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### Russian Agricultural Policy and Situation Bi-Weekly Update - 19

**Report Categories:**

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**Report Highlights:**

Russian Bans Imports of Some Turkish Food Products . . . Russian Salmon Harvest in 2015 Smaller Than Expected . . . Eurasian Economic Commission (EAEC) Adopts New Maximum Residue Limits . . . Ministry of Agriculture Forecasts Record 2015 Russian Crop Yields . . . Increased Credit for 2015 Seasonal Field Work . . . Krasnodar Sturgeon Breeding Facility to Resume Production . . . Federal Law Preserving Fish and Seafood of the Caspian Sea . . . Russia's Grain Stocks Reach 43.5 Million Metric Tons . . . Agricultural Investment Projects to Be Implemented in Novgorod Province . . . Tax Privileges for Fishing Companies in Primorye . . . Support Grows for Russian Winemakers . . . Russian State Duma Attempting to Restrict Discounts on Alcohol . . . "Sino-Russian Express" Will Pass Through Vladivostok . . . Primorye Increases Catch of Cod and Pollock

**General Information:****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.

**Russian Bans Imports of Some Turkish Food Products:** On November 30, 2015, the Chairman of the Government signed Decree No. 1296 "On Implementation of the National Security of the Russian Federation and on Implementing Special Economic Measures Against Turkey." According to the Decree, starting January 1, 2016, Russia will implement a ban the importation of a number agricultural products originating from Turkey. Banned imports from Turkey include: frozen turkey and chicken, strawberries, peaches, pears, tangerines, oranges, grapes, tomatoes, cucumbers and some other products. Turkey's share of Russia's total agricultural imports in 2014 was 4.3 percent. The Russian Ministry of Agriculture reports that imports of food and agricultural products from Turkey from January through October, 2015 is estimated at \$1,035 billion, or 21.2 percent lower than the same period in 2014. Nearly half of Turkish agricultural exports to Russia consist of fruits and nuts, primarily citrus and grapes. One-third of Turkey's agricultural exports to Russia are vegetables, with fresh tomatoes alone accounting for 23 percent of total agricultural exports. From January to October 2015, Russian agricultural exports to Turkey totaled \$1.3 billion. In 2014, Russia's leading agricultural export products (in value terms) destined to Turkey included grains (56.1 percent); sunflower oil (21.1 percent); dried beans (4.9 percent); and oilseeds (4.3 percent). According to Alexander Tkachyov, Russian Minister of Agriculture, "the list of the agricultural products restricted for import to Russia from Turkey included only those positions which loss isn't critical for the Russian market and which can be replaced with shipments from other countries." He also believes that since the bulk of imports from Turkey consist of fruit and vegetables, which are mostly seasonal and shipments were generally completed in the 3<sup>rd</sup> quarter, Russian importers will have time to find alternative suppliers. Tkachyov also noted that those Turkish food products, that have a considerable share in the Russian market, such as nuts, fig, pimento, fructose and ingredients for the food processing industry, are not part of the restriction.

Link to the GOR Decree and a list of agricultural products in Russian:

<http://government.ru/media/files/GRARiHdNIWbl10wUg3LyPSAJPIDeTnLX.pdf>

<http://www.mcx.ru/news/news/show/45716.355.htm>

**Russian Salmon Harvest in 2015 Smaller Than Expected:** In an interview in the magazine "Far Eastern Capital", Ilya Shestakov, Deputy Minister of Agriculture and the Head of the Russian Federal Fisheries Service, stated that the total catch of Pacific salmon in the Russian Far East is estimated at 357,000 MT in 2015, which is 10.6 percent lower than the catch in 2013. Shestakov attributes the lower than expected salmon catch this year to forecast errors and a number of biological factors.

<http://www.fish.gov.ru/press-tsentr/novosti/8848-intervyu-rukovoditelya-rosrybolovstva-ili-shestakova-zhurnalu-dalnevostochnyj-kapital>

**Eurasian Economic Commission (EAEC) Adopts New Maximum Residue Limits (MRLs):** On November 10, 2015, the Eurasian Economic Commission (EAEC) adopted Decision No. 149, amending the Unified Sanitary-Epidemiological and Hygiene Requirements for Commodities Subject to Sanitary-Epidemiological Surveillance (Control) approved by Customs Union Decision No. 299 of May 28, 2010. The amendments revise and establish new MRLs for pesticides and chemicals in external entities, such as human body, soil, reservoir water, working air, open air and in agricultural raw materials and food products. <https://docs.eaeunion.org/ru-ru/Pages/DisplayDocument.aspx?s={e1f13d1d-5914-465c-835f-2aa3762eddda}&w=9260b414-defe-45cc-88a3-eb5c73238076&l={8a412e96-924f-4b3c-8321-0d5e767e5f91}&EntityID=8916>

**Ministry of Agriculture Forecasts Record 2015 Russian Crop Yields:** On November 18, 2015, the Russian Ministry of Agriculture announced that 2015 may be a record year for some crops in Russia, particularly oilseeds, including soybeans and oily flax, and corn. The total oilseeds crop is forecast at over 14 million metric tons (MMT) compared to 13.8 MMT in 2014. This forecast includes a record 2.8 MMT of soybeans (2.5 MMT in 2014) and over 0.55 MMT of oily flax (385,600 TMT in 2014). The corn crop is also forecast at a record of over 12 MMT. <http://www.mcx.ru/news/news/show/45418.355.htm>

**Increased Credit for 2015 Seasonal Field Work:** The Ministry of Agriculture reviewed credit resources for the agroindustrial sector and reported that as of November 19<sup>th</sup>, the amount of credit granted for seasonal field work, such as ploughing, sowing, and fertilizer application, is estimated at 224 billion rubles, or 33.4 percent higher than for the same period in 2014. Specifically, Rosselkhozbank granted credit in the amount of 155.9 billion rubles, 18 percent more than the same period in 2014, and Sberbank loaned 68 billion rubles or 92 percent more than last year.

<http://www.mcx.ru/news/news/show/45570.355.htm>

**Krasnodar Sturgeon Breeding Facility to Resume Production:** The Russian Federal Fisheries Agency reports that one of the largest sturgeon breeding facilities in Russia, the “Southern Processing Sturgeon Breeding Center,” will resume its operation in 2016 after an 8 year break. Currently the facility is working on the formation of breeding stock. In 2016, it will resume production of sturgeon and other valuable fish species, such as grass and silver carp. The facility was built in 1973 with the objective to preserve rare and valuable fish species. The maximum annual capacity of the plant will reportedly be 12 million fingerlings.

<http://www.fish.gov.ru/press-tsentr/obzor-smi/9123-na-kubani-vozobnovit-rabotu-krupnejshij-osetrovyj-zavod>

**Federal Law Preserving Fish and Seafood of the Caspian Sea:** President Putin signed the Federal Law "On Ratification of the Agreement on Preservation and Rational use of Fish and Seafood of the Caspian Sea." This law, ratifying the Agreement on Preservation and Rational Use of Water Biological Resources of the Caspian Sea signed in Astrakhan on September 29, 2014, was adopted by the State Duma on November 10, 2015, and approved by the Federation Council on November 18, 2015. The Agreement organizes and defines the powers of the Commission on Preservation and Rational Use of Water Biological Resources and the management of joint stocks. It establishes specific procedures for

harvesting fish and seafood in the Caspian Sea, including the commercial catch of sturgeon species.

The Agreement continues for an indefinite term with the right of each of the parties to terminate participation with written notification to the Government of the Russian Federation.

<http://www.fish.gov.ru/press-tsentr/novosti/9183-podpisan-zakon-o-ratifikatsii-soglasheniya-o-sokhranении-bioresursov-kaspijskogo-morya>; <http://www.kremlin.ru/acts/news/50761>

**Russia's Grain Stocks Reach 43.5 Million Metric Tons (MMT):** Rosstat data recently reported that as of November 1, 2015, Russia's Grain stocks are 43.5 MMT, the same as on October 1<sup>st</sup>. These stocks include stocks reported by agricultural enterprises (29.1 MMT) and by assembling, storing and processing enterprises (14.4 MMT) [1]. These stocks represent one of the highest levels recorded on November 1<sup>st</sup> in the last 5 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 1.8 MMT of barley, almost 1.5 MMT of corn, and 0.6 MMT of other grain crops.

[http://www.gks.ru/bgd/free/b04\\_03/IssWWW.exe/Stg/d06/230zern%D0%BE17.htm](http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d06/230zern%D0%BE17.htm)

**Agricultural Investment Projects to Be Implemented in Novgorod Province:** During a meeting on improving the investment climate in Novgorod Province, the Governor presented two investment projects totaling more than 2.6 billion rubles (\$400 million). One of the projects proposes the construction of a dairy farm for 800 cows with an annual production capacity of 7,000 MT of high quality milk. The other project includes the construction of a goat farm for 3000 animals and a closed-cycle facility for the production of goat milk and cheese. The Governor reported that Novgorod province attracted investments in 2015 totaling 70 billion rubles, or an additional 6 billion rubles compared with 2014.

<http://k-vedomosti.ru/news/v-novgorodskoj-oblasti-realizuyut-dva-krupnyx-investicionnyx-proekta.html>

**Tax Privileges for Fishing Companies in Primorye:** The Primorye Territory Legislative Assembly approved, in the first reading, a draft resolution that will provide tax privileges to local fishing companies that place orders for construction of new fishing vessels at the Primorye shipyards. In particular, during the 5-year term of the resolution, fishing companies will be exempted from property taxes on new fishing vessels constructed after January 1, 2016 at the Primorye shipyards. The objective of the new law is to stimulate companies to construct fishing vessels at local shipyards and register them in Primorye territory. <http://tass.ru/ekonomika/2469298>

**Support Grows for Russian Winemakers:** On November 17, 2015, the Ministry of Agriculture presented a report on viticulture and winemaking development in the Russian Federation at a meeting of the Government Commission on Agro-Industrial and Fisheries Complexes. In order to encourage new winemakers to produce wine from their own grapes, the Commission approved a decision to decrease State licensing fees for the production, storage and supply of wine from 800,000 rubles to 65,000 rubles and to increase the licensing period for this category of farmers. These preferences will pertain only to new Russian wine producers/farmers. <http://government.ru/news/20613/>  
<http://www.rg.ru/2015/11/19/vino.html>

**Russian State Duma Attempting to Restrict Discounts on Alcohol:** In November, 2015, the State Duma Deputies introduced a draft law to place restrictions on in-store alcohol tastings, including beer, discounts on alcohol, coupons and sponsorships of alcoholic products. During the debate in the Duma, discussion focused on whether discounts and tastings encourage excessive drinking among young people. <http://www.rg.ru/2015/11/12/alcogol-site.html>

**"Sino-Russian Express" Will Pass Through Vladivostok:** The Chinese logistics company "Harbin-Europe" completed the planning phase for the "Sino-Russian Express" services for the Harbin - Suifenhe - Vladivostok - Moscow route. This is a unique, cargo transportation service for shipment from China to Russia. When completed, shipping time to Moscow will take from 8 to 10 days. Currently, deliveries along this route take 15 days.

<http://primamedia.ru/news/economics/12.11.2015/472624/kitaysko-rossiyskiy-ekspress-poydet-cherez-vladivostok.html>

**Primorye Increases Catch of Cod and Pollock:** Since January 2015, fishing enterprises from Primorye Territory have caught 643,000 MT of fish and seafood. The Pollock catch totaled 455,000 MT which is 4,000 MT more than last year. The cod catch increased 1,500 MT to 7,500 MT. The herring catch totaled 93,300 MT, and the flatfish catch totaled 4,800 MT. In addition, coastal fishermen caught 16,300 MT of crab. According to the Director of the Regional Department of Fisheries and Aquatic Biological Resources, the expected volume of fish and seafood caught by fishermen in Primorye will reach 800,000 MT by the end of 2015. In 2015, federal and regional budgets allocated 104 million rubles to support the sector, including 35 million rubles for aquaculture development.

<http://vladivostok.fishretail.ru/news/ribaki-primorya-uvelichili-vilov-treski-i-mintaya-352336>

<sup>[1]</sup> The quoted number does not include Crimea