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Global Agricultural Information Network

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Report Highlights:

GOR Amends Some Rules of State Support of Agriculture . . . Russian Government Improves Rules to Support Forestry Enterprises in the Far East . . . Russian Government Initiates 2015 Grain Purchases for the State Intervention Fund . . . Russian Minister of Agriculture Reports on the Grain Harvest Results . . . Russian Federal Fisheries Agency Reports on Increasing Fish and Seafood Catch . . . Import Substitution Commission Established . . . Russia to Decrease Export Duties on Fish, Seafood, and Oilseeds . . . Agriculture Minister Reports Continued Growth in Agricultural Production . . . Deputy Minister of Agriculture Released . . . Government Rules on Quota Distribution for Fish Improved . . . Russia Bans Imports of Agricultural Products from More Countries . . . Kyrgyz Republic Becomes EAEU Member . . . Kamchatka Krai Leads in Pacific Salmon Catch . . . Other Russian Regions will Copy Sakhalin Experience . . . New Sakhalin Milk Processing Plant . . . Russian Food Exports Up at Suifenhe Customs Check-Point

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.

GOR Amends Some Rules of State Support of Agriculture: On July 28, 2015, the Government approved Resolution No.766 which amends several rules pertaining to loan and interest rate subsidies for agricultural producers. The amended rules apply to dairy farming, processing of products of plant and animal origin, breeding and selection of planting seeds, development of genetic centers, development of wholesale and distribution centers, as well as construction, reconstruction and modernization of facilities for the production of wine products. The Resolution also introduces provisions requiring that livestock and crop products (in areas of vegetable production, horticulture, viticulture, potato, melon and greenhouse production) are purchased only from agricultural producers. For more information on the Resolution please refer to [FAS GAIN Report](#).

<http://government.ru/docs/19134/>,

<http://government.ru/media/files/y395r4REunxEAltiOGaNd3t7pjD9TswU.pdf>

Russian Government Improves Rules to Support Forestry Enterprises in the Far East:

Government Resolution No.777 of July 31, 2015 amended previous rules (approved by the Government resolution No. 1319 of December 5, 2015) for federal subsidy allocation to forestry processing enterprises in the Far East. In an effort to support priority investment projects in the forestry sector and stimulate development of processing facilities for low grade wood in the Far East, the amended rules decrease the required capital investments threshold for qualification for federal subsidies from 4 billion rubles (\$714 million) to 1 billion rubles (\$178 million). The subsidies allocated for this project in 2015 were increased from 1.5 billion rubles in 2014 (\$267 million), to 2.2 billion rubles (\$393 million).

<http://government.ru/docs/19124/>

Russian Government Initiates 2015 Grain Purchases for the State Intervention Fund: The Ministry of Agriculture announced that the first purchases of grain from the 2015 crop for the State Intervention Fund will begin on August 18, 2015. In March 2015, the Russian Ministry of Agriculture approved the minimum market price for grain purchases to the State Intervention Fund from the 2015 crop. The United Grain Company (OZK) was appointed as the agent for these interventions.

Accrediting of agricultural producers eligible to participate in the interventions began as of July 1, 2015. <http://www.mcx.ru/news/news/show/41710.355.htm>

Russian Minister of Agriculture Reports on the Grain Harvest Results: On August 3, 2015 PM Dmitri Medvedev held a conference call with several governors of the major grain producing regions to discuss the status and results of the current grain harvesting campaign in Russia. At the same meeting,

Minister of Agriculture Alexander Tkachyov encouraged all the regional heads to facilitate a timely and efficient harvest. A summary of the conference call can be found at the link below.

<http://government.ru/news/19135/#tkach>

Russian Federal Fisheries Agency Reports on Increasing Fish and Seafood Catch: The Russian Federal Fisheries Agency (FFA) reported that as of August 4, 2015, the total fish and seafood catch in Russia is estimated at 2,709 million MT, or 7.7 percent higher than at the same period in 2014. According to Andrei Kosmin, Head of the Office for Fisheries Organization at the FFA, the increase is attributable to a larger catch this year of Pollack in the Okhotsk and Bering Seas. Kosmin also reported that the fishermen in the Far East harvested 1.8 million MT of fish as of August 4, 2015, approximately 80,000 MT higher than the same period in 2014. The share of the Far Eastern basin in overall Russian fish and seafood harvest is estimated at 67 percent.

<http://www.fish.gov.ru/press-tsentr/novosti/6110-rost-obshchego-vylova-prodolzhaetsya-rossijskimi-rybakami-dobyto-bolee-2-7-mln-tonn>

Import Substitution Commission Established: On August 4, 2015, Prime Minister Medvedev signed Government Resolution No. 785 establishing a commission on import substitution. The objective of the commission is to coordinate various import substitution activities implemented at the federal level, regional level and local administration authorities. Two sub-commissions were established as part of the Commission: the sub-commission on civil industries and the sub-commission on the defense technology sector. Chairman of the Government, Dmitry Medvedev, will chair the Commission. The first meeting of the Commission was held on August 11, 2015.

<http://government.ru/media/files/gP7IKCc3BsBTtEQuYjUxArQ28Dr3oyA3.pdf>

<http://government.ru/news/19246/>

Russia to Decrease Export Duties on Fish, Seafood, and Oilseeds: Government Resolution No. 786 of August 4, 2015, called for decreases in export duties on certain types of fish, seafood, oilseeds, wood products, and some other non-agricultural products in accordance with Russia's WTO Commitments. The decrease in duties will be effective September 1, 2015. Export duties on fish, such as salmon, halibut and tilapia, will be decreased from 2.5 percent of customs value to 1.25 percent, export duties on certain seafood products, such as crayfish, shrimp and some crab species, will be lowered from 5 percent to 2.5 percent. The export duty on soybeans will decrease from 6.67 percent, but not less than 11.67 Euro per 1 metric ton (MT), to zero. The export duty on rapeseed will be lowered from 11 percent, but not less than 19.26 Euro per 1 MT, to 6.5 percent, but not less than 11.4 Euro per 1 MT. The export duty on sunflower seeds will decrease from 13.24 percent, but not less than 19.88 Euro per 1 MT, to 9.88 percent, but not less than 14.81 Euro per 1 MT.

<http://government.ru/media/files/UGlvvvUXQ1dsul3bF1yFphaKWG1ksV2.pdf>

<http://government.ru/docs/19186/>

Agriculture Minister Reports Growth in Agricultural Production: At a recent event, the Russian Minister of Agriculture, Alexander Tkachyov, reported that since food sanctions were introduced last year, Russian food imports have decreased nearly 50 percent. Specifically, Tkachyov noted that Russia's agricultural imports in 2014 totaled \$41 billion, and the Ministry forecasts that in 2015 imports will go down to \$25 billion. He also reported that as a result of the implementation of the import substitution program and increasing financial support to agriculture, the agricultural sector has continued to experience sustainable growth. In the first 6 months of 2015, agricultural production

growth is estimated at 2.9 percent, meat and meat products output increased by 6 percent, and there has been a positive dynamic in the development of the fisheries sector. In the first half of 2015, the harvest in the fish and seafood sector increased 9 percent over the harvest in the same period in 2014.

<http://www.mcx.ru/news/news/show/41841.355.htm>

Deputy Minister of Agriculture Released: On August 10, 2015, the Russian Prime Minister Dmitry Medvedev signed an order releasing Valeriy Gayevskiy from his position as a Deputy Minister of Agriculture. Mr. Gayevskiy was appointed as a Deputy Minister of Agriculture of the Russian Federation in March, 2015. Prior to his appointment he served as the governor of Stavropol Krai.

<http://tass.ru/politika/2178115>

Government Rules on Quota Distribution for Fish Improved: On August 5, 2015, the government issued Resolution No.811 that specifies rules for the quota distribution system for water biological resources in regions managed by international agreements. For example, the new rules set a more restricted time period for applying for concluding agreements for fish quota, and add requirements for providing more background information about the applicants. The stated objective of the improved rules is to improve the mechanism for quota distribution for fish and seafood in the regions managed by international agreements. <http://government.ru/docs/19254/>

Russia Bans Imports of Agricultural Products from More Countries: On August 14, 2015, the Russian government amended Resolution No. 778 dated August 7, 2015, to extend the list of countries that fall under Russian counter sanctions. In addition to the countries originally listed on the Russian imposed August 2014 ban on the importation of certain agricultural and food products (European Union countries, Australia, Canada, Norway and the United States), imports of the same products have now been banned from: Albania, Montenegro, Iceland and Liechtenstein, and Ukraine under special conditions.

<http://government.ru/docs/19265/>

Kyrgyz Republic Becomes EAEU Member: On August 12, 2015, the Eurasian Economic Commission, the working body for what has now become the Armenia-Belarus-Kazakhstan-Kyrgyzstan-Russia Eurasian Economic Union (EAEU), announced that the Treaty on Accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union of May 29, 2014 came into force and the Kyrgyz Republic became a full-fledged EAEU member.

<http://www.eurasiancommission.org/en/nae/news/Pages/12-08-2015-1.aspx>

Kamchatka Krai Leads in Pacific Salmon Catch: As of August 10, 2015, the Far East fisheries basin produced 218 MT of salmon which is 10.1 MT, or 5 percent more than in 2013, according to the Deputy Head of the Federal Fisheries Agency. The fishing season in the Far East is in full swing. Based on the adjusted forecast, nearly 44 percent of the expected fish harvest has been completed. Traditionally, the main catch in this period takes place in the Kamchatka territory, which has already seen the volume harvested exceed 158 MT, or 45 MT (40.1 percent) more than in the 2013.

<http://deita.ru/news/economy/11.08.2015/4947033-kamchatskiy-kray-lidiruet-po-vylovu-tikhookeanskikh-lososey/>

Other Russian Regions will Copy Sakhalin Experience: The experience of the Sakhalin Region to provide its population with fish at reasonable prices will be applied in other regions of Russia. Initially,

the island region was in a strange position – an abundance of aquatic biological resources but increasing prices for fish and seafood. The problem was largely due to the number of intermediaries that profited from resale. To change this situation, regional authorities developed a system of direct supply of fish and seafood from the extractive enterprises directly to retail outlets. This facilitated the elimination of intermediaries which led to a significant reduction in prices for the most popular types of fish products. <http://sakhlinmedia.ru/news/economics/30.07.2015/452374/opit-sahalina-po-obespecheniyu-naseleniya-deshevoy-riboy-budut-perenimat-drugie-reg.html>

New Sakhalin Milk Processing Plant: A milk processing plant and livestock breeding complex for 1900 dairy cows will be built as part of the "Yuzhno-Sakhalinsk" farm. The dairy facilities will process up to 120 metric tons of milk per day. The company is also planning to build another site in the territory of "Komsomolets" which will develop cattle breeding. <http://sakhlinmedia.ru/news/economics/05.08.2015/453476/zavod-po-pererabotke-moloka-planiruyut-postroit-na-baze-sovhoza-yuzhno-sahal.html>

Russian Food Exports Up at Suifenhe Customs Check-Point: According to the customs check-point of Suifenhe, located at the border with Russian Primorye, in the first half of 2015 Russia exported just over 45,000 metric tons of food products to China, valued at 26.1 million US dollars. This volume in the first half of 2015 is nearly nine times larger than Russia's exports at Suifenhe during the same period in 2014. The most popular Russian food products for export to China are flour, butter, juice, cognac, candies, chocolate, bread, pastries, and ice cream. http://zrpress.ru/markets/v-mire_10.08.2015_73635_v-sujfenkhe-otkrylos-bolee-200-magazinov-produktov-iz-rossii.html