

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Russia Approves a law Establishing the Unified State Traceability System for Grain and Grain Products

**Country:** Russian Federation

**Post:** Moscow

**Report Category:** Agricultural Situation, Agriculture in the News, Grain and Feed

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**Report Highlights:**

On December 30, 2020, the Russian Federation approved Federal Law #520-FZ, which amended the previously existing Federal Law “On grain.” The legislation establishes the Unified State Traceability System for Grain and Grain Products, which will come into force January 2022.

On December 30, 2020, the Russian State Duma approved Federal Law #520 “On amendments to the Law of the Russian Federation On grain,” and Article 14 of the Federal Law “On development of agriculture.” These laws provide for the creation of the unified state track-and-trace system for Russian grain and its products. This initiative was prepared by Alexey Gordeev, former Minister of Agriculture and Deputy Prime Minister for Agricultural Affairs. The law will come into force on January 1, 2022. The Ministry of Agriculture will be the responsible administrative and surveillance body for the law.

The primary goal of the ‘track-and-trace system’ is to enhance the quality of Russian grain and to track its life cycle from production to release into circulation. The system is to include information about grain producers, owners, and carriers, as well as data on companies storing, shipping and consigning grain. Grain shipments and their consumer properties, grain purchases for the federal intervention fund, and other data, are also to be included. Grain market participants will be required to register in the system and enter data into it. If a participant enters inaccurate information into the system, an administrative liability – usually a fee – will be assessed to them.

According to the government officials who authored the track-and-trace initiative, there is currently no complete grain quality control system in place in Russia, regulated by the Russian government. Therefore, the proposed system will be a new tool for verifying participants of the grain market when they use financial instruments, including being recognized by all members of the Eurasian Economic Union.

Federal Law #520-FZ also introduces the concept of “SDIZ,” an accompanying document to the proposed law. The SDIZ document will indicate information about a batch of grain (or its processed products) for traceability during transportation and information about its sales. The SDIZ document will be created by authorized grain producers or product processors. This document will be required to import to, or export from, or sell grain within the territory of the Russian Federation.

Some grain market players see this initiative as adding additional administrative burdens and financial costs, while others believe the law will make the market more transparent.

The Russian text of the Federal law #520 is available at <https://rg.ru/2021/01/12/apk-dok.html>. The English version is provided below.

UNOFFICIAL TRANSLATION BEGIN

**Federal Law # 520-FZ dated December 30, 2020**  
**“On amendments to the Law of the Russian Federation “On grain”**  
**and Article 14 of the Federal Law “On development of agriculture”**

January 4, 2021

Adopted by the State Duma on December 22, 2020

Approved by the Federation Council on December 25, 2020

Article 1

To make the following amendments to the Law of the Russian Federation of May 14, 1993 N 4973-I "On grain" (Bulletin of the Congress of People's Deputies of the Russian Federation and the Supreme Soviet of the Russian Federation, 1993, N 22, Art. 799; Collected Legislation of the Russian Federation, 1994, N 32, Art. 3303; 2003, N 2, Art. 167; 2006, N 6, Art. 636; N 12, Art. 1234; 2011, N 30, Art. 4590):

1) the preamble shall be stated as follows:

"This Law defines the legal framework for the development of the grain complex of the Russian Federation, which is a combination of agricultural and other activities related to the production (growing of grain crops), transportation, storage, processing, sale and disposal of grain and grain products in the domestic and foreign markets (hereinafter - the circulation of grain and grain processing products).";

2) in Article 1, the second sentence shall be stated as follows: "In order to develop the grain complex, agricultural producers and other persons carrying out relevant activities, including the provision of services, are supported by means of a targeted preferential investment, price, credit and tax policy";

3) In Chapter II:

a) Articles 2-4 shall be declared invalidated;

b) to supplement with article 4.1 of the following content:

"Article 4.1. State support for agricultural producers and other persons carrying out activities in the development of the grain complex (hereinafter referred to as producers) is carried out in accordance with the legislation on the development of agriculture";

- 4) "Article 5. In order to meet the needs of the Russian Federation in grain used for food and feed purposes, a federal grain fund and regional grain funds of the republics within the Russian Federation, autonomous regions, autonomous districts, territories, regions, cities of federal significance are formed.

Article 6. The volume of the federal grain fund and the procedure for its use are determined by the Government of the Russian Federation";

- 5) Article 7 after the word "regions" shall be supplemented with the words "cities of federal significance";

- 6) Articles 8-10 shall be declared invalidated;

- 7) Article 12 shall be stated in the following edition:

"Article 12. The volume of regional grain funds and the procedure for their use are determined by executive authorities of the constituent entities of the Russian Federation.";

- 8) Articles 14 and 15 shall be declared invalidated;

- 9) in chapter IV:

- a) Article 16 shall be stated in the following edition:

"Article 16. Measures for the development of the grain complex are applied in accordance with this Law, Federal Law of December 29, 2006 N 264-FZ" On the development of agriculture "and other regulatory legal acts of the Russian Federation adopted in accordance with them, as well as regulatory legal acts of the subjects of the Russian Federation";

- b) supplement with Article 16.1 as follows:

"Article 16.1. State monitoring of grain is a system for analyzing and assessing the volume and consumer properties of grain produced on the territory of the Russian Federation, the list of which for the purposes of this article is approved by the federal executive body responsible for the development of state policy and legal regulation in the field agro-industrial complex.

State monitoring of grain is carried out in order to provide agricultural producers with reliable data on the consumer properties of grain in the place of its cultivation and to provide government bodies with information on the consumer properties of grain.

The object of state monitoring of grain is grain during the harvesting period at the place of cultivation with a geographical indication.

State monitoring of grain is carried out by the federal executive bodies authorized by the Government of the Russian Federation and the federal state budgetary institutions subordinate to them in the manner established by the Government of the Russian Federation.

"Article 17.1. The federal state information system for the traceability of grain and grain products is created in order to ensure the accounting of the volume of a batch of grain and the volume of a batch of grain processing products during their circulation, as well as for the purpose of analyzing, processing the information and information provided and monitoring their reliability".

The procedure for creating the Federal State Information System for Traceability of Grain and Grain Processing Products, its development and operation, including the rules for registration and submission of information and to the Federal State Information System of Traceability of Grain and Grain Processing Products, terms, forms and formats for the submission of information and information, requirements for providing access to information contained in such a system, as well as the forms and procedure for sending requests for information, including using information and telecommunication networks of general use, including the Internet and a single portal of state and municipal services, are established by the Government of the Russian Federation.

The Federal State Information System for Traceability of Grain and Grain Products contains documented information:

about manufacturers, including data:

on legal entities (name, organizational and legal form, location, information on state registration of a legal entity, taxpayer identification number), on individual entrepreneurs (information on state registration of an individual as an individual entrepreneur, last name, first name, patronymic, document data, identification number, taxpayer identification number);

on organizations that carry out storage of grain as a business activity and provide storage-related services. The formation and maintenance of a register of such organizations in the Federal State Information System for Traceability of Grain and Grain Processing Products is carried out in the manner determined by the Government of the Russian Federation;

on the batch of grain, including the type of agricultural crop (name), harvest year, place of cultivation with indication of the geographical name, purpose of use (food or feed), weight (net in kilograms), consumer properties, purpose (storage and (or) processing, processing, import to the territory of the Russian Federation, export from the territory of the Russian Federation);

on a batch of grain processing products (products produced as a result of primary and (or) subsequent (industrial) grain processing and the list of which is established by the Government of the Russian Federation on the basis of the All-Russian classifier of products by type of economic activity), including

the name of the manufacturer, type of agricultural crop (name), weight (net in kilograms), date of manufacture, consumer properties, purposes of use (food or feed), purpose (import to the territory of the Russian Federation, export from the territory of the Russian Federation);

about the owner (possessor) of grain stored and (or) processed, including the type of agricultural crop (name), weight (net in kilograms), consumer properties, the date of acceptance for storage and (or) processing, shipment, from the organization that carries out storage of grain and providing storage-related services as a business activity;

on declarations of conformity, phytosanitary certificates, veterinary certificates in case of import into the territory of the Russian Federation of consignments of grain and consignments of grain products or their export from the territory of the Russian Federation;

about the consignor, consignee, carrier of the batch of grain and (or) batch of grain processing products, points of departure and destination, as well as the number of the state registration plate of the vehicle on which the batch of grain and (or) batch of grain processing products is transported (in case of transportation by car);

on the consumer properties of a batch of grain and (or) a batch of grain processing products, the list of which for the purposes of this article is approved by the federal executive body responsible for the development of state policy and legal regulation in the field of the agro-industrial complex;

on the purchase of consignments of grain and consignments of grain processing products for state needs, including information on purchases carried out in accordance with the Federal Law of April 5, 2013 N 44-FZ "On the contract system in the field of procurement of goods, works, services for the provision of state and municipal needs";

on the purchase of grain consignments for the federal intervention fund for agricultural products, their storage as part of the federal intervention fund for agricultural products and their sale in accordance with the Federal Law of December 29, 2006 N 264-FZ "On the development of agriculture";

on the results of state monitoring of grain, including information on the volume and consumer properties of grain produced in the territory of the Russian Federation.

on documents confirming the fact of disposal of a batch of grain or a batch of grain processing products or the return of a batch of grain based on the results of examination of grain and (or) grain processing products submitted to the federal executive body authorized by the Government of the Russian Federation, which issued an order to return a batch of grain or to dispose of a batch grain or consignments of grain processing products in accordance with Article 18.2 of this Law.

Information on grain processing products used for delivery to retail trade and sale (sale) to individuals for personal consumption or to legal entities and individual entrepreneurs for use for purposes not subject to entry into the Federal State Information System for Traceability of Grain and Grain Products not related to the subsequent sale (sale), as well as about laying in the state reserve, storage in the state reserve and their release.

In order to ensure accounting for the circulation of grain and grain processing products, commodity producers are registered in the Federal State Information System for Traceability of Grain and Grain Processing Products without charge, submit to the Federal State Information System for Traceability of Grain and Grain Processing Products reliable and complete information and information provided for in part three of this articles, keep records of grain and (or) grain processing products in accordance with the procedure determined by the federal executive body responsible for the development of state policy and legal regulation in the field of the agro-industrial complex. Producers have the right to send a request for information from the Federal State Information System for Traceability of Grain and Grain Processing Products in accordance with this article.

The federal state information system for the traceability of grain and grain products is a federal information system. The owner of the information is the Russian Federation, on behalf of which the powers of the owner of the information are exercised by the federal executive body responsible for the development of state policy and legal regulation in the field of the agro-industrial complex.

The customer of the Federal State Information System for Traceability of Grain and Grain Products is the federal executive body, which is responsible for the development of state policy and legal regulation in the field of the agro-industrial complex.

The Federal State Information System for Traceability of Grain and Grain Processing Products allows documentary (on paper and (or) electronic media) to ensure accounting for the circulation of a batch of grain and a batch of grain processing products.

The list of information and information contained in the Federal State Information System for Traceability of Grain and Grain Products, as well as the list of information posted in the form of open data, placed in public information and telecommunication networks, including the Internet, is determined by the Government of the Russian Federation.

Submission of information contained in the Federal State Information System of Traceability of Grain and Grain Products to government bodies, local governments, commodity producers, legal entities, individuals, including individual entrepreneurs, is carried out in electronic form without charging a fee.

Information is submitted to the Federal State Information System for Traceability of Grain and Grain Processing Products by commodity producers, federal executive bodies, executive bodies of the constituent entities of the Russian Federation.

The federal state information system for traceability of grain and grain processing products interacts with federal information systems that are part of the infrastructure that provides information and technological interaction of information systems used to provide state and municipal services in electronic form, as well as with other state and municipal information systems with using the specified infrastructure.

The procedure for interaction of the Federal State Information System for Traceability of Grain and Grain Products and other state information systems is established by the Government of the Russian Federation.

Operators of the other state information systems specified in part thirteen of this article are obliged to provide access to the federal executive body responsible for the development of state policy and legal regulation in the field of the agro-industrial complex, to the information contained in the specified information systems, in compliance with the procedure for interaction of the Federal State Information System for Traceability of Grain and Grain Products and other state information systems.

The protection of information contained in the Federal State Information System of Traceability of Grain and Grain Products is carried out by the federal executive body responsible for the development of state policy and legal regulation in the field of the agro-industrial complex, in accordance with the legislation of the Russian Federation on information, information technologies and information protection, the legislation of the Russian Federation in the field of personal data, the legislation of the Russian Federation on state secrets, commercial and other secrets protected by law.

The information contained in the Federal State Information System for Traceability of Grain and Grain Processing Products is official information and state information resource.

d) supplement with Articles 18.1 - 18.3 as follows:

"Article 18.1. A commodity producer, when forming each batch of grain and a batch of grain processing products for the purpose of their transportation and (or) sale, acceptance or shipment, independently, on a gratuitous basis, draw up a shipping document for a batch of grain or a batch of grain processing products containing information on the consumer properties of the batch grain or batch of products of grain processing and the quantity determined in units of mass".

A shipping document for a batch of grain or a batch of grain products is drawn up in the Federal State Information System for Traceability of Grain and Grain Processing Products in electronic form, signed with an enhanced qualified electronic signature. Form of shipping document for a batch of grain or a batch of grain processing products, the procedure and terms for its registration in the Federal State Information System for Traceability of Grain and Grain Processing Products, including on paper (indicating the details, including a unique identification number and other information), are determined by the Government of the Russian Federation.



Acceptance and (or) shipment and (or) transportation of a batch of grain and a batch of grain processing products across the territory of the Russian Federation, as well as import into the territory of the Russian Federation and export from the territory of the Russian Federation by any type of transport, sale of a batch of grain and a batch of grain processing products on the territory of the Russian Federation are carried out in the presence of a shipping document for a batch of grain or a batch of grain processing products.

Article 18.2. A batch of grain that does not meet the requirements of international treaties of the Russian Federation, other acts constituting the law of the Eurasian Economic Union, and the legislation of the Russian Federation and (or) for which there are no shipping documents, including a shipping document for a grain batch, and (or) in respect of which the fact of falsification has been established, is subject to seizure, examination, return or disposal by decision of the federal executive body authorized by the Government of the Russian Federation in the manner established by the Government of the Russian Federation.

Based on the results of the examination, the federal executive body authorized by the Government of the Russian Federation shall issue an order on the return of the grain batch or its disposal at the expense of the owner (owner) of the grain batch.

In the cases provided for in the first part of this article, persons who store, transport a batch of grain are obliged to inform the owner (owner) and recipient of such a batch of grain about it. Such a batch of grain is not subject to sale and is sent for examination, according to the results of which it must be returned or utilized.

For the period necessary for the examination, the owner (owner) of the grain batch provides its temporary storage, the conditions of which exclude the possibility of access to such a batch of grain.

The owner (owner) of a grain consignment is obliged to submit to the federal executive body authorized by the Government of the Russian Federation, which issued an order based on the results of grain examination on the return of the grain consignment or on the disposal of the grain consignment, a document or a copy thereof certified in accordance with the established procedure, confirming the fact of utilization of such a batch of grain, or in the case of an order to return a batch of grain, a document or its duly certified copy confirming the fact of processing such a batch of grain.

Article 18.3. Persons guilty of violating the requirements of this Law bear administrative and other liability in accordance with the legislation of the Russian Federation";

10) in chapter V:

a) Articles 19 and 20 shall be declared invalidated;

b) supplement with article 20.1 as follows:

"Article 20.1. It is not allowed to import into the territory of the Russian Federation and export from the territory of the Russian Federation of grain without a shipping document for a batch of grain.

The procedure for conducting laboratory tests during export-import operations in order to draw up a shipping document for a grain consignment, as well as a list of such studies, is approved by the federal executive body responsible for developing state policy and legal regulation in the field of the agro-industrial complex.

Laboratory research is carried out at the expense of the manufacturer by persons accredited in the national accreditation system";

11) supplement with Chapter VII as follows:

## Chapter VII

Federal state control (supervision) in the field of quality and safety of grain and grain processing products

Article 22. Federal state control (supervision) in the field of ensuring the quality and safety of grain and grain processing products is carried out by federal executive bodies authorized by the Government of the Russian Federation.

The subject of federal state control (supervision) in the field of ensuring the quality and safety of grain and grain products is compliance by commodity producers with the requirements for ensuring the quality and safety of grain and grain products and related requirements for the processes of production, storage, transportation, sale and disposal, stipulated by the legislation of the Russian Federation and (or) the technical regulations of the Eurasian Economic Union, when purchasing grain for state needs, laying, storing and transporting as part of the state reserve, when importing grain and grain processing products, as well as when exporting grain and grain processing products (in terms of compliance with the mandatory requirements for grain and products of its processing during export operations). The list of grain processing products in respect of which federal state control (supervision) in the field of ensuring the quality and safety of grain and grain processing products is carried out is determined by the regulation on federal state control (supervision) in the field of ensuring the quality and safety of grain and grain processing products, approved by the Government Russian Federation.

The organization and implementation of federal state control (supervision) in the field of ensuring the quality and safety of grain and grain processing products, with the exception of such control (supervision) carried out at checkpoints across the State Border of the Russian Federation, are regulated

by Federal Law No. 248- of July 31, 2020 Federal Law "On State Control (Supervision) and Municipal Control in the Russian Federation".

Rules for the implementation of federal state control (supervision) in the field of ensuring the quality and safety of grain and grain processing products at checkpoints across the State border of the Russian Federation for grain and grain processing products imported into the Russian Federation from foreign states, as well as a list of authorized federal executive bodies participating in its implementation, is established by the regulation on federal state control (supervision) in the field of ensuring the quality and safety of grain and grain processing products.

Article 23. The rights of officials of federal executive bodies exercising control (supervision) functions in the field of quality and safety of grain and grain processing products are determined by Article 29 of the Federal Law of July 31, 2020 N 248-FZ "On state control (supervision) and municipal control in the Russian Federation ", as well as part two of this article.

Officials of federal executive bodies exercising control (supervision) functions in the field of quality and safety of grain and grain processing products have the right to make decisions on prohibiting the import of grain consignments into the territory of the Russian Federation in case of violations in the field of ensuring the quality and safety of grain and grain processing products".

Article 2

In the fourth part of Article 14 of the Federal Law of December 29, 2006 N 264-FZ "On the development of agriculture" (Collected Legislation of the Russian Federation, 2007, N 1, Art. 27; 2008, N 49, Art. 5748; 2015, N 7, Art. 1017; 2017, N 27, Art. 3941) the words "food and fodder" and the word "fodder" shall be deleted.

Article 3

1. This Federal Law shall enter into force on January 1, 2022, with the exception of Clause 11 Article 1 of this Federal Law.

2. Clause 11 of Article 1 of this Federal Law shall enter into force on July 1, 2021.

President of the Russian Federation V. Putin  
Moscow Kremlin  
December 30, 2020  
No. 520-FZ

END UNOFFICIAL TRANSLATION

**Attachments:**

No Attachments.