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Global Agricultural Information Network

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Report Highlights:

In Marketing Year 2013/14 Russia Exported 25.4 Million Metric Tons of Grain . . . Major Russian Grain Associations and Traders Forecast Russia's 2014 Grain Crop . . . Government Resolution No. 619 of July 5, 2014, Amends the Federal Program "Development of Irrigation and Reclamation of Agricultural Lands in 2014-2020". . . The Russian Government Approved the Concept of Electronic Documents Transfer for Customs Union Regulation Conformity of Food Products . . . The State Duma Adopted Amendments On Foreign Investments in Business Entities of Strategic Importance for National Defense and State Security . . . Russian Government Regulation Signed Enabling Implementation of Federal Program "Development of Forestry Sector for 2013-2020" . . . The Federal Service for Veterinary and Phytosanitary Surveillance Will Conduct an Investigation of Possible Violations in Sowing Practices in Russia . . . The Federal Forestry Agency Reports on Forest Fires in the Russian Regions . . . Average Customs Duty in Customs Union Down . . . Slepnev: Kyrgyzstan's Accession to the Customs Union Not Feasible Today . . . Armenia May Join the Customs Union in 2014

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.

In Marketing Year 2013/14 Russia Exported 25.4 Million Metric Tons of Grain: Beginning July 2013 through June 2014, exports of grain from Russia reached 25.4 million metric tons (MMT), and were the second highest in Russian history. The greatest number of exports were reached in 2011/12, when Russia exported 28.1 MMT, following on the heels of the export ban of 2010/11.

<http://agronews.ru/news/detail/134327/>

Major Russian Grain Associations and Traders Forecast Russia's 2014 Grain Crop: The Russian Ministry of Agriculture held a meeting with grain industry experts on July 8, 2014. Experts estimated the Russian grain crop in 2014, at 94-99 MMT. The Ministry of Agriculture's estimate is 96.8 MMT. This crop will allow Russia to meet all domestic demand for grain and to export from 27 MMT to 30 MMT of grain in MY 2014/15. Intervention purchases of grain to the State Intervention Fund are not scheduled before October 2014. <http://www.mcx.ru/news/news/show/26157.355.htm>

Government Resolution No. 619 of July 5, 2014, Amends the Federal Program "Development of Irrigation and Reclamation of Agricultural Lands in 2014-2020": A new amendment to Resolution No. 619 allows farmers that build irrigation systems connected to newly constructed, non-state owned, sources of water supply (artesian wells, dams, etc.) to use federal subsidies. This amendment strengthens farmers' connection with municipal authorities in prevention of extreme situations, such as floods, and envisages a possible increase in financing of preventive actions by increasing the co-efficient of co-financing of such measures by provinces from 0.5 to 0.7:

http://government.ru/dep_news/13625

The Russian Government Approved the Concept of Electronic Documents Transfer for Customs Union Regulation Conformity of Food Products: The Concept was developed by the Ministry of Economic Development and was approved by Government Order No. 1213-p of July 2, 2014. In accordance with the Concept the nation-wide, twenty-four-hour, electronic Customs Union, (CU) data base will become operational at the federal level in January, 2016. This data base will allow users to confirm conformity of food products with the CU technical regulations. To facilitate the transfer of documents from paper to electronic format, by the end of 2015, all relevant supervisory agencies at the federal level, such as Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhozadzor), Federal Service for Consumer Rights Protection and Human Well-being (Rospotrebnadzor), and work places of relevant officials in the subjects of the Russian Federation, shall be properly equipped by automated computerized network systems, and their personnel shall be trained

properly. The transfer of all turnover of paper documents on conformity of food products shall be completed by 2020. <http://government.ru/docs/13593>

Federal Fishery Agency Discussed the Salmon Catch Levels in the Far East with Territorial Agencies and Scientists: On July 8, 2014, the Federal Fishery Agency (FFA) conducted a videoconference with the heads of territorial agencies from the Far Eastern basin, as well as scientists from the Fishery Research Institute, to discuss the opening season for salmon catch in the Far East. According to FFA, since the beginning of season, the salmon catch in the Far East is estimated at 34,000 MT, an increase of almost 28 percent compared with the same period of 2012. According to data received from the space monitoring system, the temperature of the water in the spawning and migration areas for salmon is warmer than usual this year, so fishermen are expecting a better catch of salmon. The researchers are working on a justification to present to the FFA to increase the recommended catch levels for salmon in that area. <http://www.fish.gov.ru/presscentre/news/Pages/news924.aspx>

The State Duma Adopted Amendments On Foreign Investments in Business Entities of Strategic Importance for National Defense and State Security: On July 4th, the State Duma adopted in the second and third readings, the law "On Amending the Federal Law" On Foreign Investments in Business Entities of Strategic Importance for National Defense and State Security." The amendments are aimed at improving the monitoring mechanism for the implementation of foreign investment in strategic sectors, including in the area of harvest (catch) of aquatic biological resources. For example, the document, amends Part 1 of Article 12, under which, if the Government Commission on Monitoring Foreign Investment decides to preliminary approve a transaction or approve establishing control over a Russian fishing company, then the foreign investors have an obligation to carry out "processing of aquatic biological resources produced (harvested) by a business entity of strategic importance to the territory of the Russian Federation." In addition, a few amendments were made into the Federal Law on "Fishery and Sustainability of Water Biological Resources." For example, one such amendment provides the definition for "foreign investor" in the meaning that is referred to by the Federal law. <http://www.fish.gov.ru/presscentre/news/Pages/news892.aspx>

Russian Government Regulation Signed Enabling Implementation of Federal Program "Development of Forestry Sector for 2013-2020": On June 26, 2014, Dmitriy Medvedev signed Government Resolution No.1150-p implementing the Federal program, "Development of Forestry Sector for 2013-2020." The document provides for the distribution of subsidies for 2014-2016 from the federal budget to the Russian regions for the purchasing of specialized forest fireproof equipment in the framework of the sub-program "Forest Protection" of the federal program "Development of Forestry Sector for 2013-2020." <http://www.rosleshoz.gov.ru/docs/other/88/Rasporyazhenie.pdf>

The Federal Service for Veterinary and Phytosanitary Surveillance Will Conduct an Investigation of Possible Violations in Sowing Practices in Russia: The Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) confirmed that sowing of genetically engineered (GE) crops in Russia is illegal and has decided to conduct an unscheduled investigation of possible violations in the sowing practices in Russia. Responding to industry and mass media information on cultivation of GE crop in Russia, VPSS made it clear that at present, sowing of GE crops in Russia is illegal. The start of registration of GE crops has been postponed by the Russian Government to July 2017, and it will take several years from the beginning of the registration process to the approval of a GE crop for cultivation. So far, even the methods of research of biosafety of individual GE crops for cultivation have not been

adopted in Russia. Given all of this, the VPSS decided to conduct an unscheduled investigation of the seed industry in order to identify violations. And in the case of GE crops, if they are found to be grown somewhere in Russia, VPSS intends to bring the offenders to justice.

<http://www.fsvps.ru/fsvps/news/10419.html>

The Federal Forestry Agency Reports on Forest Fires in the Russian Regions: The Russian Federal Forestry Agency reported that as of July 7, 2014, there are 77 active forest fires in the territory of the Russian Federation. The most difficult situation is in Irkutsk oblast, with nine forest fires covering 9,275 hectares, followed by Republic of Sakha where three fires cover 8,204 hectares. In Krasnoyarsk kray there are 37 fires, covering 2,778 hectares. The Agency also reports that more than 400 paratroopers from Federal Budgetary Enterprise “Avialesookhrana” are involved in firefighting. The Federal Forestry Agency in the regions states that it has organized emergency operation centers in the territories that are most affected by the fires and monitor the situation daily.

<http://www.rosleshoz.gov.ru/media/news/2008>

Average Customs Duty in Customs Union Down: According to the Belarusian Telegraph Agency (BelTA), the Trade Minister of the Eurasian Economic Commission, Andrei Slepnev, said that the average customs duty in the Customs Union would be reduced from nine to seven percent in September.

http://eng.belta.by/all_news/economics/Average-customs-duty-in-Customs-Union-down-from-9-to-7-in-September_i_74334.html

Slepnev: Kyrgyzstan's Accession to the Customs Union Not Feasible Today: BelTA cited the Trade Minister of the Eurasian Economic Commission, Andrei Slepnev, as saying that, at present, the accession of Kyrgyzstan to the Customs Union is not feasible. According to Mr. Slepnev, the accession of Kyrgyzstan will create problems for the economies of the Customs Union due to grey imports of Chinese products to Kyrgyzstan. http://eng.belta.by/all_news/economics/Slepnev-Kyrgyzstans-accession-to-the-Customs-Union-is-not-feasible-today_i_74336.html

Armenia May Join the Customs Union in 2014: According to a BelTA report, the Trade Minister of the Eurasian Economic Commission, Andrei Slepnev, said that Armenia was well-positioned to join the Customs Union in 2014. According to the Minister, one of the biggest challenges now are the different WTO obligations of Armenia and Russia. In this regard the parties plan to establish a transitional period during which the matter will be settled. http://eng.belta.by/all_news/economics/Armenia-might-join-Customs-Union-in-2014_i_74335.html