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Report Highlights:

Russian Government Approved Subsidies to Support Agricultural Machinery Producers . . . Ministry of Agriculture Reports on Feed Stocks . . . Increased Marketing of Locally Produced Fish . . . Russian Government Determines Rules for Subsidizing Commodity Aquaculture . . . Russian Far East Industrial and Agricultural Production Growth . . . Potential Increase in Russian Crab Catch . . . No Preferential Tariffs for Fish Delivery from the Far East . . . "Far Eastern Acres" Distribution This Fall . . . Government Distributes Subsidies to Support Livestock Producers . . . The Ministry of Economic Development Has Not Voiced Support to Proposal of the Federal Antimonopoly Service to Eliminate Import Duties for Vegetables

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 Government Approved Subsidies to Support Agricultural Machinery Producers:

On April 2, 2015, the Russian Government approved Resolution #569-p which allocates 2 billion rubles (\$345 million) for subsidies under the framework of the State Program of Agricultural Development for 2013-2020 (Program). The Ministry of Agriculture will distribute these subsidies to offset purchases among agricultural machinery producers. http://government.ru/dep_news/17549/

Ministry of Agriculture Reports on Feed Stocks: Livestock feed procurement for February-March 2015 of the winter-stall period for all categories of farms (based on reports from the Russian Federation) is 4.6 percent higher than in the period in 2014. Sufficiency in coarse and succulent feed is estimated at 15.6 million MT, or 8.4 percent above estimated needs. Average feed stocks per head of cattle are estimated to be sufficient to go through the winter stall period.

<http://www.mcx.ru/news/news/show/37007.355.htm>

Increased Marketing of Locally Produced Fish: During a regular meeting at the Federal Fisheries Agency (Rosrybolovstvo), Ilya Shestakov, Head of the Agency, stated that within the domestic market the share of locally sourced fish and seafood reached 79.4 percent. The goal identified in the Russian Food Security Doctrine is 80 percent. Currently, the Russian Ministry of Agriculture and Rosrybolovstvo are working on a draft government resolution that will set a ban on procurement of food products (according to the developed list) from third countries, not members of Eurasian Economic Union, for federal and municipal requirements.

<http://www.fish.gov.ru/press-tsentr/novosti/2242-dolya-otchestvennoj-rybnoj-produktsii-na-rynke-rf-priblizilas-k-80-i-prodolzhit-rasti>

Russian Government Determines Rules for Subsidizing Commodity Aquaculture: The Resolution of the Government of the Russian Federation #319 of April 3, 2015, approved amendments to the state program "On the Development of the Russian Fisheries Industrial Sector." In particular, the amendments included rules for granting and distribution of subsidies from the federal budget to the regional budgets on partial compensation of interest rate payments for the development of commodity aquaculture, including breeding of sturgeon. The new subsidy rules aim to develop domestic commodity aquaculture for the purpose of import substitution, and to decrease Russia's dependence on imported feeds and fish stock. The document was developed by the Ministry of Agriculture of the Russian Federation together with the Federal Fisheries Agency (Rosrybolovstvo) for implementation of

measures of state support for commodity fish breeding, provided by the Federal law #148-FZ of July 2, 2014 "On Aquaculture and Amendments of Separate Acts of the Russian Federation".

<http://www.fish.gov.ru/press-tsentr/novosti/2197-utverzhdjen-mekhanizm-subsidirovaniya-akvakultury>

Russian Far East Industrial and Agricultural Production Growth: According to a recent statement by President Vladimir Putin, in 2014, industrial and agricultural production in the Russian Far East grew faster than in the rest of Russia. In 2014, Far East industrial and agricultural production grew 5.3 percent and 18.7 percent, respectively. The national growth rates were 1.7 percent and 3.7 percent, respectively. Putin noted that the demographic situation in the Far East region has improved, and stated "That means that the region has a good potential for development and it should be used properly."

<http://tass.ru/ekonomika/1878400>

Potential Increase in Russian Crab Catch: The All-Russian Research Institute of Fisheries and Oceanography (VNIRO) recommended that the Russian Federal Fisheries Agency (Rosrybolovstvo) increase the allowable crab catch from 56.7 thousand tons to 71.9 thousand tons. VNIRO maintained further that such an increase in the catch should reduce crab meat prices for Russian consumers by 10-50 percent. According to the President of the Far East Association of Crab Catchers, Alexander Duplyakov, currently only 10 percent of Russia's crab catch goes to the domestic market. The rest of the catch is sold abroad to Japan, the United States, South Korea and China. Crab is not traditionally a Russian food and many consumers in the domestic market find it exotic and very expensive.

http://zrpress.ru/markets/dalnij-vostok_27.03.2015_71716_krab-podeshevet-rosrybolovstvo-mozhet-narastit-dobychu-v-pjat-raz.html

No Preferential Tariffs for Fish Delivery from the Far East: The Russian Federal Fisheries Agency (Rosrybolovstvo) will no longer issue preferential tariffs for the delivery of fish from the Far East to the central regions of the Russian Federation. Such provisions emerged following the August 2014 Russian ban of certain food imports from specified countries. Following the ban there were also discussions that railway tariffs on the transportation of fish from the Far East would be reset. However the Agency never arrived at solutions with other executive authorities.

http://zrpress.ru/business/primorje_15.04.2015_72022_lgotnykh-tarifov-na-dostavku-ryby-s-dalnego-vostoka-ne-budet.html

"Far Eastern Acres" Distribution This Fall: The Amur region became the first territory to initiate the "Far East hectares" distribution project. The project is designed to allow any Russian citizen to obtain land ownership through land use. To obtain land, an applicant must state the land use purpose and then develop the land for five years based on the stated purpose. By the end of April, the Ministry for Development of the Russian Far East will develop a model law for the allocation of land plots. All the Far Eastern regions will be able to launch the project in the autumn. Sale and transfer of the land plots to foreigners will be restricted.

http://zrpress.ru/markets/dalnij-vostok_14.04.2015_72028_dalnevostochnye-gektary-nachnut-massovo-razdavat-uzhe-etoj-osenju.html

Government Distributes Subsidies to Support Livestock Producers: On April 13, 2015, the Prime Minister of the Russian Federation, Dmitry Medvedev, signed Resolution No. 649-p on the distribution of subsidies from the Federal Budget to regional budgets for the co-financing of the projects of the regional importance in beef livestock production. Total funds of 2,375 million rubles were allocated in the Federal budget for this purpose. In the Bryansk region, 1,216 million rubles will be distributed to the

budget for this purpose. <http://government.ru/docs/17657/>

The Ministry of Economic Development Has Not Voiced Support to Proposal of the Federal Antimonopoly Service to Eliminate Import Duties for Vegetables: On April 15, TASS reported that the Ministry of Economic Development has not voiced support to the proposal of the Federal Antimonopoly Service (RFAS) to eliminate import duties for fruits and vegetables until the next harvest. According to RFAS, this measure can help mitigate price surges for fruits and vegetables which have risen dramatically in recent months. The final decision remains with the Ministry of Economic Development. The Head of the Federal Antimonopoly Service Igor Artemyev stressed that the Russian crop won't be harvested until September. Therefore, if import duties are not eliminated or lessened, Russia will have higher inflation and higher price surges in the near future. "Fruits and vegetables have already become 200-350 percent more expensive because of different measures taken." stated Mr. Artemyev. <http://tass.ru/ekonomika/1904905>