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GAIN Report

Global Agricultural Information Network

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Report Highlights:

GOR Distributes Subsidies for the Development of Aquaculture and Sturgeon Breeding . . . GOR Announces 2016 Total Agriculture Support . . . Russian Grain Stocks Down Slightly . . . GOR Changes in the Fisheries Sector . . . State Intervention Fund Prices Increased . . . Federal Fisheries Agency to Ban Discharge of By-Catch . . . GOR Provision to Lower Electricity Prices in the Far Eastern Federal District . . . South Korean Company Plans Fish Processing Facility in Vladivostok . . . Primorye Region Food Price Inflation

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.

GOR Distributes Subsidies for the Development of Aquaculture and Sturgeon Breeding: On October 3, 2015, the GOR issued Order No.1962-p on the distribution of 250 million rubles of subsidies among 9 provinces. According to the Order, 234.1 million rubles will be distributed among 6 provinces for partial compensation of interest on loans for developing commodity aquaculture. The subsidies are allocated within the framework of the federal program "Development of Fisheries Sector." The remaining 15.9 million rubles will be distributed to the regional budgets of 3 provinces for partial compensation of interest payments for the development of commercial sturgeon breeding under the subprogram "Development of Sturgeon Breeding." http://government.ru/dep_news/19961/, <http://government.ru/media/files/26PMeUJ6U9xLAWRC6y77R7VvINi03XMo.pdf>

GOR Announces 2016 Total Agriculture Support: On October 8, 2015, the GOR approved the 2016 draft budget. The agricultural sector was announced as the first recipient of budgetary funds from the anti-recessionary reserves of the government. The Minister of Finance stated that 75 billion rubles had already been distributed to meet the needs of the agro-industrial sector and a further allocation of 237 billion rubles will be made in 2016 in support of the sector. <http://www.rbc.ru/economics/08/10/2015/561660c19a79476a47a5b75>

Russian Grain Stocks Down Slightly: The Russian State Statistical Service's (Rosstat) recent monthly update on grain stocks in Russia stated that as of October 1, 2015, 43.77 million metric tons were stored on farms, at processing enterprises and at warehouses. This is down one percent when compared with the same date last year, but still the second highest level in the last 4 years. The total stocks figure includes 30.0 MMT of grain stored on farms (Rosstat does not count small-size enterprises), 0.3 percent more than on the same date last year. Total grain stored at processing enterprises, warehouses and elevators (13.8 MMT), is 3.2 percent less than last year. http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d06/211zern%D0%BE16.htm

GOR Changes in the Fisheries Sector: At the Russian Agricultural Exhibition Golden Autumn 2015, Deputy Head of the Ministry of Agriculture and the Head of the Federal Fisheries Agency (FFA), Ilya Shestakov, stated that starting from November 2015 new fish-breeding sites will be distributed by auction among businesses for the development of long-term breeding programs. Mr. Shestakov also mentioned that in 2015, 270 million rubles were distributed for scientific research and new technologies in commercial fish breeding and that in 2016-2017, the government plans to allocate 600 million rubles in subsidies to partially compensate for short-term credits for the development of commercial

aquaculture, including sturgeon breeding. Shestakov also announced that according to new rules to be implemented in 2016, industrial facilities will be obliged to compensate financially for the adverse impacts on fisheries resources caused by industrial activities, noting that in the last 5 years the loss from implementation of industrial projects has been estimated at 54,000 MT of fisheries resources. Officials estimate that 1.5-2.0 billion rubles are needed to support such restoration activities.

<http://www.fish.gov.ru/press-tsentr/novosti/7791-ilya-shestakov-uchastki-dlya-sozdaniya-akvakulturnykh-khozyajstv-budut-zakrepleny-na-25-let>

<http://www.fish.gov.ru/press-tsentr/obzor-smi/7961-v-2017-godu-v-rf-mozhet-poyavitsya-gosfond-povosstanovleniyu-rybnykh-zapasov>

State Intervention Fund Prices Increased: The Russian Ministry of Agriculture issued Order No. 460 of October 5, 2015, increasing prices for 2015 grain crop purchases to the State Intervention Fund from the levels that were determined for purchases in March 2015 (FAS/Moscow GAIN report [Intervention Prices for 2015 Grain Crop 4-2-2015.pdf](#)). Order No. 460 also equalized wheat prices of the same class for all federal districts, while previous prices were different for the European part of Russia and for Siberia/Ural. The new prices are as follows: milling wheat Class 3 – 10,900 rubles per 1 MT, milling wheat Class 4 – 10,400 rubles per 1 MT, wheat Class 5 (feed) – 8,800 rubles per 1 MT, food quality rye (Group “A”) – 7,400 rubles per 1 MT, fodder barley – 7,500 rubles per 1 MT, and corn (grain) – 6,900 rubles per 1 MT. The text of the Order is posted at the website of the Ministry of Agriculture of the Russian Federation: www.mcx.ru

Federal Fisheries Agency to Ban Discharge of By-Catch: The FFA is reportedly developing a regulation that will ban commercial vessels from discharging by-catch during commercial harvesting of fish and seafood. The Head of FFA noted that fish wasted as a result of this practice accounts for 15-20 percent of the total fish and seafood harvest, or 600,000 to 800,000 MT. Instead of considering the by-catch as waste, it could be used for production of fishmeal and compound feed. Total production of feed for aquaculture in Russia is estimated at 100,000 MT, while demand in Russia for feed for aquaculture is above 200,000 MT. <http://www.fish.gov.ru/press-tsentr/obzor-smi/7968-rosrybolovstvo-zapretit-vybros-ryby-kotoryj-segodnya-sostavlyayet-do-20-ulova>

GOR Provision to Lower Electricity Prices in the Far Eastern Federal District:

Russian President Vladimir Putin signed an order to reduce electricity prices in the Far Eastern Federal District. According to the Ministry for the Development of the Russian Far East, current prices for electricity in the Far Eastern District were hampering economic development. Reportedly, the President's order will stipulate price reductions and will make the energy industry operations in the Far East more attractive to investment. http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=3653

South Korean Company Plans Fish Processing Facility in Vladivostok: The South Korean company, Ssang Mun Co. Ltd, plans to build a fish and seafood processing facility within the framework of the free port of Vladivostok. The total project investment is estimated at \$10 million; however future projections are for a total investment up to \$50 million. The Ministry for Development will assist with the project implementation, including assistance with site selection and obtaining the necessary approvals and permits for all phases of the investment project.

<http://primamedia.ru/news/economics/10.10.2015/466459/kompaniya-yuzhnoy-korei-namerena-postroit-zavod-po-ribopererabotke-vo-vladivostoke.html>

Primorye Region Food Price Inflation: According to the Primorsky Department of Federal Statistics, food prices have increased on average 9.8 percent since January 2015. Prices of fish products increased more than 20 percent, vegetables by nearly 14 percent, fresh fruit and citrus by 30 percent, and dried fruit by 40 percent. Canned meat prices are up almost 18 percent, while prices for beef and processed meat products are up approximately 11 percent. Significant price increases have also been seen for dairy products (milk powder prices increased more than 21 percent), particularly milk with sugar, yogurt, and baby food formula. http://zrpress.ru/business/primorje_12.10.2015_74545_v-primorje-tseny-na-prodovolstvennye-tovary-vyrosli-na-9-8.html