



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 4/20/2005

GAIN Report Number: RS5031

Russian Federation

Tobacco and Products

Annual

2005

Approved by:

Allan Mustard
American Embassy, Moscow

Prepared by:

Mark Petry and Marina Muran

Report Highlights:

Tobacco production, consumption and trade are not forecast to change significantly in 2005. Russia continues to import a significant amount of unmanufactured tobacco because domestic production meets less than one percent of demand.

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

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Summary

Russian production of unmanufactured tobacco in 2005 is estimated to increase by nearly eight percent, to 2,800 MT (farm sales weight basis), due to increased planted area and yield. About 90 percent of tobacco production in Russia is concentrated in Krasnodar Kray and composed mostly of Oriental-type tobacco.

Domestic tobacco production accounts for less than one percent of consumption, which makes the Russian tobacco industry heavily dependent on imported leaf tobacco. Forecast total leaf imports in 2005 will be slightly lower than 2004 levels as the industry adjusts to an oversupply of tobacco products. The United States is expected to increase its market share of Russia's leaf imports due to the appreciation of the ruble versus the dollar and expansion of some multinational facilities in Russia.

Table 1. Production Table

Products	Area Planted (HA)			Production (MT)		
	2003	2004	2005	2003	2004	2005
Burley	0	0	0	0	0	0
Dark Air Sun	0	0	0	0	0	0
Dark Air Cured	0	0	0	0	0	0
Dark Fire Cured	0	0	0	0	0	0
Flue Cured	0	0	0	0	0	0
Light Air Cured	0	0	0	0	0	0
Oriental	2200	2350	2400	2000	2600	2800
Total	2200	2350	2400	2000	2600	2800

Table 2. New and Old Excise Taxes for Tobacco Products, 2001-2005

Commodity	HS codes	Excise (2001)	Excise (2002)	Excise (2003)	Excise (2004)	Excise (2005)
Smoking tobacco, except tobacco which is used as raw material for manufactured tobacco products	2403 10 100 0	166 Rubles per 1 kg	N/A	N/A	235 Rubles per 1 kg	254 Rubles per 1 kg
Pipe tobacco	from 2403 10 100 0 to 2403 10 900 0	405 Rubles per 1 kg	N/A	N/A	574 Rubles per 1 kg	620 Rubles per 1 kg
Cigars	2402 10 000 0	10.0 Rubles per piece	11.2 Rubles per piece	N/A	14 Rubles per piece	15 rubles per piece
Cigarillos and filter cigarettes over 85 millimeters long	from 2402 10 000 0 to 2402 20 000	75.0 Rubles per 1,000 pieces	84.0 Rubles per 1,000 pieces	50.0 Rubles per 1,000 pieces plus 5 percent of value	157 Rubles per 1,000 pieces	170 Rubles per 1,000 pieces
Filter cigarettes	2402	55.0 Rubles per 1,000 pieces	61.6 Rubles per 1,000 pieces	50.0 Rubles per 1,000 pieces plus 5 percent of value	60.0 Rubles per 1,000 pieces plus 5 percent of value	65 rubles per 1,000 pieces plus 8 percent of value
Cigarettes without filter	2402 20	10.0 Rubles per 1,000 pieces	11.2 Rubles per 1,000 pieces	19.0 Rubles per 1,000 pieces plus 5 percent of value	23 Rubles per 1,000 pieces plus 5 percent of value	28 rubles per 1,000 pieces plus 8 percent, but not less than 20 percent of prime cost
Papirosas	from 2402 20	10.0 Rubles per 1,000 pieces	11.2 Rubles per 1,000 pieces	19.0 Rubles per 1,000 pieces plus 5 percent of value	23 Rubles per 1,000 pieces plus 5 percent of value	28 rubles per 1,000 pieces plus 8 percent, but not less than 20 percent of prime cost

Table 3. Unmanufactured Tobacco Supply and Demand, Hectares and Metric Tons

PSD Table								
Country	Russian Federation							
Commodity	Tobacco, Unmfg., Total							(HA)(MT)
Market Year Begin	2003	Revised Post Estimate [New]	2004	Estimate Post Estimate [New]	2005	Forecast Post Estimate [New]	UOM	
	USDA Official [Old]	01/2003	USDA Official [Old]	01/2004	USDA Official [Old]	01/2005	MM/YYYY	
Area Planted	2200	2200	2350	2350	0	2400	(HA)	
Beginning Stocks	15000	10985	14391	15712	0	17063	(MT)	
Farm Sales Weight Prod	2000	2000	14391	2600	0	2800	(MT)	
Dry Weight Production	1900	1900	2600	2470	0	2550	(MT)	
U.S. Leaf Imports	10000	10481	6000	18342	0	22008	(MT)	
Other Foreign Imports	283202	267254	269042	253740	0	248665	(MT)	
TOTAL Imports	293202	277735	275042	272082	0	270673	(MT)	
TOTAL SUPPLY	310102	290620	292033	290264	0	290286	(MT)	
Exports	2096	2733	2725	3170	0	3490	(MT)	
Dom. Leaf Consumption	1600	1900	2000	2470	0	2550	(MT)	
U.S. Leaf Dom. Consum.	8000	9435	4000	16508	0	19810	(MT)	
Other Foreign Consump.	284015	260840	274917	251053	0	245875	(MT)	
TOTAL Dom. Consumption	293615	272175	280917	270031	0	268235	(MT)	
TOTAL Disappearance	295711	274908	283642	273201	0	285200	(MT)	
Ending Stocks	14391	15712	8391	17063	0	18561	(MT)	
TOTAL DISTRIBUTION	310102	290620	292033	290264	0	290286	(MT)	