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## **Russian Federation**

**Post:** Moscow

### **Russia Updated Phytosanitary Memorandums with Brazil**

**Report Categories:**

Market Promotion/ Competition

Oilseeds and Products

Grain and Feed

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**Report Highlights:**

On November 20, 2009, Russian's Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) updated memorandums with Brazil on quarantine measured for exports of Brazilian soybeans and soybean meal to Russia, and on exports of milling wheat from Russia to Brazil. The soybean and soybean meal memorandum will facilitate Brazilian soybean and soybean meal exports to Russia. The wheat memorandum might open the Brazilian market for Russia's wheat, although it is unlikely that in the near future Russia might meet Brazil's wheat quarantine requirements.



## **General Information:**

On November 30, 2009, Russian Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) signed two phytosanitary memorandums with the Brazilian Secretariat of Plant and Animal Protection (SPA): Memorandum on shipments of soybeans and soybean meal into the territory of the Russian Federation from the Federative Republic of Brazil, and Memorandum on milling wheat exports from the Russian Federation into the territory of the Federative Republic of Brazil. These memorandums replaced similar memorandums signed on February 2009.

## **Memorandum on Shipments of Brazilian Soybeans and Soybean Meal to Russia**

The present soybean and soybean meal memorandum is divided in three sections: plant quarantine issues, issues of quality and safety of grain and grain products, and veterinary issues. The plant quarantine section has three additional paragraphs (paragraphs 4-6) that simplify imports of soybeans for processing, even if soybeans are infested with viable seeds of weeds. The Russian requirements for the quality and safety of soybeans and soybean meal remain the same as in the previous Memorandum, but these requirements are summarized in a special section. The veterinary section is completely new (paragraphs 21-24), and stipulates the following veterinary requirements for imported feeds of plant origin: a requirement to ship soybean meal from the enterprises approved by VPSS, a requirement to have veterinary certificate for soybean meal, including veterinary certificate of the country where cargo is re-loaded, if Brazilian soybean meal is shipped to Russia through the third country, and a requirement to register genetically modified feeds in Russia. According to the text of the Memorandum, the veterinary requirements apply to soybean meal only, and do not cover soybeans. Thus, the updated memorandum will facilitate Brazilian exports of soybeans, while exports of soybean meal will remain difficult. The requirement for a veterinary certificate has been one of the largest impediments to U.S. soybean exports.

The new soybean and soybean meal Memorandum meets the interests of rapidly growing demand of Russia's soybean crushing industry headed by company Sodruzhestvo more than interests of feed consumers<sup>[1]</sup>. Russian soybean imports increased from 125,375 metric tons (MT) in CY 2007 to 766,625 MT in January – October 2009. Brazil was number one supplier of soybeans to Russia in CY 2007 and 2008, but in January – October, 2009, Brazil fell to second place when Russia imported 317,146 MT of soybeans from Brazil and 354,567 MT from Paraguay. The value of Brazilian imports to Russia dropped from \$238.7 million in CY 2008 to \$155.4 million in January – October 2009 (23 percent less than in the same period last year). Russia's imports of soybeans from the U.S. were 81 MT in CY 2007, 235 MT in CY 2008, and 25,908 MT in January – October 2009.

Meantime, Russia's imports of soybean meal decreased from 819,910 MT in CY 2007, to 706,106 MT in CY 2008, and 277,403 MT in January – October 2009. Russia's soybean meal imports in January – October 2009, decreased by 73 percent from the same period last year. Brazilian share in Russia's imports of soybean meal was 23 percent in CY 2007, 23 percent in CY 2008, and only 1 percent in January – October 2009 (a 98 percent decrease from the same period last year). Imports of soybean meal from the U.S. were 41, 562 MT in CY 2007, 46,026 MT in CY 2008, and 12,238 MT in January – October 2009.

Table 1. Russia: Imports of Soybeans and Soybean Meal, Metric Tons

	CY 2007	CY 2008	Jan. – Oct. 2009	Jan.–Oct. 2009 to Jan.-Oct. 2008
<b>Imports of Soybeans</b>				
Total	125,375	561,614	776,625	70%
-- Brazil	124,276	396,346	317,146	-7%
-- Paraguay	0	130,467	354,567	330%
-- Ukraine	335	33,234	9,827	-70%
-- Moldova	486	824	762	100%
-- Austria	61	271	67	-74%
-- United States	81	236	25,909	10,901%
-- Canada	103	123	40,815	0
-- Other	33	114	27,532	25,259%
<b>Imports of Soybean Meal</b>				
Total	819,910	706,106	277,403	-54%
-- Argentina	515,272	399,081	107,953	-69%
-- Brazil	188,778	162,008	3,000	-98%
-- Netherlands	14,384	72,257	90,097	57%
-- United States	41,562	46,026	12,238	-60%
-- Germany	25,187	14,065	47,331	802%
-- Other	34,727	12,669	16,784	184%

Source: World Trade Atlas

Russian text of the Memorandum on soybean and soybean meal is on the web-site [http://fsvps.ru/fsvps-docs/ru/laws/memorandum/memorandum\\_2.pdf](http://fsvps.ru/fsvps-docs/ru/laws/memorandum/memorandum_2.pdf). The document in Russian is also attached. The unofficial English translation of the Memorandum is in the Attachment 1.

### **Memorandum on Shipments of Russian Wheat to Brazil**

The text of the updated Memorandum on milling wheat shipments is identical to the previous text with only one exception: the new text does not have a paragraph on the punishment of Russian officials who committed violations of international and Brazilian phytosanitary requirements in the wheat supply to

Brazil or who failed to ensure compliance with issued phytosanitary certificates Brazilian or international requirements (Article 2, para III in the former Memorandum). Currently Russia does not export wheat to Brazil, but it has been a long standing goal of Russia to expand its wheat markets. Due to sharp differences between Russia and Brazil in geographic position, climate, soil, quarantine pests and diseases, and big transportation cost, Russia's milling wheat has little chances to meet Brazilian phytosanitary requirements, or to compete in price with wheat from other American countries. Thus, bulk commercial exports of Russian milling wheat to Brazil is not likely in the near future, and the Memorandum on milling wheat will be most likely used for reporting on the Ministry of Agriculture's attempts to develop foreign markets for Russian wheat. However, Russia is one of the biggest markets for Brazilian meat (Russia's imports of meat from Brazil in January – October 2009 approached \$1.7 billion), and Russian VPSS – Brazilian SPA close contacts on veterinary issues in meat trade might have paved the way to signing this memorandum.

Russian text of the Memorandum on milling wheat is on the web-site [http://fsvps.ru/fsvps-docs/ru/laws/memorandum/memorandum\\_1.pdf](http://fsvps.ru/fsvps-docs/ru/laws/memorandum/memorandum_1.pdf), The Russian text of the Memorandum is also attached. The unofficial English translation of the Memorandum is in the Attachment 2.

## **Attachment 1**

Unofficial translation of soybean and soybean meal memorandum

### **Memorandum between the Federal Veterinary and Phytosanitary Service (VPSS) of the Russian Federation and the Secretariat for Animal and Plant Protection of the Ministry of Agriculture, Livestock and Supplies of the Federative Republic of Brazil on shipments of soybeans and soybean meal into the territory of the Russian Federation from the Federative Republic of Brazil**

The Federal Veterinary and Phytosanitary Surveillance Service (hereinafter referred to as VPSS) on one hand, and the Secretariat for Animal and Plant Protection of the Ministry of Agriculture, Livestock and Supplies of the Federative Republic of Brazil on the other hand, hereinafter called the Sides, guided by the International Convention for Plant Protection and Quarantine (Rome, 1951, as in 1997 edition) (hereinafter Convention); provisions of the Sides' legislations in the field of plant quarantine, quality and safety of grain and its products, have signed the Memorandum on the following:

#### With Regard to Plant Quarantine

1. The Brazilian Side will undertake necessary measures for preventing imports of regulated quarantine dangerous organisms with soybeans and soybean meal to the territory of the Russian Federation, in

accord with the International Convention on Plant Protection and Quarantine (ICPPQ), and the active plant quarantine legislation of importing country.

2. Means of transport, handling equipment, packing material used in the supplies must be preliminary cleaned, decontaminated (if necessary), cleaned from plant residues and pests, which has to be reflected accordingly in the “Additional Declaration” column of the phytosanitary certificate. Corresponding regulations are specified in the import quarantine permits issued by VPSS.

3. It is permitted to import soybeans and soybean meal into the territory of Russia accompanied with the phytosanitary certificate that is in compliance with the relevant provisions of the Convention and Memorandum and has been issued by officials authorized by the Government of Brazil in accordance with the lists provided by Brazilian Side.

4. Imports from Brazil to the territory of the Russian Federation of soybeans and soybean meal free from dangerous quarantine pests, and destined to the Russian Federation is allowed without restrictions.

5. Imports of soybeans, infested with viable seeds of weeds, which are considered by the Russian side as dangerous quarantine organisms, is allowed to enterprises that have processing technologies to deprive these weed seeds of their viability.

6. If Brazilian side during outloading inspection of cargo finds seeds of weeds of Russia’s quarantine concern, the following information shall be included in the column Additional declaration “finding of weeds (types) leads to procedures in accordance with point 5 of Memorandum, signed by the Sides on November 20, 2009”

7. TheBrazilian Side takes necessary measures to monitor how certificates are processed, issued and accounted for in order to avoid forgery and violations of requirements of the International Standards for Phytosanitary Measures ISPM No. 12 “Guidelines on Phytosanitary Certificates” (Rome, 2001), and also to monitor the compliance with the international and phytosanitary requirements of the Sides in shipments of soybeans and soybean meal to the territory of the Russian Federation.

8. The Brazilian Side takes all necessary measures to ship soybeans and soybean meal to the territory of the Russian Federation from areas where efficient programs are in place to control quarantine pests and where phytosanitary conditions of crop growing locations are subject to systematic monitoring.

9. With the help of the appropriate procedures, the Brazilian Side in accordance with Article IV point 2

f) of the Convention provides for phytosanitary safety of the regulated commodities after they have been certified and until they have been exported in relation to their composition, replacement and recontamination.

10. The Brazilian Side will conduct voluntary registration of Brazilian exporters of soybeans and soybean meal to the Russian Federation, and within one month after the Memorandum is signed will submit their lists to the Russian Side.

11. The Russian Side will identify the name of Brazilian exporters of crops in the import quarantine permits in accordance with the lists submitted by Brazilian Side.

12. The Russian Side in accordance with Article VII point 2 h) of the Convention and ISPM No. 13 provisions “Guidelines for Notification and Emergency Actions” (Rome, 2002) will immediately inform the Brazilian Side of violations of international and Russian phytosanitary requirements in shipments of soybeans and soybean meal from Brazil to the Russian Federation and emergency actions undertaken in relation to such cargo, and will also provide copies of documents on the request of the Brazilian side.

13. If the Russian Side detects violations of international and Russian phytosanitary requirements and safety and quality requirements in shipments of soybeans and soybean meal from Brazil to the Russian Federation, the Brazilian Side will delist an exporter who has committed the violation based on the official notifications received from the Russian Side, of which the Brazilian side will notify VPSS in an expeditious manner.

14. The Russian Side will consider resumption of soybean and SB meal exports by the delisted exporters after the Brazilian Side submits to VPSS the results of the official investigation that has been conducted and information on measures taken to remove the cause of violations.

15. The Brazilian Side will indicate in “Additional Declaration” column of the phytosanitary certificate the name of the lab that has conducted lab testing of soybeans and soybean meal, and the test date.

16. If the results are unreliable or different from the cargo’s actual conditions, the Russian Side retains the right to reject phytosanitary certificates issued on the basis of lab tests and evaluations conducted by laboratories that have committed violations of international and the Russian phytosanitary requirements.

17. Organizations authorized to decontaminate soybeans and soybean meal, means of transport,

handling equipment, packing material used for the above mentioned shipments that have committed violations of international and Russian phytosanitary requirements at exports of soybeans and SBN meal from Brazil to Russia, are rejected by the Brazilian Side from decontaminating soybeans and soybean meal, means of transport, handling equipment, packing material used for exports to the territory of Russia.

#### With Regard to Quality and Safety of Grain and Grain Products

18. The Brazilian Side will inform enterprises that have submitted applications to be included in the list of exporters of soybeans and soybean meal to the Russian Federation of the Russian requirements including information on pesticides used for growing and storing of crops, date when the last treatment was made and whether the products contain genetically modified organisms (GMO), as well as MPLs of pesticide residues. The Brazilian Side will take measures that the enterprises included in the list of exporters of soybeans and soybean meal to the Russian Federation meet the requirements. The Russian Side will send the form of the document for submission of the above mentioned information as well as the maximum permissible levels of pesticide residues within one week from the moment the Memorandum is signed.

19. The Brazilian Side will take necessary measures to supply soybean meal to the Russian Federation that meets the requirements of Russian national GOST standard 12220-96 “Feed Toasted Soybean Meal. Technical Requirements” with regards to the “urea enzyme strength” specification, and accompanied by the quality certificate proposed and approved by the Russian Side.

20. If the Brazilian Side fails to meet the above mentioned requirements, the Russian Side retains the right to return, destroy or decontaminate batches of soybeans and soybean meal, with mandatory notification of the inconsistency sent to the Brazilian Side. If the Brazilian Side fails to meet the provisions of this Memorandum, the Russian Side has the right to suspend imports of soybeans and soybean meal into the territory of Russia in accordance with Article VII of the Convention.

#### With Regard to Veterinary Surveillance

21. Imports of soybean meal can occur only from enterprises included in the list approved by VPSS. The Brazilian Side shall submit the list of these enterprises and guarantees that these enterprises are under control of Brazilian veterinary and phytosanitary service, and meet to the fullest extent Russian veterinary-sanitary requirements and norms. VPSS reserves the right for the follow-up inspection of enterprises, on the result of which the decision will be made on the further shipments of products from these enterprises to the Russian Federation. In case of violation of Russian veterinary-sanitary

requirements and norms by an enterprise, it is excluded from the list approved by VPSS.

22. Soybean meal shipped to the territory of the Russian Federation shall be accompanied by veterinary certificate, which states that the soybean meal does not contain pathogenic micro-flora in accord with the list agreed between the veterinary services, originated and was shipped from administrative territories free from infectious animal diseases, executed on the blank with deterrent features and signed by the official (authorized) veterinary doctor of the exporting country.

23. Importation to the territory of the Russian Federation of soybean meal for animal feeding and containing genetically-modified lines of soybeans is carried out after register to of this product in the Russian Federation.

24. If imported soybean meal were re-loaded in European port elevators, the products shall be accompanied by the authenticated copies of the above mentioned documents and the veterinary certificate at re-loading, issued by the state veterinary doctor of country-re-loader.

25. The Sides have determined points of contact:

Federal Veterinary and Phytosanitary Surveillance Service of the Russian Federation

- on quarantine issues

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e-mail: [natalobacheva@yandex.ru](mailto:natalobacheva@yandex.ru)

Point of contact: Natalya.Lobacheva

- on issues of quality and safety of grain

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Point of contact: Anastasiya Bogomolova

Secretariat for Plant and Animal Protection of the Ministry of Agriculture, Animal Husbandry, and Supply of the Federative Republic of Brazil

- on quarantine issues:

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e-mail: [odilson.silva@agricultura.gov.br](mailto:odilson.silva@agricultura.gov.br)

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Point of contact: Macao Tanado

26. The Memorandum comes into force after it has been signed by the Brazilian and the Russian Sides.

27. The Memorandum signed on February 19, 2009, cease to be in force.

28. Accomplished in Moscow, November 20, 2009 in two copies, each in Russian, English, and Portuguese; all three texts being equally authentic.

From the Russian Side

Head of the Federal Veterinary and Phytosanitary Surveillance Service

S.A. Dankvert

From the Brazilian Side

Secretary for Plant and Animal Protection of the Ministry of Agriculture, Animal Husbandry and Supply of the Federative Republic of Brazil

Inacio Afonso Cretz

## **Attachment 2**

Unofficial translation of wheat memorandum

### **Memorandum between the Federal Veterinary and Phytosanitary Service (VPSS) of the Russian Federation and the Secretariat for Animal and Plant Protection of the Ministry of Agriculture, Livestock and Supplies of the Federative Republic of Brazil in the field of Plant Quarantine on food wheat exports from the Russian Federation into the Federative Republic of Brazil**

In view of supplying food wheat (hereinafter – wheat) in compliance with the Brazilian quarantine phytosanitary regulations and to prevent having supplies of wheat contaminated with pests subject to quarantine regulations in Brazil as well as their dissemination across the territory of Brazil, and recognizing provisions of the International Convention for Plant Protection and Quarantine (Rome,

1951, as in 1997 edition – hereinafter Convention), the international phytosanitary standards and national plant quarantine legislation of both Sides, the Sides have agreed as follows.

#### Article 1

Competent authorities for implementation of the Memorandum are:

from the Russian Side -- the Federal Veterinary and Phytosanitary Service of the Russian Federation (hereinafter - VPSS); and from the Brazilian Side - the Secretariat for Animal and Plant Protection of the Ministry of Agriculture, Livestock and Supplies of the Federative Republic of Brazil (hereinafter – SDA).

#### Article 2

To comply with the Brazilian quarantine phytosanitary requirements to wheat exported to the Federal Republic of Brazil from the Russian Federation, the Russian Side must ensure that the following phytosanitary requirements are met.

I. Each wheat batch (*Triticum aestivum*) (Category 3, Class 9) must be accompanied with the phytosanitary certificate issued by VPSS. “Additional Declaration” column must indicate:

- 1) the wheat batch has been treated under the official monitoring (chemicals, dosage, concentration, temperature, exposition must be specified) against *Trogoderma variabile*, *Acarus siro*, and *Penthaleus major*;
- 2) the wheat batch is free from *Anguina tritici*, *Dytilenchus destructor* and *Heterodera avenae* nematodes, *Tilletia laevis*, *Urocystis agropyri* and *Ceratobasidium cereale* fungal disease agents that is confirmed by the cargo phytosanitary statement;
- 3) the wheat batch is free from *Orobanche spp* and *Cirsium arvense* weeds that is confirmed by the cargo phytosanitary statement. In addition, the wheat batch was grown on plots that had been inspected within the entire period of vegetation, and *Orobanche spp* and *Cirsium arvense* weeds were not found on those plots;
- 4) the wheat batch is free from weeds *Acroptilon repens*, *Alopecurus myosuroides*, *Amaranthus blitoides*, *Centaurea difusa*, *Euphorbia helioscopia*, *Heliotropium europaeum*, *Lolium rigidum*, *Hibiscus trionum*, *Polygonum scabrum*, *Setaria pumila*, *Sonchus arvensis* that is confirmed by the cargo phytosanitary statement.

II. The Russian Side will register the Russian exporters of wheat to Brazil on voluntary basis and one month after the Memorandum is signed will submit the List to the Brazilian Side. If the Brazilian Side detects violations of international and Brazilian phytosanitary requirements in wheat supplies from

Russia to Brazil, the Russian Side will delist an exporter who has committed the violation and notify SDA in an expeditious manner.

III. The Brazilian Side will consider resumption of wheat exports by the delisted exporters after the Russian Side submits to SDA the results of the official investigation and takes measures to remove the cause of violations, supported by guarantees of the Russian Side that international and Brazilian phytosanitary requirements in wheat supplies from Russia to Brazil are met.

IV. Containers and vessel holds for wheat transportation must be decontaminated in advance. Information about the treatment (preparation, dosage, concentration, temperature and exposition) must be specified in the phytosanitary certificate.

V. Only wheat must be hauled in vessel holds and containers. It is prohibited to transport other cargo together with wheat.

VI. Wheat batches supplied from Russia to Brazil will be imported through checkpoints in Brazil where processing plants are located inside the port area. Wheat batches exported from Russia must be completely processed at the above mentioned plants; domestic transportation of unprocessed Russian wheat across the territory of Brazil is prohibited. It is prohibited to discharge wheat batches imported from Russia in ports located in Parana, Santa Katarina and Rio-Grande-do-Sul states.

VII. Wheat batches imported from Russia will be officially inspected in checkpoints in Brazil as well as samples will be taken for their subsequent phytosanitary analyses in the officially certified labs. It is the importers' duty to cover the expenses related to taking samples of wheat batches, sending them to the labs and running phytosanitary tests. The importer bears responsibility for the wheat batch until sample testing is completed, and cannot get involved in trade, processing or cannot use the wheat batch for food purposes.

VIII. VPSS must update SDA of any changes in phytosanitary environment in regions, from which the Russian wheat is exported to Brazil.

IX. If quarantine pests specified in this Memorandum are detected in wheat batches imported from Russia, the Brazilian Side takes measures against the contaminated cargo established by the provisions of the Convention and the Brazilian national legislation in the area of plant quarantine. If quarantine pests are detected in wheat batches, notifications are sent to VPSS, and in accordance with Article VII of the Convention SDA can suspend imports of Russian wheat to Brazil until the Brazilian Side reconsiders the phytosanitary risk analyses in respect to the detected quarantine pests.

### Article 3

I. The Brazilian Side takes necessary steps so that all required and sufficient specifications that must be supported by the government guarantees in the form of wheat quality and safety certificates issued by the state competent entity authorized by the Russian Side to certify quality and safety of grain and its derivatives are included in the contract.

II. In its turn, the Russian Side will ensure that the quality and safety specifications are enforced and in compliance, and will take measures that the state wheat quality and safety certificate is issued in accordance with these requirements.

### Article 4

I. The Sides will hold consultations to resolve practical issues related to implementation of this Memorandum as often as necessary but no less than once a year.

II. Consultations will be held on the territory of both countries in turn. Agenda, time and location of the consultations will be determined as agreed by the Sides.

III. The Sides will independently bear the costs associated with participation of their specialists in the consultations.

### Article 5

The Sides can communicate directly at any time to resolve issues related to implementation of activities stipulated in the Memorandum.

Contact information:

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Point of contact: Odilson Luis Ribeiro e Silva

The Memorandum comes into force after it has been signed by the Sides.

The Memorandum signed on February 19, 2009, cease to be in force.

Done in Moscow on November 20, 2009, in two copies both in Russian and English, and both texts are equally authentic.

From the Russian Side

Head of the Federal Veterinary and Phytosanitary Surveillance Service

S.A. Dankvert

From the Brazilian Side

Secretary for Plant and Animal Protection of the Ministry of Agriculture, Animal Husbandry and Supply of the Federative Republic of Brazil

Inacio Afonso Cretz

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<sup>[i]</sup> For more information on the development of Russia's soybean crushing industry and trade policy see GAIN report RS9005 \_Oilseeds and Products \_ New 5 Percent Import Duty on Soybean Meal, and GAIN report RS9027 \_ Oilseeds and Products \_ Russia: Oilseeds and Products Annual