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Report Highlights:

Apples are one of the most popular and affordable fruits in Russia and with domestic production forecast to decline, imports will rebound in the 2020/2021 MY. Many commercial pear growers are replanting their orchards to apples to take advantage of this growing demand. Russia is the second largest importer of pears and a major importer of table grapes as local production for these two fresh fruits is insufficient to meet demand. However, imports of pears and table grapes are expected to decline as the economic crisis continues and consumer purchasing power declines.

NOTE: Since June 2014, Crimean data are officially incorporated into Russian national statistics (ROSSTAT). However, unless explicitly stated, USDA production and trade estimates do not include data from Crimea.

General information

Since 2014, Russia's countersanctions have banned fresh apple imports from Europe and the United States. This coupled with extensive support from the Government of Russia (GOR) for the care and planting of new orchards has propelled investment in horticulture in recent years. In 2019, the GOR financed a 311 billion Ruble (US\$ 4.2 billion)¹ support program for Russian agriculture. Within this framework, horticultural agribusinesses have had access to subsidies for new orchards, including reimbursement for capital investment up to 20 percent of expenses for the construction of storage facilities and the establishment seed breeding centers, preferential short-term credit for fuel, plant protection inputs and other operational needs, and preferential investment loans for construction and modernization of cold storage facilities.

Despite all this, several factors continue to constrain the development of Russia's horticultural sector. First and foremost, Russia's horticultural industry still lacks productive plant material. The Ministry of Agriculture estimates that in 2018 Russia produced around 24 million plants (including 15 million seed fruit plants). At the same time, Russia imported 25 million plants in 2018 and 21 million plants during the first six months of 2019. Russia has an official registry of more than 3,722 fruit and berry varieties, of which more than 92 percent of these are of Russian origin (according to the latest available data). However, very few nursery farms cultivate planting material for commercial orchards, and as a result, the quality of the planting material in Russia remains inadequate in terms of yields, winter resistance, and drought and disease tolerance.

As the Ruble continues to weaken, Russian horticultural producers continue to face very high costs for importing planting stock, and other related items for cultivation, such as crop protection agents, technology and equipment. A lack of qualified agronomists is another factor holding back the industry.

The current Russian trend of eating healthy has led to greater fruit consumption. Because of the COVID-19 outbreak, more people are paying attention to their health and eating patterns are increasingly favoring natural, healthier foods. According to analysts, the demand for vegetables and fruits increased during the COVID-19 pandemic. At the same time, the consumption of fruit is closely connected with household income and market prices. Russian disposable income has been declining since 2014, although there was some growth in 2018 and 2019, it is expected to drop again. In 2020, the decline in disposable income is forecast at 3 percent, according to the Ministry of Economic Development.

¹ Exchange rate 75 Rubles per 1 USD

Apples

Table 1. Russian Federation Apples: Production, Supply and Distribution

Apples, Fresh Market Begin Year	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	190784	190784	192700	193790	0	197600
Area Harvested	131628	131628	134260	131900	0	134500
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	996080	996080	1095600	1088600	0	910000
Non-Comm. Production	614910	614910	618000	690000	0	630000
Production	1610990	1610990	1713600	1778600	0	1540000
Imports	793200	789228	645000	750572	0	810600
Total Supply	2404190	2400218	2358600	2529172	0	2350600
Dom. Consumption	2321590	2319452	2276400	2442836	0	2273660
Exports	13600	12766	15000	16836	0	13000
Withdrawal from Market	69000	68000	67200	69500	0	63940
Total Distribution	2404190	2400218	2358600	2529172	0	2350600
(HA), (1000 TREES), (MT)						

Production

Russia continues to add apple orchards, but there is a lag in the yields. In MY 2019/2020, the area planted for apple cultivation in Russia was 193,790 hectares, an increase of 1.6 percent from the previous year; however, the area harvested remained relatively the same as the previous year. In MY 2020/2021, Post expects these new commercial orchards will produce more fruit. According to Rosstat (the Russian Statistical Service), which only provides aggregated statistics for apples, pears and quinces, the total aggregated area planted for these three products was 226,920 hectares with production reaching 2.1 million metric tons in 2019. Based on these official figures and information from the [2016 All-Russia Census of Agriculture data](#), post estimated that the apple area planted represented approximately 85 percent of the total aggregated area planted.

In MY 2020/2021, planted area under apple cultivation is forecast to increase by two percent, to 197,600 hectares. Russian apple growers continue to invest in uprooting old orchards and planting new ones. From 2013 to 2019, according to the Russian Ministry of Agriculture, 96,800 hectares of new orchards and berry fields were planted, including 18,200 hectares in 2019. Up to 70 percent of the new plantings are in highly intensive, commercial orchards aimed at maximizing fruit production, usually through the use of seed and stone fruit crops with early fruiting. It is anticipated that new orchards will be planted at a comparable level to last year.

The major varieties planted in commercial orchards differs from region to region. Up to 74 percent of apple orchards in the Northern Caucuses Federal District and 60 percent in the Southern Federal District are planting international varieties, such as Golden Delicious, Florina, Idared, and Gala. Russian apple varieties dominate in the central areas of Russia and cover up to 62 percent of the planted area in the Central Federal District and 83 percent in Volga Federal District. The most popular domestic varieties included Bogatyr, Berkutovskoye, Severniy Sinap, and Zhigulevskoye.

Yields in commercial orchards continue to improve due to the stable introduction of new intensive orchards. Average yields in commercial orchards increased from 10.8 MT per hectare in 2013 to 17 MT per hectare in 2019. Despite the drop in current season's harvest, the industry continues to invest in new orchards, introducing advanced technologies in crop protection, storage and packing facilities.

The production of fruits and berries in agricultural enterprises and peasant farms (both of which produce marketable products for domestic consumption) is relatively stable, although in MY 2020/2021, commercial apple production is projected to decline by 15 percent to 910,000 MT due to early-spring frosts as well as hail in the Southern and North Caucasian Federal District, where 75 percent of the Russian commercial seed fruit crop grow. Apple crops in other areas have not suffered significantly though the apples are expected to be smaller in size. Non-commercial production, grown for personal consumption, is projected to decline by eight percent in the current season. Production from private orchards spread throughout the Russian territory is expected to decline next year after an excess of fruit in the 2019 season due to the trees needing to rest.

Consumption

With a population of 145 million people, Russia is one of the largest apple markets in the European subcontinent. According to Russian Statistics (Rosstat), Russia's average annual fresh fruit consumption per person increased by one percent to 44.9 kg per person in 2019. Consumption of processed and frozen fruits increased by three percent to reach 2.6 kg per person. However, imported fruit has also become more expensive as the Ruble has weakened (from 63.9 Rubles per U.S. Dollar in February 2020 to 75.12 Rubles per U.S. Dollar in September 2020). This has had a negative effect on the consumption of imported fruit.

During this economic crisis, the share of people who purchased less expensive brands is expected to increase from 33 percent in 2019 to 38 percent in 2021, and the share of people buying during discounts and promotions has risen from 17 percent in 2019 to 23 percent in 2021, according to Romir research². Given this situation, fruit consumption will most likely become stagnant and consumers are likely to shift to more affordable fruits.

Apples are one of the top three most popular fruits in Russia, representing approximately 20 percent of the total fruit market. Average retail prices for apples increased by almost 30 percent this past year due to reduced supply caused by lower domestic production. Still, apples remain one of the most affordable fruits. Buyers will economize, but they are likely to keep apples in their basket, substituting imported with domestic varieties. As a result of these factors, in 2020/2021, domestic apple consumption, both fresh (80 percent) and for processing (20 percent) is forecast to decline to 2.3 million metric tons.

² [Romir](#) – research holding, exclusive representative of the Gallup International Association and GlobalINR in Russia and CIS countries. Data from Romir Panel, MAT'may'2020 vs MAT'may'2019, Russia 10 thousand + data.

Imports

Despite the maturing of domestic commercial apple production, Russia remains the largest apple importer in the world in volume terms. In MY 2019/2020, Russian imports totaled 750,572 MT, five percent less than compared with the previous season. Imports by value grew by 15 percent due to the price increases for imported apples from major suppliers. In 2019/2020, three main suppliers of apples to Russia: Moldova (31 percent of imports), Serbia (19.6 percent), and Azerbaijan (9.6 percent), accounted for over 60 percent of Russian imports.

In MY 2020/2021 Russian apple imports are forecast to increase by eight percent due to the significant decline in domestic production. In the period from July to August 2020, imports already have increased by more than 20 percent, and this trend is expected to continue in the off season, as local production is less available during the winter and spring season.

Table 2. Russia Imports of Apples in MM
2017/2018 – MY2019/2020

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	MY 2017/2018	MY 2018/2019	MY 2019/2020	Change from 2018/19 to 2019/20	% of Total Imports in MY 2019/20
United States	0	0	0		
Moldova	260,426	295,885	231,711	-21%	31%
Serbia	122,970	162,420	146,805	-10%	19.6%
Azerbaijan	75,010	95,057	71,995	-24%	9.6%
Turkey	47,488	8,032	39,611	393%	5.3%
South Africa	17,924	13,084	25,887	97%	3.4%
Chile	31,316	21,461	21,846	2%	2.9%
North Macedonia	6,544	19,049	19,669	3%	2.6%
New Zealand	7,091	8,198	14,462	76%	1.9%
Argentina	17,467	16,116	13,196	-18%	1.8%
Kazakhstan	790	4,456	13,009	192%	1.7%
Belarus	40,158	63,076	11,877	-81%	1.6%
Brazil	9,780	6,178	10,936	77%	1.4%
Bosnia and Herzegovina	3,373	9,686	6,604	-31%	0.9%
China	152,852	52,645	4,667	-91%	0.6%
Uzbekistan	657	2,356	4,091	73%	0.5%
Other	65,195	15,539	114,206	634%	15.2%
World total	859,041	793,238	750,572	-5%	100%

Source: Trade Data Monitor (TDM) accessed October 2020

The supply of fruits and vegetables from Turkey tends to fluctuate from year to year as they tend to serve markets where demand is higher, and prices are better. In MY 2018/2019, Iraq was the largest importer of fruit and vegetables from Turkey, but in MY 2019/2020 Russia took its place.

Pears

Table 3. Russian Federation Pears: Production, Supply and Distribution

Pears, Fresh Market Begin Year	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	30606	30606	31000	31010	0	31300
Area Harvested	23505	23505	23500	23490	0	23700
Bearing Trees	0	0		0	0	
Non-Bearing Trees	0	0		0	0	
Total Trees	0	0		0	0	
Commercial Production	16274	15274	15300	19290	0	16390
Non-Comm. Production	227164	217164	229435	270770	0	230155
Production	243438	232438	244735	290060	0	246545
Imports	271000	257890	190000	194065	0	193000
Total Supply	514438	490328	434735	484125	0	439545
Dom. Consumption	472038	447455	389335	436452	0	398615
Exports		373	400	673	0	430
For Processing					0	
Withdrawal from Market	42000	42500	45000	47000	0	40500
Total Distribution	514438	490328	434735	484125	0	439545
(HA), (1000 TREES), (MT)						

Production

The pear season for both commercial and private orchards was good this year; total production grew by 20 percent from last year to 290,060 metric tons, exceeding expectations. In MY 2020/21, plantings of pear trees are expected to remain relatively stable with a slight increase of one percent to 31,300 hectares. Over 94 percent of all pears in Russia are cultivated by households for family consumption, and therefore do not formally enter commercial channels.

Private orchards are expected to reduce their production next year as the trees will need to rest after such a highly productive year. It is expected that production will decline to 230,155 metric tons, an 18 percent drop from this year. Commercial production is projected to decline by 15 percent mainly due to weather damage. Currently, Abate Fetel, Williams and Conference pear varieties are the most popular varieties to plant in the warmer southern areas. Local pear varieties such as Kyure, and Lesnaya Krasavitsa are more resistant to frost but they are also generally considered to be less flavorful.

Most commercial fruit growers are gravitating toward apple cultivation. According to industry sources, pear susceptibility to frost, as well as a high risk of bacteriosis, has discouraged continued investment in pear production. There is also the problem of storage. Pears are difficult to store and there are no storage facilities for pears in Russia. In contrast, non-commercial gardeners, seeing that the cost of pears is higher than apples, are showing an interest in planting them, according to Fruit and Vegetable Union. These growers are looking for frost resistant and productive varieties for cultivating. As a result, the cultivation of pears may moderately grow in Russia in the future.

Consumption

Pears remain a very popular and desirable fruit (along with apples, citrus, and bananas), however, consumption is declining. Pears are becoming relatively more expensive which is having a dampening effect on consumption. In MY 2019/20, fresh pear consumption fell three percent and in MY 2020/21, it is forecast to fall an additional nine percent to 400,615 MT. The consumption of pears is generally very sensitive to income and price changes. According to industry experts, consumers are expected to substitute apples over pears as they are more affordable.

For Russians, the ideal pear is usually described as juicy, crispy, sweet, and not overripe. Russian consumers typically eat pears whole or sometimes as an ingredient in fruit salads. Consumers are very aware of pear varieties such as Conference, Williams, and Red Bartlett, but they generally do not pay much attention to specific countries of origin. Pears are not particularly associated with a specific season in Russia, and people normally buy them year-round. Consumers tend to buy pears in supermarkets, but occasionally they also make purchases at fruit kiosks and open-air markets especially during the season, when some local pears are available.

Table 4. Russia Imports of Pears in MT, MY 2017/2018 – MY2019/2020

	MY 2017/2018	MY 2018/2019	MY 2019/2020	Change MY 2019/20 to 2018/2019	% of Total Imports in MY 2019/20
United States	0	0	0		
Argentina	83,052	78,292	87,087	11%	45%
South Africa	32,113	34,818	39,733	14%	20.5%
Turkey	15,917	11,154	21,661	94%	11.2%
Belarus	71,468	67,921	17,468	-74%	9%
Chile	16,977	20,662	13,243	-36%	7%
Bosnia and Herzegovina	7,784	8,329	6,339	-24%	3.2%
Serbia	5,720	6,341	3,948	-37%	2%
China	46,140	27,182	2,407	-91%	1%
Azerbaijan	1,451	1,580	1,393	-12%	0.7%
Other	4,363	4,646	786	-86%	0.4%
Total	284,985	260,925	194,065	-25%	100%

Source: Trade Data Monitor (TDM) accessed October 2020

Trade

As most locally grown pears (94 percent) are used for personal consumption, Russian retailers rely heavily on imports to meet domestic demand. Russia remains the second largest importer of pears in the world, despite the decline for the second year in a row. In MY 2019/2020, pear imports dropped by 25 percent in volume to 194,064 MT and seven percent in value due to higher prices for imported pears, resulting in lower demand. After the 2014 ban restricting imports of fruit from the European Union, Russia began to import pears from Southern Hemisphere countries, which supplied pears from February to September. In MY 2019/2020, exports from Argentina and South Africa increased and accounted for two-thirds of the overall imports to the Russian Federation, while the supply from other origins declined significantly.

In MY 2020/2021, imports of pears are projected to increase slightly to 195,000 MT due to lower priced product from Argentina and Turkey. For the first two months of the 2020/2021 marketing year, imports were up by 20 percent compared to last year due.

Table Grapes:

Table 5. Russian Federation Grapes: Production, Supply and Distribution

Grapes, Fresh Table Market Begin Year	2018/2019		2019/2020		2020/2021	
	Jun 2018		June 2019		Jun 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	4100	4100	4100	4100	0	41050
Area Harvested	3100	3100	3100	3100	0	3200
Commercial Production	20940	20940	20900	23800	0	
Non-Comm. Production	0	0	0	0	0	
Production	20940	20940	20900	23800	0	22600
Imports	290000	289617	275000	287622	0	280000
Total Supply	310940	310557	295900	311422	0	302600
Dom. Consumption	309840	307000	294500	307347	0	298700
Exports	1000	1140	1400	1575	0	1600
Withdrawal from Market	0	2417	0	2500	0	2300
Total Distribution	310940	310557	295900	311422	0	302600
(HA), (MT)						

Rosstat data for table grapes only estimate table grape production in large scale agricultural enterprises. No data are available for the non-commercial household and farm level production.

In MY 2020/21, the total planted area is projected to grow moderately to 41,050. Growers are investing in wine grape varieties, not expanding table grape cultivation. The GOR is also providing support to Russian winemakers who use locally grown grapes. Table grapes cultivation is concentrated in the Southern Federal District and Caucasian Federal District. In the South, competition for suitable land tends to favor wine production as many growers see better opportunities in the wine sector.

In MY 2020/2021, commercial table grape production is expected to decline by 5 percent due to the soil draught in spring in some regions in the South of Russia. The “Moldova” black grape variety, typically harvested in mid-September, accounts for almost 70 percent of Russia’s commercial table grape crop. The other main grape variety is the white “Plevan,” which is typically harvested in mid-August.

Consumption

Grapes are also very popular in Russia, however, table grape consumption is declining as consumers purchasing power is down and many consumers are shifting to less expensive fruit, such as apples, citrus and bananas. In MY 2020/2021, consumption will most likely decline by three percent due to the continuing decline in the purchasing capacity of Russian consumers. September to November are generally the peak months for table grapes. It is during this time when affordable local supplies and imports from Moldova and Uzbekistan dominate the market. Grapes remain one of the major products

Russian consumers buy for special occasions all year long when they are looking for presentable and quality products as gifts.

Trade

Local production of table grapes covers only seven percent of domestic demand and most are sold through the retail sector. Russia is one of the world's leading importers of table grapes. In MY 2020/21, Russian imports of table grapes is projected to decline slightly to 280,000 MT due to the continuing decline in Russian consumer purchasing power. In the June-August 2020 period, Russia imported 70,070 metric tons of table grapes for \$80.6 million, up 20 percent from the same period last year, which was a record. Supply from countries, such as Turkey, Uzbekistan, Egypt, which sell more affordable product, is going up. Although off-season people continue to buy table grapes for events and special occasions from the South Hemisphere countries.

Table 6. Russia Imports of Grapes in MT, MY 2017/2018 – MY 2019/2020

	MY 2017/2018	MY 2018/2019	MY 2019/2020	Change MY 2019/2020 to MY 2018/2019	% Total Imports in MY 2019/2020
United States	0	0	0		
Turkey	163,105	87,883	101,672	15.7	35.4
Moldova	53,950	35,542	41,442	16.6	14.4
Uzbekistan	38,057	49,024	31,980	-34.8	11.1
India	27,793	31,996	23,255	-27.3	8.1
Egypt	17,594	9,690	15,194	56.8	5.3
Kazakhstan	22,175	8,872	12,612	42.2	4.4
Chile	17,670	12,033	12,424	3.3	4.3
Peru	9,157	10,746	10,208	-5	3.6
China	9,529	6,962	8,848	27.1	3.1
South Africa	6,995	4,618	6,446	39.6	2.2
Other	21,127	32,617	23,541	-27.8	8.1
Total	387,152	289,983	287,622	-0.81	100

Source: Trade Data Monitor (TDM) accessed October 2020

Regulatory environment

Apples, pears and grapes exported to the Russian Federation require a phytosanitary certificate subject to control at the border. Russia belongs to the Eurasian Economic Union (EAEU) which has an integrated single market of 180 million people and encourages the free movement of goods and services. The EAEU has common phytosanitary rules and standards.

In late 2016, the EAEU adopted three key documents to unify their phytosanitary requirements that affects the imports of raw nuts:

- EAEU List of Quarantine Pests
- EAEU Phytosanitary Requirements
- Rules and Norms to Ensure Plant Quarantine

For more details on the EAEU phytosanitary requirements, please view the following FAS reports: [EAEU Common List of Pests \(RS2017-3596\)](#), [EAEU Phytosanitary Requirements \(RS 2017-3595\)](#), and [EAEU Common Phytosanitary Rules \(RS2017-3594\)](#)

More information about the general phytosanitary requirements and certificates can be found in [FAIRS Country Report, Russian Federation \(RS2020-0048\)](#) and [FAIRS Certificate Report, Russian Federation \(RS2020-0049\)](#).

Fruit exported to Russia should also conform with the Russian requirements for minimal residue levels (MRL) stipulated in the Amendments to the Unified Sanitary-Epidemiological and Hygiene Requirements for Commodities Subject to Sanitary Epidemiological Surveillance adopted by the Eurasian Economic Commission on November 10, 2015. MRLs structured by active chemical ingredients for agricultural and food products can be found in the FAS report [Eurasia Economic Union - New Pesticide MRLs](#).

Tariffs

Agricultural products are subject to customs duties according to the Common Customs Tariff of the Eurasian Economic Union approved by [Resolution No. 54 of the Board of the Eurasian Economic Commission dated July 16, 2012](#).

Table 7. Russia: Harmonized Codes & Tariffs - Customs Union Tariff List

Humanization code	Product	Customs duty (in % of customs value, either in USD or Euros per kg)
0806	Grapes fresh and dried	
0806 10 100 0	Table grapes fresh	5%
0808 10	Apples	
0808 10 100 0	Apples for cider production, bulk from September 16 - December 15	0.6 Euro per kg
0808 10 800 1	Apples from January 1 - March 31	0.03 Euro per kg
0808 10 800 2	Apples from April 1 - June 30	0.015 Euro per kg
0808 10 800 3	Apples from July 1 - July 31 from 1 of August – November 30	0.03 Euro per kg
0808 10 800 5	Golden Delicious or Granny Smith	0.06 Euro per kg
0808 10 800 6	Other From December 1- December 31	0.06 Euro per kg
0808 10 800 7	Golden Delicious or Granny Smith	0.03 Euro per kg
0808 10 800 8	Other	0.03 Euro per kg
080830	Pears	
0808 30 100 0	Pears for perry or pear cider production, bulk from August 1 - December 31	5 %
0808 30 900 0	Other	5%

Key contacts and further information

For further questions on this report or assistance exporting to Russia, please contact the Foreign Agricultural Service in Moscow. Importer listings are available from the Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

For More information on FAS/USDA Market Promotion Programs and Activities in Russia, please contact:

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Attaché reports on the Russian food and agricultural market are available on the FAS Website; the search engine can be found at www.fas.usda.gov/scripts/AttacheRep/default.asp

Attachments:

No Attachments