

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Russian Federation

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

**-8**

**Report Categories:**

Agriculture in the News

**Approved By:**

Levin Flake

**Prepared By:**

FAS/Moscow Staff

**Report Highlights:**

Federal agricultural subsidies redirected to long-term loans...Cargill increases investment in Russian port facilities...Russia's first cattle exchange to be built in Voronezh...Russia and Israel to begin Free Trade Agreement negotiations...and various news items from the Russian 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.

### **A Portion of Federal Budget Subsidies for Agriculture in 2013 Has Been Redistributed in Towards Subsidizing long Term Loans to Crop and Livestock Producers**

The meeting of the Russian Government on December 19, 2013, supported the Ministry of Agriculture's proposal to redistribute the federal budget subsidies for support of agriculture in CY 2013 in favor of subsidizing middle and long-term loans (so called investment loans) to crop and livestock producers. The redistribution is at the expense of 3.8 billion rubles (\$115 million) of some non-obligated subsidies to provinces. The saved funds will be directed for investment loan subsidies to crop producers (1.3 billion rubles, or \$39 million), the similar loans to livestock producers (2.2 billion rubles, or \$67 million), and for development of deer industry (120 million rubles, or \$3.6 million). Agricultural Minister Nikolay Fedorov hopes that these additional money will allow to partially compensate the identified shortage of such federal support in 2013 <http://www.mcx.ru/news/news/show/18794.355.htm>.

### **Russian branch of U.S.-Company "Cargill" Increased Investments in Russian Grain Port Facilities**

Russian media has reported that the Russian branch of the U.S.-company "Cargill" has purchased 25 percent plus 1 share of KCK terminal, one of the three grain terminals in Novorossiysk port, and the only one completely privately owned port in Novorossiysk [http://agronews.ru/news/detail/130793/?sphrase\\_id=204877](http://agronews.ru/news/detail/130793/?sphrase_id=204877).

### **Russia's First Cattle Exchange to be Built in Voronezh Oblast in 2014**

The Ministry of Agriculture has reported that 1.35 billion rubles (\$41 million) will be invested in Voronezh oblast for the construction of Russia's first cattle exchange with sales of up to 55,000 heads of cattle for slaughter and for feeding, including pedigree cattle. The exchange will include a site for feeding (for up to 5,000 heads), and a quarantine site. 20 specialized cattle-carrying trucks imported from the United States will be delivered to the establishment by May 2014. <http://mcx.ru/news/news/show/18878.355.htm>

### **Russia and Israel to Begin Free Trade Agreement Negotiations in 2014**

According to Russian Deputy Prime Minister, Arkady Dvorkovich, Russia and Israel have set up a research group to draft a free trade area agreement. "The research group will start working within the next several weeks in order to draft a free trade area agreement," Dvorkovich said at a meeting of the co-chairs of the bilateral commission on trade and economic cooperation in Moscow on Monday, December 9. For more information, see <http://en.itar-tass.com/economy/710874>.

### **Russia Lifts Trade Restrictions on Breeding Sheep and Goats from the United Kingdom**

According to the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoznadzor), temporary restrictions on breeding sheep and goats from the UK have been lifted. For additional information, see [http://www.fsvps.ru/fsvps/news/8425.html?\\_language=en](http://www.fsvps.ru/fsvps/news/8425.html?_language=en).

### **Sanitary and Pythosanitary (SPS) Measures Discussed as Part of Russia's OECD Accession**

According to Rosselkhoznadzor, the Russian delegation was headed by Deputy Minister of the Agriculture, Ilya Shestakov, while Rosselkhoznadzor was represented by Deputy Head and Chief Veterinary Officer, Yevgeny Nepoklonov. The Russian delegation reportedly provided details on SPS measures that are in force in the Russian Federation and in the Customs Union to facilitate analysis of these measures by OECD Member States. For more information, see

[http://www.fsvps.ru/fsvps/news/8517.html?\\_language=en](http://www.fsvps.ru/fsvps/news/8517.html?_language=en).

### **Eurasian Economic Integration Continues**

The Presidents of Russia, Belarus and Kazakhstan met in Moscow on December 24, 2013, to discuss the main areas of integration between the three states. The leaders are pushing for a treaty which will establish the Eurasian Economic Union as of January 1, 2015. According to the President Putin's press statement, the treaty "should establish specific commitments of the three member states to guarantee the free movement of goods, services, capital and labor." At the summit, Belarus, Kazakhstan, and Russia also reportedly approved Armenia's roadmap to accede to the Customs Union and Common Economic Space, and discussed Kyrgyzstan's accession plans. For more information, see

<http://eng.kremlin.ru/news/6439> and <http://news.belta.by/en/news/president/?id=736245>.

### **Russia Reportedly Prepared to Lift Ban on Lithuanian Dairy Products**

According to Reuters, Russia is preparing to lift the suspension it imposed on the import of Lithuanian dairy products in October. The head of the Russian consumer protection agency indicated that Russia and Lithuania have resolved their differences via bilateral talks. For more information, see

<http://www.reuters.com/article/2013/12/24/us-russia-lithuania-dairy-idUSBRE9BN05Y20131224>.