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**Date:** 10/6/2015

**GAIN Report Number:** RS1579

## Russian Federation

**Post:** Moscow

### Russian Agricultural Policy and Situation Bi-Weekly Update - 16

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

Minister Tkachyov's First Interview ... Amended Floating Wheat Export Duty Formula ...  
Current Russian Grain Stocks Higher Than Average ... Draft Amendments to the Russian Food  
Security Doctrine ... Specialized Food Products for Athletes Excluded from Banned Import List  
... VPSS Strengthened Controls Over GE Presence in Feed Ingredients ... Proposed Food Stamp  
Program for Low Income Population ... MinAg Sets Ambitious Goal to Increase Grain  
Production by 2025 ... Russia/Norway Sign MOU on Managing Wild Salmon Stocks ... Tkachyov  
Speech at Meeting of the Commission on Import Substitution ... Modified Russian Standards  
(GOSTs) on Beer and Wine Expected ... Eurasian Economic Union May Link Spirits and  
Tobacco Excise Duties to Euros

**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.

**Minister Tkachyov's First Major Interview:** Following the first five months since his appointment as the Russian Federal Minister of Agriculture, Alexander Tkachyov gave his first interview to the Russian business newspaper "Kommersant" and the popular newspaper "Komsomolskaya Pravda." The Minister commented on several issues, including dairy and wine production, the wheat export duty, and the increase in consumer prices. The Minister also noted the high growth potential for Russian agricultural exports and changes to the Food Security Doctrine in light of the GOR's implementation of the import substitution policy in various sectors. Tkachyov spoke about the success in the grain and poultry sectors, and recognized the need for additional time and funds for development of the horticulture, beef, and dairy sectors, as well as fruit and vegetable production, in accordance with the new food security goals. He also responded to questions related to the [Food Embargo Report](#), published by the Analytical Center for the Government of the Russian Federation, and others concerning Agro Holding "Agrokomplex," which is owned by relatives of the Minister. Links to original articles: "Kommersant" <http://www.kommersant.ru/doc/2815307>; "Komsomolskaya Pravda" <http://www.kp.ru/daily/26435.5/3306827>

**Amended Floating Wheat Export Duty Formula:** The Russian Government issued [Resolution No. 1032 of September 29, 2015](#) amending the floating wheat export duty that has been in force since July 1, 2015. The Government increased the deductible portion of the wheat export duty from 5,500 rubles (\$83.9) to 6,500 rubles (\$99.1) per 1 metric ton (MT). The minimal amount of the duty is reduced from 50 rubles (\$0.8) to 10 rubles (\$0.15) per 1 MT. Also the government lifted exports duties on durum wheat (HS Codes 1001 11 000 0 and 1001 19 000 0), and on planting seeds of other types of wheat (Codes 1001 91 100 0, 1001 91 200 0 and 1001 91 900 0). Thus, as of October 1, 2015, the export duty on durum wheat and wheat planting seeds are zero (0), and export duty on other wheat will be calculated as 50 percent of customs value minus 6,500 rubles, but not less than 10 rubles per 1 MT [1] . <http://government.ru/docs/19871/>

**Current Russian Grain Stocks Higher Than Average:** The Russian State Statistical Service (Rosstat) published the monthly update on grain stocks in Russia. As of September 1, 2015 on farms, at processing enterprises and at warehouses, 39.3 million metric tons were stored. This is 0.3 percent less than on the same date last year, but still the second highest level in the last 4 years. This includes 27.3 MMT of grain stored on farms (Rosstat does not count small-size enterprises), that is 1.5 percent more than on the same date last year. The total stored at processing enterprises and at warehouses and elevators (12.0 MMT), is 5.1 percent less than last year.

[http://www.gks.ru/bgd/free/b04\\_03/IssWWW.exe/Stg/d06/186zern%D0%BE15.htm](http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d06/186zern%D0%BE15.htm)

**Draft Amendments to the Russian Food Security Doctrine:** The Russian Ministry of Agriculture prepared draft amendments to the Food Security Doctrine which increased the self-sufficiency targets for the following groups of products: sugar from 80 percent to 90 percent, sunflower oil from 80 percent to 90 percent, and fish products from 80 percent to 85 percent. The amendment adds new minimal levels of self-sufficiency in vegetables and melon at 90 percent, and in fruits and berries at 70 percent. Self-sufficiency requirements for other product groups have not changed: grain remains at 95 percent, meat and meat products at 85 percent, milk and dairy at 90 percent, potatoes at 95 percent, and salt at 85 percent. The Amendments also specify criteria for determining national food security and general social economic goals for the development of agriculture and rural areas. The draft was posted on the government site <http://regulation.gov.ru/projects#npa=38295> for public discussion on September 17, 2015. The discussion date ends October 14, 2015.

**Specialized Food Products for Athletes Excluded from Banned Imports List:** At the request of the Russian Ministry of Health, Government Resolution No. 981 of September 16, 2015, excluded specialized food products for feeding athletes from the List of Agricultural Products, Raw Materials and Food Banned for Import into Russia until August 5, 2016. The Russian Ministry of Sport shall confirm the purpose of using such food for sportsmen athletes. <http://government.ru/docs/19758/>

**VPSS Strengthened Controls Over GE Presence in Feed Ingredients:** On September 25<sup>th</sup> and 28<sup>th</sup>, the Russian Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) at the Russian Ministry of Agriculture posted several notifications of findings of GE soybean lines in products (feeds and milk replacer) that were imported to the Russian Federation from three enterprises (one German, one Dutch and one Austrian). According to VPSS, the GE soybean lines were not registered as ingredients in these products, a violation of the Russian requirements for registration of feeds containing GE lines. According to the notifications, in two cases VPSS temporarily suspended imports of products from the relevant enterprises. FAS/Moscow reported on the [issue here](#).

**Proposed Food Stamp Program for Low Income Population:** According to the Deputy Minister of the Ministry of Industry and Trade, the Russian government may spend 240 billion rubles (\$3.6 billion) on a national food stamp program to support an estimated 15 to 16 million Russian citizens. The Ministry submitted a proposal to the GOR to help the Russian low-income population, using the United States food stamp program as a model. Mr. Yevtukhov said the funding will come from both federal and regional budgets. The Program proposes the provision of electronic bank cards to needy citizens for purchases of “locally-produced, higher-quality foods, except for imported food, cigarettes and alcohol.” The official also said commercial enterprises are free to participate in the scheme. The only requirement for retailers is that they must process the transactions through a central processing system administered by one of the largest banks. The name of the bank was not specified.

[http://www.gazeta.ru/business/news/2015/09/24/n\\_7629119.shtml](http://www.gazeta.ru/business/news/2015/09/24/n_7629119.shtml)

**MinAg Sets Ambitious Goal to Increase Grain Production by 2025:** During a weekly meeting, the Minister of Agriculture, Alexander Tkachyov, reported on preliminary results of the 2015 harvest and preparation for seasonal field works. Mr. Tkachyov noted that over the last 30 years Russia increased grain production by a third, or 30 MMT (in 2005 Russia produced 78 MMT, in 2011 – 94 MMT, in 2012 – 71 MMT, and in 2013 – 92 MMT). The Minister also noted that the application of intensive

technologies has improved yields and will provide for increasing domestic consumption, up to 85 MMT by 2025. These increased yields will also allow for an increase in export potential from the current level of 30 MMT, up to 40 MMT by 2025. The Minister stated that increasing productivity by 3 centners from each hectare will add another 15 MMT to total grain production. Among other issues, Minister Tkachyov said that Russia needs to improve the application of mineral fertilizers, noting that with a total annual production of fertilizer estimated at 18-20 MMT, Russia utilizes only 15 percent.

<http://www.mcx.ru/news/news/show/43811.355.htm>

**Russia/Norway Sign MOU on Managing Wild Salmon Stocks:** On October 1<sup>st</sup>, the Federal Fisheries Agency (Rosrybolovstvo) and Norway's Ministry of Climate and Environment concluded a Memorandum of Understanding on cooperation in management, monitoring and research of wild Atlantic salmon in the Norwegian province Finnmark and the Russian Murmansk region. According to the Memorandum, a Working Group will be formed with specialists from Rosrybolovstvo, the Norwegian Ministry of Climate and Environment, as well as researchers from both countries. Responsibilities of the Working Group will include: assessment of the wild salmon population under recommendations from the Organization for preservation of salmon in the northern part of the Atlantic Ocean (HACKO); consultations on monitoring, research, and preservation of salmon and measures for its regulation; reporting on the condition of salmon stocks, annually etc. The Head of Rosrybolovstvo noted the importance of the open and fruitful bilateral consultations and the amount of work contributed by experts and specialists of various departments of Russia and Norway in the preparation of the draft document. Also, Mr. Shestakov said that "signing the Memorandum will not only allow us to develop more actively interaction on trade regulation of wild salmon both in the province Finnmark, and in Murmansk region, but will also give a new impulse to cooperation and partnership between our countries."

<http://www.fish.gov.ru/press-tsentr/novosti/7604-rossiya-i-norvegiya-budut-sovmestno-regulirovat-promysel-lososya-rossijskogo-proiskhozhdeniya-u-norvezhskikh-beregov>

**Tkachyov Speech at Meeting of the Commission on Import Substitution:** On October 3, 2015, the GOR held a regular meeting of the Commission on Import Substitution. During the meeting, Minister of Agriculture Alexander Tkachyov reported on the most problematic subsectors, where Russia continues to be heavily dependent on imports, including dairy, beef, fruit and vegetables. Mr. Tkachyov also stated that recent government measures aimed at eradication of counterfeit products allowed for "cleaning" the market from unfair players and opened the market for honest local producers. Minister Tkachyov encouraged the Governors of the Russian regions to better evaluate opportunities provided by the food embargo and maximize efforts to increase production in their regions.

<http://government.ru/news/19937/>

**Modified Russian Standards (GOSTs) on Beer and Wine Expected:** After Russia prohibited the sale of energy drinks in retail, nearly half of Russia's regions began to masquerade them as beer and wine beverages. The Technical Committee of Rosstandard has started revisions of standards GOST 31729-2012 "Wine Beverages General Technical Conditions" and GOST P 55292-2012 "Beer Beverages General Technical Conditions." The new standards will not permit the use of extracts and plant distillates of Guarana, Yerba Mate, ginseng, schisandra, oreoleuterokocca-containing tonic components. <http://izvestia.ru/news/592089>

**Eurasian Economic Union May Link Spirits and Tobacco Excise Duties to Euros:** Despite the recession and devaluation of national currencies, the Eurasian Economic Union (EAEU) has not given

up the idea of harmonizing spirits and tobacco excise duties and linking them to Euros. According to the Minister of Economics and Financial Policy of the Eurasian Economic Commission (EAEC), Timur Suleimenov, "Excise duties will be nominated in Euros; this is the only hard currency." EAEU officials will be ready to present draft agreements on harmonization of tobacco and spirits excises for review by the EAEC. If the draft agreements are approved, the excise harmonization process may start as early as next year. EAEU countries will determine the specific rate independently; and the agreements will only limit the corridor for rates. The harmonization will be linked to the establishment of the common wines and spirits market of the EAEU.

<https://www.vedomosti.ru/economics/articles/2015/09/25/610172-aktsizi-alkogol-tabak>

<sup>[1]</sup> <http://government.ru/docs/19871/>