Elena Astrakhantseva explained at [Gaidar Forum in January 2017](#) that state funds will be spent to “invest in modern institutions, financially support strategic scientific projects, educate and train highly qualified specialists, develop exports, and modernize infrastructure”.

State support remains focused on reduction of the cost of capital and creating incentives for private investments to the sector. After a redesign of agricultural subsidies in the 2017 Federal budget, the most significant difference is that the 54 specific subsidies that the federal center previously distributed to the regions have now been merged to seven major budget lines (enumerated below). Regions will receive funds from the federal budget as “unified agricultural subsidies”, from which their regional agricultural authorities will identify projects to support. The Government of Russia plans to spend 91.7 billion rubles for the sub-program “Encouragement of Investment in Agriculture”, which includes spending of **(#1)** 58.8 billion for investment credits, **(#2)** 11.5 billion CAPEX reimbursement for pre-selected projects, and **(#3)** 21.3 billion for subsidized loans for agricultural producers – the new tool to facilitate access to loans at 5 percent interest rate. The second major sub-program, with 55.31 billion rubles allocated, is the “Development of Sub-Sectors in Agriculture”. The priorities of this sub-program are **(#4)** 7.96 billion rubles for dairy cattle farming support, **(#5)** 11.34 billion rubles for production of grain

²⁰ Program of Agricultural Development in 2013-2020 aimed to create favorable conditions for fast growth of agricultural production in Russia and strengthen competitiveness of Russian products. The Program consisted of 11 eleven sub-programs, and 45 “main activities”. The priority projects for subsidies were the projects with strong potential for import-substitution. Industry has reached its self-sufficiency goals in poultry meat, next ambitious goal to substitute the components needed for meat production: hatching eggs, minerals, vitamins, feeds, equipment.

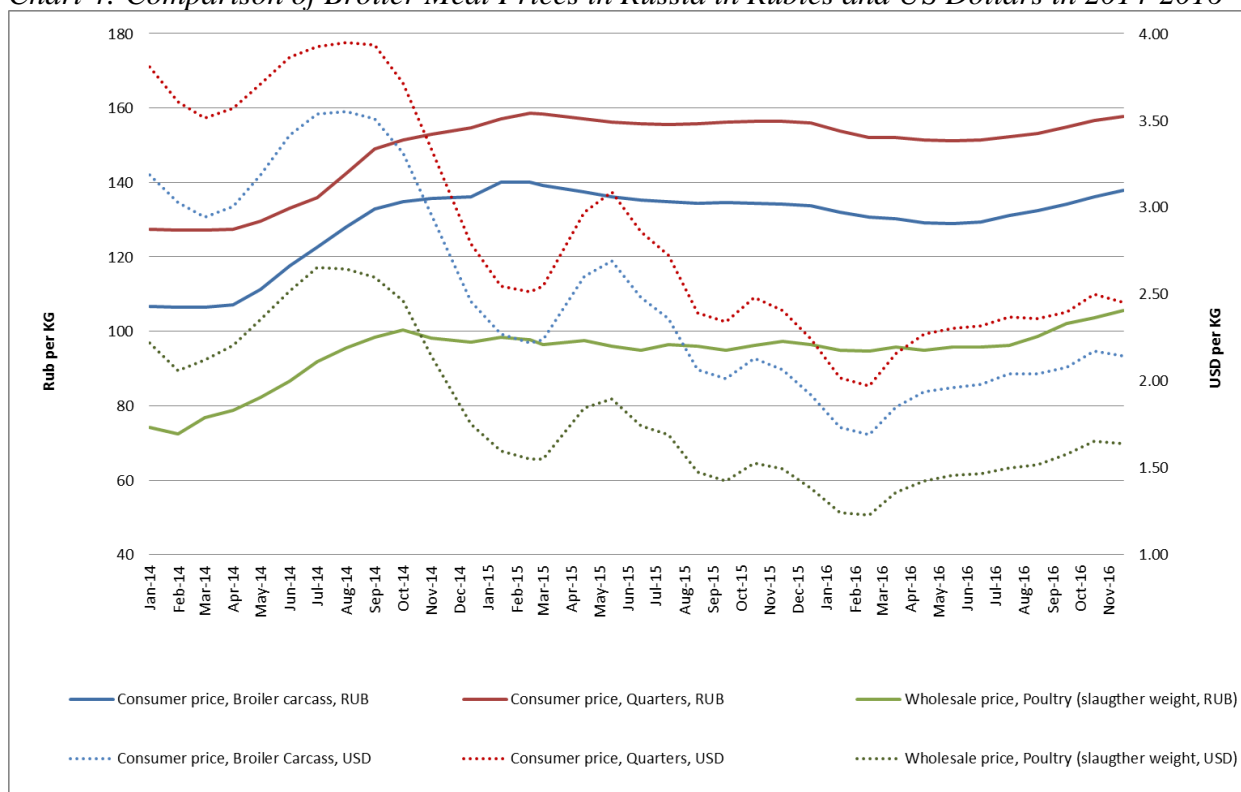
²¹ (<http://government.ru/govworks/40/events/>) The Ministry of Agriculture and the National Research University Higher School of Economics have drafted the Forecast of Russia’s Agro-Industrial Complex Development Based on Science and Technology until 2030 (<https://prognoz2030.hse.ru/>). The Program envisages two scenarios: 1) Local Growth with approximately 1.5 percent a year growth of agriculture, and 2) Multifaceted (Global) Breakthrough with 3-4 percent a year growth rate to 2030.

and vegetables, and (#6) 36 billion rubles for support of key indicators of the regional agricultural development programs. Finally, the GOR has continued the sub-program “Irrigation and land improvement” and earmarked (#7) 11.3 billion rubles for this purpose. In addition to the subsidies to regions, the federal budget allocated 7.1 billion rubles for “Supporting the general conditions of agricultural operations” (state purchases of agricultural products and veterinary medicines), 5 billion rubles for increase the charter capital of Rosselkhozbank (Russia Agricultural Bank), and 74 million for the new sub-program “Priority project Export of agricultural products”.

The consolidation of budget lines aims to improve cooperation between the federal and regional budgets, reduce the administration costs, shorten the time of transactions, and provide more power to the regions in terms of setting the priorities. To ensure the effective use of the funds, the major portion of funds will go to the most developed regions and continue support the most efficient producers. However, as mentioned above, the broiler industry is pessimistic about the change because it increased uncertainty and became an additional hurdle for financial planning. The World Bank reports, “Fiscal tightening at the federal level may also adversely affect the performance of some regions. Fiscal constraints can lead to a cut in transfers to subnational governments, affecting two-thirds of Russian regions where federal transfers constitute 15 to 50 percent of revenue. Concerns about debt levels will make it difficult for many local governments to support expenditures.”²²

²² Source: World Bank Economic Report No 36 November 9, 2016

Chart 4: Comparison of Broiler Meat Prices in Russia in Rubles and US Dollars in 2014-2016



Source

: Rosstat; CBR

Ruble price trends reflect the balance of supply and demand in the market, while dollar prices indicate fluctuations of profitability.

Broiler Meat Consumption

FAS/Moscow anticipates stable demand for broiler meat, forecasting 3.835 MMT Human Domestic Consumption in 2017, unchanged from the 2016 consumption estimate. The forecast is based on the assumptions that the macroeconomic situation improves, the share of vulnerable groups in the population²³ will stop growing, and competition from other animal proteins (in particular pork and turkey) will intensify while domestic producers continue stable supplies of broilers.

After two years of recession, important economic and financial indicators showed moderate positive dynamics in the second half of 2016: inflation in January-December 2016 was 5.4 percent, far less than the 12.9 percent of 2015. Experts forecast GDP growth at 1.2-1.5 percent in 2017 based on the expectation that oil and gas prices continue recovering²⁴. The annual contraction in retail trade slowed to 4.9 percent in 2016 from 14.1 percent in 2015. According to Russia's Ministry of Economic Development, real wages have stopped declining in all sectors since August 2016.

Sustained contraction of real disposable incomes for more than two years in a row has depressed the purchasing power of consumers. However, an annualized food inflation of 4.6 percent in 2016, below

²³ Population with per capita incomes below 10 USD/day in 2005 PPPs

²⁴ Sources for macroeconomic data: [World bank](#); Russia's [Ministry of Economic Development](#); [Central Bank of Russia](#)

the Headline Consumer Price Inflation of 5.4, contributed to stabilization of the falling socio-economic indicators²⁵. Despite the continued contraction of disposable incomes by 5.8 percent in 2016, the poverty rate has stopped growing. Multiple independent market research and official statistical data demonstrate that Russian consumers have adjusted to the crisis²⁶.

Table 3: Poverty rates in Russia, 2010 to Quarter 3 of 2016

	2010	2011	2012	2013	2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015	Q1-2016	Q2-2016	Q3-2016
Poverty Rate, percent	12.5	12.7	10.7	10.8	11.2	15.9	15.1	14.1	13.3	16.0	14.6	13.9
Number of poor, million people	17.7	17.9	15.4	15.5	16.1	22.9	21.7	20.3	19.1	23.4	21.4	20.3

Source: Rosstat²⁷

Economic stabilization is the key assumption for projected zero growth of the demand for broilers in 2017 as a less expensive substitute for other animal proteins. Broilers (and turkey) were among the few products with sales growing in absolute numbers since the beginning of the crisis in November 2014. Consumption of broiler meat grew from 2014 to the first half of 2016, while the more expensive animal proteins (red meats, fish and seafood, dairy) were losing their place in consumers' food basket.

The market changed in the second half of 2016, when pork sales grew after prices decreased. Pork started regaining market share despite the fact that consumer price of pork remained higher than for chicken meat. Official statistics shows the average consumer price for one kg. of broiler meat in January 2017 at 137.8 rubles, a 4.2 percent increase year-on-year. Meanwhile, the consumer prices for pork (in rubles) have decreased by 1.5 percent year-on-year. The increase of the retail price for chicken meat reportedly resulted in the decline of sales in absolute numbers. For example, GfK Consumer panel data²⁸ showed that in September 2016 compared to September 2015 total sales of chicken meat in modern retail stores declined 3.1 percent in rubles and 1 percent in absolute numbers (kg.); discounts and "promo sales" did not result in increase of sales. The same data set showed growth in regular and

²⁵ Rosstat: Food price inflation fell to 4.6 percent in 2016 from 14.0 percent in 2015, the lowest since 2011

²⁶ Please refer to following information available in Russian: Rosstat : [Consumer Confidence Index in IV Q 2016](#); GfK Rus Report "[Year 2016: Russian Consumers are Adjusting to Crisis](#)"; The Nielsen Company Report "[Russian Dairy Market: Outlook and Trends](#)"; National Research University Higher School of Economics "[Russia's Population in 2016: Income, Expenses, Social Outlook. HSE Monitoring.](#)"

²⁷ http://www.gks.ru/bgd/free/B04_03/IssWWW.exe/Stg/d01/250.htm

²⁸ Source: GfK Rus Presentation at VIII International Conference NUPP «Pork Industry 2016. New Reality – New Strategy», December 2016 (www.gfk.com)

promo sales of turkey meat and pork in September 2016. Total pork sales grew 11.6 percent while sales of pork in modern retail stores grew 6.1 percent. For turkey meat, sales grew 19 percent and in modern retail stores 21.6 percent. GFK research showed that all consumer groups are reducing purchases of chicken meat and increasing purchases of pork.

Price growth in the second half of 2016 is a positive change for broiler meat producers, as they are improving the profitability of sales, but also is a constraint for further growth of consumption, as consumers continue to react to price increases by purchasing less. Producers will not likely pursue “price dumping” strategies and the price of broiler meat will no longer contribute to consumption growth in 2017.

Development of the retail sector has recently had a significant influence on consumption patterns, quality requirements, and producer management practices. The economic crisis of 2014-2016 resulted in intensification of consolidation in the retail sector. The share of top ten largest leading retail chains continued to grow toward 27 percent of the market in 2016 from 24.1 percent in 2015²⁹. According to estimates, the share of top-ten leading retailers will continue expansion up to 40 percent of the market³⁰. Expansion will continue in 2017: the second largest chain in Russia, X5 Retail Group has announced plans to open 2,000 new grocery stores. Modern retail offers enhanced logistics and storage services, and brings new types of products to new remote locations. It shapes some consumption trends, to include: growing consumption of chilled chicken meat, growing sales of branded products and private labels, growing sales of cuts and semi-cooked chicken products, declining bulk sales of unbranded whole frozen chicken carcasses, and declining poultry and meat distribution via traditional farmers markets and independent sellers. All the above mentioned trends will continue in 2017 as major chains continue expansion. Therefore, FAS/Moscow has revised 2016 and 2017 year end stocks of frozen broiler meat to 30,000 MT based on the available Rosstat data.

Quality and safety of chicken produced in Russia and sold via modern retail chains generally complies with the modern requirements in developed markets. In January 2016 “Roskachestvo”³¹ released the results of a quality audit of 21 of the most popular broiler brands sold in retail chains as chilled whole broilers. Producers who wanted to receive the “Supreme Quality Product” mark participated in a voluntary audit in which samples were randomly collected from retail shelves and tested on compliance with 44 indicators that “Roskachestvo” included to its specific standard created for the project. The standard is stricter than the national safety requirements³² in terms of antibiotic residues, including medicines such as nitrofurans and their metabolites, compounds of sulfanilamide group, streptomycin,

²⁹ Source: InfoLine Market Research Agency <http://infoline.spb.ru/infoline-retailer-russia-top-100/index.php>

³⁰ Expansion of Leading Retailers selling meat and poultry: «Magnit» 9,955 convenience stores, 230 hypermarkets, 174 “Family Magnit” supermarkets (approximately 1,130 new grocery stores in 2016); X5 Retail Group total more than 9,000 stores (approx. 2,000 new stores in 2016) ; Group of companies «Dixy» total 2,634 (80 new stores); «Auchan» total 301 stores (37 new stores in 2016); “Lenta” total 190 hyper markets in 77 cities and 50 supermarkets in Moscow , Saint-Petersburg, and Central Federal District (51 new hypermarket and 18 new supermarkets)

³¹ “Roskachestvo” (<http://roskachestvo.gov.ru/>), is a government organization created in April 2015 by the initiative of the Russian Ministry of Industry and Trade. Producers of popular domestic brands voluntarily participate in Roskachestvo quality audits. Roskachestvo works in cooperation with other public agencies, such as VPSS, Rospotrebnadzor, Rosstandart.

³² Safety of poultry products is regulated in Russia by the Custom Union Technical Regulations on Food Safety. and Custom Union Veterinary Sanitary Requirements of the Eurasian Economic Union. For more details please refer to the information on the official website of the Eurasian Economic Commission. Information in English is available at FSIS Export Library: <https://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products/export-library-requirements-by-country/Russia>

quinolones, coccidiostats. According to the test results, 8 out of 21 brands fully correspond to the requirements that are stricter than the national safety standard, and 18 are fully comply with the national safety requirements. 9 out of 21 samples contained the residues of substances not regulated in Russia, but banned in the European Union. Violations of the safety national standard were detected in 4 of 21 samples including 1 sample contained Salmonella, in 2 samples the content of the tetracycline group of antibiotics exceeded the permitted residue limit, and one contained Listeria. Detailed results of Roskachestvo quality audit are available here <http://roskachestvo.gov.ru/researches/kury-broylery/>

Broiler Meat Trade

FAS/Moscow forecasts 200,000 MT of broiler imports in 2017, 15,000 MT less from the revised 215,000 MT imported in 2016. The counter-sanctions food import [ban](#) will continue to influence broiler meat trade³³ with a number of western countries. According to Presidential Decree #305, the restrictions were extended for 18 months, through December 31, 2017. (Please refer to GAIN reports [RFATO038](#) and [RS1540](#) for detailed information). Because the restrictions on imports from other significant exporters will continue until the end of 2017, Brazil will remain the main supplier of frozen chicken cuts (HS Code 020714) and Belarus of chilled chicken carcasses (HS Code 020711) and cuts (HS Code 020713).

Imports are anticipated to continue to decline as domestic products saturate the market. If Brazilian sellers offer favorable prices, the in-quota imports of chicken cuts may increase in 2017 while out of quota imports decrease. Russia's WTO commitments allow importers to ship 250,000 MT of HS codes 0207142001 and 0207146001 "Frozen bone-in chicken halves or quarters and frozen bone-in chicken legs and cuts" under 25% in-quota tariff rate (compare to 80% out of quota tariff). In 2016 only 50,200 MT were shipped under TRQs: the utilization of the quota was 14 percent, lower than the 24.3 percent of quota utilized in 2015, when importers shipped 69,000 MT of broiler meat under TRQ. The distribution of quotas within TRQs on poultry (as well as on pork and beef) is based on the 3-year historical shares of the importers. Those importers who got a license and shipped more products in and out of quota in 2014-2016 may receive a bigger in-quota volume in 2017³⁴ and 2018. The assumption is that those companies that import products out of quota at 80 percent rate³⁵ will more likely utilize their quotas the next year.

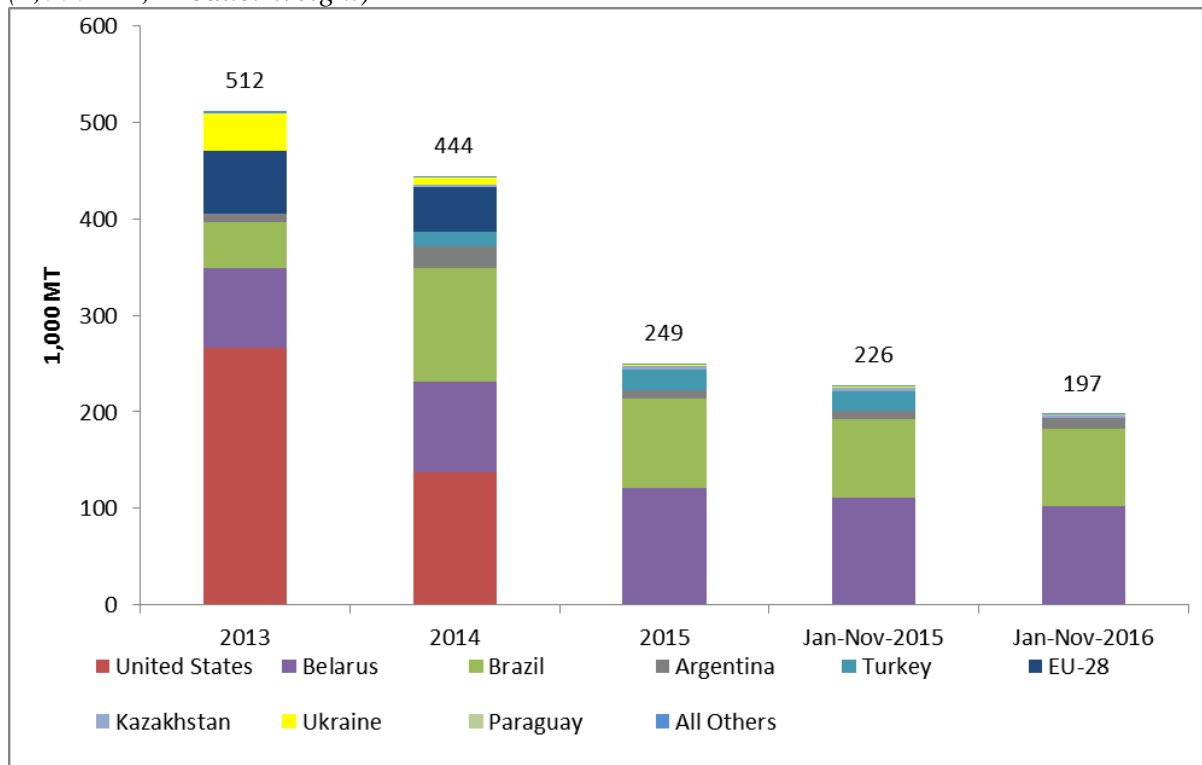
CHART 5. Russia: Broiler Meat Imports in 2013-2015 and in Jan-Nov 2016

³³HS codes 020711, 020712, 020713, 020714. HS Code 160232 is not included to the list of banned products. Some products, including 10 MT of HS Code 0207141009 "Meat of chicken, frozen, boneless, and organic" intended for the production of baby food were excluded from the ban in 2016. The decision was taken to support the operations of the [large baby food production plant](#) in Kalinigrad region. (Please refer to [RS1628](#) for detailed information) . For the original Russian ban, related amendments and other effective trade restrictions please see GAIN reports [RSATO017 Russia Announces Ban on Many US Agricultural Products](#); [RS1455 Amended List of Banned US Agricultural Products](#); [RS1540 Russian Food Ban Extended Until August 2016](#); [UP1602](#) Ukraine Trade Regime Change

³⁴On December 08, 2016 the Russian Government issued a decree N 1322 on the distribution of Russia's 2017 tariff-rate quotas (TRQs) for beef, pork, and poultry. The TRQ allocations and the mechanism of their distribution as established in the decree above appear to be consistent with Russia's WTO commitments. Total amount of "Meat and edible byproducts of poultry under heading 0105, fresh, chilled, or frozen (EAEU HS Code 0207) is 364, 000 MT including: 100, 000 MT of "Frozen deboned chicken meat (EAEU HS Code 0207 14 1001)" and 250,000 MT of "Frozen bone-in chicken halves or quarters and frozen bone-in chicken legs and cuts there of(EAEU HS Codes 0207 14 200 1 and 0207 14 600 1)". Link to the Decree in Russian: <http://pravo.gov.ru/laws/acts/94/49515050.html>

³⁵ Russia imported 102,000 MT of broiler meat from Belarus under preferential EAEU trade regime.

(1,000 MT, Product Weight)



Source: Federal Customs Service of Russia

Exports are expected to grow to 115,000 MT in 2017, not as much as previously forecasted. FAS/Moscow has decreased the previous 2017 export forecast by 35,000 MT, mostly due to ruble appreciation in 2016 and the negative impact of HPAI restrictions on shipments of poultry meat from Russia to Hong Kong and Kazakhstan in Q4 2016, and most likely in the first half of 2017³⁶. FAS/Moscow revised its 2016 exports estimate to 105,000 MT to reflect the effect of trade restrictions due to HPAI.

The stronger ruble had a negative effect on Russia's broiler exports in the competitive 2016 world market. In addition, industry faces the need to adjust production to the varying requirements and tastes of the importers, such as requests of consistent quality and size carcasses. Russian veterinary authorities are learning the ropes in obtaining market access for meat and poultry. Russia needs more time to increase sales in the export market than industry leaders previously anticipated.

Domestic per capita consumption of broiler meat is unlikely to increase in 2017, and industry has identified the new strategic goal: to open new markets. Major leading producers continue to expand production as they target new markets. Former Soviet Union countries, Asia, and the Middle East are the key target markets. The Russian Ministry of Agriculture has already shifted its interest to export promotion of Russian poultry and other meats. For the first time in Russia's modern history, the GOR has begun to support outbound export missions to the potential markets. A large delegation participated in GulFood 2016 in Dubai and plans to continue efforts in the upcoming years.

³⁶ [G/SPS/N/KAZ/7](#);

The Presidential Council for Strategic Development and Priority Projects Approved the [Passport for Priority Project 'Export of Agricultural Production'](#) on November 30, 2016: the Project objective is to increase total value of the Russian agriculture export from the current \$16.9 billion in 2016 to \$19 billion in 2018, to \$21.4 billion in 2020 and up to projected \$30 billion in 2025. The duration of the Project: November 2016 through December 2020. The total budget for the project in is 2,408.45 million rubles (\$40.13 million) with 728.43 million rubles (\$12.14 million) in 2017.

In 2015-2016, Rosselkhoznadzor organised and hosted visits of veterinary inspectors from different countries including Azerbaijan, Vietnam, China, UAE, Egypt, Iran, and Tanzania, and started negotiations with many other potential buyers. As a result of the joint efforts by business and government, some companies from the top producers list were approved to export poultry to the important markets of Egypt and UAE in 2016. Trade with Hong Kong doubled in Jan-Nov 2016 to almost 10,000 MT, which accounted for approximately 9 percent of Russia's exports of chicken meat³⁷. However, on November 24, 2016, Hong Kong banned the import of all poultry meat and products due to H5 Avian Influenza in the Kalmykia Republic³⁸.

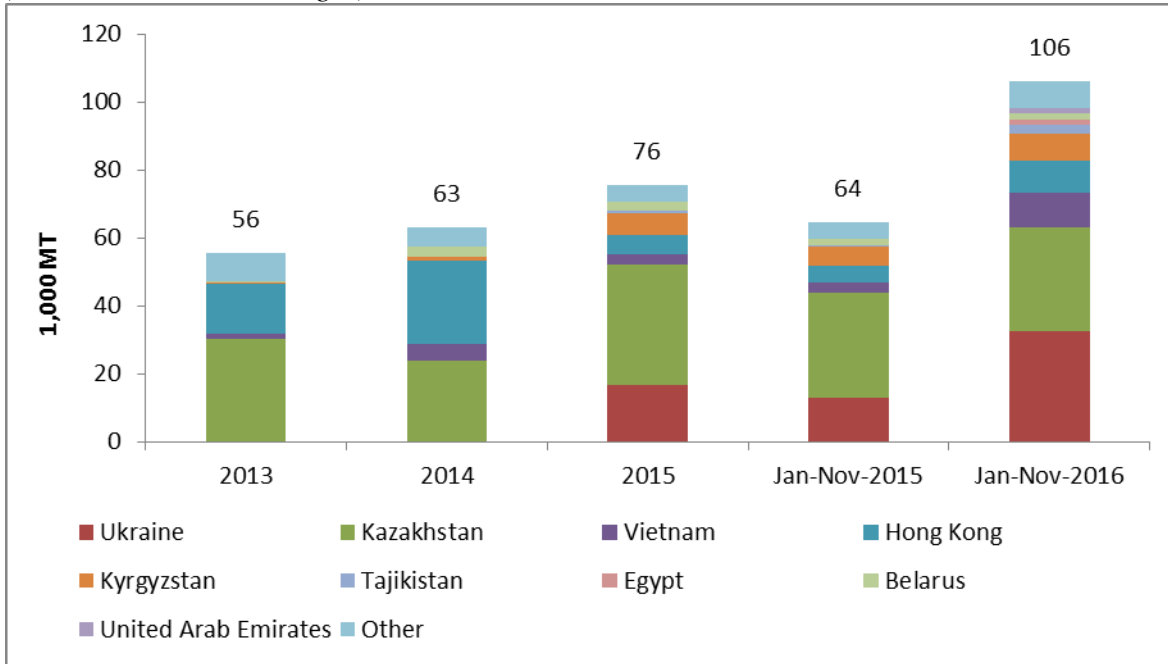
Approved producers are currently examining demand and the consumer/culinary preferences of their new customers in the Middle East and Africa. According to industry contacts, the average weight of a bird for Russian market is 1,7 kg. but producers who ship to Middle Eastern markets must adjust their production cycle and slaughter houses to 1.2 kg. birds. Trade data proves that industry is learning fast: one of the leading companies, "GAP Resurs" started to develop its export activities in 2012 and today exports to 30 countries.³⁹ "Cherkizovo" reported on its first 270 MT shipment of broiler meat to Egypt in August 2016. Trade data shows that Russia supplied 1,754 MT HS Code 020712 (frozen chicken, not cut in pieces) to Egypt in 2016. Export of the same HS code to UAE was 1,680 MT in January-November 2016 from "0" in 2015.

³⁷ Excluding Hong Kong Paw Imports from Russia (HS 02071410)

³⁸ <http://www.info.gov.hk/gia/general/201611/24/P2016112400719p.htm>

³⁹ Article in Russian. "Export Vector. Our goods in foreign markets" published in AgroInvestor Magazine N 9 (9904) September 2016 (<http://www.agroinvestor.ru/regions/article/24145-eksportnyy-vektor/>).

CHART 6. Russia: Broiler Meat Exports in 2013-2015 and in Jan-Nov 2016 (1,000 MT, Product Weight)



Source: Federal Customs Service of Russia

Includes data attributable to some products which are not reported in the PSD

In January-November 2016 Russia exported 32,512 MT broiler exports to two Eastern regions of Ukraine, an increase of 155 percent compared to 2015. The two Ukrainian regions became the major destination of broiler exports from Russia. Kazakhstan and Vietnam, the traditional key exports markets, accounted for 30 and ten percent of the exports, respectively.

Production Tables

Table 4. Russia: Poultry Production by Region, 1,000 MT, Live Weight, Agricultural organizations

Regions	2015	2016	Ratio of 2016 to 2015 (%)
RUSSIAN FEDERATION*	5524.227	5658.512	102.431
CENTRAL DISTRICT	2072.547	2135.22	103.024
Belgorod region	821.824	798.527	97.165
Bryansk region	216.489	261.168	120.638
Vladimir region	27.197	26.998	99.268
Voronezh region	111.436	113.711	102.042
Ivanovo region	18.743	21.113	112.644
Kaluga region	63.286	65.502	103.501
Kostroma region	7.025	6.179	87.948
Kursk region	138.865	143.505	103.342
Lipetsk region	174.427	174.793	100.21
Moscow region	178.742	197.684	110.597
Orel region	18.648	15.123	81.101
Ryazan region	4.619	4.125	89.306
Smolensk region	0.39	0.161	41.263
Tambov region	124.217	129.358	104.139
Tver region	59.318	64.285	108.372
Tula region	49.654	56.224	113.232
Yaroslavl region	57.574	56.764	98.593
Moscow	0.094		0.894
NORTHWEST DISTRICT	499.664	504.452	100.958
The Republic of Karelia	6.309	2.715	43.031
The Republic of Komi	19.9	21.356	107.315
Arkhangelsk region	6.121	2.128	34.758
Arkhangelsk region (excluding Nenets Autonomous District)	6.121	2.128	34.758
Vologda region	12.164	15.964	131.236
Kaliningrad region	25.707	28.879	112.337
Leningrad Region	296.591	294.26	99.214
Murmansk region	2.433		0.099
Novgorod region	107.95	115.29	106.799
Pskov region	22.488	23.86	106.102
SOUTHERN DISTRICT	506.281	472.929	93.412
The Republic of Adygea	36.722	8.003	21.794
The Republic of Kalmykia	6.121	2.128	34.758
Krasnodar Krai	218.798	204.043	93.257
Astrakhan region	7.099	4.461	62.836
Volgograd region	70.593	62.979	89.215
Rostov region	108.562	136.851	126.057

NORTH-CAUCASIAN FEDERAL DISTRICT	323.053	361.978	112.049
The Republic of Dagestan	24.252	26.96	111.165
The Republic of Ingushetia			
Kabardino-Balkaria	25.807	26.939	104.387
Karachay-Cherkessia	14.132	12.103	85.646
Republic of North Ossetia-Alania	16.778	3.449	20.559
The Chechen Republic	0.706	0.646	91.476
Stavropol Krai	241.378	291.88	120.922
THE VOLGA FEDERAL DISTRICT	1123.013	1162.936	103.555
The Republic of Bashkortostan	52.175	58.338	111.812
The Republic of Mari El	208.989	163.083	78.034
The Republic of Mordovia	171.905	195.998	114.015
The Republic of Tatarstan	174.755	182.961	104.696
Udmurt Republic	43.186	51.392	119.002
Chuvash Republic	51.899	56.938	109.709
Perm Krai	48.297	48.633	100.696
Kirov region	2.489	1.433	57.577
Nizhny Novgorod region	64.297	67.271	104.626
Orenburg region	43.433	44.296	101.987
Penza region	181.772	212.226	116.753
Samara region	51.169	50.329	98.358
Saratov region	27.023	26.56	98.287
Ulyanovsk region	1.624	3.478	214.138
URAL FEDERAL DISTRICT	539.008	546.504	101.391
Kurgan region	11.602	12.857	110.824
Sverdlovsk region	136.938	140.002	102.237
Tyumen region (including Khanty-Mansi Autonomous District Yugra and Yamal-Nenets Autonomous District)Tyumen Region	44.677	46.174	103.352
Chelyabinsk region	345.791	347.47	100.486
SIBERIAN FEDERAL DISTRICT	402.262	417.448	103.775
The Republic of Altay			
The Republic of Buryatia	0.141	0.077	54.22
The Republic of Tyva		0.042	
The Republic of Khakassia	0.704		0.142
Altay Krai	82.089	78.593	95.74
Trans-Baikal Krai			74
Krasnoyarsk Krai	13.667	13.733	100.481
Irkutsk Region	57.063	58.253	102.085
Kemerovo region	44.068	42.787	97.093
Novosibirsk region	76.063	80.323	105.601
Omsk Region	57.991	67.521	116.434
Tomsk region	70.474	76.117	108.008

FAR EASTERN FEDERAL DISTRICT	58.4	57.045	97.681
The Republic of Sakha (Yakutia)	3.048	1.753	57.508
Kamchatka	0.188	0.477	253.356
Primorsky Krai	26.822	24.245	90.391
Khabarovsk Krai	4.466	6.318	141.461
Amur Region	22.979	23.172	100.839
Magadan Region	0.362	0.46	127.182
Sakhalin Region	0.525	0.621	118.144

Note: Includes data attributable to some products which are not reported in the PSD

*Source: Rosstat; Agricultural Production *Preliminary 2016 data, Excluding Crimean Production*

Table 5. Russia: Monthly Industrial Production of Poultry Meat and Sub-products

	2012	2013	2014	2015	2016
Jan	265,418	291,755	304,336	347,493	361,652
Feb	268,417	278,558	295,619	335,032	365,496
March	290,958	298,192	318,354	369,696	390,465
April	280,095	301,791	337,239	365,415	386,165
May	282,294	294,987	327,616	359,096	377,498
June	260,235	276,173	306,967	340,366	364,698
July	284,569	293,795	316,318	350,135	351,939
Aug	277,740	281,769	316,412	347,639	352,447
Sept	272,306	289,114	325,619	357,192	357,952
Oct	284,067	304,823	338,530	379,225	374,361
Nov	288,425	296,723	336,464	370,168	374,910
Dec	306,582	332,032	361,474	390,481	399,578

Note: Includes data attributable to some products which are not reported in the PSD

Source: Rosstat; "Processing Industry" data set

Table 6. Poultry Producers – Operational and Financial Indicators

	2015	2016	2016/2015
FCR (kg. feed per one kg weight gain)	1.87	1.85	-1.07%
Feed price, Rub/kg	17.56	20.2	15.03%
Share of feed cost in total operating cost (%)	43.78	47.65	8.84%
Operating cost (Ruble per 1 kg. of live weight)	52.28	56.65	8.36%
Operating cost (ruble per 1 kg. of slaughter weight)	79.52	85.32	7.29%
Producer' sale price (ruble per 1 kg.)	96.55	96.73	0.19%
Net Profit per 1 kg (ruble)	17.03	11.41	-33.00%
Net Profit Margin (%)	10.4	3.1	-70.19%

Source: Agro Investor Magazine N2 (9909) February 2017, Rospitsesouz

Trade Tables

Table 7. Russia: Import Volume of Broiler Meat, 2013 – 2015 & Year To Date: 11/2015 & 11/2016, MT (020711, 020712, 020713, 020714, 160232)

	2012	2013	2014	2015	Jan-Nov 2015	Jan-Nov 2016	% Change YTD 2016/15
World	456,610	511,718	443,652	249,100	226,434	197,095	-12.96%
Brazil	61,847	48,367	117,785	92,977	82,325	80,592	-2.11%
Belarus	N/A	82,501	94,058	120,478	110,453	101,910	-7.73%
United States	262,882	266,236	137,713	0	0	0	N/A
Argentina	14,026	8,221	21,699	8,659	7,842	11,065	41.10%
Turkey	341	0	16,040	21,152	20,599	1	-99.99%
EU-28	76,997	64,946	45,437	201	170	174	2.35%
Kazakhstan	0	147	2,893	3,729	3,629	2,153	-40.67%
Ukraine	30,440	39,691	7,036	1,488	1,098	197	-100%
Paraguay	0	0	0	0	0	881	N/A
All Others	10,077	1,609	991	416	318	122	-61.64%

Source: Federal Customs Service of Russia

Table 8. Russia: Export Volume of Broiler Meat, 2011 – 2015 & Year to Date: 11/2015 & 11/2016, MT (020711, 020712, 020713, 020714, 160232)

	2012	2013	2014	2015	Jan-Nov 2015	Jan-Nov 2016	% Change Jan-Nov 2016/15
World	42,225	55,631	63,192	75,509	64,455	105,960	64.39%
Ukraine	140	14	2	16,697	12,711	32,512	155.78%
Kazakhstan	25,538*	30,218	23,660	35,345	31,210	30,489	-2.31%
Vietnam	2,650	1,421	5,216	3,206	2,840	10,318	263.31%
Hong Kong	10,741	14,683	24,236	5,405	4,921	9,370	90.41%
Kyrgyzstan	288	371	1,135	6,723	5,619	7,758	38.07%
Tajikistan	11	11	30	720	305	2,660	772.13%
Egypt	0	0	0	0	0	1,754	N/A
Belarus	936**	658	3,009	2,377	2,205	1,718	-22.09%
UAE	0	21	0	0	0	1,711	N/A
Armenia	66	329	387	662	599	1,627	171.62%
Abkhazia	1,314	1,256	1,341	1,335	1,175	1,563	33.02%
Mongolia	0	23	62	376	328	1,182	260.37%
Liberia	54	1,459	946	1,412	1,360	130	-90.44%
Thailand	325	2,447	1,834	405	405	113	-72.10%
All Others	162	2,720	1,334	846	777	3,055	293.18%

Source: Federal Customs Service of Russia; *Eurasian Economic Commission (HS Code 0207);

**Belstat

Includes data attributable to some products which are not reported in the PSD