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Agricultural Situation

Ministry of Agriculture Authorities Again Redefined 2008

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Report Highlights:

In an abrupt policy course change, the Ministry of Agriculture was unexpectedly stripped of newly acquired authority for marine fisheries and agricultural tariff and non-tariff regulation. Marine fisheries are rumored to be gone for good, but return of agricultural tariff and non-tariff regulation to the Ministry of Agriculture may hinge on progress in WTO accession negotiations.

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Executive Summary

In an abrupt policy course change, the Ministry of Agriculture was unexpectedly stripped June 12, 2008, of newly acquired authority for marine fisheries and agricultural tariff and non-tariff regulation. Marine fisheries are rumored to be gone for good, but return of agricultural tariff and non-tariff regulation to the Ministry of Agriculture may hinge on progress in WTO accession negotiations.

The Ministry of Agriculture's New Charter

On June 12, 2008, Prime Minister Vladimir Putin signed government decree No. 450 approving the Ministry of Agriculture's new charter ("*polozheniye*"). Together, the decree and charter define that ministry's authorities, general structure, and personnel cap. The original Russian text of both the decree and the charter can be found in the original Russian language on the Russian government's official website at <http://www.government.ru/content/governmentactivity/rfgovernmentdecisions/archive/2008/06/12/3940852.htm>

The decree sets the personnel cap at 752 individuals, not counting building maintenance and guard staff, and grants the Minister of Agriculture up to six deputy ministers, one of whom is also the ministry's state secretary (legislative liaison), and 17 departments.

The charter assigns to the Ministry of Agriculture authority and responsibility for the following:

- policy and regulatory development in the agroindustrial complex, including animal husbandry, veterinary medicine, crop production, plant quarantine, land reclamation, soil fertility, regulation of markets for food, raw materials, and agricultural products; the food processing and food manufacturing industry, production and trade in ethyl alcohol from edible and inedible raw materials, alcoholic beverages and tobacco products, rural development, aquaculture, hunting, and forestry;
- development and implementation of government policy toward and regulation and monitoring of agricultural land;
- government services to the agroindustrial complex, including rural development;
- management of state-owned property in the possession of enterprises and offices subordinate to the ministry;
- coordination and oversight of the Veterinary and Phytosanitary Surveillance Service and the Forestry Agency.

The charter authorizes the Ministry of Agriculture to regulate agriculture and forestry at two levels. At the top level, the ministry may draft federal laws, regulations and other documents related to its activities for adoption by the Russian Government. Such laws require approval of either the Federal Assembly (parliament) or the Cabinet of Ministers. In addition, however, the ministry is authorized independently to promulgate regulations related to

- hunting, including establishment of penalties for poaching,
- forest management and exploration and use of natural resources in federal forests,
- propagation of genetic material,
- seed multiplication,

- management of state grain reserves,
- seed sale and transportation,
- timber cutting and harvesting of non-wood forest resources,
- management of forestry infrastructure,
- reporting on forest product use, harvesting, afforestation and reforestation,
- veterinary medicine, including definition of especially dangerous livestock diseases,
- plant quarantine and phytosanitary issues, including definition of quarantine pests,
- livestock selection and animal biotechnology,
- livestock breeding,
- land reclamation,
- soil fertility, including soil conservation,
- agricultural education,
- definition of livestock species used for breeding, and
- registry of developers of new agricultural crop strains.

Tasks specifically assigned to the Ministry of Agriculture in the new charter include:

- implementation of federal targeted, agency, and other programs related to the agroindustrial complex, specifically to include rural development;
- commodity purchases and interventions;
- maintenance of seed and pesticide reserves;
- variety and seedstock monitoring during planting;
- use and licensing of land reclamation systems belonging the government to or located on state-owned lands;
- prevention of epizootic disease outbreaks and stamping out of epizootic and zoonotic diseases;
- registration trials of veterinary medicines, feed additives, and feeds made from genetically modified organisms, results of selection, pesticides, and agricultural chemicals;
- wild game management;
- agricultural education, including continuing education;
- maintenance of stud books and breed registries;
- certification of brood stock;
- definition of types of organizations engaged in livestock breeding;
- organization of application of biological, chemical and other preparations in veterinary medicine;
- grain quality monitoring; and
- monitoring of agricultural lands.

The Minister's Authorities

The new charter stipulates that the Minister of Agriculture is personally responsible for execution of the ministry's responsibilities. He is authorized deputies and assigns responsibilities to them, and has authority to define the internal structure of his ministry within the bounds of the number of deputies and departments authorized by the Government of Russia. Aside from the usual authorities such an official enjoys, such as hiring and firing, issuance of routine directives, and so on, the charter specifies that the Minister of Agriculture may assign tasks to the subordinate services and agencies of the ministry and oversee execution of said tasks, and may make these tasks mandatory; he may also overrule and reverse decisions of the subordinate services and agencies and their respective heads.

Ministry Structure

The new decree and charter expand the Ministry of Agriculture yet again, from five to six deputy ministers and from 16 to 17 departments. The new department, for forestry, will bear responsibility for development of forestry policies that in turn will be implemented by the Agency for Forestry. Other departments remain as reported in RS8036.

Five of the six deputy minister positions are currently encumbered, by Aleksandr Kozlov, Andrey Slepnev, Vladimir Izmaylov, Aleksandr Petrikov, and Stanislav Aleynik. Dr. Petrikov concurrently serves as the ministry's state secretary, responsible for legislative liaison. Presumably, a sixth deputy minister will be appointed in the near future. Former Deputy Minister Aleksey Savinov has been reassigned as head of the Forestry Agency.

Analysis and Comment

As recently as one month ago, the Ministry of Agriculture was assigned responsibility for marine fisheries and both tariff and non-tariff regulation of trade in agricultural products (see GAIN report RS8036). This coupled with other authorities defined at the same time effectively gave the Ministry of Agriculture sway over all biological resources used for commercial purposes in Russia, from wild game to wild fish, from seeds for planting to forest management, from import tariffs on agricultural products to application of pesticides. Reversal of this sweeping authority in the course of a month has, naturally, raised questions.

Fisheries

Officially, removal of fisheries came about due to problems in implementing time-sensitive fisheries regulations for which the Ministry of Agriculture did not enjoy proper authority. Return of fisheries to the status of an independent agency subordinate directly to the Prime Ministry allegedly resolved this technical issue, and the official line is that once the technical issues are resolved, fisheries will return to the Ministry of Agriculture.

However, inside sources advise that return of the fisheries agency to the Ministry of Agriculture is quite doubtful. Traditionally, control of the lucrative fish catch quotas has rested with the Prime Ministry, and odds are that marine fisheries (as opposed to aquaculture) will in fact not be returned to Ministry of Agriculture control in the foreseeable future.

Tariff and Non-Tariff Regulation

The turf battle over foreign trade continues among the Ministry of Economic Development, the Ministry of Industry and Trade, and the Ministry of Agriculture. In May, the murky outlines began to form of a complex scheme under which Agriculture would be responsible for regulation of trade in food and agricultural products, and either Industry and Trade or perhaps a unit subordinate directly to First Deputy Prime Minister Igor Shuvalov would handle trade issues for all other (non-agricultural) commodities. At that point, the Ministry of Economic Development appeared to have been utterly cut out of trade issues, and the status of the trade negotiation team was not clear.

Since then, all tariff and non-tariff trade regulation has been provisionally returned to the Ministry of Economic Development pending a final decision reportedly to be made in August. This decision, i.e., to which ministry to assign trade regulation once and for all, and whether to return agricultural trade regulation to Agriculture, is rumored to hinge on the prospects for Russia's accession to the World Trade Organization.

Other Relevant Reports

RS8044 Fishery Products / New Structure of the Federal Fishery Agency
<http://www.fas.usda.gov/gainfiles/200806/146294914.pdf>

RS8036 Agricultural Situation / Agriculture Prominent in New Russian Government
<http://www.fas.usda.gov/gainfiles/200805/146294647.pdf>

RS8023 Agricultural Situation / Ministry of Agriculture Board Discusses the Past, Present, and Future
<http://www.fas.usda.gov/gainfiles/200803/146294111.pdf>

RS8004 Agricultural Situation / Deputy Prime Minister Addresses Agricultural Policy
<http://www.fas.usda.gov/gainfiles/200801/146293532.pdf>

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

RS7005 Agricultural Situation / Federal Law "On Development of Agriculture"
<http://www.fas.usda.gov/gainfiles/200701/146279991.pdf>

RS6034 Agricultural Situation / Ministry of Agriculture Authorities Redefined
<http://www.fas.usda.gov/gainfiles/200606/146197967.pdf>

RS5086 Agricultural Situation / Agriculture as a "National Priority Project"
<http://www.fas.usda.gov/gainfiles/200512/146166439.pdf>

RS5029 Agricultural Situation / Leaders Discuss Status and Strategy
<http://www.fas.usda.gov/gainfiles/200504/146119410.pdf>