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## Russian Federation

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### Russian Agricultural Policy and Situation Bi-Weekly Update - 20

#### Report Categories:

Agricultural Situation

Agriculture in the News

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#### Report Highlights:

Draft Federal Budget for 2015 and the planned period 2016-2017 Submitted to the State Duma . . . .  
Russian Government Updated Rules for Distribution of Subsidies . . . . Eurasian Economic Commission Amend Quarantine Regulations . . . . Russian Government Approved Plan for Implementation of Domestic Food Aid . . . . Russian Grain Stocks Data Published . . . . Ban of Ukrainian Plant Origin Products . . . . 7<sup>th</sup> International Forum “Forest and Man” . . . . EEU to Replace EurAsEC . . . . Treaty on Armenia’s Accession to EEU Signed . . . . Kyrgyzstan Expects to Join EEU by the End of 2014 . . . . Russia’s Inflation at 8.3% through October 20 . . . . Russian Agricultural Production up 16.6% y-o-y in September 2014

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.

**Draft Federal Budget for 2015 and the planned period 2016-2017 Submitted to the State Duma:**

The draft plans for 2015 allocate 170 billion rubles (approximately \$4.5 billion) for the State Program "Development of Agriculture 2013-2020." The proposed allocation for agriculture is less than 1.4 percent of the total federal budget allocations for all programs and state activities of the Russian government in 2015. The text of the draft Federal Law on the Federal Budget 2015 and the Planned Period 2016 and 2017 is available on the site

[http://regulation.gov.ru/project/18523.html?point=view\\_project&stage=3&stage\\_id=12337](http://regulation.gov.ru/project/18523.html?point=view_project&stage=3&stage_id=12337)

**Russian Government Updated Rules for Distribution of Subsidies:** Government Resolution No. 999 of September 30, 2014, updated the rules of evaluation, distribution and control over subsidies that are distributed from the federal budget to the budgets of Russian provinces ("subjects of the Russian Federation"). This Resolution covers all subsidies from the federal budgets including agricultural subsidies. <http://government.ru/docs/15104/>.

**Eurasian Economic Commission (EEC) Amend Quarantine Regulations:** The Eurasian Economic Commission amended Regulations on the Phytosanitary Control on the Customs Territory of the Customs Union. The Amendments come into force on November 14, 2014. The amendments regulate quarantine control of products that are produced, stored, handled and transported in the territory of the Customs Union. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635488832932414071.pdf>

**Russian Government Approved Plan for Implementation of Domestic Food Aid:**

The implementation plan for Russia's domestic food aid program was approved under Government Resolution #1215-p. The main objective of the plan is to develop a system of domestic food aid as one of the provisions of state support in the sphere of agriculture in compliance with the Agreement on Agriculture of the World Trade Organization.

The Plan of Activities foresees the following: improve legal regulation of enterprises that provide food products, mostly domestically produced, to certain categories of population that are in need of social assistance; support infrastructure and logistics of local food producers; increase procurement of domestically produced food and provide targeted assistance to needy population; implement pilot projects that provide support to local agricultural producers; and conduct monitoring on efficiency of various forms of state support to low income population.

[http://government.ru/dep\\_news/15257/](http://government.ru/dep_news/15257/)

**Russian Grain Stocks Data Published:** As of October 1, 2014, Russian grain stocks at farms and in warehouses, elevators and processing enterprises were 44.0 million metric tons (MMT), including 29.8

MMT stored at farms, and 14.2 MMT at warehouses, elevators and processing enterprises. Grain stocks this year are 26.6 percent, 22.8 percent and 35.1 percent more than on the same date last year, respectively. [http://www.gks.ru/bgd/free/b04\\_03/IssWWW.exe/Stg/d04/214zerno17.htm](http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d04/214zerno17.htm)

**Ban of Ukrainian Plant Origin Products:** Russian Service for Veterinary and Phytosanitary Surveillance (VPSS) imposed a temporary ban on imports and transit of all products of plant origin from Ukraine to/through Russia beginning October 21, 2014. The ban is said to be based on absence of clarification by the Ukrainian phytosanitary authorities about attempted shipments of plant products from Ukraine to Russia without information about places of origin of these plant products, and on the found phytosanitary violations in the imported products. According to the VPSS, the ban will last until the clarifications on these violations are received officially from the Ukrainian side.

<http://www.fsvps.ru/fsvps/news/11333.html>

**7<sup>th</sup> International Forum “Forest and Man”:** The forum is held in the framework of the International Forestry Equipment Show “Lesdrevmash” and is supported by the show organizer Expocenter and Forestry Producers and Exporters Union, the Ministry of Industry and Trade of the Russian Federation and Russian Chamber of Commerce. Over 500 companies from 26 countries showcased their production and technologies in forestry machinery. The major objective of the Forum, according to the Minister of Natural Resources and Ecology of the Russian Federation, was to review and assess investment potential of the forestry sector, taking into account current reforms and increasing potential of the sector. Other important issues covered included: science and research developing in the forestry sector, cadastral registration of forestry plots, reforms in forestry management, measures to combat forest fires, timber accountability and transactions.

<http://www.rosleshoz.gov.ru/media/actions/71>

**EEU to Replace EurAsEC:** According to the Russian news agency RIA Novosti, at a summit in Minsk on October 10, 2014, Presidents of Russia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan signed documents to eliminate the Eurasian Economic Community (EurAsEC), which was established in October 2000. EurAsEc is to be replaced by the Eurasian Economic Union as of January 1, 2015. Russian news agency TASS reported that Russia ratified the EEU Treaty on October 3, 2014, followed by Belarus on October 9, 2014, and Kazakhstan on October 14, 2014. Thus, the EEU Treaty is set to come into force as planned on January 1, 2015. <http://en.ria.ru/politics/20141010/193931058/Eurasian-Economic-Community-Leaders-Sign-Group-Abolition.html>, <http://en.tass.ru/economy/754309>

**Treaty on Armenia’s Accession to EEU Signed:** Russian news agency TASS reported that a treaty on Armenia’s accession to the EEU was signed by Belarus, Kazakhstan, Russia, and Armenia on October 10, 2014. The treaty will come into effect after all four countries confirm completion of their domestic ratification procedures, but no sooner than the next day after entry into force of the EEU Treaty, that is January 2, 2015. According to the treaty, Armenia will get 1.13 percent of the customs duties from imports of goods to the EEU territory, will be able to use customs duties on some goods, including meat and meat products, which are different from rates of the EEU, until 2022, and will start talks with members of the World Trade Organization (WTO) to change its commitments in the WTO framework.

<http://en.tass.ru/economy/753816>, <http://en.tass.ru/economy/753909>

**Kyrgyzstan Expects to Join EEU by the End of 2014:** The Belarusian Telegraph Agency (BelTA) cited Kyrgyzstan President Almazbek Atambayev as saying at a meeting of the Supreme Eurasian

Economic Council in Minsk on October 10, 2014, that Kyrgyzstan expects to accede to the Eurasian Economic Union Treaty before the end of 2014. According to BelTA, President Atambayev also said that it was necessary to start work on the draft agreement on accession of Kyrgyzstan to the Eurasian Economic Union so that it could be signed in Moscow in December of 2014.

[http://eng.belta.by/all\\_news/politics/Kyrgyzstan-expects-to-accede-to-Eurasian-Economic-Union-in-2014\\_i\\_76430.html](http://eng.belta.by/all_news/politics/Kyrgyzstan-expects-to-accede-to-Eurasian-Economic-Union-in-2014_i_76430.html)

**Russia's Inflation at 8.3% through October 20:** RIA Novosti quoted First Deputy Chairwoman of Russia's Central Bank (CBR), Ksenia Yudaeva, as saying that Russia's annual inflation rate was "already at 8.3 percent." According to RIA Novosti, Ksenia Yudaeva also said that Rosstat (Russian Statistics Service) measured inflation each week and it showed that inflation would continue to grow.  
<http://en.ria.ru/business/20141022/194433995/Russias-Annual-Inflation-Rate-Tops-8-Percent-Central-Bank.html>

**Russian Agricultural Production up 16.6% y-o-y in September 2014:** According to TASS, Russia's Federal State Statistics Service's operational report indicates that Russia's agricultural production increased 16.6% year-on-year in September 2014. The report also showed that in January-September, agricultural output climbed 7.7% y-o-y, with meat and poultry production rising 4.1% y-o-y in January-August, milk and eggs production slipping 0.6% and 0.8%, respectively, in the same period; and cattle herd decreasing 1.9% y-o-y as of October 1, 2014.

[https://translate.google.com/translate?hl=en&ie=UTF8&prev=\\_t&sl=ru&tl=en&u=http://tass.ru/ekonomika/1515449](https://translate.google.com/translate?hl=en&ie=UTF8&prev=_t&sl=ru&tl=en&u=http://tass.ru/ekonomika/1515449)