



USDA Foreign Agricultural Service

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Russian Federation

Dairy and Products

Dry Milk State Interventions will be Implemented in 2009

2008

Approved by:

Mary Ellen Smith
U.S. Embassy

Prepared by:

Mikhail Maksimenko

Report Highlights:

The Russian Government issued Resolution # 959 which approves intervention in the powder milk market in order to attain a stable domestic milk supply and level seasonal milk production. Government officials said that the financial resources for this program were included in the 2009 budget and will be spent in May-June 2009.

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

Executive Summary

On December 16, 2008, the Russian Government issued Resolution #959 “On the list of types of agricultural products for which state purchasing and commodity interventions may be implemented”. The Resolution approves powdered milk intervention in order to attain a stable domestic milk supply and level seasonal milk production. The Resolution #959 will help stabilize the prices for dry milk which are expected to fall due to the new technical regulation which requires milk products containing any amount of powdered milk to be called milk beverage and not milk (RS8046). Demand for powdered milk will decrease as a result and prices for the new product “milk beverage” will be lower. In turn, the Ministry of Agriculture expects prices on “real” milk from a cow to increase. Government officials said earlier, that resources necessary for implementation of dry milk interventions are already included in the 2009 budget and will be spent in May-June 2009. The Government has already reached agreement with the biggest dairies to use their warehouses to store dry milk purchased by the State. The current Resolution is in line with the recently announced program titled, “Development of Dairy Cattle Breeding and Increase of Milk Production in 2009-2012”.

The original Russian text can be found at the following official Russian government website: <http://gov.consultant.ru/doc.asp?ID=49655>

Unofficial translation of the Resolution

Resolution #959 issued 16 December, 2008 “On the list of types of agricultural products for which state purchasing and commodity interventions may be implemented”.

In accordance with the paragraph 4 of clause 14 of the Federal Law “On development of agriculture” the Russian Government decrees:

1. To approve the attached List of types of agricultural products, for which state purchasing and commodity interventions may be implemented.
2. Ministry of Agriculture of the Russian Federation and Ministry of Finance jointly with interested Federal Government executive bodies are to submit to the Government of the Russian Federation proposals in accordance with the established procedure regarding implementation of the State purchasing and commodity interventions for products prescribed in the List approved by the current Resolution.

Chairman of the Government of the Russian Federation

V.Putin

Approved

By Resolution of the Government of the Russian Federation dated December 16, 2008; ? 959

List of types of agricultural products, for which state purchasing and commodity interventions may be implemented.

	Code of OK ¹ 005-93 (OKP ²)
Dry milk, sublimated, excluding non-fat dry milk	92 2310
Non-fat dry milk, sublimated	92 2360

Other relevant reports:

RS8084 Dairy Annual Report

<http://www.fas.usda.gov/gainfiles/200811/146306314.doc>

RS8081 New Resolution on Melamine Announced

<http://www.fas.usda.gov/gainfiles/200810/146296161.doc>

RS 8046 Russia Changes Definition of "Milk"

<http://www.fas.usda.gov/gainfiles/200806/146294951.doc>

RS 8037 Dairy Semi-Annual Report

<http://www.fas.usda.gov/gainfiles/200805/146294675.doc>

¹ All-Russian Classification

² All-Russian Classification of Products