

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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### Russian Agricultural Policy and Situation Bi-Weekly Update\_15

**Report Categories:**

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**Report Highlights:**

Ministry of Agriculture's Monitoring of Implementation of State Program 2013-2020 . . . Elena Gangalo Appointed New Deputy Minister of Agriculture . . . Implementation Strategy for Sustainable Development of Rural Territories Approved . . . Fish and Seafood Catch Rules Defined . . . Government Established Far East Agency for Investment and Export Promotion . . . Status of Meat Import Substitution in Primorye . . . Minister Tkachyov: "Construction of Fishery Hub in the Far East is a National Priority" . . . Typhoon Floods Agricultural Fields in Primorye . . . "RusAgro" to Acquire 75 Percent of "Primorskaya Soya" . . . RusAgro and FESCO to Develop Export Grain Handling through Port of Vladivostok . . . Wholesale Distribution Center for Agricultural Products to be Created in Primorye . . . New Vladivostok Port Warehouse Complex

**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.

**Ministry of Agriculture's Monitoring of Implementation of State Program 2013-2020:** Government Order 1758-p of September 9, 2015 approved the Ministry of Agriculture's Plan for Implementation of the "State Program of Development of Agriculture and Regulation of Agriculture and Food Markets in 2013-2020" in 2015 and for the planned period 2016 and 2017. The Plan will help monitor the implementation of the targets of the State Program 2013-2020 and includes 148 so called "check points" (dates) for reporting on the process of implementation of different sub-programs of the State Program. <http://government.ru/docs/19628/>

**Elena Gangalo Appointed New Deputy Minister of Agriculture:** Prime Minister Dmitry Medvedev appointed Ms. Elena Viktorovna Gangalo as the new Deputy Minister of Agriculture (Order No. 1762-p of September 9, 2015): <http://government.ru/media/files>. Elena Gangalo worked in the Ministry of Agriculture as the Head of the Department of Budget Policy and Government Purchases.

**Implementation Strategy for Sustainable Development of Rural Territories Approved:** The Russian Government approved the 2015-2017 Plan of activities for the implementation of the Strategy of Sustainable Development of Rural Territories until 2030 (Order of the Prime Minister Dmitry Medvedev No. 1696-R of August 31, 2015). The plan includes improving quality and availability of medical care, network of roads and transport service, attracting young specialist to work in the rural areas, etc. The Strategy of Sustainable Development of Rural Areas until 2030 was approved under the February 2, 2015 GOR Resolution No. 151-r. <http://government.ru/docs/19560/>, <http://www.mcx.ru/news/news/show/42983.355.htm>

**Fish and Seafood Catch Rules Defined:** Under Resolution No.909 of August 29, 2015, the GOR approved the rules which define persons (groups of individuals) who are able to apply for fisheries quota. The document also establishes the procedure for providing rights for fish harvesting for different types of fisheries. The legal entity applying for fish and seafood quota cannot be under the control of a foreign investor, except in the case where the foreign investor is established under the order provided by the Law on foreign investments. <http://government.ru/docs/19527/>

**Government Established Far East Agency for Investment and Export Promotion:** The federal government created the Agency of the Far East for Investment and Export Promotion, under federal law "On the Territory of Advanced Socio-Economic Development." The main objectives of the agency are to attract direct investments and to support exports. According to the Minister of Development of the Far East, Alexander Galushka, this new agency for investment is a compact organization focused on

implementation of specific service functions.

[http://minvostokrazvitia.ru/press-center/news\\_minvostok/?ELEMENT\\_ID=3614](http://minvostokrazvitia.ru/press-center/news_minvostok/?ELEMENT_ID=3614)

**Status of Meat Import Substitution in Primorye:** So far, import substitution programs in the Primorye meat market have experienced success only for pork production, where the volume is expected to increase several-fold. However, beef continues to be imported into the region, primarily from Latin America. Breeding cattle for slaughter in Primorye is still out of question. Thus, according to market analysts, the food embargo which stimulated the meat industry in Primorye, along with the import substitution initiative, have not fundamentally changed the supply structure for beef products. But, it has given hope to local pork production.

<http://primamedia.ru/news/economics/07.09.2015/459916/myaso-import>

**Minister Tkachyov: "Construction of Fishery Hub in the Far East is a National Priority:"** During Russian Agricultural Minister Tkachyov's recent trip to Vladivostok, he visited a fishing port and noted the current poor infrastructure. At a meeting with the port administration, the Minister stated that Russia needs to construct a modern fisheries hub in order to be competitive with the Asian markets. He noted further that such a fisheries hub in Vladivostok should store, refine and trade fish and seafood and become a source of growth for the economy. Minister Tkachyov estimated the cost of creating such a fisheries hub to be between 20 and 40 billion rubles (\$300-\$600 million).

<http://www.mcx.ru/news/news/show/42866.355.htm>;

<http://www.themoscowtimes.com/business/article/.../529300.html>

**Typhoon Floods Agricultural Fields in Primorye:** According to the Deputy Governor of Primorye, Sergei Sidorenko, rainstorms affected many parts of the Primorye region. In some areas, flooding came and went quickly. However, in other areas, principally fields with potatoes, vegetables, and greenhouses with tomatoes and other crops, were under water for several days, with farmers suffering significant losses. Special commissions are now working to assess the damage, as farmers continue to collect the remaining crops. <http://deita.ru/news/society/08.09.2015/4967005>

**"RusAgro" to Acquire 75 Percent of "Primorskaya Soya":** One of the oldest enterprises of Ussuriysk, Russian Far East, the oils and fats factory "Primorskaya Soya," may soon fall under control of "RusAgro." RusAgro is one of the largest Russian agricultural holding companies, and its Board of Directors recently approved plans to purchase a 75 percent share of the Primorskaya Soya oil and fat factory through bankruptcy proceedings. "RusAgro" already indirectly holds 13.75 percent of shares of "Primorskaya Soya." <http://primamedia.ru/news/economics/08.09.2015.html>

**RusAgro and FESCO to Develop Export Grain Handling through Port of Vladivostok:** The group of companies "RusAgro" and JSC "Commercial Port of Vladivostok" (CPV, a part of FESCO) signed a memorandum of understanding. "Rusagro" is interested in exporting goods to Southeast Asia and Japan using the transshipment capacity of the commercial port of Vladivostok. CPV is interested in increasing turnover and diversifying the cargo base and is ready to provide opportunities for transporting agricultural products. According to the agreement, "RusAgro" will provide CPV with information on the potential volume of cargo, after which CPV will develop technologically and economically efficient conditions for the handling of these declared volumes of agricultural products. <http://vmtp.ru/press-tsentr/item/>

**Wholesale Distribution Center for Agricultural Products to be Created in Primorye:** During the Eastern Economic Forum, Primorye Governor Vladimir Miklushevsky, and representatives from the Russian-Israeli joint venture "Biotehmarket" signed an agreement to establish a wholesale distribution center for agricultural products. The food hub in Primorye is supposed to provide more food to meet the region's needs, and to reduce overall food prices. Primorye will become a part of the interregional network of wholesale distribution centers for agricultural products. The center will be divided into warehouses, and industrial and commercial zones. Warehouses will occupy about 60 percent of the area. Specially equipped sites will be designed for storing fruit, vegetables, potatoes, meat, fish and other products. The industrial zone is to be designed for primary processing and packing.

<http://deita.ru/news/economy/07.09.2015/>

**New Vladivostok Port Warehouse Complex:** An agreement for the completion of a modern port refrigeration and warehouse complex in the Primorsky region was signed by JSC "Vladivostok Sea Fishing Port" and the Foundation for the Development of the Far East. The Foundation intends to participate in the modernization of port infrastructure and to build a specialized refrigeration warehouse complex with a single capacity of up to 20 MT, and an annual capacity of up to 250 MT. The Foundation's participation in the project will be implemented through the provision of a special-purpose loan in the amount of 1.2 billion rubles for 10 years. The investment project is mainly aimed at increasing the role of domestic ports in the storage and handling of fisheries products.

<http://primamedia.ru/news/economics/08.09.2015/460086/>