

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 11/18/2013

**GAIN Report Number:** RS1383

## Russian Federation

**Post:** Moscow

### Russian Agricultural Policy and Situation Bi-Weekly Update

- 5

**Report Categories:**

Agriculture in the News

**Approved By:**

Levin Flake

**Prepared By:**

FAS Moscow Staff

**Report Highlights:**

Russia and EU discuss potato ban...Ministry of Agriculture begins domestic food aid pilot projects...The Minister of Agriculture discusses WTO impact and Russia's self sufficiency goals...And also discusses milk subsidies...A new lysine facility to supply Russian feed manufacturers...Illegal black caviar seized in Vladivostok

### **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.

### **Russia and EU Discuss Ban on Imports of Potato from the EU**

The ban (imposed on July 1, 2013) may be lifted if the EU guarantees that potato is produced in zones free from quarantine pests of Russia's concern, especially potato nematode *Globodera rostochiensis*. The issue will be discussed between Sergey Dankvert, the Head of the Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation (VPSS), and Phytosanitary officials from the EU on November 15-17, 2013, in Germany: <http://agronews.ru/news/detail/130136/> and <http://www.fsvps.ru/fsvps/print/news/8201.html>. Meanwhile, according to VPSS, after the ban was introduced in July 2014, 770,000 metric tons of potatoes from the EU have penetrated Russia in violation of the ban. Republic of Belarus, Russia's partner in Customs Union, is suspected in imports of the EU potatoes, including infested with nematode, and shipping it to Russia. On November 14<sup>th</sup>, 2013, VPSS appealed to the Prosecutor General's Office and the Federal Customs Service of the Russian Federation to investigate the cases of illegal shipments of potato from the EU to Russia: <http://www.fsvps.ru/fsvps/print/news/8202.html>.

### **Ministry of Agriculture will Begin "Pilot Projects" of Support of Agricultural Producers and Processors through Domestic Food Aid**

On November 14, 2013, Ilya Shestakov, the Deputy Minister of Agriculture, headed a meeting on launching "pilot projects" of support of agricultural producers and processors by means allowed by the WTO's "green box", i.e. domestic food aid support programs. The pilot projects will begin in 5 Russian provinces, namely Buryatia and Mordovia republics, and Omsk, Saratov and Ulyanovsk oblasts. The state support for development of production and marketing infrastructure for domestic food aid is a part of the State Program for Development of Agriculture 2013-2020, and should begin in 2015. However, the pilot projects in the 5 selected provinces will start in the end of 2013. The Ministry of Agriculture's concept of the pilot projects has been agreed upon with the Russian Ministries of Trade, Labor, Health, and Economic Development and submitted for the approval of the Government of the Russian Federation.

<http://mcx.ru/news/news/show/17543.355.htm>

### **Nikolay Fedorov, the Russian Minister of Agriculture, Briefed the State Duma on the Results of Implementation of the State Program of Development of Agriculture 2008-2012 and on Influence of WTO on the Agricultural Situation in Russia.**

On November 13, 2013, Agricultural Minister Fedorov reported to the State Duma that the influence of weather on Russian agriculture in 2013 has been much stronger than any influence from Russia's membership in WTO. He reported that the grain crop is higher than last year by 25 percent, with a

record corn crop of 10 million metric tons. Despite some decrease in potato and vegetable crops, supply will be enough to meet people needs, and if not, import duties may be decreased to stimulate imports of potato. As for the results of Program 2008-2012, Russia has already met some targets of the Food Security Doctrine and its self-sufficiency in grain, potato, vegetable oil and sugar is above the targets. Meanwhile, in milk, Russian production is lagging far behind the Doctrine's targets. On the questions about the dominance of imports in Russia, Minister Fedorov reported that in 2012 the share of imports as a percentage of supply was not as high as expected: in grains and pulses – only 1.2 percent, in potato – 3 percent, in sugar – 4.6 percent. However, he added that the high share of imports of vegetables (12 percent of supply), meat and meat products (25 percent), milk and dairy products (21 percent), fruits and berries (60 percent) makes the situation alarming. For the future, the State Duma and the Ministry of Agriculture will pay more attention to upgrade the social well-being of rural population, and Duma deputies intend increasing funds for financing the State Program “Sustainable Development of Rural Territories through 2020” in 2014: <http://mcx.ru/news/news/show/17504.355.htm>.

### **Nikolay Fedorov, Russian Minister of Agriculture, Discusses Milk-Subsidies at a Meeting of the Agrarian Committee of the State Duma**

On November 12, 2013, at this meeting Minister Fedorov underlined the following issues of concern:

- The mechanism of per liter of milk subsidies to farmers has not been effective so far and may be changed. In this case the Ministry of Agriculture may consider re-distribution of funds for these subsidies to other supports of agriculture and milk producers;
- Ministry plans to enlarge period of long term-loans to milk producers from 8 to 15 years, and to request additional funds from the federal budget for 100 percent interest rate subsidies for these long-term loans;
- The investments to agriculture are at a threat, and are short of 25 billion rubles of state subsidies. This shortage should be covered in maximum possible volume in 2013-2014.

<http://agronews.ru/news/detail/130186/>

### **A Newly Built Lysine Production Facility near Belgorod to Cover 60 Percent of Demand from Russian Feed Industry**

The first production facility of feed lysine plans to start operation by the end of CY 2013 in Belgorod oblast. The facility will produce about 20,000 MT of lysine annually and will cover about 60 percent of local demand in feed industry. Previously almost 100 percent of this product has been imported, mostly from China.

<http://www.allaboutfeed.net/Nutrition/Feed-Additives/2013/11/First-lysine-production-plant-to-be-built-in-Russia-1407313W/>

### **A Hundred-Thousand-Dollar's Worth of Illegally Harvested Black Caviar Seized by the Local Police in the Airport of Vladivostok**

Vladivostok transport police seized 160 plastic containers of illegal sturgeon caviar weighing 80 kilograms in the course of checking baggage on the Moscow to Vladivostok flight. According to preliminary estimates, the cost of the shipment was about \$100,000. Authorities reported that it was the roe of the Amur and Siberian sturgeon, industrial fishing of which is strictly prohibited, except for scientific purposes and for artificial reproduction. <http://ria.ru/vl/20131106/974941337.html>