

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Russian Agricultural Policy and Situation Bi-Weekly Update

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Agriculture in the News

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Report Highlights:

The Ministry of Agriculture stops grain intervention purchases...Russia joins International Convention on Food Assistance...Russian Government expands list of agricultural equipment eligible for subsidies...Russia's grain exports fall in January...Russia proposes procedure to allow for EU exports of seed potatoes...Ministry of Finance proposes reduction of funding for agriculture...Ministry of Agriculture reports on status of feeds during winter...Russian Ministry of Agriculture discusses improving agricultural insurance...and various news items from the Russian and Belarusian Veterinary Service.

General Information:

Welcome to the Russian Agricultural Policy and Situation Bi-Weekly Update, a summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Russia, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

Ministry of Agriculture Stops Intervention Purchases of Grain to Intervention Fund

The Ministry of Agriculture decided to discontinue intervention purchases of grain to the intervention fund. February 18, 2014 was the last day for intervention purchases.

<http://agronews.ru/news/detail/131827/>. These interventions began on October 15, 2013 for support of grain prices in Siberia and Ural. After the stabilization of grain prices at levels higher than intervention procurement prices, purchases of grain to the intervention fund decreased. Since the end of January, 2014, the weekly purchases of grain exceeded 15,000 metric tons. From October 15, 2013 through February 18, 2014 the Intervention Fund purchased 610,065 MT of grain for 3.57 billion rubles (\$105 million). <http://www.namex.org/Zakupki2013/realtime2013/>

Russia Has Joined the International Convention on Food Assistance

Government Resolution No. 72 of February 3, 2014, stipulates that Russia is joining the Food Assistance Convention adopted in London on April 25, 2012. As described in the notes to this Resolution, in accordance with some procedural rules, after Russia's accession to the Convention the number of its votes in the International Grains Council will increase from 72 to 77, thus strengthening the country's position in this organization. <http://government.ru/docs/10275> ; http://government.ru/en/dep_news/10278

Government Resolution No. 115 of February 17, 2014 Expands the List of Agricultural Equipment for which Equipment Producers Can Receive Federal Subsidies

The Government added grain processing, milking, and milk storing and handling equipment to the list of equipment for which equipment producers can receive federal subsidies. These subsidies are 15 percent of the price of this equipment. These federal funds for all equipment subsidies in 2014 are 1.9 billion rubles (\$56 million). In 2013, when the program started, equipment producers received 430 million rubles (\$12.6 million) for 765 pieces of equipment that they sold to farmers.

<http://government.ru/docs/10672>

Russia's Grain Exports in January 2014 Fall to 1.16 Million Metric Tons (MMT) from 2.43 MMT in December 2013. According to the Russian Ministry of Agriculture and the State Customs Committee of the Russian Federation, in January 2014, Russia exported 1.16 MMT of grain (2.43 MMT in December 2013), including 0.68 MMT of wheat (1.54 MMT in December 2013), 35,000 metric tons (MT) of barley (137,000 MT in December 2013), and 408,000 MT of corn (682,000 MT in December 2013). <http://agronews.ru/news/detail/131706/>.

Russia Proposes Procedure for Certification of the EU Seed Potato for Exports to Russia

The Russian Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) proposed a procedure for EU exports of seed potatoes to Russia. This procedure is that after VPSS receives an application that a EU country is planning to ship seed potato to Russia, VPSS specialists would take samples of seed potatoes from the prepared shipment, test them in Russian laboratories and then based on those test results would make a decision on allowing importation. After the seed potato is imported to the country, regional branches of VPSS would conduct phytosanitary control over the shipped imported seed potatoes. <http://www.fsvps.ru/fsvps/news/8939.html>

The Russian Ministry of Finance has Proposed a 13 Percent Cut in 2016-2020 in the Federal Budget Funds for the State Program for Development of Agriculture

The Russian Ministry of Finance has proposed to cut the federal budget funds for the State Program for Development of Agriculture 2013-2020 in the period 2016-2020 by 129.5 billion rubles (\$3.8 billion) from the planned 1,011.6 billion rubles (\$29.8 billion) to 882.1 billion rubles (\$25.9 billion). The cuts are spread more or less equally throughout all these 5 years. The plan has been posted on the web-site of the Ministry of Finance. <http://agronews.ru/news/detail/131791/>.

Russian Ministry of Agriculture Reports on the Situation for Feeds for Livestock for 2013-2014 Winter Period

According to Russian regional statistics, the self-sufficiency in livestock feeds for the winter period of 2013-2014 in all categories of farms was estimated at 104.3 percent. The distribution of feed throughout the regions of the Russian Federation is as follows: in the Central Federal District the need in feeds is covered by 106.9 percent; in the Volga Valley - by 108.2 percent, in the North Caucasus – 105 percent; in the North West - 107.5 percent, in the Urals and Siberian region- 100.5 percent, and the Far East was the only region showing a deficit, with only– 88.3 percent.

<http://mcx.ru/news/news/show/20087.355.htm>

Russian Ministry of Agriculture Meets to Discuss Improving Federal Law on Agricultural Insurance

On February 19th, 2014, the Deputy Minister of Agriculture of Russia Dmitry Yuriev held a meeting at the Ministry of Agriculture of Russia on improving the law on federal support in agricultural insurance. Representatives from various departments of the Ministry of Agriculture, the Russian Finance Ministry, the Bank of the Russian Federation, representatives of the National Union agricultural insurers and the Association "AGROPROMSTROY", as well as representatives of industry associations and unions of farmers were present at the meeting.

Deputy Minister Dmitry Yuriev in his opening speech said that all finances of the federal budget for reimbursement of the cost of insurance in crop and livestock production in 2014 have been already transferred to the federal subjects. He stated that the "Russian Ministry of Agriculture is working with the regions on the active use of this type of support to farmers. And we hope that with the beginning of the sowing campaign this direction will be actively developed."

Currently a bill amending the law "On state support in agricultural insurance" is being reviewed by the State Duma. On February 12, 2014, the bill was passed by deputies of the State Duma in the first reading. Russian Ministry of Agriculture supported the bill with comments and amendments before it gets passed in the second reading.

Dmitry Yuriev proposed to establish working group on the basis of the Russian Agriculture Ministry, with the objective to finalize the bill for the second reading with the participation of the Russian Finance

Ministry, the Bank of Russia, the insurance community and agricultural industry unions.
<http://mcx.ru/news/news/show/20794.355.htm>

Veterinary Service and Consumer Rights Agency to Share Oversight of Meat & Milk

According to a report in Izvestia, the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoz nadzor) will have oversight in the Customs Union (CU) for the elements in the technical regulations on meat and meat products and dairy products that cover raw products, while the Federal Service for Supervision of Consumer Rights Protection and Human Well-Being (Rospotrebnadzor) will have CU oversight for the processed products covered by these technical regulations. For more information, see

http://www.microsofttranslator.com/bv.aspx?from=ru&to=en&a=http%3A%2F%2Fwww.gazeta.ru%2Fbusiness%2Fnews%2F2014%2F02%2F11%2Fn_5938761.shtml.

Russia and the EU Continue to Discuss Restrictions on EU Pork Exports

According to the Belarusian Telegraph Agency (BelTA), the Head of Rosselkhoz nadzor met with the Director General of the European Commission's Directorate for Health and Consumers in Moscow on February 21st to discuss ways the EU can resume supplies of pork to Russia. For additional information, see <http://news.belta.by/en/news/econom?id=740874>.

Rosselkhoz nadzor Announces Intent to Loosen Ban on U.S. Turkey Exports to Russia

According to RIA Novosti, a senior official with Rosselkhoz nadzor has publicly stated the Agency intends to lift restrictions in late February on some establishments interested in exporting U.S. turkey to Russia. For additional information, see

<http://en.ria.ru/business/20140219/187654739/Russia-to-Lift-Ban-on-US-Turkey-Meat.html>

Belarus to Cooperate with Russia on Unfair Trade Investigation

According to BelTA, Belarus is ready to share the details of its dairy industry and cooperate with Russia in its antidumping investigation of European countries, which includes Belarus. For additional information, see <http://news.belta.by/en/news/econom?id=740740>.

Belarus Frustrated with Russian Claims that Their Meat and Dairy is of Poor Quality

According to BelTA, Belarus will contact the Court of the Eurasian Economic Community to raise concerns with Russian statements to mass media questioning the quality of Belarusian meat (e.g., canned meats) and dairy (e.g., canned milk and milk powder). For more information, see

<http://news.belta.by/en/news/econom?id=740736>.