



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Scheduled Report - Public distribution

Date: 11/28/2007

GAIN Report Number: RS7334

Russian Federation

Exporter Guide

Annual

2007

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Report Highlights:

Russian imports of major agricultural and food products (HS codes 01-24) grew 38% in the first half of 2007 over the same period in 2006. This phenomenal growth is due to Russia's rapid economic growth and rising consumer demand. Imports of fresh and dried fruits, nuts, fish, seafood, and animal genetics are growing rapidly; imports of meat continue to enjoy strong demand despite official efforts to curb them.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Moscow ATO [RS4]
[RS]

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SECTION I. Market Overview

Russian agricultural imports as of June 2007 were up approximately 38% over year-previous levels. This phenomenal growth is fueled by continued rapid economic growth. The Russian Federation is among the top export destinations for U.S. agricultural products. High world prices for oil and natural gas, and sustained investment spending, are contributing to average real GDP growth of 7% in 2007 and rising consumer incomes.

According to analysts, from 2002 – 2006, Russia's real GDP increased 30% from (\$US) 286.8 billion to 373.2 billion¹. The U.S. is Russia's tenth largest trade partner. Total bilateral trade increased by 12.8% in 2007 to \$7.7 billion. Rising incomes and a growing middle class are demanding higher-quality products, and U.S. food exports are more competitive as the ruble appreciates against the U.S. dollar.

Figure 1: Increasing value of U.S. agricultural exports to the Russian Federation



Source: FAS BICO trade statistics. Note: These figures are based on U.S. Customs export data, and will differ from World Trade Atlas data on Russian imports from the U.S., which are based on Russian Customs import data.

Year-on-year and average annual growth in Russian agricultural imports can be seen in the following table:

Table 1. Russia: Growth in Agricultural Imports

	2002	2003	2004	2005	2006
Agricultural Imports, billion dollars ¹	10.1	11.6	13.3	16.9	21.1
Growth Year on Year		14.5%	15.1%	26.4%	24.9%
5-Year Average Annual Growth Rate					15.8%

¹ Total agricultural imports include HS codes 01-24 plus natural fibers, hides, skins, natural rubber, and forest products.

Source: World Trade Atlas

The Russian chapter of the American Chamber of Commerce includes almost 800 member American companies successfully operating in Russia, including Mars, DuPont, Wrigley, John

¹ Base year 2000

Deere, and many others. The Chamber also reports that:

- Half of American companies surveyed reported that sales increased 200% in Russia from 2001 to 2005;
- Two-thirds of American companies operating in Russia report that profitability is on or above target;
- American companies in Russia are helping to bridge the “values gap” between Russia and the U.S. by consistently and strongly communicating key business values, such as legal compliance, merit-based compensation, strong business ethics and corporate social responsibility;
- 92% of U.S. companies surveyed in Russia believe that continued commercial engagement with Russia is positive for American business, and 86% believe that Russia’s membership in the WTO will bring new opportunities.

Despite the success of U.S. businesses operating in Russia, competition is increasing for Russian consumers. In addition, economic vulnerabilities and existing trade barriers (particularly non-tariff measures) can affect trade flows. Exporters should review some of the advantages and challenges of the Russian market (see Table 1 below) when considering their marketing strategy.

Table 2. Russia: Advantages and Challenges for U.S. Exporters

<i>Advantages</i>	<i>Challenges</i>
Paying in dollars is advantageous for exporting to Russia compared to Europe due to the lower cost of the dollar relative to the Euro.	Government bureaucracy and corruption. Contradictory and overlapping regulations. Official government opposition to growth in food imports.
In 2008 Russia will become the largest consumer market in Europe, according to a recent Troika Dialogue Report.	Economic vulnerability, dependence on oil and mineral extraction for most wealth.
Russian trade and investment policy is converging with international standards.	Continuing debate over World Trade Organization (WTO) accession and adherence to non-tariff barriers such as unscientific sanitary and phytosanitary restrictions hold trade below potential.
New format store chains are rapidly expanding to meet consumer demand, thus creating a good venue for imported products.	Misperception among Russian consumers about imported goods, specifically Russian consumers lack knowledge about the quality and benefits of U.S. agricultural products.
Greater emphasis on value-added production in food processing creates opportunities for new products.	Limited acceptance of agricultural biotechnology.
Investors are building more efficient storage facilities, improve infrastructure and logistics.	Distance is a major barrier complicating logistics.
Fast food service and restaurants develop at incredible rate, demanding new products.	American products face stiff competition in Russia from European, Asian and Latin American suppliers.

SECTION II. Exporter Business Tips

The best entry strategy for new exporters depends on several factors, including the target market, economic conditions, and regulatory environment of the host country. Exporters can request a brief market assessment for their products and/or a list of Russian importers from the ATO Moscow, St. Petersburg and Vladivostok. Additionally, ATO Moscow offers the following recommendations to help exporters select the best approach for their firm:

- **Establish a Representative Office:** One of the best ways exporters can conduct business in Russia is to open a representative office (RO) in Moscow; a city that hosts a large concentration of retailers and representative offices.
- **Work with a Russian Importer:** Selecting the right trade partner is one of the most important decisions for exporters developing their business in Russia. Working with a local partner in Russia significantly expands business opportunities, and minimizes the need for exporters to establish direct contact with multiple retail chains. A local Russian partner familiar with market conditions and the regulatory environment can help exporters navigate the Russian retail market, resolve issues, and increase the likelihood of success.

Exporters representing U.S. companies may contact the Moscow ATO for assistance in locating importers. Performing due diligence is important, such as verifying banking and supplier references of potential importers, and local and U.S.-based organizations in Russia can provide helpful information to exporters. However, credit reporting is a relatively new practice in Russia, and credit-reporting agencies may not have complete information on potential Russian business partners. Retail chains may be another valuable source for exporters collecting information on importers.

- **Provide Sales Support:** Exporters must help market the products they sell in Russia. Russian importers and wholesalers expect exporters to participate in the sales process, either by providing event marketing support, advertising assistance, training, packaging/handling advice, or point of sales materials.
- **Attend Promotional Events:** One of the main challenges to exporters entering the Russian market is product promotion. A cost-effective way exporters can promote their products is to participate in the largest general food and beverage trade show in Russia, World Food Moscow, held annually in September. Virtually all large food and beverage producers and importers participate in this show. If exporters are targeting specific regions within Russia, the Moscow ATO recommends participating in regional exhibitions. Participation fees for regional exhibitions are lower, and are aimed at local consumers and retail food chains. The Russian retail market is competitive; exporters should allocate time to visit Russia and earmark funds in their sales plans for promotional support.

Trade Shows in Russia

Participation in one of several established trade shows in Russia allows exporters to take a first-hand look at the local market, to meet potential importers, and to gauge the competitiveness of their products compared to similar products promoted at the show.

World Food

Moscow

September

www.world-food.ru/eng

This USDA-endorsed event offers an excellent opportunity to introduce U.S. food products in Russia. In 2007, this 4-day show drew 1,320 exhibitors from 53 countries and attracted more than 53,000 importers, wholesalers, retailers, and processors from all parts of Russia and from many neighboring countries.

Golden Autumn

Moscow, All-Russian Exhibition Center

October

www.goldenautumn.ru

The Golden Autumn trade show is organized by the Russian Ministry of Agriculture, and is the largest Russian trade show for production agriculture. In 2007 Golden Autumn featured 1,377 exhibitors from 28 foreign countries as well as Russia, and drew 65,944 visitors, of whom 65% were agricultural specialists. At this annual trade show, the USDA pavilion displays animal and plant genetics, high-grade feeds, animal nutrients, and additives.

Prodexpo

Moscow

February

<http://www-eng.expoctr.ru/site/95/default.asp?section=3>

Prodexpo is Moscow's largest international trade show highlighting foodstuffs in Russia and Eastern Europe. In 2007, Prodexpo hosted 2,183 exhibitors from 61 countries and attracted 113,070 visitors.

Distribution Channels

Traditionally Russian retailers offered consumers relatively few imported food products. However the entry of large supermarket and hypermarket chains is changing the product mix in stores and effecting food distribution networks in Russia. Increasingly, large retailers are buying in bulk directly from local manufacturers and importers, and in response distributors are consolidating to meet the growing demand of larger retail chains.

Figure 2. Russia: Distribution channel for supermarkets, import of transatlantic products via the Port of Greater St. Petersburg

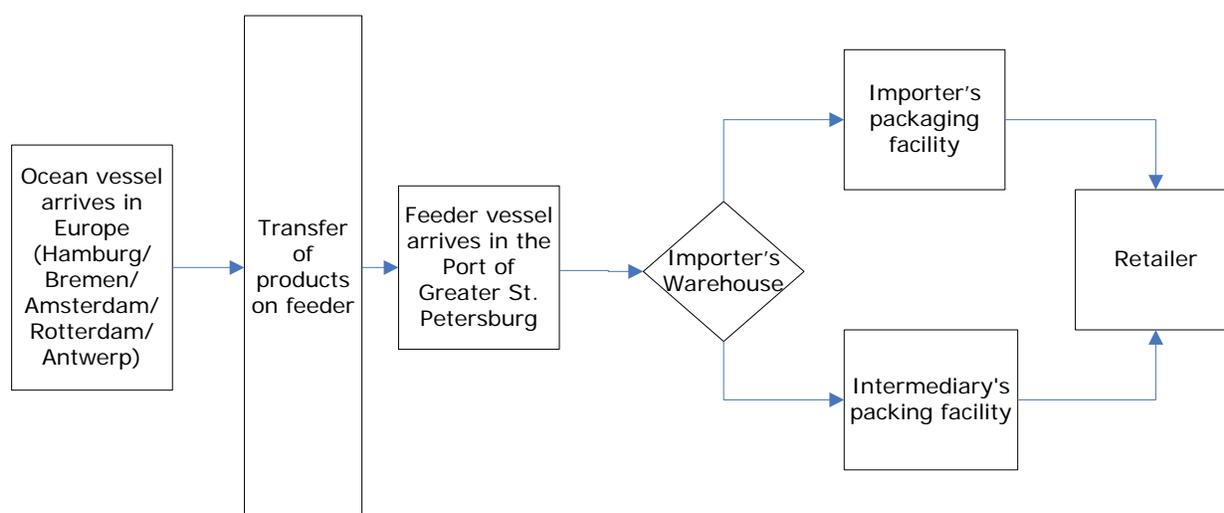
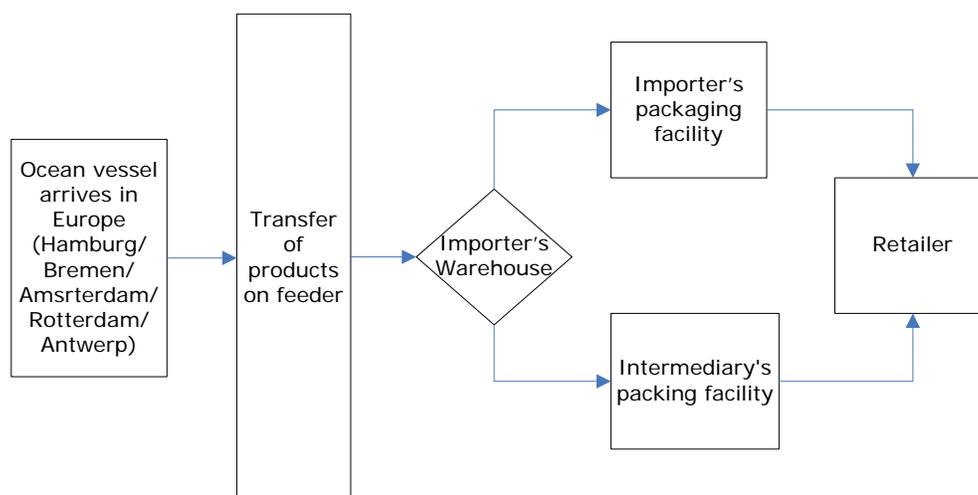


Figure 3. Russia: Distribution channel for supermarkets, delivery from Europe

Logistics and Transportation

Imported products arrive in Russia via land, sea, or air freight into ports or customs warehouses for clearance before proceeding to the next destination. The transportation system for shipping U.S. high value food products into Russia via St. Petersburg and Moscow is well established. Most consumer-oriented food and beverage products enter through St. Petersburg or Moscow for customs clearance. Transit times range from 20 days to 27 days depending on the origin, with an additional four days shipping time for final delivery by rail or truck to Moscow.

Outside of Russia, imports are also delivered to Baltic ports and then shipped by truck or rail to St. Petersburg or Moscow. Baltic and Finnish ports offered greater efficiency, fewer problems with loss or damage, and lower port fees. However, changes in Russian import requirements have largely redirected these shipments to Russian ports: St. Petersburg, Ust-Luga, Vysotsk, Kronshtadt, Novorossiysk and Vladivostok.

From Moscow or St. Petersburg, products are shipped farther into the interior via truck or rail to cities in Siberia or the Russian Far East (RFE). However, most products destined for the RFE enter through the ports of Vladivostok, Vostochnyy, Vanino, Nakhodka and Magadan. Although Vostochnyy is the region's largest port by volume, the majority of U.S. food exports to the Russian Far East enter through Vladivostok.

Credit and Payment Terms

The Russian banking system continues to make strides towards complying with international standards, and many banks that are authorized to open foreign currency accounts also have general licenses enabling them to undertake a full range of foreign currency transactions. Many of these banks have correspondent banks in the United States. Further, several American and foreign banks such as Citibank, J.P. Morgan, Raffeissenbank, Societe Generale, and Credit Suisse are licensed to operate in Russia.

Securing credit can be costly, however, and there can be obstacles to securing credit in Russia if the company is 100% foreign owned. Russian bank fees are often high, and it can take much longer to open letters of credit or transfer funds than is common in the United States.

Prospective borrowers should expect Russian banks to request a package of documents, including a balance sheet showing profits for the last three quarters and proof of assets to mitigate the bank's risks.

Regarding payment terms, Russian importers may not be accustomed to making a 100% pre-payment prior to shipment. As the business relationship develops, Russian importers may eventually expect exporters to ship on credit, with payment due upon arrival in the Russian port. The importer may alternatively make a pre-payment and pay the balance when the product arrives to the importer's storage facility.

In established business relationships bank transfers are sometimes made on the basis of payment-on-delivery, or payment after an agreed number of days. A letter of credit (LC) may be used when required by the foreign supplier, but Russian importers consider LCs expensive and difficult to arrange. Documentary Collections work very well at ports, and importers are accustomed to these procedures. Nevertheless, until exporters and importers build relationships and reach a level of trust, exporters may find letters of credit worthwhile.

Credit guarantee programs offered through the United States Department of Agriculture (USDA) can help overcome some financing problems. The credit guarantee program operates with a specific country program for Russia, and Russia is also included in a separate Eurasia program. For further information on these programs, please visit the FAS website (<http://www.fas.usda.gov/excredits/ecgp.asp>), the FAS Moscow website (<http://eng.usda.ru>) or contact ATO Moscow.

Food Standards and Regulations

Russia has complex food import regulations. Exporters should carefully question importers regarding certification and documentation requirements, as well as procedures for clearance of shipments into the Russian Federation. Please see the "Other Relevant Reports" section at the end of this report, and visit the ATO Moscow website <http://eng.usda.ru/> Market Access page.

Pricing

Retail prices in Russia can vary significantly; however pricing is becoming more competitive as large retail chains increase their aggregate market share. On the regulatory side, exporters should consider the effect of the Russian tax regime when making pricing and margin decisions. Some of the taxes assessed include:

- Import duties vary by product, but generally range from about 5-30% (for Russian speakers, current import tariffs are maintained in an online database at www.tks.ru);
- An 18% value-added tax (VAT) is levied on imports at the point of entry (note: the VAT on some food products is only 10%);
- Customs clearance charges add about 1.25% The wholesale mark-up is typically 12-15%, while retail mark-up runs 35% or more, depending on the product and the retailer;
- A 39% profit tax is assessed on gross margin.

SECTION III. Market Sector Structure and Trends

Retail Food Sector

As incomes rise in Russia consumers are purchasing more fresh products and ready-to-eat prepared foods. Most large retail chains have special facilities that clean, prepare and package foods (e.g., vegetables) into ready-to-eat portions. Larger retail chains also have their own bakeries that produce fresh breads, pizzas, and lasagnas daily, and delis offer consumers marinated fresh cutlets, ravioli, and schnitzels.

Domestic and multinational chains dominate the retail market, with domestic chains accounting for a larger market share. According to some retailers, Moscow is approaching market saturation (particularly in terms of retail space) and forcing some retailers to consider alliances with competitors, or open new stores outside of Moscow. Russia's largest supermarket chains, Perekryostok and Pyatyorochka, completed a merger on May 19, 2006, creating the largest food retailer in Russia. The new holding company, X5, comprises 1,013 company-managed stores, with a net selling space of 429,000 square meters and net sales of \$2.3 billion in 2005.

Hotel, Restaurant, and Institutional (HRI) Sector

Please refer to [GAIN Report RS7316](#) for further information on the HRI sector in Russia.

Food Processing Sector

Russia's food processing industry is growing rapidly and is one of the most dynamic sectors in the Russian economy. Food processing companies are investing in production facilities to keep pace with demand, and analysts expect the sector to grow 10-15% per year.

The demand for higher-quality ingredients is also increasing as more local food processors strive to meet international quality standards. However some companies are reporting that domestic supplies of raw materials and specialized ingredients for meat, bakery, confectionary, juice, and dairy processing are not sufficient to meet future demand.

SECTION IV. Best High-Value Product Prospects

Top performing U.S. exports to Russia in 2006 and January–September 2007 include poultry and red meats², fresh fruit, fish and seafood, and tree nuts. U.S. poultry exports are the largest contributor to the total value of agricultural exports to Russia. On average, poultry meat accounted for over 60% of the total value of U.S. agricultural exports from 2002-2006³. Russians are consuming more tree nuts and fresh fruit from America, particularly the larger sizes of apples and pears. The favorite American apples in Russia are Red and Golden Delicious, and Braeburn. However, the Granny Smith apple is not as popular because Russian consumers dislike the yellow sunburn scald that appears on some fruit⁴. Popular American pears include Green Anjou, Red Anjou and Bartlett.

² Fresh/Chilled/ Frozen

³ BICO trade statistics, USDA, FAS.

⁴ Sunburn-scald is a fruit physiological disorder caused by heat and water stress, among other factors. Granny Smith apples are more susceptible to sunburn-scald due to their light skin.

In winter American apples and pears are in high demand because of their flavor and longer storage life relative to other fresh fruits. Exports of U.S. tree nut increased over 78% in January - September 2007 over the same period in 2006⁵, and retailers report that consumers are demanding dried fruits and peanut butter.

Other top U.S. export products include: wine and spirits, processed fruits and vegetables, snack foods (excluding nuts), food ingredients, and hides and skins. Cheese exports are a new opportunity, and Russia plans to increase cheese imports as part of an overall strategy to reduce food price inflation of staple products. Russian government support for improving livestock through import of genetics could create opportunities for U.S. genetics. Table 2 (below) provides additional information on food and agricultural product prospects⁶.

Table 3. Russia: Suggested best prospects for U.S. exporters, by sector

Product Category	2006 Imports from U.S.	2006 Market size	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints to Market Development	Market Attractiveness for U.S.
Fresh fruits	\$10.8 million	\$2.7 billion	29.5%	Apples: (Jan 1-Jul 31) 0.1 Euros per kg (Aug 1-Dec 31) 0.2 Euros per kg + 18% VAT Pears: 10% + 18% VAT	See also GAIN RS6314 Strong competition from Poland, China, Chile, New Zealand, Moldova for apples; Argentina and China for pears.	Good potential as a niche market for U.S. apples, pears, grapes, citrus, especially during February-April period.
Dried fruits	\$1.5 million	\$90.3 million	25.0%	10%, but not less than 0.02 Euros per kg + 18% VAT	Tough competition from Iran, Tajikistan, Afghanistan and Uzbekistan for bulk dried fruits.	U.S. raisins and prunes competitive for quality retail and processing market.
Tree nuts	\$31.6 million	174.0 million	50.0%	Nuts – 29% 10% duty, 18% VAT	Iran biggest competitor for peanuts and pistachios; Tajikistan for walnuts.	U.S. almonds enjoying very strong growth. Good potential for U.S. pecans and other nuts.

(continued)

⁵ BICO trade statistics, USDA, FAS.

⁶ Food products listed in Table 3 are based on market intelligence, including discussions with retailers and data analysis efforts, and should not be considered an official endorsement by the United States Department of Agriculture or any affiliated agencies.

Product Category	2006 Imports from U.S.	2006 Market size	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints to Market Development	Market Attractiveness for U.S.
Wine	\$2.7 million	\$396.5 million	11.2%	Wine < or = 15% alcohol RUR 2.20/liter, sparkling wines RUR 10.50 /liter, wine > 15% alcohol RUR 112/liter of ethyl alcohol content; VAT 18%	Lack of U.S. wine promotion, strong positions of other importers (France, Italy, Spain, Chile)	California wines are growing in popularity and have tremendous growth potential
Fish and Seafood	\$44.7 million	\$1.2 billion	31.4%	10% + 10-18% VAT	Potential recovery in local catch/ production. Aquaculture is included among the National Priority Projects.	Opportunities for ground fish and salmon, especially underutilized species, for processing. Growing demand for high value products for HRI and retail.
Confections	\$5.6 million	\$421.1 million	14.4%	20% but not less than 0.25 Euro/kg plus 18% VAT for position 1704; generally 5% + 18% VAT for items in 180620, but varies in other positions	Competition from both local and foreign producers	A number of U.S. companies are successfully operating in the market.
Snack Foods	\$10.3 million	\$939.4 million	17.6%	5% - 15%, but not less than 0.15 – 0.075 Euro/kg (duty depends on product, size of package, sugar content, etc.) + 10% - 18% VAT	Strong competition from local producers, including some foreign brands such as Lay's (PepsiCo) and Estrella (Kraft) – Pringles from Europe.	Good potential for high quality U.S. snacks: popcorn, nuts, and dried fruits mixes.

(continued)

Product Category	2006 Imports from U.S.	2006 Market size	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints to Market Development	Market Attractiveness for U.S.
Rice	\$3.1 million	\$113.2 million	16.9%	10%, but not less than 0.03 Euros per kilo + 10% VAT	Ban on U.S. rice due to adventitious presence of LL601 biotech event. Local production and low-priced competition from China and Vietnam	Opportunity for high quality U.S. rice, wild rice in HRI and retail.
Pet food	\$7.8 million	\$103.7 million	36.7%	20%, but not less than 0.16 Euros/kg + 18% VAT	Strong local production - Mars has two plants that produce Whiskas, Kitekat, Pedigree; Nestle's Purina produces Friskies and Darling locally; other imported and local brands.	Strong growth in demand.
Animal genetics (excluding embryos, data for which not available)	\$219,000	\$142.2 million	62.6%	Zero tariff on live brood animals + 10% VAT. 5% tariff on bull semen + 18% VAT	Veterinary protocols for embryos and live animals are under negotiation.	Bovine semen market is open. Government support makes this a large opportunity. See GAIN RS7051.
Meat (includes pork, beef, and poultry meat, and edible offal)	\$599.1 million	\$4.5 billion	14.4%	See GAIN RS5084, RS7008 and RS7041. Tariff-rate quotas apply to some positions. Tariffs change unpredictably.	Veterinary controls and demands transcend international standards. Official goal of "food security" calls for reduction of meat imports.	New health certificates are in place for U.S. origin beef and pork.

Source: World Trade Atlas, U.S. Trade Database, Russian Tariff Database (www.tks.ru)

SECTION V. Key Contacts and Further Information

Contact Information for FAS Offices in Russia and in the United States:

Dana Johnson, Director, ATO Russia (ETA February 2008)
 Daniil Schultz, Marketing Specialist
 Natalia Merinova, Administrative Assistant
<http://eng.usda.ru>

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American Embassy
Bolshoy Devyatinskiy pereulok 8
121099 Moscow, Russia
Tel: +7 (495) 728-5560; Fax: +7 (495) 728-5069
E-mail: atomoscow@fas.usda.gov

For mail coming from the U.S. (American officers only):

Agricultural Trade Office
PSC 77 AGR
APO, AE 09721

For international mail, especially from Europe:

Agricultural Trade Office
U.S. Embassy - Box M
Itainen Puistotie 14
00140 Helsinki, Finland

Covering Northwest Russia (St. Petersburg):

Ksenia Evdokimova, ATO Marketing Specialist
American Consulate General
Nevskiy Prospekt, 25
191186 St. Petersburg, Russia
Tel: 7 (812) 326-2580; Fax: 7 (812) 326-2561
E-mail: Ksenia.Evdokimova@fas.usda.gov

Covering the Russian Far East (Vladivostok):

Svetlana Ilyina, ATO Marketing Specialist
American Consulate General
Ulitsa Pushkinskaya, 32
690001 Vladivostok, Russia
Tel: 7 (4232) 300-089; Fax: 7 (4232) 300-089
E-mail: Svetlana.Ilyina@fas.usda.gov

For General Information on FAS/USDA Market Promotion Programs and Activities:

Office of Trade Programs
U.S. Department of Agriculture
Foreign Agricultural Service
1400 Independence Ave., S.W.
Washington, DC 20250
http://www.fas.usda.gov/OTP_contacts.asp

FAS Website: www.fas.usda.gov

For Trade Policy/Market Access Issues, General Information on the Russian Agricultural Sector, etc:

Allan Mustard, Agricultural Minister-Counselor
Kimberly Svec, Senior Agricultural Attache
Erik Hansen, Agricultural Attache

Office of Agricultural Affairs
American Embassy
(addresses as above for ATO Moscow)
Tel: 7 (495) 728-5222; Fax: 7 (495) 728-5133 or 728 5102
E-mail: agmoscow@usda.gov

To learn more about USDA/FAS and ATO services please visit <http://eng.usda.ru>.

Other Useful Contacts:

The Agricultural Trade Office works with a large number of U.S. industry organizations, some of which have local offices to assist U.S. exporters of these food and agricultural products. You may also find these contacts listed at <http://eng.usda.ru>.

U.S.A. Poultry and Egg Export Council (USAPEEC)
E-mail: usapeec@usapeec.ru

U.S. Meat Export Federation (USMEF)
E-mail: Moscow@usmef.org

U.S. Wheat Associates
E-mail: uswmow@dol.ru

U.S. Grains Council (USGC)
E-mail: fgcmow@online.ru

Pear Bureau Northwest
E-mail: katerina@newmark.ru

Washington Apple Commission
Moscow office:
E-mail: office@bestapples.ru
Vladivostok office:
E-mail: katerina@newmark.ru

Almond Board of California
E-mail: Office@almondsarein.ru

Pet Food Institute
E-mail: agerman@globalworks.ru

National Renderers Association
E-mail: lischenko@ane.ru

The American Chamber of Commerce is another good source for information on doing business in Russia. The Chamber has offices in Moscow and St. Petersburg.

American Chamber of Commerce in Russia (AmCham)
Ul. Dolgorukovskaya, Building 7, 14th floor
127006 Moscow, Russia
Tel: 7 (495) 961-2141; Fax: 7 (495) 961-2142
<http://amcham.ru/>
Email: amchamru@amcham.ru

American Chamber of Commerce in St. Petersburg
25 Nevsky Prospect, 3rd Floor
191186 St. Petersburg, Russia
Tel: 7 (812) 326-2590; Fax: 7 (812) 326-2591 or 326-2561
<http://amcham.ru/spb/>
Email: st.pete@amcham.ru

For questions regarding agricultural machinery, food processing and packaging equipment or materials, refrigeration equipment, and other industrial products, please contact:

U.S. and Foreign Commercial Service
Bolshaya Molchanovka, 23/38, Bldg. 2
121069 Moscow, Russia
Tel: +7 (495) 737-5030; Fax: +7 (495) 737-5033
E-mail: moscow.office.box@mail.doc.gov

APPENDIX I. Statistics

Table A: Russia: Key Trade and Demographic Information

Agricultural Imports From All Countries (\$Billion) ^{1/}	21.1
Consumer Food Imports From All Countries (\$Billion) ^{2/}	13.2
Edible Fishery Imports From All Countries (\$Million) ^{2/}	486.4
Total Population (Millions)/Annual Growth Rate (%)	142.2 / -0.5
Urban Population (Millions)/Annual Growth Rate (%)	103.8 / -2.9
Number of Major Metropolitan Areas ^{3/}	13
Size of the Middle Class (Millions)/Growth Rate (%) ^{4/}	26.4 / 25
Per Capita Gross Domestic Product (\$US) ^{5/}	7,170
Unemployment Rate (%) ^{5/}	5.7
Percent of Female Population Employed ^{6/}	93.4
Exchange Rate (US\$1 = RUR) as of November 2007	24.48

Unless otherwise noted, 2007 data. Source: Unless otherwise noted, Russian Federal Statistics Service (Rosstat)

^{1/} Source: 2006, GTI World Trade Atlas. Total agricultural imports include HS Codes 01-24 plus natural rubber, raw hides, skins and furskins, round wood and wood products, unworked animal and vegetable fibers

^{2/} Source: 2006, GTI World Trade Atlas.

^{3/} Population in excess of 1,000,000

^{4/} Sources: Various - based on estimate of individuals earning US\$500-\$2,000 per month

^{5/} Source: Rosstat

^{6/} As percentage of economically-active female population (employed or actively seeking employment). Female workers account for 41% of the total economically-active population.

Table B: Consumer Food and Edible Fishery Product Imports

	Imports from the World (Million Dollars)			Imports from the U.S. (Million Dollars)			U.S Market Share (Percent)		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
CONSUMER-ORIENTED AG TOTAL	7,774.5	10,252.0	13,273.0	532.0	650.7	850.3	6.84	6.35	6.41
Snack Foods (excl. Nuts)	384.6	450.3	510.5	9.3	1.6	1.4	2.41	0.35	0.27
Breakfast Cereals & Pancake Mix	9.7	13.3	15.2	0.5	0.5	0.7	5.56	3.83	0.45
Red Meats, Fresh/Chilled/Frozen	1,469.7	2,032.5	3,388.5	29.5	59.6	171.6	2.01	2.93	5.06
Red Meats, Prepared/Preserved	71.7	70.2	93.5	3.7	2.4	4.5	5.13	3.38	4.82
Poultry Meat	663.4	847.5	921.5	396.3	487.6	545.5	59.74	57.54	59.20
Dairy Products (excl. Cheese)	285.4	303.9	290.8	0.4	1.6	1.7	0.15	0.53	0.60
Eggs & Products	22.2	38.4	50.8	0.1	0.8	1.6	0.64	2.10	3.17
Fresh Fruit	1,465.7	1,979.5	2,669.1	2.9	7.2	6.8	0.19	0.36	0.26
Fresh Vegetables	416.4	649.5	842.1	1.6	1.7	1.5	0.37	0.26	0.17
Processed Fruit & Vegetables	537.9	715.0	897.4	4.5	3.8	6.3	0.83	0.54	0.70
Fruit & Vegetable Juices	173.3	219.8	299.1	3.0	2.3	6.5	1.72	1.03	2.19
Tree Nuts	31.5	55.6	174.0	4.9	10.4	31.5	15.70	18.68	18.09
Wine & Beer	577.4	739.8	746.6	2.4	2.6	2.4	0.42	0.36	0.32
Nursery Products & Cut Flowers	182.8	246.0	363.6	0.03	0.1	0.4	0.02	0.06	0.11
Pet Foods (Dog & Cat Food)	60.7	83.3	103.7	3.8	7.0	8.2	6.24	8.41	7.92
Other Consumer-Oriented Products	960.9	1,146.6	1,313.0	69.1	61.4	60.3	7.19	5.36	4.59
FISH & SEAFOOD PRODUCTS	718.4	1,071.9	1,333.5	23.1	45.0	45.3	3.21	4.20	3.40
Salmon	103.5	153.1	176.8	2.5	4.3	3.5	2.46	2.82	2.01
Surimi	33.9	54.8	51.0	5.9	10.0	7.4	17.31	18.32	14.57
Crustaceans	55.3	109.8	152.0	0.1	0.1	0.1	0.15	0.05	0.03
Ground fish & Flatfish	93.7	171.4	283.3	10.6	22.7	28.7	11.34	13.22	10.12
Mollusks	19.2	27.2	39.6	0.2	0.5	0.9	1.18	1.89	2.18
Other Fishery Products	412.9	555.6	630.7	3.7	7.4	4.8	0.90	1.34	0.76
AGRICULTURAL PRODUCTS TOTAL	12,492.6	15,650.3	19,502.8	718.3	834.3	1,026.5	5.75	5.33	5.26
AGRICULTURAL, FISH & FORESTRY	13,345.3	16,868.9	21,072.7	743.2	883.4	1,073.0	5.57	5.24	5.09

Source: World Trade Atlas

Table C. Russia: Top 15 Suppliers of Consumer Foods & Edible Fishery Products

FISH & SEAFOOD PRODUCTS (U.S. Dollars)				CONSUMER-ORIENTED AG TOTAL (U.S. Dollars)			
	2004	2005	2006		2004	2005	2006
World	718,392,141	1,071,944,399	1,333,454,785	World	7,774,460,417	10,252,324,214	13,273,325,639
Norway	306,251,081	448,436,153	437,305,900	Brazil	781,029,077	1,286,929,600	1,465,455,109
China	40,157,384	80,196,020	130,840,371	United States	532,045,985	650,661,979	850,265,329
Vietnam	5,947,200	23,182,013	107,065,927	Germany	518,179,183	638,808,964	844,553,017
Denmark	39,229,025	64,368,893	89,893,837	Denmark	39,229,025	64,368,893	89,893,837
United Kingdom	45,017,014	34,993,712	55,185,705	Netherlands	312,175,204	384,936,172	588,223,518
Chile	15,430,237	33,996,052	52,986,573	Ukraine	837,953,282	989,294,735	568,804,884
Iceland	18,464,908	23,430,194	45,990,555	Ecuador	361,699,510	463,258,871	528,132,062
United States	23,063,443	45,025,464	45,335,878	China	271,488,630	392,014,646	520,467,791
Canada	14,669,321	33,934,819	42,564,231	Poland	439,659,089	495,923,497	481,741,393
Mauritania	25,635,920	38,669,142	36,741,039	Uzbekistan	230,961,141	328,430,947	481,288,418
Thailand	9,000,481	21,775,981	34,167,408	Turkey	180,234,399	313,896,461	461,224,404
Latvia	30,064,337	35,621,627	32,294,015	France	285,852,927	321,357,869	456,269,302
Argentina	13,356,608	31,174,184	24,602,132	Denmark	105,924,296	140,195,893	400,998,465
Faroe Islands	2,367,233	3,061,437	24,432,088	Spain	210,061,839	228,202,304	380,612,393

Source: World Trade Atlas

Other Relevant Reports

Attaché reports on the Russian food and agricultural market are available on the FAS website; the search engine can be found at <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

RS7081 Products Subject to Border Veterinary Inspection
<http://www.fas.usda.gov/gainfiles/200711/146292933.pdf>

RS7073 Poultry and Products Annual
<http://www.fas.usda.gov/gainfiles/200710/146292768.pdf>

RS7069 Annual FAIRS Export Certificate Report
<http://www.fas.usda.gov/gainfiles/200710/146292717.pdf>

RS7067 Livestock and Products Annual
<http://www.fas.usda.gov/gainfiles/200710/146292718.pdf>

RS7066 Fishery Products Annual
<http://www.fas.usda.gov/gainfiles/200710/146292593.pdf>

RS7323 FAIRS Product Specific / Wine
<http://www.fas.usda.gov/gainfiles/200707/146291722.pdf>

RS7061 FAIRS Country Report
<http://www.fas.usda.gov/gainfiles/200709/146292471.pdf>

RS7054 July Rice Update
<http://www.fas.usda.gov/gainfiles/200707/146291832.pdf>

RS7051 Government Program for Agriculture and for Market Regulation 2008-2012
<http://www.fas.usda.gov/gainfiles/200707/146291764.pdf>

RS7045 Rice Situation Update
<http://www.fas.usda.gov/gainfiles/200706/146291500.pdf>

RS7041 Russia Increases Import Quota for Pork

<http://www.fas.usda.gov/gainfiles/200705/146281199.pdf>

RS7011 List of Products that Require Quarantine and Phytosanitary Certificates

<http://www.fas.usda.gov/gainfiles/200707/146291722.pdf>

RS7008 Russia Lowers Out-of-Quota Import Duties on Beef

<http://www.fas.usda.gov/gainfiles/200701/146280054.pdf>

RS6321 Growing Russian consumerism propels retail increases

<http://www.fas.usda.gov/gainfiles/200612/146269877.pdf>

RS6314 Fresh Deciduous Fruit / Six years of consistent market growth

<http://www.fas.usda.gov/gainfiles/200609/146228945.pdf>

RS6069 VPSS Eases Rice Import Ban for Shipments On the Water

<http://www.fas.usda.gov/gainfiles/200612/146269766.pdf>

RS6066 Russia Temporarily Bans Rice Imports

<http://www.fas.usda.gov/gainfiles/200612/146249713.pdf>

RS5084 Meat Tariff Rate Quota Decree Issued

<http://www.fas.usda.gov/gainfiles/200512/146131752.pdf>

RS5026 FAIRS Product Specific / Selected Fruits and Vegetables

<http://www.fas.usda.gov/gainfiles/200504/146119318.pdf>

RS5025 FAIRS Product Specific / Quarantine Regulations for Plant Products

<http://www.fas.usda.gov/gainfiles/200504/146119321.pdf>

RS5009 FAIRS Product Specific / Beer and Wine

<http://www.fas.usda.gov/gainfiles/200502/146118765.pdf>

RS5008 FAIRS Product Specific / Fish and Seafood Products

<http://www.fas.usda.gov/gainfiles/200502/146118935.pdf>