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## Russian Federation

### Fishery Products

### Annual

### 2005

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**Report Highlights:**

Russia's commercial fish catch is estimated to increase by three percent in 2005-06 due to continued improvements to Russian fishing vessels and to more production coming from Russia's Exclusive Economic Zone (EEZ). However, fish production is still below historical levels and it is not keeping pace with increased domestic demand for fish products. The new fishing quota system has not yet proved its effectiveness and traders are requesting further improvements to the system. Russian imports of fish products reached a record high in 2004 and this trend will likely continue in 2005-06.

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

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## Executive Summary

Russian fish production in 2005-06 is estimated to increase by an average of three percent from 2004. Continued improvements to Russia's fishing fleet and more production coming from Russia's Exclusive Economic Zone (EEZ) are the main drivers behind this output expansion. New policy measures aimed at tackling old constraints are being implemented, but traders are asking for further improvements to the quota system.

In 2004, Russia continued to be a net importer of seafood - a trend that started in 1998 with the devaluation of the ruble. This trend is likely to continue in 2005-06 since production of fish and fish products in Russia is still below historical levels and is not keeping pace with increased domestic demand for fish. Russia has experienced six straight years of strong economic growth. As a result, consumer incomes have been rising on a yearly basis as well. In addition, the country remains an exporter of unprocessed fish products. Foreign investment in the sector remains low.

## Production

### Aquaculture

In the absence of reliable government data for aquaculture production in the Russian Federation, industry sources estimate total fish farm production in 2005 to be approximately 103,000 metric tons, up ten percent from 2004. Production for 2006 is forecast an increase of around 10 percent reflecting new maturing projects in this field. The importance of aquaculture grows as the demand for fish products increase and overfishing continues to reduce ocean supplies. The two dominant species farmed in aquaculture projects in Russia are common carp and silver carp, but other species are also receiving special support from the government.

Some 15 farms in the Far East received incentives to farm valuable Yesso mollusks. The bulk of the output is around 200 metric tons and comes from the largest Primoriye-based Nereida Aquaculture JSC. Other incentives were provided to farmers of Atrakhan' province which began farming tilapia. This species has good potential and has adapted well to the area's climatic conditions. However, trade sources say that the cost of farming tilapia is high. The local government is looking for ways to support such projects, such as compensation for fuel prices and assistance with long-term credits.

According to the Federal Agency for Fisheries (Rosrybolovstvo), Russian fish farms raised and released more than 3.3 billion fry of valuable fish species in 2004, four percent more than the previous year. The agency oversees 67 fish farms in the Far East, Azov and the Caspian basins that raise sturgeon, salmon, whitefish, and fine-mesh fish that are then released into marine feeding grounds. Farms in the Caspian and Azov basins raised more than 62 million true sturgeon fry in artificial conditions this year - primarily sturgeon, beluga and star sturgeon - up four percent from 2004. Farms in the Far East released more than 600 million salmon fry into the Bering, Okhotsk and Japan seas, up 7.9 percent compared to last year.

Farms also produced about 2.5 billion fine-mesh fish fry (common carp, grass carp, bream, pike) and 4.5 million whitefish fry. According to research officials, an estimated 30 percent of caught sturgeon and salmon originated from these farms. Agency officials also stated that in the Far East basin all farmed salmon fry "have Russian origin" and that more than 90 percent of farm-raised sturgeon retrieved from the Caspian and Azov Seas also came from Russian farms.

Sturgeon aquaculture is also being developed in the Astrakhan region, but development is surprisingly slow despite proven high returns on investment. According to local authorities, the Federal Agency for Fisheries is mainly concerned with wild fish catches and has allocated only 27 million rubles (\$950,700) in 2005 for aquaculture research.

The diversity of fishing reservoirs in the Russian Federation offers a strong opportunity for the development of different production methods. Current development of aquaculture is concentrated in three main areas: ponds, industrial (artificial bodies of water), and ocean farming in pens. Government and private enterprises are developing new technologies to assist producers in improving production yields and reduce the cost of production. Some of these projects are joint ventures with foreign companies. However, output growth has been tempered by the following factors: a) demise of former agricultural support policies; b) difficulties in farm-restructuring and enterprise-privatization, which creates an uncertain legal status of farm ownership; c) environmental degradation of inland waterways through industrial, urban, agrochemical pollution; d) occasional shortages of imported feedstuffs; e) shortage of investment capital for restructuring, maintenance, and for general investment; and f) lack of new distribution and marketing channels for both lower and higher priced aquaculture products.

### **Wild Catch**

According to the Federal Agency for Fisheries, Russia's wild fish catch during the first half of 2005 reached 1.5 million metric tons, an increase of 12.5 percent over the same period in 2004.

Most of this increase originated from catches in Russia's EEZ and from the Far Eastern Seas, up 18 and 21 percent respectively, from 2004. In the Barents Sea and the White Sea, an estimated 136,200 metric tons of fish were harvested during January-June 2005, up 9.6 percent over the first six months of 2004. A decline in fish production was reported in the Caspian Sea with 33,500 metric tons harvested in the first half of 2005, down 3.8 percent from the same period in 2004.

Russian fishermen also caught 274,400 metric tons of fish in other countries' economic zones during the first half of 2005, up 16.8 percent over the first half of 2004. Russia's harvest of fish and other seafood products declined by 28.7 percent to 99,100 metric tons in regions governed by conventions and on the open high seas in the first half of 2005.

Wild catch will continue to increase in 2006 though at a lower rate. The increase in catch is attributed to continued increase in catches from the EEZ.

This increase in wild catch reflects the adoption of policy measures aimed at improving the efficiency of the fishing industry and the tackling of administrative and bureaucratic constraints, including the restructuring of the fishery authority, as well as new government incentives. The goal for 2005 calls for a recovery in wild catch to reach between 3.1 million to 3.3 million metric tons, including 2.3 million to 2.5 million metric tons in waters under Russian jurisdiction.

According to Stainislav Il'yasov, Chief of the Federal Agency for Fisheries, a number of measures will be in place soon to help the world's oceans as a result of multilateral talks between Japan, Norway, China and the United States. He expects these measures to enable Russia to achieve a full range of fish production.

The Russian Statistics Committee (RosStat) also released a final report estimating a total wild catch of nearly 3 million metric tons in 2004, down 10 percent from the previous year. (Please see table 1). According to trade sources, last year's production turned out to be better than previously estimated because of an increase in the catch outside of the Russian EEZ and the operation of new Russian factory ships with a large capacity of 35-40,000 metric tons. However, wild catch production is still well below historical levels.

**Table 1: Fish Catches and Seafood Production in Metric Tons, 2001-2004**

<b>Product</b>	2001	2002	2003	2004
Fish and other fish products:				
Total catch	3,620,522	3,257,632	3,284,989	2,965,113
Including:				
In land catch	272,581	273,762	291,175	243,915
Including:				
Fresh basins	210,284	218,636	236,993	191,231
Catch in Russian economic zones	2,464,125	2,065,471	2,105,750	1,762,121
Catch in 200 mile zones of foreign countries	666,508	663,939	533,921	577,369
Catch in open ocean areas outside of 200 mile zones	217,677	254,460	354,143	358,648
<b>Catch by fish varieties:</b>				
Herring	402,839	314,602	343,458	298,510
Sardine	3,544	9,108	4,815	6,014
Sprat (kil'ka & salaka)	96,392	69,232	76,656	53,802
Saury	35,884	44,302	50,895	71,216
Lancet fish	22,242	23,705	14,177	24,555
Mackerel	62,519	82,144	53,005	11,640
Sea perch	46,620	47,609	53,638	44,591
Jack mackerel	25,118	41,695	18,277	71,590
Plaice	114,139	88,177	85,101	67,724

Halibut	28,722	27,625	25,030	24,601
Sturgeon, total	622	491	513	191
Coregonus, total	9,98	9,260	9,640	9,983
Salmon, total	224,458	191,694	271,370	183,728
Cod fish, total	1,729,274	1,386,922	1,651,291	1,563,055
Includes: cod (theragra)	322,112	283,453	246,154	261,288
Chalcogramma (lat.)	1,120,889	831,179	1,003,009	857,460
Haddock	40,060	40,598	43,479	55,408
Total seafood and crayfish	149,949	158,805	131,636	128,233
Includes crayfish and mollusks	144,249	147,479	122,006	117,871
Crabs	46,903	41,904	43,046	32,940
Shrimp	17,782	12,210	9,734	10,289
Mollusks	79,560	93,361	69,220	74,631
<b>Fish; food products, including canned products</b>	3,056,642	2,961,362	3,032,837	2,962,581
Non-canned edible fish products	2,843,303	2,740,699	2,786,072	2,700,869
Fish, live (excluding herring)	343,915	N/A	N/A	
Fish frozen (excluding herring)	1,675,293	1,661,025	1,700,809	1,621,093
Fish chilled (excluding herring)	104,919	N/A	N/A	N/A
Fillet frozen (excluding herring)	92,667	49,441	67,732	48,504
Salted herrings	33,354	34,420	41,834	49,506
Herring, all types of processing	407,124	372,966	374,755	362,995
Smoked fish (excluding herring)	26,579	28,683	33,498	40,673

Fish dries and dry-cure	9,133	9,971	10,487	11,356
Spiced and marinated products	2,424	2,478	3,487	3,872
Culinary products	11,608	16,818	37,736	50,448
Balyk products	1,284	1,641	2,077	2,019
Food, feed, and industrial products	187,895	163,807	121,336	83,753
Caviar, total	28,034	21,652	24,965	24,195
Including sturgeon	24	24,5	14,7	9,9
Including salmon	6,120	5,674	7,084	6,202
Fish and seafood fat	2,801	2,472	1,809	1,739
Fish feed meal	98,399	66,636	67,360	61,767

Source: Russian State Statistics Committee

*Note: Data provided in the Production, Supply, and Distribution Tables of this report may differ from official Russian statistics because they also include estimated data provided by trade sources on production and unreported exports. Official data is provided for comparison purposes only.*

## Salmon

According to the Federal Agency for Fisheries, Russia is planning to boost the catch of all types of salmon in 2005. The salmon fishing season began in late June in the most important producing areas of Sakhalin, Kamchatka and Magadan oblasts, and in the Koryak *okrug* (region). Russia's Kamchatka Peninsula produces 25 percent of the world's wild Pacific salmon.

Pacific salmon quotas for coastal fishing total 208,800 metric tons in 2005, including 5,150 metric tons for native-born people of the north, 2,660 metric tons for sport and amateur fishing, and 18,730 metric tons for scientific research. Total allowed catch for chum, sockeye and pink salmon in 2005 is 255,411 metric tons.

The Russian government has approved a resolution to organize the catch of Pacific salmon under which the Ministry of Agriculture must present a draft regulation to the Federal Agency for Fisheries by March 15 of every year. This draft regulation will include a requirement for studies of fish population to determine the catch of Pacific salmon for the current year. After these considerations, the Ministry of Agriculture will issue the resolution with the total allowable catch of Pacific salmon by March 25 of each year.

The government also announced that the Federal Agency for Fisheries should send to the Ministry of Agriculture for confirmation, no later than April 10 of every year, a draft distribution of the total allowed catch for Pacific salmon. This will depend on the types of quota (for coastal fishing in Russian waters, for supporting the traditional way of life and activities of native people of the North, Siberia and the Far East in fishing and producing Pacific salmon, etc).

Although Russia is a major producer of Pacific salmon, the country imports most of its Atlantic salmon. Reliable official data is not available, but trade sources report a major increase in imports of Atlantic salmon during the last few years, mostly from Norway. Imported products enter the Russian market mostly as fresh, chilled or frozen, and partially processed.

### **Fish Roe**

According to the Resolution of the Convention on the International Trade in Endangered Species (CITES), Russia is allowed to export 28 metric tons of black caviar in 2005, about two metric tons less than 2004. The 2004 quota was not filled because Russia failed to comply with several international requirements. The Federal Agency for Fisheries reported that Russia exported 20 metric tons of caviar in 2004.

The Russian government is also working on a new law to regulate the turnover of sturgeon fish and sturgeon fish products, including caviar. Voting on this law is expected by the end of 2005 or during the first quarter of 2006. According to the head of the Federal Agency for Fisheries, the situation in the Caspian is catastrophic with high levels of poaching and numerous species on the brink of extinction. This has evoked pressure for strong measures by the Russian government, such as a state monopoly on sturgeon turnover.

The Caspian Sea basin produced more than half the Soviet fish catch until the 1950s. In the second half of the 20<sup>th</sup> century dams were built on the Volga River that blocked access to 85 percent of sturgeon spawning grounds, a catastrophe for sturgeon production. Between 1959 and 1962 the Soviet Union created 12 hatcheries and Iran one. At their peak, these hatcheries produced 100 million fingerlings per year.

By 1990 the sturgeon catch was still in the range of 10,000 to 15,000 tons per year, despite lower hatching rates than in 1950. This means there was severe overfishing, and the result was a drop in the last 15 years in the sturgeon catch. Officially, the catch in 2003 was about 2,000 tons across the five Caspian basin countries (Russia, Iran, Turkmenistan, Kazakhstan, Azerbaijan) with 1,000 of that taken by Iran; in 2004 the catch was less than 1,000 tons, with 420 tons caught by the FSU Caspian states and 530 tons by Iran. Poaching is a serious problem despite a ban on fishing in the open Caspian (fishing is permitted only in the delta and the rivers that drain into the Caspian). There is no internationally coordinated effort to combat sturgeon poaching.

For more information on sturgeon and caviar production and trade please see GAIN RS 5038 dated May 20, 2005.

### **Groundfish**

Groundfish catch is estimated to rise by nearly four percent in 2005, reflecting an increase in the fishing quota and larger harvest of cod reported from the Far East as well as new investments in their fishing-fleets (such as large capacity ships).

The forecast for 2006 calls for further increase of groundfish catch, mostly cod and haddock due to restoration of the population and further investments in the fishing fleet.

The quota for Alaska pollack in the Sea of Okhotsk in the Far East was set at 508,000 metric tons, 88,000 metric tons higher than in 2004, and at 473,000 metric tons in the Bering Sea, 62,500 metric tons more than in 2004. The quota for herring catch in the Sea of Okhotsk was set at 250,100 metric tons, up 6,200 metric tons from last year.

The cod stock is defined as being fished outside of the safe biological limits. Environmentalists believe that cod stock is under threat from overfishing, oil exploration, and Soviet-era radioactive waste dumping.

Fishery scientists from the Murmansk Research Institute have completed a survey on cod and haddock stocks. According to the survey, a new class has been found that is 25 percent stronger than the 2003 generation and resistant to major losses. This is expected to boost fishing stocks in 45 years. Meanwhile the current fishing stock has declined slightly to 500,000 metric tons, which is due to a high degree of fish dispersion resulting in incomplete stock taking. The haddock fishing stock has been estimated at 200,000 to 300,000 metric tons, roughly the same as the previous year. According to marine biologists of the Russian Academy of Sciences, the outlook for long-term production of Alaska pollock in the sea of Okhotsk is quite optimistic.

### **Crabs and Crab Meat**

Crab and crabmeat production is expected to increase slightly in 2005 and 2006 because of overfishing and poaching. This increase is also due, in part, to a government measure to lower the fee for opilio crab catch from 30,000 rubles (\$1,050) to 13,000 rubles (\$456) per metric ton in the Far East Basin. The corresponding government resolution adopted in April 2005 will enable fishermen to catch the allowed quota of 14,666 metric tons. According to Russian scientists in Vladivostok, production in the Kamchatka Peninsula is estimated to be a little higher than 5,000 metric tons this year because of overfishing in the area.

There is no reliable data for crab catch and crabmeat production in Russia due to the high level of unreported crab catches and trade. In 2004, unreported exports of crab to the four major Russian destinations (Japan, the United States, South Korea, and China) totaled nearly 50,000 metric tons. Unreported sales of king crab to the United States appears to be declining due to the actions of some NGO's in the west coast and to stricter enforcement of leg size requirements. According to the data provided by the Audit Chamber, during the first nine months of 2004, Japanese fishing companies on Hokkaido Island received an estimated 43,000 metric tons of crab illegally imported from the Russian Far East.

### **Consumption**

Overall consumption of fish products in Russia will likely increase by three to four percent in 2005, driven by the following factors: a) higher market prices for all types of meats, but mostly for poultry due to the implementation of import quotas which have provoked a shift in consumption to fish products; b) changing structure of consumer segmentation in Russia with more people aged between 30-45 with higher income to purchase high-value fish products such as salmon; c) ongoing modernization of Russia's distribution and retail structure which now makes seafood delicacy available to new consumer groups interested in more variety and quality rather than cost; d) increase in seafood delicacy like octopus, squid, mussels, sea scallops, and other less familiar seafood for ordinary consumers; e) health and safety concerns with diseases affecting meat products which are leading consumers to switch to alternative animal proteins.

The outlook for 2006 also foresees a continued increase in fish consumption. Production is not keeping pace with increasing demand as consumer incomes continue to rise as a result of seven consecutive years of strong economic growth.

For more information please see GAIN RS5057.

## Trade

### Overall

During the first half of 2005, imports of fish and fish products increased by over 40 percent. At the same time, Russian exports increased by nearly 49 percent. According to the Russian State Customs Committee, total Russian seafood exports (chapter 3 of the HTS) totaled \$324 million in 2004, down 18.6 percent from 2003, while imports reached \$642 million, up almost 60 percent from 2003. The result is a total trade deficit of \$138 million. Trade sources attribute this deficit to the following factors: a sharp decrease in the value of exports of black caviar; a sharp increase (over 126 percent) of salmon imports mostly from Norway; nearly 70 percent of all seafood exports are not processed with lower aggregate value to the product; lack of policy coordination between different government agencies (both at the federal or regional levels); poaching; illegal landings in foreign ports of foreign vessels; lack of compliance with European Union fishery standards; and lack of organization among small and mid-sized fishing companies.

Russian seafood exports remain concentrated in few markets. In the first half of 2005, the major exporters were Republic of Korea \$86.8 million (41.7 percent), China \$52.5 million (25.2 percent), Singapore – \$19.4 million (9.3 percent), USA - \$18.4 million (8.8 percent), and Germany - \$12.8 (6.2 percent).

Unreported exports continue to be a difficult issue for the Russian government. There is no reliable estimate for unreported exports and imports, although trade sources believe they fall within a range of 25 to 35 percent of total official data. Some trade sources believe that unreported data is as high as 100 percent of all official data. Underreporting is motivated by attempts to evade state and federal taxes, customs duties, and complete accounting for quota usage. A significant share of the unreported fish catch is in the Russian Far East, where fishermen harvest in Russian territorial waters but ship the product directly to other countries (mainly to Japan, Korea and China) without registering the catch with Russian Customs. It is estimated that within the last three years, as a result of unreported exports of seafood to Japan, the Russian government lost \$150 million in tax revenues. Trade sources also indicate the same problems in the Barents Sea.

According to Head of the Federal Agency for Fisheries, Stanislav Ily'asov, about 70 percent of the fish caught by Russian fishermen in the Russian EEZ goes abroad, which causes losses of over five billion rubles a year. He estimates that if half of this catch returned to the Russian coast, Russia would be able to fully use the capacity of processing plants and cut market prices in half. According to Mr. Ily'asov, about half of the fish in Russia's market is imported. However, reports indicate that five times more fish were unloaded at Murmansk Port and double the volume at Kaliningrad and Far Eastern ports compared to last year.

The United States is a major destination for a variety of edible fish and seafood from Russia. In 2004, the United States imported \$10.7 million of fish and seafood products from Russia, up one percent from 2003. At the same time, Russia imported \$22.8 million worth of seafood products, a significant increase of nearly 185 percent.

### Policy

### Overall

The major legislative breakthrough of the industry in 2005 was the implementation of the "Law on Fishery and Preservation of Marine Biological Resources" (Law Number 166/04). This law outlines the broad structure of commercial and recreational fisheries and the role of the government in monitoring and ensuring resource sustainability and the development of a sustainable program. Despite Russia's enormous marine resources and the key role fisheries play in many communities, Russian policy had been rudderless for the past eight years. The Russian government operated without a clearly defined law framework that coordinated key elements of resource management policy. Each of the main elements was developed independently and not subject to continued coordination or adherence to a broadly agreed-upon policy document, such as the U.S. Magnuson-Stevens Fishery Conservation and Management Act.

Prime Minister Mikhail Fradkov signed Resolution# 317 on May 2005, giving federal executive agencies a number of functions in the fishing industry and in preserving marine biological resources. According to the document, the Ministry of Agriculture and the Federal Agency for Fisheries will determine and distribute the allotted catch of marine bio-resources in Russian waters as well as set quotas for their production every year.

The Federal Agency for Fishery will implement state control in the fishing and marine bio-resources industries by giving permission to catch marine bio-resources or annul such permission until the set timeframe has expired. In addition, the Veterinary Service might temporarily set up, issue and register permission for catching marine bio-resources and amend such permission until there are amendments to Russian legislation.

On May 20, 2005, the Russian government signed Resolution# 316, on organizing the catch of Pacific salmon. The government instructed the Ministry of Agriculture, in agreement with the Federal Anti-Monopoly Service, to develop a plan for holding auctions that will grant contract rights for catching Pacific salmon in coastal fishing areas by January 1, 2006. It also instructed them to confirm a standard resolution on a commission for holding the auctions.

The commission should include representatives of the interested federal executive agencies and those of the Russian coastal areas with shallow rivers where Pacific salmon reproduce in the Far East. The government invalidated a resolution dated May 21, 2001, on determining the catch of marine biological resources, including Pacific salmon. In addition, a government resolution dated November 20, 2003 on quotas for catching marine bio-resources will not be used in organizing the catch of Pacific salmon.

According to head of Agency for Fisheries Il'yasov, it is necessary to amend 11 additional pieces of legislation, adopt two other laws, and amend four government resolutions and two presidential decrees now that a law on fishing and conserving biological resources has been implemented. Implementation of the full legislative framework for the fishing industry, including the bill on coastal fishing, is planned for mid-2006.

Stanislav Il'yasov also reported that he is not happy with the transfer of some functions from the Fisheries Committee to the Natural Resources Surveillance Service at the Ministry of Natural Resources (RosPrirodNadzor), and other agencies. For him, this creates additional obstacles for fishermen. However, discussions are now taking place that would return the responsibility for allocating fishing permits to the Federal Agency for Fisheries.

For more information please see GAIN RS5050.

### **Quota Issues**

In January 2004, Russia switched to a five-year capture quota share distribution system.

A preliminary result from the Audit Chamber indicates that Russia's fishing industry performance declined in 2004 due to this new quota distribution system. The Audit Chamber recently looked at the results of inspections as well as the efficiency of using quotas on catches of marine bio-resources divided by users, in accordance with the instruction passed by the Russian government on November 20, 2003.

The Federal Agency for Fisheries carried out these inspections in the Kamchatka and Magadan oblasts and in the autonomous districts of Koryak and Chukotka from February-May 2005. According to the results, 11 organizations, which are involved in the fishing industry in four regions of the Far East Federal District, did not meet some of the requirements of the Russian law in the EEZ. The regions that have seacoasts were basically not allowed to participate in the division of industrial quotas on catches of marine biological resources on the continental shelf and in the EEZ. The catch of fish and other marine resources was a little more than 2.9 million tones in 2004, or 10.7 percent less than in 2003.

The production of fish products dropped by 363,000 metric tons or 12 percent. Annual payments made to the budget from all branches of the fishing industry have been dwindling since 2001. In 2004, the payments amounted to 10.2 billion rubles, a 30.3 percent drop from 2003 and a 29.1 percent decrease from 2002.

According to the rules of the new quota system, the applicant for a quota must provide historical annual catch records for the last three years (2000-2003) along with records of allocated and purchased quotas. In addition, he must prove that he has not exceeded the previous year's officially allocated quota, possess a fishing vessel(s), and outfit the vessel with equipment for satellite distribution of information, which includes data on the size of the catch and real-time monitoring of the vessel's location and movement. If these records are not accurate or if the company did not report catching its entire quota during any of the previous seasons, it might lead government restrictions for the company by not being eligible for fishing licenses. The company could also be left out of further quota allocations as well.

For more information and background on quota distribution system in Russia please see GAIN Report RS3053 and GAIN RS4051.

### **Import Tariffs**

The import duty for most fish and seafood products is 10 percent. For more detailed information on import tariffs please refer to GAIN RS4305.

Referring to granules from fish or shellfish, mollusks and other water invertebrates (HTS 2301 20 0000), soybeans, corn, and flour of fine grinding and graham, the Decree of the Government of the Russian Federation N 178 of 4 April 2005 establishes that the rates of import custom duties approved by the Decree of the Government of the Russian Federation #830 "On Customs Tariffs of the Russian Federation and Commodity Nomenclature Applying on Providing of Foreign Economic Activity" of November 30, 2001, shall not be applied until May 8, 2005.

### **Poaching**

Poaching is one of the major obstacles hindering sustainable fishery development in Russia. Poaching damages the internal market and causes price dumping in the world market. The main reason for poaching is the ineffective system of state inspection and control over bio-resources caught in the Russian EEZ.

The Interior Ministry and regional offices of the Federal Veterinary and Phytosanitary Surveillance Service (VPSS) plan to join forces to preserve bio-resources in Russia's lakes, rivers and reservoirs, and enforce fishing legislation. Interfax reported that the head of the VPSS, Sergey Dankvert, and First Deputy Interior Minister, Aleksandr Chekalin, have signed a joint action plan for 2005-2006.

The efforts will focus on law enforcement at internal bodies of water, fighting poaching and the illegal purchase, transportation, storage and sale of fish products. The police have always helped protect biological resources, especially in fighting poaching, and up to 20 percent of violations of fishing rules on the country's lakes and rivers are stopped with the aid of the police.

The action plan calls for expanding the form of collaboration on protection of bio-resources, especially in areas that are home to valuable fish such as salmon, sturgeon and whitefish. Special attention will be paid to tightening control over processing, storage, transportation and sales of caviar and other sturgeon products.

### Marketing

Please see GAIN Reports RS 4305 and RS 5008. These reports provide a road map for market entry and best prospects for U.S. suppliers of fish and seafood products to the Russian market.

### PSD Tables

Table 2. Production, Supply, and Distribution of Salmon, Metric Tons

PSD Table Country Commodity	Russian Federation		(MT)					
	Salmon, Whole/Eviscerated		2004	Revised Post	2005	Estimate Post	2006	Forecast
Market Year Begin	USDA Official [Old]	Estimate[New]	Official [Old]	Estimate[New]	Official [Old]	Estimate[New]	Official [Old]	Estimate[New]
		01/2004		01/2005				01/2006
Beginning Stocks	0	9000	0	6000	0	8006		
Total Production	0	180000	0	182000	0	185650		
Intra-EC Imports	0	0	0	0	0	0		
Other Imports	0	42161	0	61300	0	79644		
TOTAL Imports	0	42161	0	61300	0	79644		
TOTAL SUPPLY	0	231161	0	249300	0	273300		
Intra-EC Exports	0	0	0	0	0	0		
Other Exports	0	93661	0	101150	0	115400		

TOTAL Exports	0	93661	0	101150	0	115400
Domestic	0	120500	0	128144	0	135900
Consumption						
Other Use/Loss	0	11000	0	12000	0	16000
TOTAL Utilization	0	131500	0	140144	0	151900
Ending Stocks	0	6000	0	8006	0	6000
TOTAL	0	231161	0	249300	0	273300
DISTRIBUTION						

Table 3. Production, Supply, and Distribution of Groundfish, Metric Tons

PSD Table Country Commodity	Russian Federation		(MT)				
	Groundfish, Whole/Eviscerated		2004	Revised Post Estimate[New]	2005 USDA Official [Old]	Estimate Post Estimate[New]	2006 USDA Official [Old]
Market Year Begin	USDA Official [Old]	01/2004		01/2005		01/2006	
Beginning Stocks	0	447000	0	427000	0	437500	
Total Production	0	2325000	0	2418000	0	2490000	
Intra-EC Imports	0	0	0	0	0	0	
Other Imports	0	607000	0	680000	0	750000	
TOTAL Imports	0	607000	0	680000	0	750000	
TOTAL SUPPLY	0	3379000	0	3525000	0	3677500	
Intra-EC Exports	0	0	0	0	0	0	
Other Exports	0	1955000	0	2014500	0	2075000	
TOTAL Exports	0	1955000	0	2014500	0	2075000	
Domestic	0	867000	0	937000	0	1002590	
Consumption							
Other Use/Loss	0	130000	0	136000	0	148000	
TOTAL Utilization	0	997000	0	1073000	0	1150590	
Ending Stocks	0	427000	0	437500	0	451910	
TOTAL	0	3379000	0	3525000	0	3677500	
DISTRIBUTION							

Table 4. Production, Supply, and Distribution of Fish Roe, Metric Tons

PSD Table Country Commodity	Russian Federation Fish,Urchin Roe/Caviar,Livers	(MT)				
		2004 USDA Official [Old]	Revised Post Estimate[New]	2005 USDA Official [Old]	Estimate Post Estimate[New]	2006 USDA Official [Old]
Market Year		01/2004		01/2005		01/2006
<b>Begin</b>						
Beginning Stocks	0	8900	0	8895	0	9258
Total Production	0	54280	0	54800	0	54890
Intra-EC Imports	0	0	0	0	0	0
Other Imports	0	1500	0	1450	0	1385
TOTAL Imports	0	1500	0	1450	0	1385
TOTAL SUPPLY	0	64680	0	65145	0	65533
Intra-EC Exports	0	0	0	0	0	0
Other Exports	0	18520	0	18900	0	18970
TOTAL Exports	0	18520	0	18900	0	18970
Domestic Consumption	0	23365	0	23687	0	23800
Other Use/Loss	0	13900	0	13300	0	13500
TOTAL Utilization	0	37265	0	36987	0	37300
Ending Stocks	0	8895	0	9258	0	9263
TOTAL DISTRIBUTION	0	64680	0	65145	0	65533

Table 5. Production, Supply, and Distribution of Crab and Crab Meat, Metric Tons

Commodity	2004		2005 USDA Official [Old]	Estimate Post Estimate[New]	2006 USDA Official [Old]	Forecast Post Estimate[New]
	USDA Official [Old]	Revised Post Estimate[New]				
<b>Country</b>	<b>Russian Federation</b>					
<b>Commodity</b>	<b>Crab and Crabmeat</b>					
	(MT)					
<b>Market Year Begin</b>		01/2004		01/2005		01/2006
Beginning Stocks	0	1800	0	1100	0	1700
Total Production	0	103400	0	119300	0	130260
Intra-EC Imports	0	0	0	0	0	0
Other Imports	0	500	0	500	0	500
TOTAL Imports	0	500	0	500	0	500
TOTAL SUPPLY	0	105700	0	120900	0	132460
Intra-EC Exports	0	0	0	0	0	0
Other Exports	0	91181	0	104900	0	115390
TOTAL Exports	0	91181	0	104900	0	115390
Domestic Consumption	0	12219	0	13000	0	14100
Other Use/Loss	0	1200	0	1300	0	1270
TOTAL Utilization	0	13419	0	14300	0	15370
Ending Stocks	0	1100	0	1700	0	1700
TOTAL DISTRIBUTION	0	105700	0	120900	0	132460