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Report Name: Grain and Feed Annual

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Report Highlights:

Wheat production is projected to decrease 9 percent to 77.5 million metric tons (MMT) in marketing year (MY) 2021/22. Decreased wheat production is projected to more than offset increases in corn and barley production of 6 and 7 percent, respectively, to reduce production of major grains by 5 percent to 118 MMT in MY 2021/22. Lower production and export restrictions are projected to largely be partially offset by higher carry-in stocks resulting in a relatively small reduction in grain exports in MY 2021/22. Post projects MY 2020/21 wheat exports at 40 MMT, barley exports at 3.5 MMT, and corn exports at 4.3 MMT.

Executive Summary:

In marketing year (MY) 2021/22, Post projects total grain production will decrease to a range of 118-120 million tons. Post projects wheat production at 77.5 million tons, a 9 percent reduction from MY 2020/21. Post predicts barley production in MY2021/22 to be 19.3 million metric tons and corn production to reach 14.2 million metric tons. Difficult weather conditions at the end of MY 2020/21 affected the winter crop and reduced crop yield prospects. This is expected to result in the reseeded of large areas with other crops, primarily oilseeds, and an increase in spring-planted crops.

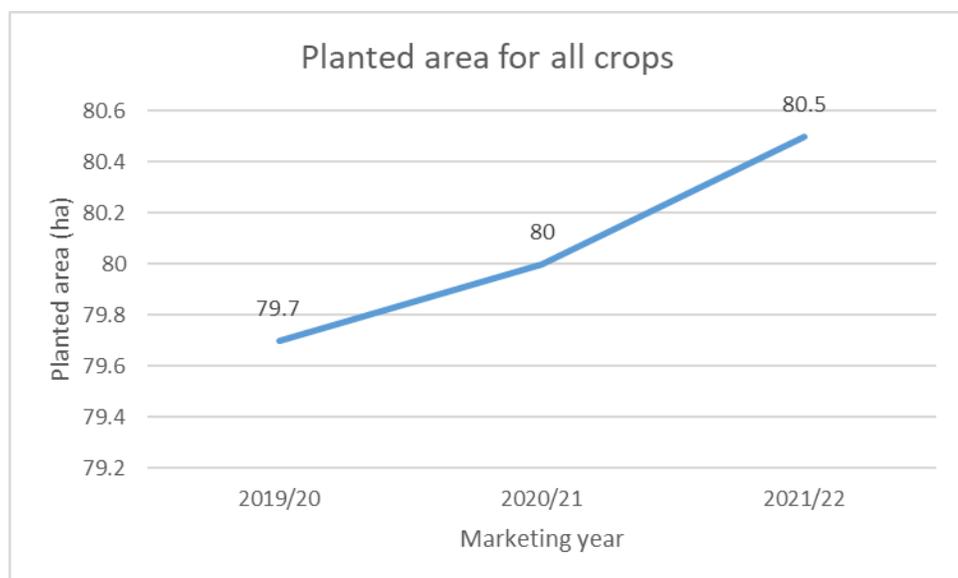
MY 2020/21 brought about the second most abundant yield of grain and legumes in the Russian Federation, following the record year of 2017 when gross output of grain reached 135.5 million tons. According to Russia's Federal State Statistics Service (Rosstat), 133 million tons of grain were harvested in the Russian Federation in MY 2020/21 – 9.8 percent more than in 2019 – with a subsequent yield of 121.2 million tons. In 2021 and beyond, intensified government regulation in the Russian Federation will be a significant factor for pricing and overall regulation of the agricultural sector.

To address sharply increased domestic prices, in December 2020, the government introduced an export quota of 17.5 million tons of grain for the period February 15 to June 30, 2021, which excludes supplies to the Eurasian Economic Union (EAEU) countries, including Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan. These restrictive measures were also supplemented by export duties. The government introduced a duty on wheat of 25 euros (\$30) per ton from February 15 -28, 2021. From March 1 to June 1, the duty increased to 50 euros (\$61). In addition, from March 15, a duty of 25 euros per ton on corn and 10 euros (\$12) per ton of barley took effect. The government has also developed a mechanism of a "floating" duty on grain (or a "grain damper,") which is expected to be introduced June 2, 2021.

Lower production and export restrictions are projected to result in lower grain exports in MY 2021/22. Post forecasts the total grain export volume to reach 48 million metric tons, including wheat exports at 40 million metric tons, barley exports at 3.5 million metric tons, and corn exports at 4.3 million metric tons.

Russian Grain Overview

The total planted area for all grain crops is trending higher in the Russian Federation. According to statements of the Ministry of Agriculture, total planted area for all crops in 2019 comprised 79.7 million hectares (ha), and gradually grew to 80 million ha in 2020 and 80.5 million ha in 2021. FAS Moscow expects the trend to extend to 2022.



Source: Ministry of Agriculture

In MY 2021/22 planted area of winter crops is forecast at 19.3 million ha, while planted area for spring crops is estimated at 51 million ha.

As of early April 2021, about 80 percent of crops were reported to be in good and satisfactory condition due to abundant snow and ice cover from winter 2021, while 10-13 percent were reported in damaged condition.

Unlike MY 2020/21, analysts predict favorable weather for the grain harvest in southern regions of Russia (the Krasnodar Territory and the Rostov region) for MY 2021/22. They anticipate the mid regions, including the Volga Region and Central Russia to show more moderate production compared to MY 2020/21.

MY 2021/22 is forecast to have a significant increase in pulse plantings since it is the only agricultural segment without state regulation. FAS Moscow forecasts peas to be the leading crop among pulses in MY 2021/22.

The MinAg estimates that the Russian Federation's total area of unused land suitable for agricultural production is at 44 million hectares, of which half is arable. In February 2021 the MinAg developed a pilot program aimed at returning uncultivated land to cultivation. The Ministry's plan is to return 12 million ha by 2030 to arable production.

Although the Russian Federation's total grain planted area is expanding, some farmers have begun reducing the area planted under spring wheat and will sow less than planned in MY 2021/22. Farmers' decisions will be influenced by several factors, including the government's introduction of export duties and a serious increase in fertilizer prices. Over the past year, prices for fertilizer has risen by 25-35 percent.

Sowing Campaign 2021/22

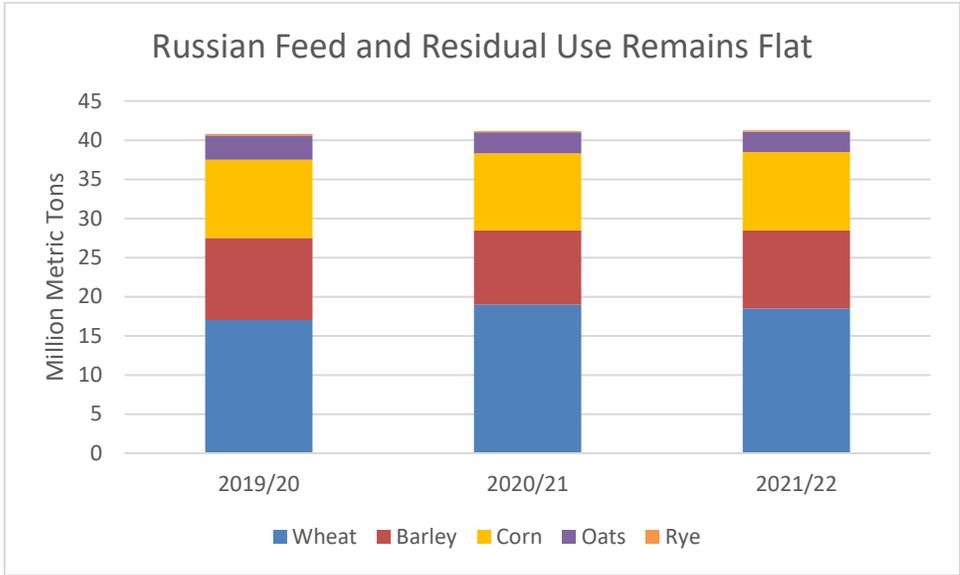
The sowing campaign in Russia entered an active phase in April for MY 2021/22. Field work is underway in the South, and North Caucasus regions, as well as in smaller areas of the Central, North-West, Far Eastern and Volga Federal Districts. In April, most Russian farmers began working in their fields. As of April 30, 2021, spring sowing has been completed on 6.7 million ha, which is 13.1 percent of the forecast. Spring grain crops are sown on an area of 4.5 million ha. This includes spring wheat sown on 1 million ha; spring barley on 2.2 million ha; and corn for grain on 391.1 thousand ha.

In general, sowing this year in all climatic zones started 10 days later than in 2020 due to a late spring arrival. Rain in the south throughout late March and April greatly improved the situation. The moisture levels in the Central and Volga regions largely recovered. Southern Russia has good reserves of moisture in the soil for both winter and spring crops.

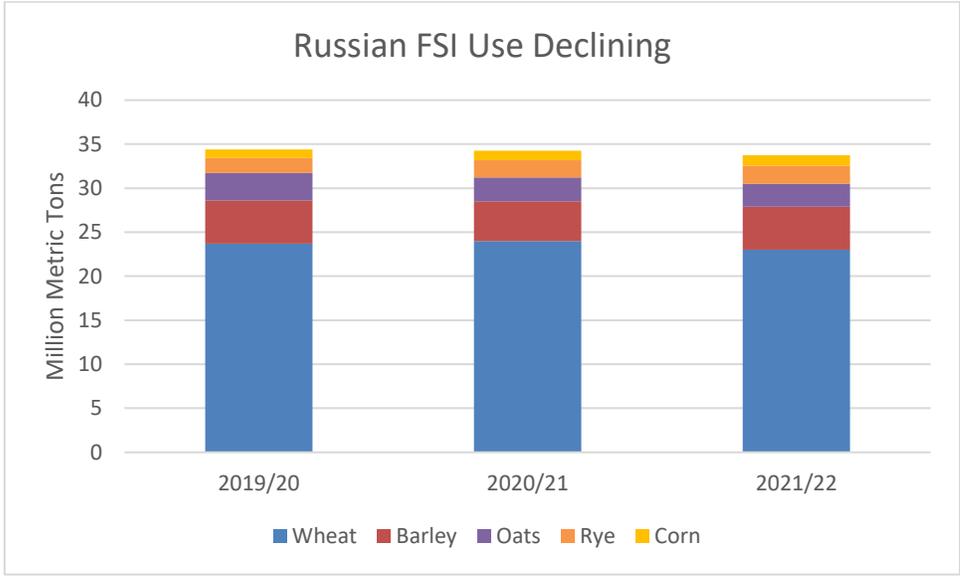
Weather conditions throughout the country remain generally favorable for the new harvest. Although there are reports of high losses in the Black Earth Region due to ice crust, this should not significantly affect the yield forecast, as the improved forecasts in the south will compensate for these losses.

Overall Internal Demand and Consumption

Livestock producers were to be the main beneficiaries of the export duties which were introduced with the intent of ensuring ample feed availabilities in the domestic market. However, weaker demand exemplified by reported decreases in poultry inventories and slowing of the growth rate of pig production suggests ample supplies alone may not drive higher consumption.



According to Russian analysts, domestic grain consumption is not growing and the likelihood of its increase, as well as an expansion of meat production, is extremely low. Consumption of food grains is also not growing. According to analysts, flour production is falling.



Commodity: Wheat

Table 1. Production, Supply and Distribution of Wheat

Wheat Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Russia						
Area Harvested (1000 HA)	27312	27500	28684	28000	0	28500
Beginning Stocks (1000 MT)	7778	7778	7228	5833	0	8583
Production (1000 MT)	73610	73500	85354	85300	0	77500
MY Imports (1000 MT)	325	340	500	450	0	450
TY Imports (1000 MT)	325	340	500	450	0	450
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	81713	81618	93082	91583	0	86533
MY Exports (1000 MT)	34485	34485	39500	40000	0	40000
TY Exports (1000 MT)	34485	34485	39500	40000	0	40000
Feed and Residual (1000 MT)	17000	17600	18000	19000	0	18500
FSI Consumption (1000 MT)	23000	23700	23500	24000	0	23000
Total Consumption (1000 MT)	40000	41300	41500	43000	0	41500
Ending Stocks (1000 MT)	7228	5833	12082	8583	0	5033
Total Distribution (1000 MT)	81713	81618	93082	91583	0	86533
Yield (MT/HA)	2.6952	2.6727	2.9757	3.0464	0	2.7193

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2021/2022 = July 2021 - June 2022

Production: Yield and Area

Wheat production in MY 2021/22 is projected to reach 77.5 million tons. Harvested area of wheat grew from 27.5 million ha in MY 2019/20 to 28 million ha in MY 2020/21, and is expected to reach 28.5 million ha in MY 2021/22. The projected planting area would continue the trend of annual increases in winter wheat plantings and relatively stable spring wheat plantings. The Russian government hopes to continue the expansion by implementing a program to bring unused land into cultivation. However, market uncertainty created by implementation of the wheat export duty is likely to dampen farmer interest in growing wheat.

Consumption:

Despite export restrictions and the resulting ample supplies on the Russian domestic market, reduced economic prospects are projected to dampen wheat consumption in MY 2021/22. Food, seed, and industrial use is forecast down based on reduced demand for wheat flour products and increased

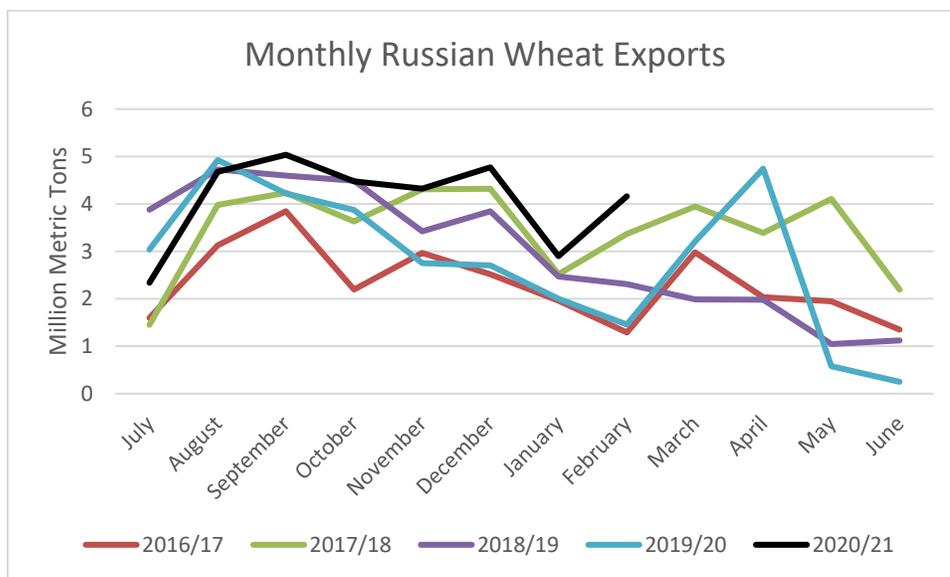
availability of other grains such as barley and rye. Feed and residual use is forecast down with a smaller crop and an expected rebound in corn and barley use.

Trade:

Currently the wheat export duty is 50 euros (\$61) per ton. From June 2, a flexible export duty on wheat, corn and barley will come into effect. The flexible duty will not be charged if international prices are lower than the base fixed price of USD 200 per MT. At a price exceeding USD 200/MT, a 70 percent export duty will be applied on the difference between the world and the base price of USD 200/MT.

Russian wheat was most actively exported to Egypt (7.4 million metric tons) and Turkey (6.2 million metric tons) and Egypt (2.1 million metric tons) in the period from July 2020 to February 2021.

Wheat exports are projected to be limited to 40 million tons in MY 2021/22 due to restrictive policies on exports. This export volume will depend on how long the flexible duty remains in effect and whether world prices remain above levels for which the duty is activated.



Source: Trade Data Monitor, LLC

Note: Wheat and Wheat Products on a Wheat Grain Equivalent Basis (converting flour and products using 1.368 conversion factor)

Commodity: Barley

Table 2. Production, Supply and Distribution of Barley

Barley Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Russia						
Area Harvested (1000 HA)	8403	8250	8160	7800	0	8000
Beginning Stocks (1000 MT)	640	640	743	1282	0	332
Production (1000 MT)	19939	19939	20629	18000	0	19300
MY Imports (1000 MT)	34	34	25	50	0	30
TY Imports (1000 MT)	46	46	25	50	0	30
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	20613	20613	21397	19332	0	19662
MY Exports (1000 MT)	4470	3931	5400	5000	0	3500
TY Exports (1000 MT)	5141	4529	5400	5200	0	3500
Feed and Residual (1000 MT)	10500	10500	10000	9100	0	10000
FSI Consumption (1000 MT)	4900	4900	4900	4900	0	4900
Total Consumption (1000 MT)	15400	15400	14900	14000	0	14900
Ending Stocks (1000 MT)	743	1282	1097	332	0	1262
Total Distribution (1000 MT)	20613	20613	21397	19332	0	19662
Yield (MT/HA)	2.3728	2.4168	2.5281	2.3077	0	2.4125

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2021/2022 = October 2021 - September 2022

Production: Yield and Area

Following wheat, barley is the second most valuable Russian grain crop. Post projects barley yield to return to average levels from the reduced level in MY 2020/21. Harvested area of barley is forecast to increase from 7.8 million ha in MY 2020/21 to 8 million ha in MY 2021/22. The forecast increase is based on increasing prices of barley and decreasing prices of wheat reported in many regions across Russia in April as farmers finalized spring planting decisions. The increased yield and area are forecast to result in 19.3 million tons of barley production in MY 2021/22.

Consumption:

Post predicts an increase in barley total consumption volume in MY 2021/22 driven by feed demand that will increase total consumption to 14.9 million metric tons.

Trade:

Because there is a duty for barley export, export volumes are predicted to be reduced to 3.5 MMT in MY 2021/22. Turkey is the largest importer of Russian barley.

Commodity: Corn

Table 3. Production, Supply and Distribution of Corn

Corn Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Russia						
Area Harvested (1000 HA)	2504	2586	2731	2731	0	2850
Beginning Stocks (1000 MT)	377	377	830	826	0	566
Production (1000 MT)	14275	14275	13872	13500	0	14300
MY Imports (1000 MT)	50	50	40	40	0	40
TY Imports (1000 MT)	50	50	40	40	0	40
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14702	14702	14742	14366	0	14906
MY Exports (1000 MT)	4072	2876	3100	2900	0	3000
TY Exports (1000 MT)	4072	2876	3100	2900	0	3000
Feed and Residual (1000 MT)	8800	10000	9800	9800	0	10000
FSI Consumption (1000 MT)	1000	1000	1100	1100	0	1200
Total Consumption (1000 MT)	9800	11000	10900	10900	0	11200
Ending Stocks (1000 MT)	830	826	742	566	0	706
Total Distribution (1000 MT)	14702	14702	14742	14366	0	14906
Yield (MT/HA)	5.7009	5.5201	5.0795	4.9432	0	5.0175
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Corn begins in October for all countries. TY 2021/2022 = October 2021 - September 2022						

Production: Yield and Area

According to Rosstat, corn production in MY 2020/21 was at 13.5 million tons. Despite concerns about the impact of export restrictions, farmer expectations of favorable prices at harvest are projected to drive an increase in planted and harvested corn area. While some analytical agencies in Russia project yields as high as 5.6 tons/ha in MY 2021/22, Post forecasts yields of 5.0 tons/ha; similar to MY 2020/21. At the forecast area and yield, corn production is projected to reach 14.3 million tons in MY 2021/22.

Consumption:

Corn consumption is projected to increase to 11.2 million metric tons in MY 2021/22 based on expected higher availabilities and a higher proportion of corn feed use relative to wheat. Post forecasts a small

recovery in feed demand as the livestock husbandry sector recovers from dampened demand during the pandemic.

Trade:

Post projects MY 2021/22 corn exports will grow slightly to 3 million tons. Turkey remains the main importer of Russian corn.

Commodity: Rye

Table 6. Production, Supply and Distribution of Rye

Rye Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Russia						
Area Harvested (1000 HA)	823	872	974	1000	0	1100
Beginning Stocks (1000 MT)	141	141	104	169	0	133
Production (1000 MT)	1424	1639	2376	1960	0	2100
MY Imports (1000 MT)	90	90	0	4	0	0
TY Imports (1000 MT)	93	93	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1655	1870	2480	2133	0	2233
MY Exports (1000 MT)	1	1	70	50	0	25
TY Exports (1000 MT)	6	7	70	50	0	25
Feed and Residual (1000 MT)	100	200	300	150	0	150
FSI Consumption (1000 MT)	1450	1500	1900	1800	0	1900
Total Consumption (1000 MT)	1550	1700	2200	1950	0	2050
Ending Stocks (1000 MT)	104	169	210	133	0	158
Total Distribution (1000 MT)	1655	1870	2480	2133	0	2233
Yield (MT/HA)	1.7303	1.8796	2.4394	1.96	0	1.9091

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rye begins in October for all countries.TY 2021/2022 = October 2021 - September 2022

Production: Yield and Area

Post projects production to increase to 2.1 million tons in MY 2021/22 with larger area and a higher yield.

Consumption:

Rye is traditional grain crop with stable consumption in Russia. Rye consumption volume is projected to increase to about 2 million tons in MY 2021/22, with the majority of the use for food.

Trade:

Exports are projected at 25,000 tons in MY 2021/22; down from a forecast 50,000 tons in MY 2020/21. No imports are projected in 2021/22 following minimal exports in MY 2020/21.

Commodity: Oats

Table 5. Production, Supply and Distribution of Oats

Oats Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
Russia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2429	2612	2331	2700	0	2750
Beginning Stocks (1000 MT)	60	60	195	170	0	96
Production (1000 MT)	4420	4805	4127	4200	0	4250
MY Imports (1000 MT)	1	1	1	1	0	0
TY Imports (1000 MT)	1	1	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4481	4866	4323	4371	0	4346
MY Exports (1000 MT)	86	86	75	75	0	75
TY Exports (1000 MT)	73	73	75	75	0	75
Feed and Residual (1000 MT)	2700	3110	2600	2700	0	2600
FSI Consumption (1000 MT)	1500	1500	1450	1500	0	1500
Total Consumption (1000 MT)	4200	4610	4050	4200	0	4100
Ending Stocks (1000 MT)	195	170	198	96	0	171
Total Distribution (1000 MT)	4481	4866	4323	4371	0	4346
Yield (MT/HA)	1.8197	1.8396	1.7705	1.5556	0	1.5455
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Oats begins in October for all countries.TY 2021/2022 = October 2021 - September 2022						

Production: Yield and Area

MY 2021/22 area harvested is projected to expand to 2.75 million ha. Production is forecast at 4.25 million tons; up from 4.20 million tons in 2020/21.

Consumption:

Oats consumption is projected to decrease to 4.1 million tons in MY 2021/22 reflecting ample availabilities of other cereal feed options.

Trade:

Imports are projected to remain insignificant in MY 2021/22 and exports are project to remain about 75,000 tons.

Commodity: Rice

Table 6. Production, Supply and Distribution of Rice

Rice, Milled Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Russia						
Area Harvested (1000 HA)	191	192	196	190	0	150
Beginning Stocks (1000 MT)	75	75	113	100	0	50
Milled Production (1000 MT)	715	685	742	700	0	550
Rough Production (1000 MT)	1100	1054	1142	1077	0	846
Milling Rate (.9999) (1000 MT)	6500	6500	6500	6500	0	6500
MY Imports (1000 MT)	220	230	200	200	0	300
TY Imports (1000 MT)	220	230	200	200	0	300
TY Imp. from U.S. (1000 MT)	1	0	0	0	0	0
Total Supply (1000 MT)	1010	990	1055	1000	0	900
MY Exports (1000 MT)	127	127	140	150	0	50
TY Exports (1000 MT)	127	127	140	150	0	50
Consumption and Residual (1000 MT)	770	763	785	800	0	800
Ending Stocks (1000 MT)	113	100	130	50	0	50
Total Distribution (1000 MT)	1010	990	1055	1000	0	900
Yield (Rough) (MT/HA)	5.7592	5.4896	5.8265	5.6684	0	5.64

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2021/2022 = January 2022 - December 2022

Production: Yield and Area

MY 2021/22 rice production is projected to decrease from 700,000 in the preceding year to 550,000 tons. The production decrease reflects a sharp reduction in rice area projected to occur in Krasnodar, the main rice producing area in Russia. Area harvested is projected to decrease from 190,000 ha in MY 2020/21 to 150,000 ha in MY 2021/22 reflecting producer reactions to insufficient water reserves. Increasing expenses related to accessing the available water are also a factor.

Consumption:

MY 2021/22 rice consumption is projected to remain stable at 800,000 tons as trade adjustments offset the production decrease.

Trade:

In MY 2021/22, a 150,000 ton decrease in rice production is projected to be offset by increased imports (up 100,000 tons to 300,000 tons in MY 2021/22). A 100,000 ton reduction in MY 2021/22 exports from the previous year is also projected as a result of the sharp decrease in production. In the period from January to April 2021, Russia supplied 26.2 thousand tons of rice to Turkey, 3.6 thousand tons to Belgium and 975 tons to Jordan. In the same period Russia imported 20 thousand tons of rice from India, 3.6 thousand tons from Kazakhstan and 3.5 thousand tons from Thailand.

Commodity: Sorghum

Area planted (and harvested) for sorghum in Russia has been declining. In 2001, sorghum area planted was 123 thousand ha, in 2019 it constituted 85.4 thousand ha, and in 2020, 80 thousand ha. Because sorghum is not a widely sown crop in the country, Post predicts its area planted and harvested will further decline in MY 2021/22 to 75 thousand ha.

The same trend is happening to sorghum gross output: In 2017, production was 104 thousand metric tons, while in 2019 it reached 98.7 thousand metric tons, and in 2020 it fell to 53 thousand metric tons. In the coming MY 2021/22 the output is forecast to decline to 51 thousand metric tons.

Commodity: Peas

Post expects growing interest from farmers in pulses with peas attracting particular focus. Growing interest in peas is due to a growing population and protein consumption, as well as the development of vegan culture in Russia. Notably, pulses are the only segment of the agricultural market that are not under state regulation in Russia. Post forecasts pea area to reach 3.1 thousand ha and production to reach 3.5 thousand tons in MY 2021/22.

POLICY**Export policy**

The current export policy is heavily regulated by the government of the Russian Federation. In 2021, the Russian Federation introduced a quota for the export of four basic crops - wheat, rye, corn, and barley. The total quota is limited to 17.5 million tons. The restriction is valid from February 15 to June 30, 2021 and does not apply to grain exports to the EAEU countries. At the same time, within the framework of the export quota, export duties were also introduced. According to the various ministries, quotas and duties will stabilize domestic prices, reduce the supply of raw materials abroad, and refocus market participants on the export of agricultural products with high added value.

The biggest export duty applies to wheat. From February 15 to March 1, 2021, the duty was 25 euros (\$30) per ton. It was increased to 50 euros (\$61) per ton until June 30, 2021. Duties for corn and barley are significantly lower – 25 euros per ton and 10 euros (\$12) per ton, respectively – and are valid from March 15 to June 30, 2021.

Starting on June 2, 2021, a flexible export duty on wheat, corn and barley will come into effect. The “grain damper” mechanism is designed to create long-term and understandable conditions for industry operation, as well as help prevent the transfer of price fluctuations from the external market to domestic markets. It will operate under the framework of the “grain damper” mechanism and will be calculated using the formula of 70 percent of the difference between the indicative price (arithmetic average of daily price indicators) and the base price. The base price for wheat will be \$200 per ton, for corn and \$185 for barley. As of April 9, 2021, the estimated duty rate for wheat was \$57.8 per ton, with an indicative price of \$283 per ton.

Export duties are expected to inhibit exports of barley and corn more than wheat. The government has indicated that the funds received from export duties will be used to subsidize agricultural producers.

Export duties will be re-assessed each week, which is anticipated to create uncertainty for market players. Exporters will be forced to discount purchase prices due to the uncertainty the flexible duty will inject into pricing for execution of the export contract.

Due to quotas and duties, the supply of Russian wheat to world markets could be limited. Uncertainty in the Russian market created by the flexible duty could prompt farmers to shift into crops that are less affected by the duty.

According to the Federal Customs Service (FCS) (which excludes data on mutual trade with the EAEU states for February and March), in the current agricultural year, 42.2 million tons of grain crops were exported from Russia as of April 1; 23.4 percent higher than in the same period last year. Supplies of Russian barley abroad increased by 58.3 percent and amounted to 5 million tons, while corn exports increased by 8 percent to 2.9 million tons.

On April 13, 2021, major Russian wheat exporters reportedly stepped back from the Russian market to assess the new risks associated with duties on grain exports. Post expects exporters are likely to re-enter the Russian market in early June when the export duty is scheduled to decrease.

The Law on Seed Production

In March 2021, the Russian State Duma adopted the draft law “On seeds production” in the first reading of the version that had been approved by the government on February 19, 2021. The new law’s described intent is to create conditions for developing an efficient seed market in Russia.

A federal state information system or ‘unified seeds registry’ is being created in the field of seed production of agricultural plants to reduce the risks of counterfeit and substandard products on the market. Through this digital resource, it is supposed to become possible to check where the seed was

grown and its availability for purchase. As a result, a unified and complete information base of seeds produced, for sale, or planted will appear in the public domain.

In order to include seeds in the unified seeds registry, each seed variety must be tested and its regional specifics taken into account. The bill also contains provisions prohibiting the sowing of seeds obtained using genetic engineering methods.

Another important requirement of the bill is for seeds to obtain a genetic passport, which will specify whether these seeds have been produced domestically.

The Law on Grain Traceability

On December 30, 2020, the Russian State Duma approved the Federal Law # 520 “On amendments to the Law of the Russian Federation “On grain” and Article 14 of the Federal Law “On development of agriculture,” which provide for the creation of the unified state track-and-trace system for Russian grain and its products. The law will come into force on January 1, 2022. The MinAg will be the responsible administrative and surveillance body.

The primary goal of this initiative is to enhance the quality of Russian grain and to track the life cycle of grain from production to release into circulation. It will include information about producers, owners, and grain carriers. In addition, it will contain data on companies storing grain, shippers, consignees, grain shipments and their consumer properties, grain purchases for the federal intervention fund, and other data. Grain market participants will be required to register in the system and enter data into it and will be responsible for any inaccurate information.

Currently there is no full grain quality control system regulated by the state in Russia. The proposed system therefore will be a legitimate tool for verifying participants in the grain market when they use financial instruments, including their mutual recognition within the EAEU.

Lack of Labor Force

The coronavirus pandemic has brought additional limits to availability of labor in the agricultural industry in Russia. In 2020, migrant workers could not come back to Russia from their home countries though attempts were made to mitigate the situation by contracting with unemployed Russian citizens. Currently, according to the MinAg, the agricultural market lacks about 35,000 workers.

Attachments:

No Attachments