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Report Highlights:

Russian Government Updates Formulas for the Co-Financing of Economically Important Regional Agricultural Programs... The Government Amends Rules for the Quota Distribution System for Fish and Seafood... The State Duma Modifies the Regulation of the Alcohol and Beverage Sector... Russian Government Increases the Charter Capital of Rosagroleasing... Russia Lifts Restrictions on Some Moldovan Apple Exporters ... Agricultural Producers and Retailers Must Come to Agreement... Officials in the Russian Far East Offering Free Plots of Land to Spur Regional Growth... Metro Cash & Carry Slows Down Expansion in the Russian Far East.

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.

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Russian Government Updates Formulas for the Co-Financing of Economically Important Regional Agricultural Programs. Government Resolution No. 167 of February 27, 2015, approved changes in the rules on the distribution of subsidies from the federal budget to provincial budgets for support of economically important programs. Subsidies for "co-financing" cover economically important regional programs in the field of crop production (development of the linen industry, development of the rice industry, and restoration of soil fertility), in the field of livestock production (prophylactics and prevention of the spread of African swine fever), and in the field of meat production (development of the meat industry). The updated rules provide formulas for the calculation of the share that each region accounts for in the total federal subsidy, and outline federal "co-financing" for certain regional programs. In order to apply for co-financing, regions are expected to conclude an agreement with the Ministry of Agriculture. <http://www.mcx.ru/>

The Government Amends Rules for the Quota Distribution System for Fish and Seafood.

On February 28, 2015, via Resolution #180, the Russian government approved amendments to the rules for bidding on quota volume, via auction, for production (i.e., catch) of "water biological resources." The current Resolution amended Government resolution #602 of August 12, 2008. Regional offices of the Federal Fishery Agency (in the past it was only the Federal Fishery Agency itself) will now be organizers of these auctions and must comply with the budgetary code of the Russian Federation.

http://government.ru/dep_news/17080/

<http://government.ru/media/files/Dzfye6mAMWY.pdf>

The State Duma Modifies the Regulation of the Alcohol and Beverage Sector.

At the end of February, the State Duma adopted, in the first reading, a law that, if passed, would oblige beer, cider and other beverage producers to provide information to the Unified Federal Automatic Information System (UFAIS) starting July 1, 2015, wholesale suppliers of alcohol starting November 1, 2015, and retailers starting November 1, 2016.

<http://www.alcoexpert.ru/itnews/22078-alkogol-po-zakonu.html>

Russian Government Increases the Charter Capital of Rosagroleasing. Rosagroleasing is a predominantly state-owned company that sells, among other items, agricultural machines and equipment to farmers on terms of installment payments. Government Order No. 286-p of February 23, 2015, increased the Charter Capital of Rosagroleasing by 2 billion rubles. The additional funds shall be used by Rosagroleasing to support farmers' purchases of modern agricultural machines and equipment of

Russian origin for work in 2015.

<http://government.ru/docs/16994/>

Russia Lifts Restrictions on Some Moldovan Apple Exporters. As a result of bilateral consultations between representatives of the Federal Veterinary and Phytosanitary Surveillance Service (VPSS) and the National Agency for Food Safety of Moldova Republic, VPSS has announced it will lift restrictions on imports of Moldova apples from several companies starting February 26. At the same time VPSS informed, that in case of violations of Russian and international quarantine/phytosanitary requirements, VPSS will be forced to ban the importation of quarantined products from Moldova.

<http://www.fsvps.ru/fsvps/news/12699.html>

Agricultural Producers and Retailers Must Come to Agreement. Lenigradskiy Oblast Governor Alexander Drozdenko held a meeting with representatives of the regions' major retail chains and large agricultural producers to discuss methods to control rising food prices. According to Governor Drozdeko, it was especially important to focus on stabilizing prices for a list of 25 "socially important food products".

<http://www.lenobl.ru/news20536.html>

Officials in the Russian Far East Offering Free Plots of Land to Spur Regional Growth.

Authorities in Russian Far Eastern regions, that are sparsely populated but rich in natural resources, recently launched a program to distribute 10 hectare plots of land at no cost in an attempt to spur regional development. Land can be provided for the construction of housing, facilities for businesses, tourism, fishing or forestry.

<http://tass.ru/obschestvo/1822874>

Metro Cash & Carry Slow Down Expansion in the Russian Far East. Metro Cash & Carry has suspended its plans to expand the company into Primorsky Krai. The largest retailer had earlier announced its intention to enter the Far Eastern market in August 2013-- building three large shopping centers in Vladivostok, Ussuriysk and Nakhodka. In addition, the company planned to create a logistics center which would supply goods to the entire Far East and some of Western Russia.

<http://primamedia.ru/news/economics/10.03.2015/425491/torgovaya-set-metro-ne-dobralas-do-primorya-zr.html>