



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 10/24/2005

GAIN Report Number: RS5073

Russian Federation

Fishery Products

Resolution Announced Protecting Sturgeon

2005

Approved by:

Eric Wenberg
American Embassy, Moscow

Prepared by:

Erik Hansen and Marina Muran

Report Highlights:

The Russian government recently passed Resolution 584 regarding measures to ensure fulfillment of its obligations under the Convention on International Trade in Endangered Species (CITES) regarding sturgeon species. This resolution was passed in response to CITES concerns about the rapidly declining world sturgeon population, especially in the Caspian Basin, and reflects an attempt by the Russian government to re-establish a monopoly over sturgeon fishing and caviar sales. Exporters of sturgeon products and caviar to Russia should be aware that these regulations create an import license regime for caviar that may add an additional step or process to Russia's import procedures.

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

Table of Contents

Executive Summary 3
Text of Resolution 584..... 3
Comments 5

Executive Summary

On September 26, 2005, the Russian government passed Resolution #584 with measures to ensure fulfillment of its obligations under the Convention on International Trade in Endangered Species (CITES) regarding sturgeon species. This resolution is an attempt to re-establish a monopoly of harvesting and marketing of sturgeon and its products. An informal Embassy translation of the resolution follows.

Text of Resolution 584

Begin text:

Resolution Number 584 of September 26, 2005

“On measures to ensure the fulfillment of the obligations of the Russian Federation under the Convention on International Trade in Endangered Species (CITES) of March 3, 1973, relating to sturgeon species”.

- 1) Determines that,
 - a) The Federal Veterinary and Phytosanitary Surveillance Service (hereinafter referred to as the administrative body) as the administrative body will be responsible for ensuring the fulfillment of the obligations of the Russian Federation under the Convention on International Trade in Endangered Species of March 3, 1973 (hereinafter referred to as the Convention) relating to sturgeon species;
 - b) The Federal state unitary enterprise “The All-Russian Scientific Research Institute of Fish Industry and Oceanography” will act as the scientific body to ensure the fulfillment of the obligations of the Russian Federation under the Convention relating to sturgeon species.
 - c) The Ministry of Foreign Affairs shall notify the Secretariat of the Convention on the authority and location of the administrative body and the scientific body.
- 2) Establish, that,
 - a) The Federal Veterinary and Phytosanitary Surveillance Service shall issue in cases envisioned by the Convention a permit for exporting sturgeon species and products manufactured from them including caviar (hereinafter referred to as an export permit); a permit for importing the sturgeon species and products manufactured from them including caviar (hereinafter referred to as an import permit); a certificate for re-exporting the sturgeon species and products manufactured from them including caviar (hereinafter referred to as a re-export certificate); and, a certificate for introduction from the sea of the specimen of the sturgeon species covered by the convention (hereinafter referred to as a certificate for introduction);
 - b) Decisions on introducing export quotas with respect to the sturgeon species and products manufactured from them including caviar (hereinafter referred to as export quotas) are the responsibility of the Government of the Russian Federation based on the proposals of the Ministry of Agriculture of the Russian Federation, in conjunction with the Ministry of Natural Resources of the Russian Federation and the Ministry of Economic Development and Trade of the Russian Federation (The Secretariat of the Convention shall be notified about the Export quotas);
 - c) Export quotas do not cover fertilized caviar, larvae, the sturgeon species and products manufactured from them including caviar that have been raised in fish-raising facilities based on different forms of property under artificial conditions;
 - d) Exports of sturgeon species and products manufactured from them, including caviar, is carried out with a license of the Ministry of Economic Development and Trade of the

- Russian Federation (in addition to the export permit issued by the Administrative body);
- e) Importing sturgeon species designated in Annex I to the Convention and products manufactured from them including caviar is allowed provided the existence of an import permit issued by the administrative body, an export permit or a re-export certificate, issued by the administrative body of the country-exporter as well as the license of the Ministry of Economic Development and Trade of the Russian Federation;
 - f) Importing sturgeon species designated in the Annex II to the Convention and products manufactured from them including caviar is allowed provided the existence of an export permit or a re-export certificate, issued by the administrative body of the country-exporter as well as the license of the Ministry of Economic Development and Trade of the Russian Federation;
 - g) Re-exporting the sturgeon species and products manufactured from them including caviar provided the existence of the appropriate certificates;
 - h) Exporting from the territory of the Russian Federation as well as importing into the territory of the Russian Federation by physical entities of sturgeon species caviar in the quantity not exceeding 250 grams per one person irrespective of the age of an individual is allowed without an export permit or an import permit, issued by the administrative body, as well as without a license from the Ministry of Economic Development and Trade of the Russian Federation;
 - i) Removal from the territory of the Russian Federation of the sturgeon species and products manufactured from them including caviar as well as selling the above mentioned in Duty Free shops is permitted only in a specially marked packaging.
- 3) The Ministry of Agriculture of the Russian Federation shall develop and approve in compliance with established procedures:
- a) The procedure for developing, issuing and registering of export permits and import permits, the procedure of introducing amendments into the above mentioned permits, suspension of their validity and annulling of the above mentioned permits as well as their format;
 - b) The procedure for developing, issuing and registering of a re-export certificate and of a certificate for introduction, the procedure of introducing amendments into the above mentioned certificates, suspension of their validity and annulling of the above mentioned certificates as well as their format.
 - d) The Ministry of Agriculture of the Russian Federation jointly with interested Federal bodies of Executive power shall submit in a 2-month period in accordance with established procedure into the Government of the Russian Federation proposals on introducing amendments that envision return of the biological water resources into their habitat or, if it is not feasible, their disposition in the location where confiscation (withdrawal) took place, these amendments shall be introduced into the Federal laws and into other regulatory legal acts, which are regulating the procedures for handling confiscated biological water resources.

The following government regulations are hereby revoked:

Resolution of the Government of the Russian Federation of August 17, 1998 #968 "On the measures to implement Recommendations of the 10-th Conference of the states that signed the Convention on international trade in endangered species of March 3, 1973, relating to sturgeon species" (Collection of the Legislation of the Russian Federation, 1998, #34, page 4094);

Item 4 of the amendments and supplements which are introduced into certain decisions by the Government of the Russian Federation in connection with the Decree of the President of the Russian Federation of September 22, 1998, #1142 approved by the Resolution of the

Government of the Russian Federation of July 6, 1999, #768 (Collection of the Legislation of the Russian Federation, 1999, #29, page 3742);

Resolution of the Government of the Russian Federation of June 16, 2001 #469 "On introducing amendments into the decision of the Government of the Russian Federation on the issue of fulfillment of the obligations of the Russian Party resulting from the Convention on international trade in endangered species of March 3, 1973" (Collection of the Legislation of the Russian Federation, 2001, #26, page 2682).

M. Fradkov
Chairman of the Government of the Russian Federation

End text.

Comments

Resolution 584 was passed in response to CITES concerns about the rapidly declining world sturgeon population, specifically in the Caspian basin, and reflects the first government attempt to re-establish a monopoly over sturgeon fishing and caviar sales. The Russian government believes that a state monopoly will help to prevent over-harvesting and poaching, two of the major causes for the sharp decline in overall sturgeon stocks. The Minister of Agriculture Aleksey Gordeyev stated "it is necessary to impose a state monopoly on sturgeon fishing and sales, as well as sales of black caviar to really place both fishing and sales in one set of hands." Gordeyev also advocates mandatory destruction of products confiscated from poachers.

However, specialists from the All-Russian Research Institute of Fisheries, alerted that the attempt to re-regulate the sector will not be effective if not followed by criminal prosecution and that custom barriers are not established against poaching under a new agency that is able to enforce export control and clearance.

Trade sources believe that government monopoly over this sector would be a serious blow to private companies and would result in higher prices for product that is already expensive and considered a luxury. In Russia, one kilogram of caviar sells for 7,000-10,000 rubles (US \$250-350). However, experts believe that a government monopoly may increase the price of black caviar up to 15,000 rubles per kilogram. The Director for the International Office of Swiss's Planet Caviar, which specializes in trading Russian caviar, was surprised by the news regarding the Russian government's intention to set up a state monopoly in this sector. He noted that Iran, the largest producer and exporter of caviar, is currently considering privatizing its state caviar monopoly due to the lack of profitability.