

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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

Voluntary    Public

**Date:** 12/2/2013

**GAIN Report Number:** RS1386

## Russian Federation

**Post:** Moscow

### Russian Agricultural Policy and Situation Bi-Weekly Update

**- 6**

**Report Categories:**

Agriculture in the News

**Approved By:**

Levin Flake

**Prepared By:**

FAS/Moscow staff

**Report Highlights:**

Warm autumn weather helps grain crop...Russian government to create computerized system to track food security...Federal Customs Service may take over veterinary and phytosanitary border control on a trial basis...Ministry of Agriculture discusses credit financing...Federal Fishery Agency to track and publish fish prices...Russia will maintain ban on European cattle...Customs Union continues FTA negotiations with New Zealand... Rospotrebnadzor issues press release on Codex meeting...Customs Union to require pre-notification of cargo arriving by air in 2015...As well as various articles discussing prospects of a number of countries (Uzbekistan, Kyrgyzstan, Ukraine, Armenia, and Turkey) in joining the Customs Union.

### **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.

### **Unusually Warm Autumn Improved Grain Crop Production in 2013 and Winter Grain Prospects**

Unusually warm October and November weather in European Russia has improved both the grain harvest and winter grain sowing in European Russia. As of November 26, 2013, Russia harvested 94.8 million metric tons (MMT) of grain (bunker weight), compared to 74.5 MMT in 2012 and 97.5 MMT in 2011. By major crops, as of November 26, 2013 Russia harvested 54.0 MMT of wheat, 16.3 MMT of barley, and 9.9 MMT of corn: <http://www.mcx.ru/documents/document/show/25321..htm>. The corn harvest still continues, and industry analysts forecast that the remaining corn in the fields (as of November 26, 2013, corn was harvested from only 77 percent of sown area) may be harvested even in the spring of 2014. Winter sowing has finished, and area sown to winter crops is smaller than last year: as of November 26, 2013 winter crops (primarily grains) were sown to 14.7 million hectares, compared to 15.8 million hectares in 2012 and 15.9 million hectares in 2011. However, abnormally warm weather in October and November 2013 improved condition of winter crops, especially those that were sown later than usual. According to the Russian Hydro-meteorological center (Roshydromet) the vegetation period of winter grains was 20-25 days longer than usual: in the Central and the Volga Valley federal districts the vegetation of winter crops lasted through mid-November, and in the South of European Russia – all through November: <http://www.agronews.ru/news/detail/130431/>. Relatively good crop prospects and low rubles value has stimulated grain exports, and from the beginning of marketing year on July 1, 2013 and through November 20, 2013, Russia exported 13.123 million metric tons (MMT) of grain, that is 15.3 percent more than in the same period last year: <http://www.agronews.ru/news/detail/130429/>.

### **Russian Government is Preparing Computerized System of Monitoring Food Security**

The Order of the Government of the Russian Federation No. 2138-p of November 18, 2013, prescribes different Russian ministries to develop the concept of a computerized system of monitoring the nation's food security <http://government.ru/docs/8393>. The Government Order approves the list of indexes in the sphere of food security of the Russian Federation. The Ministry of Agriculture of the Russian Federation, in cooperation with the Ministries of Economic Development, Health, Regional Development, Finance, Industry and Trade, Communications, the Federal Security Service of the Russian Federation, the Federal Customs Service of the Russian Federation, the Federal Service for Surveillance in the Sphere of Consumers Protection (Rospotrebnadzor), and the Federal Statistical Service of the Russian Federation (Rosstat) are required to submit to the Government of the Russian Federation in the first half of 2014 a draft concept of the creation of a Government computerized information system for monitoring the food security of the Russian Federation. The information system

shall consider all indexes approved by the Order No. 2138-p of November 18, 2013. The text of the Order is <http://government.ru/media/files/41d4a3e2ed1c5d4a2135.pdf>. The list of approved indexes and requested data for the information system is almost 90 pages long.

### **The Federal Customs Service May Take Over Veterinary and Phytosanitary Border Control in 2014 on a Trial Basis**

Media reports about the draft Order of the President of the Russian Federation that may authorize the Federal Customs Service to conduct veterinary and phytosanitary surveillance at the Russian border. The pilot projects may begin in three custom points of Russia from September 1, 2014, through December 31, 2014. Rosselkhoznadzor and Rospotrebnadzor, the two Russian agencies that at present control safety and quality of imported/exported food products, shall determine the qualification requirements for customs officers before January 15, 2014, and by the beginning of September to retrain them into veterinary/phytosanitary specialists. This experiment will not be given any additional federal funds above already approved federal funds of the Federal Customs Service, Ministry of Agriculture, Rospotrebnadzor, Rosselkhoznadzor, and other related agencies:

[http://www.alt.ru/external\\_news/27092](http://www.alt.ru/external_news/27092). The idea is pushed forward by the Russian Ministry of Economic Development that in July 2013 prepared a draft federal law on the transfer of full authority over sanitary and phytosanitary control at the border to the Russian Federal Customs Service. FAS/Moscow informed about this draft law in the GAIN report [SPS Border Control Authority to be Moved to Federal Customs Service 7-15-2013.pdf](#).

### **Deputy Minister of Agriculture of Russia, Dmitriy Yuriev, Holds a Meeting on Simplifying Credit Financing Procedures to Agricultural Organizations**

During the meeting he informed the representatives of Rosselkhozbank and Sberbank that Prime Minister Medvedev tasked the Ministry to work out procedures on simplifying credit financing for Russian agricultural organizations, including lowering loan collateral and canceling advance payment. According to the Ministry of Agriculture, currently collateral loans programs are underdeveloped in Russian since agricultural land still can't serve as collateral. The problem originates in the lack of documentation on land ownership. The Ministry officials suggested that the banks provide credit to farmers to compensate the cost involved in issuing documentation for land ownership. The banks will work out their proposals shortly and forward them to the Ministry of Agriculture for further review. <http://www.agronews.ru/news/detail/130409/>

### **Federal Fishery Agency Reports its Intention to Monitor Wholesale and Retail Price for the Main Fish Species Harvested in the Far East and Murmansk**

This would include prices for pollock, salmon, herring and some other species. The information will be published primarily in the interests of consumers as well as analysts of commercial and government agencies. The price reports will help create transparency in how middlemen affect the final prices for fish. The Federal Fishery Agency is planning to update prices weekly. Analysts believe that this initiative will also demonstrate the difference in prices for fish at various stages: from fishermen, traders, and in retail. It will also raise awareness among consumers that fish continues to be one of the most affordable sources of protein on the market. <http://www.agronews.ru/news/detail/130435/>

### **Russia Will Maintain a Ban on Cattle Imports from Europe**

The Kyiv Post has reported that Russia's ban on cattle imports from Europe will remain in effect until the end of 2014, pursuant to comments made by the Deputy Head of the Russian veterinary service, Dr.

Nikolai Vlasov. The article notes that the Russian veterinary service is reportedly considering lifting the ban, pending the results of cooperative analysis with France's veterinary service to determine if "animals that have recovered from Schmallenberg virus infections prove to be no threat to infected animals." For additional information, see <http://www.kyivpost.com/content/russia-and-former-soviet-union/russian-ban-on-cattle-imports-from-europe-to-remain-in-force-another-year-331619.html>

### **Customs Union Continues Free Trade Agreement Negotiations with New Zealand**

According to the Belarusian Telegraph Agency (BelTA), Sergei Lavrov, Russia's Foreign Minister, was quoted as saying the talks "are on the advanced stage," and efforts are being made to conclude the process in an expeditious manner (i.e., in 2014). New Zealand's Minister of Foreign Affairs was quoted as saying, "{w}e are convinced that the prompt signing of the free trade area agreement between the Customs Union and New Zealand will facilitate the robust development of trade and economic cooperation." For additional information, see <http://news.belta.by/en/news/econom?id=731739>

### **Rospotrebnadzor Issues Press Release on Codex Committee Meeting on Nutrition and Specialized Dietary Products**

Officials from the Russian Federal Surveillance Service on Consumer Rights Protection and Human Well-Being (more commonly known as Rospotrebandzor), participated in the November 2013 Codex Committee meeting on nutrition and specialized dietary products. Rospotrebnadzor reports that the Russian delegation spoke on a variety of issues related to the safety of the specialized food products, including revising a Codex standard for infant formula (CODEX STAN 156-1987). For additional information, see

[http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Frospotrebnadzor.ru%2Fpress\\_all%2F-%2Fasset\\_publisher%2FKq6J%2Fcontent%2Fid%2F3279945](http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Frospotrebnadzor.ru%2Fpress_all%2F-%2Fasset_publisher%2FKq6J%2Fcontent%2Fid%2F3279945)

### **Pre-Notification of Cargo Arriving by Air into the Customs Union will be Required in 2015**

According to Belta, the Eurasian Economic Commission will require advance electronic pre-notification of cargo information for air transports beginning April 1, 2015. Belta added that "mandatory advance electronic presentation of cargo information for commodities imported by road has been in effect in the Customs Union since 17 June 2012. In September the Eurasian Economic Commission decided in favor of extending the practice onto commodities imported by rail as from 1 October 2014." For additional information, see <http://news.belta.by/en/news/econom?id=731224>

### **Armenia Formalizes Increased Cooperation with the Eurasian Economic Commission**

According to Belta, the Prime Minister of Armenia, Tigran Sargsyan, and the Eurasian Economic Commission Board Chairman, Viktor Khristenko, signed a memorandum on enhancing cooperation. Armenia will now be able to attend public sessions of the Supreme Eurasian Economic Council, the Eurasian Economic Commission Council, and the Eurasian Economic Commission Board. Armenia has also been granted the right to delegate a representative to the Eurasian Economic Commission. For additional information, see <http://news.belta.by/en/news/politics?id=731898>

### **Turkey not Planning on Joining Eurasian Union (EAU), but Interested in an FTA**

According to Eurasianet.org, most believe it is unlikely Turkey will join the EAU, as Turkey would likely simultaneously have to give up its pursuit of European Union membership. However, according to BelTA, Turkey's Prime Minister has reportedly announced Turkey's interest in pursuing a Free Trade

Agreement with the EAU. For more information, see <http://www.eurasianet.org/node/67786> and <http://news.belta.by/en/news/society?id=733352>.

### **3.5 Million Ukrainians Interested in Customs Union Membership**

According to ITAR-TASS, the Communist party of Ukraine has collected 3.5 million signatures in support of Ukrainian membership in the Russia-Kazakhstan-Belarus Customs Union. For more information, see

[http://translate.google.com/translate?hl=en&ie=UTF8&prev=\\_t&sl=ru&tl=en&u=http://www.altaru.ru/external\\_news/27203](http://translate.google.com/translate?hl=en&ie=UTF8&prev=_t&sl=ru&tl=en&u=http://www.altaru.ru/external_news/27203).

### **Armenia Reportedly Ready to Sign Customs Union Treaty of Accession in 2014**

According to Gazeta.ru, Armenia is prepared to sign a treaty of accession to the Customs Union in early 2014, after the Union adopts Armenia's proposed roadmap for accession late this year. Armenia reports that it is also ready to start the process of changing its laws to ensure consistency with Customs Union obligations. For more information, see

[http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Fwww.altaru.ru%2Fts\\_news%2F27104](http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Fwww.altaru.ru%2Fts_news%2F27104).

### **Kyrgyzstan to Join Customs Union in 2015**

According to Rosbalt, Kyrgyzstan may join the Customs Union in 2015, after the body becomes the EAU. Russian Presidential Advisor, Sergei Glazyev, is reported to have noted that Kyrgyzstan should be ready to join at that time, and added that Tajikistan may join in the future, after Kyrgyzstan. For more information, see

[http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Fwww.altaru.ru%2Fts\\_news%2F27038&sandbox=1](http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Fwww.altaru.ru%2Fts_news%2F27038&sandbox=1).

### **Uzbekistan is Reportedly Not Opposed to Customs Union Membership**

According to Alta.ru, Uzbekistan is considering the idea of joining the Customs Union. During a press conference while in Uzbekistan, Valentina Matvienko, Chairwoman of the Russian Federation Council and head of a delegation visiting the country, noted that Customs Union membership is a long process and Uzbekistan must fully evaluate whether or not it is in its interest to join. For more information, see

[http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Fwww.altaru.ru%2Fts\\_news%2F27039%20&sandbox=1](http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http%3A%2F%2Fwww.altaru.ru%2Fts_news%2F27039%20&sandbox=1).