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GAIN Report

Global Agricultural Information Network

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Report Highlights:

Russia and U.S. Sign Agreement to Fight Illegal Fish Catch . . . VPSS Restricts Fish and Seafood Transit . . . GOR Allocated Subsidies for Development of Dairy and Vegetable Sectors . . . Special Phytosanitary Regime for Import of Quarantine Products via Territory of Belarus to Russia . . . More Breeding Farms Authorized in Leningradskaya Province . . . MinAg Commission Approved 85 Investment Projects in Agriculture . . . GOR To Increase Support for Road Construction in Rural Areas . . . Russia's December Grain Stocks Highest in Four Years . . . Medvedev Asked to Investigate Rosalcohol . . . Winemakers Using Own Grapes Exempted from Unified Federal Automatic Information System . . . Russian Alcohol Imports Down . . . Russian Fish and Seafood Catch Up Nearly Five Percent

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 U.S. Sign Agreement to Fight Illegal Fish Catch: On December 4, 2015, an agreement between the GOR and the United States to combat illegal, non-reported, and unregulated catch (NNN) came into force. The agreement was signed on September 11, 2015 in Portland, USA. In an effort to fight poaching, both countries are planning to use information exchanges, including data on import volumes of fish and seafood, unloading, violations, and suspicious vessels. Government agencies that are responsible for implementation of the agreement from the Russian side are: Federal Security Service (FSB) and Federal Customs Service, and from the U.S. side are: National Oceanic and Atmospheric Administration, and the U.S. Coast Guard. The document stipulates that in the framework of the Intergovernmental Fisheries Committee, these agencies will hold consultations aimed at preventing, curbing and liquidation of NNN catch. Earlier, Russia ratified similar NNN agreements with China, South Korea and Japan.

<http://www.fish.gov.ru/press-tsentr/obzor-smi/9632-rossiya-i-ssha-ispolzuyut-obmen-dannymi-dlya-borby-s-brakonerstvom>

VPSS Restricts Fish and Seafood Transit: Starting December 14, 2015, the Russian Veterinary and Phytosanitary Surveillance Service (VPSS) initiated restrictions on fish and seafood shipments originating in the third countries and transiting through Lithuania to Russia. According to VPSS, the system of traceability of shipments from third countries, destined to EAEU territories, is not transparent nor necessarily in compliance with EAEU imports requirements. As a result of the inspection, VPSS restricted 4 Lithuanian fishery processing facilities from shipping their products to Russia starting December 7, 2015. <http://www.rbc.ru/economics/04/12/2015/5661a84c9a7947746391608c>

GOR Allocated Subsidies for Development of Dairy and Vegetable Sectors: On December 3, 2015, the GOR approved Order No.2477-p allocating 1,350.9 billion rubles (\$19.8 million) from the federal anti-crisis budget for construction or renovation of green houses and dairy farms. Under the Order, greenhouse vegetable growers will receive 946.9 million (\$13.9 million). Dairy farmers will receive 403.9 million rubles (\$5.9 million) under the subprogram "Development of Dairy Livestock."

<http://government.ru/docs/20893/>

<http://www.mcx.ru/news/news/show/46046.355.htm>

Special Phytosanitary Regime for Import of Quarantine Products via Territory of Belarus to Russia: Starting December 7, 2015, VPSS introduced a special phytosanitary regime which will include confirmation of the authenticity of phytosanitary certificates for certain products from certain countries entering Russia via Belarus. This measure is aimed at ensuring phytosanitary safety of the territory of the Russian Federation. From August 2014 to December 2015, VPSS stopped more than

1000 import shipments of illegal plant products. Nearly half of those were re-exported from the Republic of Belarus and were accompanied by forged phytosanitary certificates of the following countries of origin: Albania, Chile, Turkey, Israel, Tunisia, Morocco, Serbia, Bosnia and Herzegovina, Macedonia, Brazil, Ecuador, Egypt, and South Africa.

<http://www.fsvps.ru/fsvps/news/15723.html>

More Breeding Farms Authorized in Leningradskaya Province: Six more agricultural enterprises in Leningradskaya Province (North West Federal District) were assigned the status of breeding farms by order of the Ministry of Agriculture of the Russian Federation. Three companies (Petrovskiy, Breeding farm Razdol'ye, and Breeding plant Rastsvet) received the status of breeding plant for cattle of the Holstein breed and Novaya Ladoga was recognized as a stud farm for breeding cattle of the Ayrshire breed. LLC Agricola, engaged in fur farming, was recognized as a pedigree reproducer for two types of fur-bearing animals: sable breed black sable and American mink breed pastels. Also, LLC Kovcheg, engaged in the breeding of thoroughbred Arabian horses, received the status of a hippodrome. Seventy-five agricultural enterprises now operate in livestock breeding in Leningradskaya Province, making it a Russian leader in stock breeding. <http://www.mcx.ru/news/news/show/45747.178.htm>

MinAg Commission Approved 85 Investment Projects in Agriculture: During the meeting of the Ministry of Agriculture Commission on Selection Investment Projects, aimed at construction and renovation of agricultural facilities, Minister of Agriculture Alexander Tkachyov signed a protocol, listing projects presented from the Russian regions. In total, 85 investment projects were reviewed by the Commission, implementation of which will require financing of 40.87 billion rubles. Thus, the Commission approved: projects for construction of greenhouse facilities from 5 regions, including: Amur, Belgorod, Moscow, Stavropol and Khanty-Mansiysk Autonomous district; and projects for construction of dairy facilities in 7 regions, including Arkhangelsk, Voronezh, Kaluga, Ryazan, Novosibirsk and Republics of Mordovia and Tatarstan. <http://www.mcx.ru/news/news/show/46190.355.htm>

GOR To Increase Support for Road Construction in Rural Areas: During the meeting of the Committee on Agricultural Sector Development at the Federation Council, Minister Tkachyov stated that the GOR will increase financing for road construction in rural areas to 7.5 billion rubles (\$110.2 million), or by 70 percent in 2016 versus 2015. The activity is a part of the Federal targeted Program "Sustainable Development of Rural Territories for the period 2014-2017 and up to 2020." Tkachyov reported that in 2015 the GOR allocated 13 billion rubles (\$191.1 million) for development of rural territories, including 4.5 billion rubles (\$66.1 million) for road construction. The program provided for the improvement of infrastructure and the building of roads in 7,000 rural territories (out of total 153,000 rural settlements) from 82 provinces in 2015. The Minister also noted that due to budget deficit in the regions, starting in 2015 the share of regional financing for the activities in the framework of the federal programs in agriculture was decreased to 30 percent, compared to the previous requirement of 50 percent. <http://www.mcx.ru/news/news/show/46235.355.htm>

Russia's December Grain Stocks Highest in Four Years: The Russian State Statistical Service (Rosstat) recently reported that as of December 1, 2015, Russia's Grain stocks are 39.9 MMT, 2.9 percent higher than on December 1, 2014. These include stocks reported by agricultural enterprises (25.5 MMT) and by assembling, storing and processing enterprises (14.4 MMT) and represent the highest levels recorded on December 1st in the last 4 years. The grain stocks stored at assembling, storing and processing enterprises (14.4 MMT) are composed of: 10.0 MMT of wheat, 0.5 MMT of rye,

almost 1.7 MMT of barley, almost 1.8 MMT of corn, and 0.6 MMT of other grain crops.

http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d06/254zern%D0%BE15.htm

Medvedev Asked to Investigate Rosalcohol: Federation Council Speaker Valentina Matviyenko criticized the Head of Federal Service on Alcohol Market Regulation (Rosalcohol) Igor Chuyan at a Federation Council Session held in November. In 2014, alcohol excise taxes brought 299 billion rubles (\$4.4 billion) into Russian government coffers. In 2014, the share of legally produced and sold alcohol in Russia is estimated at only 40 percent of total alcohol sales. As a result, the federal budget is expected to lose roughly 270 billion rubles (\$3.9 billion) in 2015. Federation Council members called for Prime Minister Medvedev to investigate Rosalcohol.

<http://www.rg.ru/2015/11/25/kritika-site.html>

<http://www.rbc.ru/rbcfreenews/566167029a794729caefc6aa>

Winemakers Using Own Grapes Exempted from Unified Federal Automatic Information System:

According to Russian Government Resolution #1317m dated December 4, 2015, all organizations engaged in the production of wine or sparkling wine (Champagne) with a protected geographical indication or protected appellation of origin, and winemakers engaged in the production of wine, sparkling wine (Champagne) from domestically grown grapes, will not be required to use the Unified Federal Automatic Information System.

<http://ivo.garant.ru/#/document/71270026/entry/1000:3>

Russian Alcohol Imports Down: Federal Customs Service officials reported that the volume of imported alcohol in Russia fell almost 1.5 times during the first three quarters of 2015. Russia imported 140,000 liters of spirits in 2015, or 45 percent less than in the same period last year. The drop in imports is largely due to exchange fluctuations and, consequently, an increase in prices for foreign wines, whiskey and cognac.

http://vch.ru/event/view.html?alias=tamoghnya_daet_vino_kak_prohodit_proverka_alkogolya_iz-za_rubegha

Russian Fish and Seafood Catch Up Nearly Five Percent: The Russian Ministry of Agriculture reported that as of December 10, 2015, Russian fishermen harvested over 4 MMT of fish and seafood, nearly a 5 percent increase over the same period in 2014. The highest increase of 97,000 MT was demonstrated in production of frozen fish on the Russian fishing vessels. As a result the total production of this category reached 1.7 MMT by December 10th. Production of frozen fish fillet is also increased by 82,000 MT. However, production of herring has demonstrated a slightly down trend for the period. Reportedly the total production of herring is currently estimated at 327,000 MT, or 66,000 MT down versus the same period in 2014.

<http://www.mcx.ru/news/news/show/46360.355.htm>

