



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Russian Federation

### Grain and Feed

## Demise of the State Grain Inspection Service

### 2004

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**Report Highlights:**

The Government of Russia resolved recently to eliminate the State Grain Inspection Service and transfer its essential functions to other Government entities. However, the transfer process and implementation parameters for those remaining functions are not yet spelled out, and that uncertainty could have negative consequences for grain and grain products trade.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Moscow [RS1]  
[RS]

### Liquidation of the Russian Grain Inspection Service

According to GOR Resolution #708 of December 1, 2004, the State Grain Inspection Service of the Russian Federation has been liquidated, and by January 4, 2005 (when the Resolution will be published on the GOR web site), the Ministry of Agriculture and the Ministry of Economic Development and Trade must submit a proposal on the elimination of its "excessive" functions and implementation of the remaining necessary "functions of state supervision on the quality of Russia's grain resources." All work on these required actions must be completed by March 2005. The Resolution also annuls four previous Resolutions of the Russian Government (#204 and #1434 of 1997, #191 of 2001 and part of Resolution #104 of February 2004) that determined the legal status, functions, budget, and staffing of the Service. The decision to eliminate the Grain Inspection Service as a separate body was first made in September.

The Service had very broad powers and responsibilities, including ensuring a stable supply of grain and grain products (including bread and pasta), controlling grain and grain products quality standards, and developing grain policy. The quality standard control function is the most important, because all grain and grain products transactions are made on the basis of the Service's quality rulings; its conclusions are the main document in trade contract arbitrage. The quality standard control function will mostly likely be transferred to the Federal Service for Veterinary and Phytosanitary Surveillance. However, until responsibilities are formalized, traders and producers believe that this uncertainty will result in decreased grain trade.