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Russian CVO Speaks Candidly About Food Safety Issues

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Report Highlights:
On December 21, 2010, Dr. Nikolay A. Vlasov, Deputy Head of the Federal Veterinary and Phytosanitary Surveillance Service (VPSS), gave a press conference at the Russian Informational Agency RIA-News. He outlined the main tasks of the veterinary service and results of food safety surveillance for 2010. In addition, Dr. Vlasov gave a negative forecast on the status of African Swine Fever (ASF) for 2011, and touched on the forthcoming responsibilities of the veterinary service upon Russia's accession to the WTO as well as his personal positive view on biotech food products.

General Information:
Executive Summary

On December 21, 2010, Dr. Nikolay A. Vlasov, Chief Veterinary Officer (CVO), Deputy Head of Federal Veterinary and Phytosanotary Surveillance Service (VPSS), gave a press conference at the Russian Informational Agency RIA-News. The main topic was "Biological and Food Security of Russia. Where Are We Heading?" Dr. Vlasov outlined current problems around biological security in Russia, the main tasks in the field of veterinary medicine, and results of food safety surveillance for 2010. In his talk to journalists, Dr. Vlasov gave a negative prognosis on the status of African Swine Fever (ASF) for 2011, and touched on the forthcoming responsibilities of the veterinary service upon Russia's accession to the WTO, and his personal positive view on biotech food products.

Overview of current situation

A video clip of the interview is available on the official website of the Russian Federal Veterinary and Phytosanitary Surveillance Service (VPSS): http://www.fsvps.ru/fsvps/news/2742.html and on website of the agency RIA-News (RIA NOVOSTI): http://rian.ru/press_video/20101221/311634136.html. The event is 71 minutes long.

To start, Dr. Vlasov gave an overview of the current situation and problems concerning food safety in Russia. He stated that VPSS is not able to check every product. So, it has to create a system that will provide food safety. Overall, the food safety situation is positive but the process of improving it is not moving fast enough. The results of surveillance during the first 11 months of 2010 show that 632 Russian establishments out of the existing 52,000 have been found to be producing food that does not comply with the Russian requirements.

The number of food safety tests conducted by VPSS was reduced because of lack of funds at VPSS. So according to Dr. Vlasov, today VPSS does not have enough data to talk about reliable statistics. The problem is that the penalties for food safety violations are small: 1500 Rubles (USD 49) for an individual private entrepreneur and 50,000 Rubles (USD 1640) for a legal entity. By comparison, in the EU 300,000 EUR (USD 397,330) is the common penalty for the same violations. Five percent of food at the Russian market does not comply with food safety requirements, or roughly 1200 lots of product. About 160 countries from all over the world supply Russia with food.

Talking about imports, Dr. Vlasov said that 4 million metric tons (MMT) of controlled goods were imported into Russia in 2010; 120,000 MT did not comply with Russian requirements. 20,000 MT were accompanied by incorrect documents. So, 100,000 MT did not comply with food safety requirements. On an up note, smuggling of products showed a modest decline.

Degradation of biological security and effects of Perestroika

According to Dr. Vlasov, in 2011, 4 billion Rubles will be allocated for providing security measures at the veterinary organizations that work with infectious agents. Degradation of the biological security system continues in most regions of the Russian Federation, with the exception of a few wealthier

regions where it is improving, e.g. Yakutia, Tyumen oblast, Krasnodar Kray, Belgorod oblast. However, the overall trend is negative.

One slightly positive trend is in scientific research projects, which are funded from the federal budget.

Currently an important step is being taken to develop a system for disposing of biological wastes. This system was good in the Soviet time but has been impaired as a result of "Perestroika", he said. For example, anthrax waste disposal points are big problems. There is no way for producers to dispose of dead pigs, now. Unfortunately, there are no positive moves in that direction.

One journalist asked: Why not prohibit slaughtering cattle in private backyards? To which Dr. Vlasov responded: private subsistence farmers and producers have 50% of the cattle, 80% of the sheep, and less than 20% of the chicken and pigs in the country. Of course, we need to prohibit that. However, it is impossible because the system of slaughtering has been destroyed during "Perestroika".

Negative forecast on African Swine Fever (ASF)

Dr. Vlasov told the press that they were trying to keep the ASF infection inside the South Federal Okrug. However, the government and local authorities did not conduct useful measures to stop AFS expansion. According to Dr. Vlasov, unfortunately, next year Russia will face ASF in the Central Federal Okrug. There are more than 70 findings of ASF in the country. What we have now is only seasonal relief.

Insufficient resources for food safety

Question by Mr. Sergeev, Head of Directorate of the Academy of Food Security of the Russian Federation: In Russia, 7,200 plants were used to produce food in the Soviet time. There are 52,000 now. What do you do to provide food safety?

Dr. Vlasov: We monitor food using our limited federal budget. Now, we have 30 times fewer funds then necessary to provide food safety. If we would start testing food for antibiotic residues 60% of products would not comply with the Russian requirements. However, it is quite expensive. Only one test costs several thousand Rubles. We tested 99,602 samples during 11 months in 2010. Of these, 37,600 were imported products, approx 62,000 were domestic; we need to test 350,000-400,000 samples per year to get the real picture.

VPSS' budget will be cut in 2011 like in other federal agencies.

Traceability system

Dr. Vlasov mentioned that now VPSS is developing a system of traceability. They are preparing a draft regulation on certification and traceability. It will allow the consumer to know the origin of products at the market. VPSS has already created the electronic system "Mercury" for this purpose.

Imported products are currently safer than domestic ones

Question from journalist: How safe are Russian domestic food products?
Dr. Vlasov: They are not safer. I only said there is a positive dynamic. But they are not safer. Imported products are currently safer.

Export potentials of Russia and poultry import

Question from journalist: Today there is much talk about self-sufficiency and exports of Russian agricultural products to other countries. How would you assess the export potential of Russian meat, poultry and eggs products from the point of view of their compliance with international, European and other veterinary and sanitary requirements?

Dr. Vlasov (word-to-word translation): The export potential, if we both have a correct understanding of that term, from the point of view of exporting food products, it is huge. If I start giving numbers, and we do have these calculations, you will say I've gone mad. This has happened before, you know. Russia was the largest food exporter in Eurasia. And not much time has gone by since then. Not so long ago, Russia had the largest cattle herd. This is not science fiction. If we speak about the potential, it is simply huge. Today we are actually approaching the point of gross, I repeat, "gross," saturation of the market. This should also be understood properly. There is something that has great influence over the market and that is national food preferences.

If we take chicken, what do Russians like to eat? Right you are, leg quarters. So when I speak with my foreign counterparts my standard question for them is which poultry cross (a.k.a. "breed") is optimal for Russia? They do not know how to answer that and end up naming different crosses. I tell them no, we need a cross with six legs. And which is optimal for North America and Europe? They start to catch on and reply – a cross with two breast segments. Right, I tell them, one in the front and one on the back.

In order for Russia to produce 1 million tons of chicken which our market needs we must produce over 2 million tons. And we inevitably face the question – what do we do with the rest? The U.S. is in the same situation. In order to produce enough breast meat. I do not know how they can eat it but they like it. They do not know what to do with the legs. So if we look at everything from this point of view, the situation is not as favorable.

As for self-sufficiency, if there are no changes in the national food preferences – and this also relates to the way we cook food – a paradoxical phenomenon becomes evident: in order to saturate the Russian market with chicken, and the same applies to pork, we need to overproduce and export. Otherwise it's impossible but then chicken will cost too much. Many people would not be able to afford it. If we throw away everything that is left. Today, I repeat, we are close to meeting our gross requirement but we will not meet it because we do not produce enough of the product in demand. We need imports now and we already need exports. We are actively working on this now but this is a difficult issue.

If you look at our battles with the Europeans, Europe is a fortress, you know. There are walls 30-40 meters high and there are cannons sticking out of them. But instead of cannons, the Europeans have their regulations. So we are working on setting up exports of poultry meat from Russia to the EU.

And the last part of your question about the level of safety. So let's look inside the sector. Modern European facilities are safer than the average European facility, I am responsibly stating that. Why?

Because they are newer and were built just recently with the latest technologies. From the point of view of feeding, keeping, etc. In fact, Russia already has everything it needs to export, chicken in particular. But there is no one waiting out there for our exports. We need break into foreign markets. And there is political will to do that.

Veterinary aspects of accession Russia to WTO

Question from journalist: What will WTO accession mean to the system of veterinary and sanitary control: what changes are needed in the legislation and at the organizational level?

Dr. Vlasov (word-to-word translation): Only one thing will change in the work of the Federal Veterinary service – there will be much more responsibility for our actions and decisions. Why? Let me give you an example. Easy decisions on restrictions that are taken in our country and outside of the WTO: the deputy prime minister of some country raises his voice at, say, our deputy prime minister. Our deputy prime minister would, possibly, take some administrative measures and that's it. So Russia has no obligations. But as part of the WTO, there will be a specific plan. I'm just telling you about the size of fines paid by Europeans to the Australians, Australians to the Americans and so on: $120 million per year, $300 million per year. So it's another level of responsibility. Our responsibility in terms of veterinary harmonization has been actually clearly defined a long time ago. Thanks to Prime Minister Fradkov who was working back then. He issued a Resolution which enabled us veterinarians to directly apply in Russia norms recommended by the OIE instead of Russian norms. What does that mean? That is the normative base of the WTO. We have a government Resolution that helps us in case of a conflict. In other words, our laws say one thing and the recommendations of the OIE say another. These norms can be applied directly, if you are in the WTO. There are no problem for us from that point of view.

Of course, there will be a second question further on relating to exports. Exports are starting, they are already under way. As part of the WTO we will have a different level of responsibility. Higher level, including for import restrictions. If something is wrong with the product we export, that's an entire process. Our system right now is not much to look at. According to the administrative reform this year, a decision was made that control over the implementation of requirements of foreign governments at Russian facilities must be carried out by the Veterinary Service of Russian Federation subjects. I always wanted to ask my colleagues who have been trying to impose this on us for years: how will they do this? The veterinary services of federation subjects have neither foreign relations departments, nor experience, nor the authority to work with foreign countries, no interpreters and no one who speaks foreign languages. Who do you think the French chief veterinarian will talk to? The chief veterinarian of Russia or 84 inspectors from Russia's subjects? That's impossible and nothing can be explained. It's like talking to a wall. So some things will need to be done organizationally but everything has actually been done on our end. If you recall the last time we hoped to join the WTO back in 2006-2007 a Resolution was issued. All of our problems were solved by one signature.

New Veterinary Law

Question from journalist: What is different in new version of Veterinary Law?
Dr. Vlasov: A new good change has been adopted by amendments (to Veterinary Law): Federal Veterinary Service (VPSS) will be able to impose quarantine onto the subjects of the Russian Federation. The bad thing is that the veterinary service of a subject of the Russian Federation will not be

reporting to VPSS.

Vlasov's personal positive view on biotech food products

Question from journalist: Do you consider GMO as a threat in terms of providing food security of Russia?
Dr. Vlasov: My private attitude is different from the official one: GMO threats are exaggerated. No one fact of negative effect of GMO food has been discovered by science to date. The related problems, in fact, are reflection of commercial battle between European (EU) and American (U.S.) agricultural producers. Europeans lag behind the U.S. at this extent. I do not see any danger in eating GMO products: I eat everything!