

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:** 7/28/2014

**GAIN Report Number:** RS1449

## Russian Federation

**Post:** Moscow

### Russian Agricultural Policy and Situation Bi-Weekly Update - 15

**Report Categories:**

Agriculture in the News

**Approved By:**

Robin Gray

**Prepared By:**

Staff

**Report Highlights:**

Resolution Approved for the Development of Domestic Food Aid in the Russian Federation . . . Report on the Distribution of Subsidies for Eradication of African Swine Fever and Flood Damage . . .

Russia's Grain Stocks 11.1 Million Metric Tons . . . Plant Quarantine Law Signed . . . New Federal Law for the Financial Rehabilitation of Agricultural Producers . . . Amendments to the State Program for Development of Agriculture and Regulation of Agricultural Markets . . . Putin Signs Legislative Act on Forestry . . . Moldova May Seek WTO Assistance on Russian Ban on Certain Moldovan Products . . . Armenia to Become Full Member of EEU in January 2015

**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.

**Resolution Approved for the Development of Domestic Food Aid in the Russian Federation:**

Government Resolution No. 1215-p of July 3, 2014, Approved the Conception for the Development of Domestic Food Aid in the Russian Federation. With the implementation of the program the government expects the following results by 2020: a) to increase the provision of high quality, balanced foods to certain categories of the population; b) to expand the supply of balanced, safe and quality food to students; and c) to increase the share of domestic food and agricultural products in domestic food aid, up to 80 percent. The implementation of the Conception will take place in two stages: 2014-2015 – develop appropriate regulations and 2016-2020 – initiate implementation of national and regional food aid programs. The Conception does not contain information on the budget, or sources of financing for these programs. <http://government.ru/docs/13605>.

**Report on the Distribution of Subsidies for Eradication of African Swine Fever and Flood**

**Damage:** The Minister of Agriculture reported to the Russian Government on the status of federal subsidies distribution aimed at the eradication of African Swine Fever and the support to farmers affected by the flood in the Far East in 2013. On July 17<sup>th</sup>, the Minister of Agriculture, Nikolay Fedorov, reported to the Russian government that his agency had distributed 300 million rubles (\$8.6 million) from the federal budget to 12 regions to eradicate and prevent the spread of African Swine Fever, as well as for monitoring of other infectious diseases in the regions. Nikolay Fedorov also noted that budget allocations are being distributed to citizens affected by large-scale flooding in 2013 in the Far East. This includes compensation to those permanently residing in settlements and compensation for the loss of agricultural crops grown in private households. According to the Minister, 48 million 381 thousand rubles (\$1.4 million) has been allocated from the reserve fund for this purpose.

<http://mcx.ru/news/news/show/26546.355.htm>

**Russia's Grain Stocks 11.1 Million Metric Tons:** As of July 1, 2014, the beginning of the 2014/15 grain marketing year, Russia's grain stocks were 11.1 million metric tons (MMT), according to Russia's State Statistical Service (Rosstat). These stocks, which include both grain stocks on farms and in storing and processing enterprises, are 13 percent lower than on the same date last year and are the lowest carry-in stocks since marketing year 2010/11. Grain stocks in Southern European Russia, Russia's major exporting area, were only 3.6 MMT, 38 percent less than on July 1, 2013. These are also the lowest stocks for this region since the beginning of MY 2010/11. On the contrary, grain stocks in Siberia are 32 percent higher than last year. ([www.gks.ru](http://www.gks.ru)).

**Plant Quarantine Law Signed:** The Federal Law No. 206-FZ of July 21, 2014 "On Plant Quarantine"

will come wholly into force on January 1, 2015, with some articles coming into force on January 1, 2018. This is a framework law that replaces the previous plant quarantine law of July 15, 2000. The Russian Ministry of Agriculture has started drafting the government resolution and regulatory normative documents to be adopted for the implementation of this Federal Law. Thus, draft amendments to the regulations of the Ministry of Agriculture and the Federal Service for Veterinary and Phytosanitary Surveillance have been posted for discussion on the site <http://regulation.gov.ru>. The text of the Federal Law No. 206-FZ "On Plant Quarantine" is on the site <http://www.garant.ru/hotlaw/federal/554816/>.

**New Federal Law for the Financial Rehabilitation of Agricultural Producers:** No. 226-FZ of July 2014, "On Amendments to the Federal Law On Financial Rehabilitation of Agricultural Producers" allows agricultural producers to participate in the state programs of financial rehabilitation for the second time. To qualify they need to have met all the terms of the previously signed agreements on the restructuring of their debts, or if they lost over 25 percent of their crop or over 15 percent of livestock/poultry stock because of either an emergency situation or because of herd liquidation due to an outbreak of a dangerous animal disease. The last case also implies that farmers meet terms of previous agreements on debt restructuring. <http://www.garant.ru/hotlaw/federal/554825/>

**Amendments to the State Program for Development of Agriculture and Regulation of Agricultural Markets:** The Ministry of Agriculture drafted Amendments to the State Program for Development of Agriculture and Regulation of Agricultural Markets in 2013-2020. The amendments include stimulation of production of grapes and development of the viniculture, development of dairy cattle breeding, and improvement of the credit system in the agro-industrial complex. The amendments envisage reallocation of some federal funds in Program 2013-2020, but do not require additional financing. The draft of the Government Resolution that would approve these amendments was prepared by the Ministry of Agriculture and, on July 22, 2014, was posted for a two week discussion period on the government site: <http://regulation.gov.ru/project/16846.html>.

**Putin Signs Legislative Act on Forestry:** On July 21 2014, President Putin signed Federal Law # 277-FZ "On Amendments to Certain Legislative Acts of the Russian Federation." The objective of the amendment is to strengthen criminal and administrative responsibility for crimes in the realm of forestry. The Criminal Code introduced an article about the acquisition, storage, transportation, processing for marketing purposes, or for marketing illegally-harvested wood. The new amendments differentiated responsibility for different types of crimes, such as a crime committed on a large scale or organized by a group of individual with a prior conspiracy. The document also toughened criminal responsibility for illegal felling of forest plantations, as well as for their destruction or damage. It also revised liability for non-compliant logging. In addition, increased penalties were introduced for unauthorized use of forests, for destruction of resources, and for violation of sanitary and fire safety in forests. <http://www.garant.ru/hotlaw/federal/554991/>

**Moldova May Seek WTO Assistance on Russian Ban on Certain Moldovan Products:** Various news reports indicate that Moldova plans to file a complaint with the World Trade Organization (WTO) following two recent Russian bans on Moldovan imports. Russia's consumer rights watchdog, Rospotrebnadzor, suspended imports of canned fruits and vegetables from Moldova as of July 18, 2014, due to alleged labeling and product identification violations. Additionally, Russia's Federal Service for Veterinary and Phytosanitary Surveillance introduced a temporary ban on imports of fresh fruits from Moldova as of July 21, 2014, on the basis of reported violations of international and Russian

phytosanitary requirements. <http://en.itar-tass.com/world/741879>, <http://www.nineoclock.ro/republic-of-moldova-to-request-sanctions-against-russia-from-wto/>.

**Armenia to Become Full Member of EEU in January 2015:** According to Tengrinews, the Prime Minister of Armenia, Hovik Abrahamyan, announced that Armenia would become a full member of the Eurasian Economic Union (EEU) on January 1, 2015. He added that the agreement on Armenia's accession into the EEU would be signed in October this year.

[http://en.tengrinews.kz/politics\\_sub/Armenia-to-become-full-member-of-EEU-in-January-Armenian-PM-254979/](http://en.tengrinews.kz/politics_sub/Armenia-to-become-full-member-of-EEU-in-January-Armenian-PM-254979/)