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## Russian Federation

### Poultry and Products

### Annual

### 2005

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**Report Highlights:**

Russian poultry production continues to grow rapidly in part due to the import quota and domestic prices which supports investment in the industry, though demand is still greater than supply. Due to the outbreak of avian influenza, animal and public health authorities have taken steps to protect poultry facilities from this disease.

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## Executive Summary

Poultry production continues to grow due to steady investment in production and processing facilities, the rising price of competing meats, and continued introduction of new, processed poultry products; Russia's poultry production forecast for 2005 was raised by two percent to 740,000 metric tons (MT). Regarding trade, high domestic meat prices kept poultry imports strong, and problems with poultry quota administration in the first quarter again led to incomplete fill in 2005. The turkey production forecast is increased to 18,000 MT from 17,000 MT.

The avian influenza epizootic situation should not decrease poultry production in 2006, as strict measures are being taken to prevent the disease from spreading to commercial production facilities. Russian importers continue to use the epizootic situation in exporting countries to re-allocate poultry quotas. The use of this situation is contrary to the quota scheme's historical country principle.

Poultry imports in January-June 2005 increased 33.1 percent year-to-year to 577,500 tons, valued at \$359.4 million. Poultry was only imported from non-CIS countries.

## Production

Russian poultry production grew rapidly in 2005 as the quota and high prices of other meats supported significant producer investment. As such, Russia's poultry production forecast for 2005 was raised by two percent to 740,000 MT from the previous estimate, and should go higher still in 2006. Broiler and turkey production will continue to grow in 2006.

According to Russian scientists, the avian influenza epizootic situation is unlikely to influence poultry production if more resources are spent on AI preventive and eradication measures.

Table 1. Broiler Meat Supply and Demand

Commodity	Russian Federation		2005		2006		UOM
	2004 USDA Official [Old]	Revised Post Estimate[New]	USDA Official [Old]	Estimate Post Estimate[New]	USDA Official [Old]	Forecast Post Estimate[New]	
Market Year Begin			01/2004	01/2005		01/2006	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	0	0	0	0	0	0	(MIL HEAD)
Beginning Stocks	90	90	60	80	49	60	(1000 MT)
Production	650	650	725	740	0	840	(1000 MT)
Whole, Imports	0	110	0	80	0	85	(1000 MT)
Parts, Imports	930	850	960	960	0	990	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	930	960	960	1040	0	1075	(1000 MT)
TOTAL SUPPLY	1670	1700	1745	1860	49	1975	(1000 MT)
Whole, Exports	0	0	0	0	0	0	(1000 MT)
Parts, Exports	0	1	1	1	0	1	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	0	1	1	1	0	1	(1000 MT)
Human Consumption	1610	1639	1695	1810	0	1930	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	1610	1639	1695	1810	0	1930	(1000 MT)
TOTAL Use	1610	1640	1696	1811	0	1931	(1000 MT)
Ending Stocks	60	60	49	49	0	44	(1000 MT)
TOTAL DISTRIBUTION	1670	1700	1745	1860	0	1975	(1000 MT)
Calendar Yr. Imp. From U.S.	0	0	0	0	0	0	(1000 MT)

Table 2. Turkey Meat Supply and Demand

Commodity	Russian Federation		Turkey		(1000 MT)(MIL HEAD)		UOM
	2004 USDA Official [Old]	Revised Post Estimate[New]	2005 USDA Official [Old]	Estimate Post Estimate[New]	2006 USDA Official [Old]	Forecast Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	0	0	0	0	0	0	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	15	15	17	17	0	18	(1000 MT)
Whole, Imports	0	2	5	1	0	1	(1000 MT)
Parts, Imports	91	75	93	80	0	85	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	91	77	98	81	0	86	(1000 MT)
TOTAL SUPPLY	106	92	115	98	0	104	(1000 MT)
Whole, Exports	0	0	0	0	0	0	(1000 MT)
Parts, Exports	0	0	0	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Human Consumption	105	91	114	97	0	103	(1000 MT)
Other Use, Losses	1	1	1	1	0	1	(1000 MT)
Total Dom. Consumption	106	92	115	98	0	104	(1000 MT)
TOTAL Use	106	92	115	98	0	104	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	106	92	115	98	0	104	(1000 MT)

### Consumption

Broiler consumption grew by more than five percent from 2004 to 2005 and is expected to increase by another six percent in 2006. Turkey consumption is also growing.

## Trade

Poultry imports in January-June 2005, valued at \$359.4 million, increased 33 percent as compared to that period in 2004. All of this trade came from non-CIS countries. High domestic prices of meat have kept import demand strong, and with demand expected to expand as consumer incomes increase, the need for additional poultry imports is evident.

Brazil, which does not have a separate quota allocation, captured almost 20 percent of the Russian market.

**Table 3. Poultry Meat Trade**

World Trade Atlas Russia - Imports 0207 POULTRY MEAT,OFFAL Quantity					
January - June					
Rank	Country	- KG - 2003	- KG - 2004	- KG - 2005	% Change - 05/04 -
	TOTAL	582,349	434,038	577,515	33,06
1	United States	306,670	285,199	363,899	27,59
2	Brazil	146,387	67,282	103,666	54,08
3	Germany	20,681	27,300	43,065	57,75
4	France	33,405	24,488	33,931	38,56
5	Belgium	11,988	5,989	8,246	37,69
6	United Kingdom	14,522	4,272	7,758	81,62
7	Canada	8,019	2,272	5,507	142,32
8	Netherlands	6,260	535	3,461	547,14
9	Argentina	131	433	2,713	525,94
10	Spain	3,630	1,624	2,626	61,65

Source: World Trade Atlas

## Stocks

Stocks in 2005 increased in comparison with the previous report. Large shipments are expected to arrive by the end of the year so as to be treated under the current quota limit, and not count against next year's figures.

## Policy

The avian influenza outbreak that spread in Russia in July forced the Federal Service for Veterinary and Phytosanitary Surveillance and the Federal Service for Consumer Rights Protection and Human Welfare to consider conducting unannounced inspections of Russian poultry and poultry processing plants for compliance with sanitary and veterinary requirements for poultry factories, poultry processing factories, and egg product plants. They also will conduct random inspections of wholesale warehouses and cold storage facilities for compliance with storage and sales requirements for poultry meat and poultry products and the presence of product documentation confirming quality and safety of products. Poultry plants are operating in a "closed" mode to prevent contact between commercial flocks and migrant and synanthropic birds. Other means of prevention are

being taken as well. These measures have been proposed to prevent the infection of poultry with contagious diseases and keep potentially hazardous products off the consumer market.

Some Russian scientists say that the bird flu epidemic in Russia could have been avoided and claim that the virus was detected later than it could have been due to a lack of finances. According to sources, the economic impact of AI in Russia came to almost 38 million rubles (USD 1.3 million), without considering the expenditures on special anti-epidemic and quarantine measures, according to the Russian Ministry of Agriculture.

The future impact of avian influenza will hinge on continued use of prophylactic measures imposed to prevent infection of commercial flocks. These include prohibiting employees of commercial poultry operations from keeping their own birds at home, closing poultry operations to outsiders, eliminating opportunities for wild fowl to come into contact with domesticated poultry, and increased decontamination of vehicles entering poultry operations. Another key issue will be development of an efficacious vaccine for poultry against the H5N1 virus, a topic currently being discussed.