



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 9/10/2001

GAIN Report #RS1024

Russian Federation

Fresh Deciduous Fruit

Annual

2001

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Report Highlights:

Total Russian apple and pear production in MY 2001 is expected to be about 1.5 million metric tons, average for the last five years. Seed fruit imports could increase somewhat as consumer income levels improve. Price will continue to play the primary role in consumer buying decisions, and U.S. apples are not yet re-entering Russia.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Moscow [RS1], RS

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Executive Summary

Russian seed type fruit production (predominantly apples and pears) for MY 2001 is forecast at 1.5 million metric tons (mmt), about the average for the last few years. Although production technologies applied by industrial orchards are improving, total output still depends heavily on variable weather and natural yield oscillations. Thus, while apple productivity in 2001 is at a cyclical low in European Russia, favorable weather, better farming methods and equipment, and lower losses due to improved and expanded on-farm processing will support apple output at nearly 1.3 mmt, 21 percent lower than a good MY 2000, but 32 percent more than in the frost-damaged apple crop of MY 1999.

Post estimates that over 45 percent of apples were processed in MY 2000, mostly into juices and juice concentrates. Post forecasts apple processing in MY 2001 at 770,000 tons, producing 330,000 tons of apple juice. In MY 2000 apple imports strengthened, and Post forecasts further increase in apple imports in MY 2001 to 330,000 mt. Exports of fresh apples will remain small, and limited to border trade with the CIS countries.

Post forecasts pear production at 200,000 metric tons in MY 2001/02, 5 percent more than the previous marketing year, due to an expansion in the number of mature trees.

Seed Type Fruit Production

Official statistical sources provide general data on seed type fruits (mostly apples and pears), which show that their production reached 1.78 million metric tons in MY 2000, a volume second only to the 1996 crop in the last decade. However, based on regional sources, Post estimates apple production in MY 2000 at a lower 1.59 million metric tons, a 65 percent increase from the previous year, and only nine percent lower than the decade's record high in 1996. Pear production is estimated at 190,400 tons, 40 percent higher than the frost-damaged MY 1999. Based on regional reports, Post forecasts production of apples and pears in MY 2001 at an average 1.5 million metric tons, consisting of 1.3 mmt of apples and 200,000 metric tons of pears.

Fruit Consumption

Russian apples and pears are mostly consumed fresh. Post estimates that in MY 2000, fresh domestic consumption of these fruits was 1.3 mmt. In general, year-to-year changes in this category (which includes homemade juice, jams and other apple preserves) are directly correlated with variation in domestic output. In years of abundant production, Russians increase domestic cooking of apples and make different types of apple processed products.

Growth in sales of fresh product and use for commercial processing is slow and limited by several factors. First, Russia's leading apple varieties have a short shelf life and storage facilities with controlled gas atmosphere are very limited. Second, the juice market is dominated by big companies located in the metropolitan areas, and these companies prefer to work with imported concentrates, which they can purchase from reliable sources at times that correspond to their production runs.

Post estimates industrial processing of seed type fruits in MY 2000 at 770,000 tons of apples and 60,000 tons of pears. The same amount may be delivered for processing in MY 2001. There are no official statistical data on processing (of seed type fruits, only apples are processed on a relatively large scale) or consumption of fresh seed type fruits. Processing is concentrated at mostly low capacity facilities collocated with industrial orchards or regional canneries. They are generally far from the large metropolitan juice markets. Most processors cannot afford

to invest in modern equipment, including that for packaging and bottling, or transportation and marketing. Management of many old regional canneries is poor, and only a few former soviet canneries, located in production areas, can successfully compete in the new market environment. Thus, demand for juices, the main product of the apple producing industry, is filled mostly by imported concentrates. Processing of fruits is developing on a smaller scale than production of juices.

Fruit losses tend to increase significantly in years with abundant crops, and Post estimates total losses of apples and pears from the good MY 2000 harvest at almost 85,000 metric tons, and forecasts losses at less than 33,000 tons for the average MY 2001 crop.

Imported apples and pears are consumed fresh, except for processing of some portion of border trade in apples in the oblasts located close to Ukraine, Belarus, Kazakhstan. However, this small scale trade with Russian canneries is not reflected in the official figures.

Marketing

Post estimates that the share of pears and apples officially reported as marketed is less than 30 percent of production. Of these volumes almost 40 percent are sold through local private retail shops, 20 percent are directly sold to consumers, and the rest is sold to local canneries or to big trading companies. However, actual sales by individuals directly to consumers and to local canneries are bigger than the reported data, and Post estimates that at least 60 percent of apple and pear output is commercialized.

Trade

Russia is a net importer of fresh fruits. In MY 2000, imports of fresh fruit continued to recover after the sharp post-crisis fall, and imports of apples were greater than in MY 1999, when Russian consumers preferred the cheapest fruit, namely bananas. In MY 2000, apple imports more than doubled and imports of pears increased by over 30 percent. Disposable income is increasing, and the Ruble to Dollar exchange rate is lagging behind the rate of inflation, thereby making imports of more expensive fresh fruits more attractive for the traders. Post forecasts a further improvement in the import of fresh fruits in MY 2001. However, at the present exchange rate, the market is seeking less expensive types of fresh apples.

Table 1. Russian Federation, Imports of Major Fruits, Metric Tons, MY 1997 - MY 2000

	1997/98	1998/99	1999/00	2000/01	1997/98	1998/99	1999/00	2000/01
	Metric Tons				Percent			
Apples	502,116	174,276	148,435	326,294	24	18	13	22
Pears	187,772	69,296	77,432	101,319	9	7	7	7
Bananas	655,240	351,486	436,466	482,856	31	36	37	33
Citrus	661,441	339,438	452,002	415,824	31	34	38	29
Grapes	120,344	54,446	69,372	127,834	6	6	6	9
TOTAL	2,126,913	988,942	1,183,707	1,454,127	100	100	100	100
Dried fruits	37,350	28,181	28,623	91,414				

Trade Policy

Custom tariffs and sanitary regulations for apples and pears remain unchanged from the previous year.

Table 2. Selected Tariff Rates

Customs code	Commodity name	Import tariffs, percent of customs value or in EURO per 1 kilogram
0808 10	Apples	
0808 10 100 0	–for cyder production, bulk, Sep.16 through Dec. 15	0.2 EURO per 1 kg
	– other:	
	— Jan. 1 through Mar. 31	
0808 10 510 0	----- varieties Golden Delicious	0.1 EURO per 1 kg
0808 10 530 0	----- varieties Granny Smith	0.1 EURO per 1 kg
0808 10 590 0	----- other	0.1 EURO per 1 kg
	Apr. 1 through Jun. 30	
0808 10 610 0	----- varieties Golden Delicious	0.1 EURO per 1 kg
0808 10 630 0	----- varieties Granny Smith	0.1 EURO per 1 kg
0808 10 690 0	----- other	0.1 EURO per 1 kg
	Jul. 1 through Jul. 31	
0808 10 710 0	----- varieties Golden Delicious	0.1 EURO per 1 kg
0808 10 730 0	----- varieties Granny Smith	0.1 EURO per 1 kg
0808 10 790 0	----- other	0.1 EURO per 1 kg
	Aug. 1 through Dec. 31	
0808 10 920 0	----- varieties Golden Delicious	0.2 EURO per 1 kg
0808 10 940 0	----- varieties Granny Smith	0.2 EURO per 1 kg
0808 10 980 0	----- other	0.2 EURO per 1 kg
0808 20	Pears and Quince	
	– Pears	
0808 20 100 0	— for cyder production, bulk, Aug. 1 through Dec. 31	10 percent

	— other	
0808 20 310 0	----- Jan. 1 through Mar. 31	10 percent
0808 20 370 0	----- Apr. 1 through Apr. 30	10 percent
0808 20 410 0	----- May 1 through Jun. 30	10 percent
0808 20 470 0	----- Jul. 1 through Jul. 15	10 percent
0808 20 510 0	----- Jul. 16 through Jul. 31	10 percent
0808 20 570 0	----- Aug 1 through Oct. 31	10 percent
0808 20 900 0	----- Nov. 1 through Dec 31	10 percent
0808 20 900 0	– Quince	10 percent

Import tariffs on fruits imported from developing countries are at least 30 percent lower than other non-CIS origins. Imports of fruits from the CIS countries are duty free.

In order to prevent the undervaluation of imported apples, shipments are assigned reference prices at the border unless they have supporting documents necessary to prove the validity of the low invoice price. The value added tax on fruit is 20 percent. At the retail level, purchasers of fruit must also pay various local and municipal sales taxes, because fruits are not on the official list of tax-free staple food products.

Indirect control over fresh deciduous fruit imports has been conducted through quarantine regulations and sanitary and food standards by Russian institutions.

Apples

Production

Apple production in MY 2001 is forecast to decrease to 1.27 mmt, a 21 percent drop from the large MY 2000 crop due to natural low period in the production cycle in extensive type apple farming. Post estimates that commercial production of apples in MY 2000 is 60 percent of the total production. Yield per bearing tree increased from 88 kg. to 114 kg. per tree, but the main portion of decrease in production in MY 2001 will be the result of lower cyclical productivity.

Table 3. PSD, Apples, Metric Tons

PSD Table						
Country:	Russian Federation					
Commodity:	Apples					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Planted	449400	449400	450000	441800	0	445000
Area Harvested	365200	365200	365000	369200	0	370000
Bearing Trees	110000	110000	135000	140000	0	138000
Non-Bearing Trees	50000	50000	30000	25000	0	25000
Total Trees	160000	160000	165000	165000	0	163000
Commercial Production	600000	600000	875000	950100	0	870000
Non-Comm. Production	364500	364500	425000	639500	0	400000
TOTAL Production	964500	964500	1300000	1589600	0	1270000
TOTAL Imports	144750	148435	150000	326295	0	330000
TOTAL SUPPLY	1109250	1112935	1450000	1915895	0	1600000
Domestic Fresh Consump	490000	493700	700000	1065000	0	800000
Exports, Fresh Only	1250	1220	1000	1555	0	2000
For Processing	590000	590000	680000	770000	0	770000
Withdrawal From Market	28000	28015	69000	79340	0	28000
TOTAL UTILIZATION	1109250	1112935	1450000	1915895	0	1600000

Over 90 percent of domestic apple production is concentrated in three administrative districts of European Russia. Within these districts, the leading sub-districts (oblasts) are shown in the table below. However, most oblasts do not have adequate processing facilities, and in the years of abundant apple crops, fruit is consumed fresh or withdrawn from the market (perished and lost).

After the merger in 2000 of two former economic districts, Black Earth and Central, into one administrative Central Federal District, this new entity now exceeds all others in apple production. By oblast (district subdivision), the leaders are Krasnodar, Saratov and Samara. In Krasnodar, production is concentrated on the old state or collective farms. Until recently these farms were short of modern processing equipment and the regional canneries were in poor shape, but now the situation is improving with increased investments by big juice producing companies in processing and marketing of apple and other fruits juice concentrates in Krasnodar Kray.

In Saratov and Samara oblasts, production is mostly concentrated in the private small orchards which have limited access to modern processing facilities. Therefore, most apples in these oblasts are either consumed fresh or processed on-farm. In the apple producing oblasts of the Central Federal District (Voronezh, Lipetsk, Orel, Tula) processing is developing rather rapidly both in the big industrial orchards and in several canneries. The cannery in Lebedyan, for example is the third or fourth largest juice producer in Russia.

Table 4. Apples - Area Planted, Harvested, Production and Yield, Russia and Main Apple Producing Regions, MY 2000

	Planted 1,000 HA	Harvested 1,000 HA	Production 1,000 MT	Yield MT/HA
Russia	441.8	369.2	1,589.6	4.3
Central Federal District	190.5	165.8	628.1	3.8
- Bryansk	17.1	16.8	36.1	2.2
- Voronezh	29.8	26.2	58.1	2.2
- Kursk	15.7	14.1	28.7	2.0
- Lipetsk	17.4	13.3	63.3	4.7
- Moscow	10.7	10.6	88.7	8.4
- Orel	14.0	11.4	59.7	5.2
- Tula	22.9	18.7	82.4	4.4
Southern Federal District	113.3	90.2	387.8	4.3
- Krasnodar	32.7	24.8	156.5	6.3
- Volgograd	15.8	7.9	69.7	8.8
- Rostov	21.8	18.3	37.1	2.0
Volga Valley Federal District	89.8	71.8	421.7	5.9
- Tatarstan	9.3	6.1	13.2	2.2
- Samara	15.6	12.7	109.0	8.6
- Saratov	13.4	11.8	159.0	13.4
Ural Federal District	11.1	8.5	21.4	2.5
Siberian Federal District	16.9	13.2	63.6	4.8
Far East Federal District	3.0	2.2	5.3	2.4

Consumption

Post estimates that over 80 percent of apples produced by big industrial orchards are processed, while output from small private orchards (comprising 55 percent of total apple production) is primarily consumed fresh or processed into jams or other home made preserves, including home-made juices. Post estimates that only 20 to 30 percent of the crop from the private orchards is sold to industrial canneries for processing. However, this share varies significantly from year-to-year depending on the crop and procurement policy of the regional canneries.

For MY 2000 Post estimates volumes of industrially processed apples at 770,000 tons, and forecasts that the same amount of apples will be sent to industrial processing in MY 2001. The forecast is based on assumption that by the beginning of MY 2001 most canneries completed modernization of their facilities, and that market for apple juices and juice concentrates, controlled by several big companies, will be rather stable. Although some canneries installed equipment where 90 percent of the weight of apples is processed into juice, which then is further processed into

concentrate, a significant portion of apples is still processed into jams at the old facilities in the regional canneries, where the juice yield from apples processed with outdated press type equipment is less than 60 percent.

Table 5. Processed Apples, Juice, Metric Tons, MY 1999-2000

PSD Table	Juice					
Country:	Russian Federation					
Commodity:	Apples					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Deliv. To Processors	590000	590000	680000	770000	0	770000
Beginning Stocks	0	10000	0	10000	0	30000
Production	0	300000	0	320000	0	330000
Imports	0	75000	0	90000	0	94000
TOTAL SUPPLY	0	385000	0	420000	0	454000
Exports	0	10000	0	8000	0	10000
Domestic Consumption	0	365000	0	382000	0	414000
Ending Stocks	0	10000	0	30000	0	30000
TOTAL DISTRIBUTION	0	385000	0	420000	0	454000

** Published customs trade data do not separate juices and juice concentrates, and Post makes its own estimates on imports and exports of juices based on aggregated imports data on apple juice concentrates.

Juices

Production

According to the Russian Union of Juice Producers, total juice production exceeded 700 million liters in CY 2000. The same source estimates that the portion of apple juice in the total juice production is 25 percent. Post estimates industrial apple juice production in MY 2000 at 320,000 tons, and forecasts apple juice production in MY 2001 to increase to 330,000 metric tons due to better processing and more productive equipment installed not only at big canneries in the apple producing regions, but in some industrial orchards as well.

Post estimates that only 15 percent of Russian produced fresh juice is packed in plastic packs (tetra-pack) at canneries, with an additional 20 percent of apple juice processed into concentrates for later reconstitution into apple juice packed in tetra-pack. Thus, Post assumes that only 35 percent of the domestic industrial production of apple juice, or 115,000 metric tons (115 million liters) of apple juice are covered by the Union of Juice Producers registration. Juice restored from imported apple juice concentrate (experts estimate that imported apple juice concentrate represents one-half of domestic consumption of apple juice concentrates) provides for another 60,000 metric tons (60 million liters). Post estimates that the remaining 65 percent of domestically-produced apple juice is bottled in non-tetra-pack jars and cisterns and sold to different consumers, including institutions and cafeterias at the canneries and orchards. Thus, the total production of all juices in Russia is approximately 900 million liters,

and apple juice composes at least 40 percent of the total. Post makes evaluations based on natural juice equivalent, and does not separate juice by different grades of concentration (juice, “nectare”, soft drink containing juice).

Juice production is concentrated in the big cities in the central and northern parts of European Russia. Moscow and St. Peterburg produce almost 70 percent of juices, although neither Moscow nor St. Peterburg have fruit and berry processing facilities—juice production in big metropolitan areas is based on use of juice concentrate, which is easier to transport, can be stored longer than fresh juice, and needs less storage space. The leaders in juice production are: “Wimm-Bill-Dann” (Moscow), “Multon” (St. Peterburg), “Nidan-Ecofruits”(Novosibirsk) and Ostankinskiy (Moscow), and these companies make buying decisions based first on the price of juice concentrate, and mostly work with imported concentrate, including apple concentrate, despite the latter being produced in Russia.

Fresh apple juices are produced only in the southern regions of Russia, mostly by the canneries located on or close to the big industrial orchards. Thus, “Lebedyan” cannery in Lipetsk oblast, which ranks the third among the major Russian juice producers, and Lipetsk cannery “Progress” work both with fresh apples, and imported juice concentrates. Only a few of the smaller canneries have expensive equipment for processing juice into concentrate, and the cost of production is too high to compete with cheap imported concentrate.

Consumption

Total juice consumption has recovered after the crisis of 1998. Some experts estimate that consumption of all type of juices (tetra-packed, but “nectares” and soft drinks are not included) exceeded 700 million liters in 2000, a ten-fold increase within the last ten years. Post assumes that the total consumption of all juices (fruits and vegetable) is not less than one billion liters, which include 900 million liters of industrially-produced juice, and another 100 million liters of homemade juice, or approximately seven liters per capita. However, the potential for further increase in juice consumption in Russia is significant. Fore example, per capita consumption of juices in Germany is 42 liters per year.

In CY 2000 Russia produced about 25,000 tons of apple concentrate, which satisfies about one-half of the demand of the domestic market with the balance me by imports. Over the last two years, this competition has induced lobbying for market protection measures. The poor apple crop in 1999 raised domestic prices of apple concentrate in the beginning of 2000 to \$1.7-\$1.8 per liter. However, after the large apple crop in 2000, prices of concentrates decreased to \$1.1 per liter, and several canneries appealed to the Government of the Russian Federation to increase the import tariff on apple concentrate from 10 to 50 percent. Although this appeal was supported by some officials in the Ministry of Agriculture of the Russian Federation, import tariffs on apple concentrate have not been changed since they were reduced in response to requests by major juice producing companies from 15 percent to 5 percent for juice concentrates of exotic fruits imported in barrels, cisterns and tanks of not less than 40 kg weight and 10 percent for some juice concentrates of tomato, apple and pears imported in barrels, cisterns and tanks not less than 40 kg weight (for further details, please see GAINS report RS0025, sent May 25, 2000). Given the developed world market for juice concentrates, increased Russian demand for concentrates will not significantly stimulate domestic production of apples in the near term.

With the amendments made by the Resolution of the Government of the Russian Federation #886 of November 27, 2000 on unification of import tariffs, import tariffs for juices (HS 2009) are 15 percent of customs value, but not less than 0.07 EURO per 1 liter. Exceptions for juice concentrates imported in bulk containers are the following:

Table 6. Selected Tariff Rates for Juices

HS number	Description	Rates of duty
2009 11.190.1	Orange juice, frozen, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 11 990 1	Orange juice, frozen, concentrate, solidity not less than 1.09 g/cm ³ , in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 19 190 1	Orange juice, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 19 990 1	Orange juice, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 20 190 1	Grapefruit juice, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 20 990 1	Grapefruit juice, concentrate, solidity not less than 1.09 g/cm ³ , in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 30 190 1	Other citrus juices, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 30 310 1	Other citrus juices with added sugar, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 30 390 1	Other citrus juices, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 40 190 1	Pineapple juice, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 40 990 1	Pineapple juice, without sugar, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 50 900 1	Tomato juice, concentrate, solidity between 1.07 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent , but not less than 0.05 Euro per 1 liter

2009 60 510 1	Grape juice, concentrate, solidity between 1.11 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 70 190 1	Apple juice, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 70 300 1	Apple juice, concentrate, with added sugar, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 70 990 1	Apple juice, concentrate, without added sugar, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 80 190 1	Pear juice, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 80 360 1	Tropical juices, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 80 380 1	Other juices, concentrate, solidity over 1.33 g/cm ³ at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 80 710 1	Cherry juice, with added sugar, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 80 730 1	Tropical fruit juices, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 80 790 1	Other juices, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 90 190 1	Apple and pear juice mixes, concentrate, solidity over 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter

2009 90 290 1	Other juices mixtures, concentrate, solidity over 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 90 410 1	Mixtures of citrus and pine-apple juices with added sugar, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 90 490 1	Mixtures of citrus and pine-apple juices, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	5 percent
2009 90 510 1	Other juices mixtures, with added sugar, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter
2009 90 590 1	Other juices mixtures, concentrate, solidity between 1.09 g/cm ³ and 1.33 g/cm ³ , at 20EC, value over 30 Euro per 100 kg of net weight, in barrels, cisterns, tanks not less than 40 kg weight	10 percent, but not less than 0.05 Euro per 1 liter

(Rossiyskaya Gazeta, 05.16.00, p.5, Resolution 389; Rossiyskaya Gazeta, 12.01.2000, Resolution # 886)

The major share of juice concentrates from fruits such as grapefruit, pineapple, strawberry, cherry, pears, and black currant, grape, are imported from Brazil, Israel, Portugal, Spain, India, China and the CIS countries.

Trade

Apple imports have overcome the post economic crisis weakness and now approach the pre-crisis levels of 350,000-400,000 tons per year. However, the origin of imports has shifted to countries with less expensive products, like Eastern Europe and China, and to developing countries, which have preferential import tariffs in trade with Russia. Russia uses seasonal tariffs for apple imports; in the fall, when the domestic market is saturated with domestic fresh apples, import tariffs increase from 0.1 EURO per 1 kg to 0.2 Euro. Apple exports are small, and go mostly to the border countries.

Table 7. Export Trade Matrix for Apples, MY 1999-2000

Export Trade Matrix			
Country:	Russian Federation	Units:	Metric Tons
Commodity:	Apples		
Time period:			
Exports for	0		2000
U.S.	0	U.S.	0

Others		Others	
Kazakhstan	620	Kazakhstan	810
Lithuania	560	Lithuania	640
Kyrgyzstan	15		
Total for Others	1195		1450
Others not listed	25		105
Grand Total	1220		1555

Table 8. Import Trade Matrix for Apples, MY 1999-2000

Import Trade Matrix			
Country:	Russian Federation	Units:	Metric tons
Commodity:	Apples		
Time period:			
Imports for	0		2000
U.S.	1,007	U.S.	1,000
Others		Others	
China	45,750	Georgia	67,400
France	2,460	China	45,100
Chile	12,000	France	33,100
Argentina	11,720	Azerbaijan	32,600
Poland	7,930	Kazakhstan	22,600
Kazakhstan	6,110	Moldova	18,000
Belgium	5,485	Italy	15,600
Italy	5,445	Belgium	13,750
Netherlands	4,050	Tajikistan	13,300
Moldova	3,950	Uzbekistan	12,400
Total for Others	104,900		273,850
Others not listed	42,528		51,445
Grand Total	148,435		326,295

The price table shows the wholesale values of imported apples. Increases in prices reflect both higher demand for apples and higher price levels and better quality of apples imported in 2000. Domestic wholesale prices of apples vary significantly seasonally and by territory within Russia. In the winter, spring, and in the beginning of summer, wholesale apple prices are close to the imported price plus VAT, other taxes, transportation expenses and the trader's margin. Transportation expenses and traders' margin (or mark up) can vary in different regions of Russia from 15 percent of the original price (import price plus taxes) to over 150 percent of the original price, reflecting vast distances to markets and reduced competition in those areas. Prices in the fall in the apple growing territories depend on the crop, and can be one-tenth of the price of imported apples in the same period. However, in most Russian territories the price of apples in the fall depend on transportation expenses and traders' margins.

Table 9. Apples Prices, USD per Metric Ton

Prices Table					
Country:	Russian Federation				
Commodity:	Apples				
Year:	2000				
Prices in	U.S. Dollars	per	Metric Ton		
Year	1999	2000	% Change		
Jan	333	351	5.4%		
Feb	307	364	18.6%		
Mar	275	359	30.5%		
Apr	271	343	26.6%		
May	248	307	23.8%		
Jun	237	347	46.4%		
Jul	298	400	34.2%		
Aug	451	507	12.4%		
Sep	357	515	44.3%		
Oct	369	426	15.4%		
Nov	385	494	28.3%		
Dec	445	493	10.8%		

Pears

Production

The Russian pear harvest in MY 2001 is forecast to increase to 200,000 tons, 5 percent higher than in MY 2000. The increase is due to significant expansion in the number of bearing trees. Producers expanded area planted to pear trees in the beginning of the 1990s, and these new orchards reached maximum output not long ago.

Table 10. PSD Table for Pears, Metric Tons, MY 1999-2000

PSD Table						
Country:	Russian Federation					
Commodity:	Fresh Pears					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Planted	63700	63700	65000	69200	0	69000
Area Harvested	54200	54200	54000	53500	0	54000
Bearing Trees	15000	15000	15000	15000	0	17300
Non-Bearing Trees	8300	8300	8300	10300	0	10300
Total Trees	23300	23300	23300	25300	0	27600
Commercial Production	60000	60000	80000	85000	0	85000
Non-Comm. Production	76600	76600	100000	105400	0	115000
TOTAL Production	136600	136600	180000	190400	0	200000
TOTAL Imports	76000	77430	76000	101320	0	105000
TOTAL SUPPLY	212600	214030	256000	291720	0	305000
Domestic Fresh Consump	161600	162000	200000	226000	0	240300
Exports, Fresh Only	0	80	0	155	0	200
For Processing	50000	51000	55000	60400	0	60000

Table 11. Pears - Area Planted, Harvested, Production and Yield, Russia and Main Pear Producing Regions, MY 2000

	Planted 1,000 ha	Harvested 1,000 ha	Production 1,000 tons	Yield T/ha
Russia	69.2	53.5	190.4	3.6
Central Federal District	20.8	17.8	47.8	2.7
- Bryansk	0.9	0.9	0.2	0.2
- Voronezh	5.3	4.6	6.6	1.4
- Kursk	2.8	2.5	3.0	1.2
- Lipetsk	3.0	2.4	6.7	2.9
- Moscow	0.6	0.6	0.2	0.4
- Orel	0.7	0.6	0.0	0.1
- Tula	1.2	0.9	0.0	0.1
Southern Federal District	27.7	21.9	67.7	3.1
- Krasnodar	8.2	6.2	30.1	4.8
- Volgograd	2.8	1.4	7.7	5.5
- Rostov	5.5	4.6	7.4	1.6
Volga Valley Federal District	11.6	9.0	40.9	4.5
- Tatarstan	1.6	1.1	1.4	1.3
- Samara	2.7	2.3	12.0	5.2
- Saratov	2.4	2.2	9.3	4.3
Ural Federal District	0.6	0.4	0.9	2.0

Trade

Improving per capital incomes are stimulating pear imports, which increased by 31 percent in MY 2000. Post forecasts further increases in pear imports to 105,000 metric tons in MY 2001. The import tariff for pears is 10 percent of the customs value all year around, and the VAT is 20 percent.

Table 12. Export Trade Matrix for Pears

Export Trade Matrix			
Country:	Russian Federation	Units:	Metric Tons
Commodity:	Fresh Pears		
Time period:			
Exports for	0		2000
U.S.	0	U.S.	0
Others		Others	
Kazakhstan	70	Kazakhstan	125
Azerbaijan	5		
Total for Others	75		125
Others not listed	5		30
Grand Total	80		155

Table 13. Import Trade Matrix

Import Trade Matrix			
Country:	Russian Federation	Units:	Metric tons
Commodity:	Fresh Pears		
Time period:			
Imports for	0		2000
U.S.	390	U.S.	390
Others		Others	
Argentina	20365	Belgium	18800
China	12985	Netherlands	17500
Netherlands	12020	China	12805
Belgium	7510	Georgia	11640
Spaine	6405	Spaine	5895
Portugese	4210	Argentina	4590
South Africa	3960	France	3860
Chile	3305	Tajikistan	3745
France	2620	Kazakhstan	3365
Kyrgyzstan	960	Kyrgyzstan	2900
Total for Others	74340		85100
Others not listed	2700		15830
Grand Total	77430		101320

Prices

The price table shows the wholesale price of imported pears. One-third of pears consumed in Russia are imported, and the import price is much closer to the domestic price than in the apple sector. Demand for pears started to increase in the second half of 2000 with increases in Russian incomes, and prices are increasing along with better quality of fruits imported. Seasonal price fluctuations affect a small portion of Russian territory where pears are grown. Domestic prices are to bigger extent affected by transportation expenses and traders' margins. Thus, in the Far East and Siberia, where pear production is very small, prices are determined by imported pears year-round.

Table 14. Pear Prices, USD per Metric Ton

Prices Table					
Country:	Russian Federation				
Commodity:	Fresh Pears				
Year:	2000				
Prices	U.S.Dollars	per	Metric Ton		
Year	1999	2000	% Change		
Jan	273	243	-11.0%		
Feb	246	236	-4.1%		
Mar	232	227	-2.2%		
Apr	231	237	2.6%		
May	229	236	3.1%		
Jun	225	235	4.4%		
Jul	249	299	20.1%		
Aug	304	428	40.8%		
Sep	299	390	30.4%		
Oct	298	358	20.1%		
Nov	257	385	49.8%		
Dec	248	277	11.7%		