

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary - Public

Date: 2/11/2010

GAIN Report Number: RS1008

Russian Federation

Post: Moscow

Food Security Doctrine Adopted

Report Categories:

Policy and Program Announcements

Approved By:

Mary Ellen Smith

Prepared By:

Yelena Vassilieva and Mary Ellen Smith

Report Highlights:

On January 30, 2010, Russian President Dmitriy Medvedev signed Russia's Food Security Doctrine. The Doctrine is a framework document that outlines Russia's agricultural production and policy goals. In accordance with the Doctrine, Russia established the following minimum self-sufficiency targets: 95 percent in grain and potatoes, 90 percent in milk and dairy products, 85 percent in meat and meat products and 80 percent in sugar, vegetable oil, and fish products. The Doctrine also underlines the necessity to guarantee food safety. It does not address funding or provide any concrete government measures for reaching its targets. However, it will be a vehicle which could lead to both opportunities and obstacles for U.S. agricultural exports.

General Information:

On January 30, 2010, Russian President Dmitriy Medvedev signed a Decree “On Approval of Food Security Doctrine of the Russian Federation”. The text of the Decree and the text of the Food Security Doctrine of the Russian Federation are available on the site

<http://graph.document.kremlin.ru/doc.asp?ID=57030>

The Russian Ministry of Agriculture created the first draft of a National Food Security policy at the end of 1990’s. This draft was not supported by other major economic ministries and at the last stage of its adoption in the Duma the act was vetoed by President Yeltsin. The reason for the veto was Russia’s inability to provide the necessary budget support for the development of domestic agriculture and food production. Beginning in 2000, domestic agricultural production began recovering, and in 2006 Russia adopted the Federal Law on the Development of Agriculture which provided the legal basis for agricultural programs and production (see GAIN report RS7005). In 2008 the Ministry of Agriculture re-initiated the idea of national food security, this time in the form of the National Food Security Doctrine (see GAIN report RS8089). The draft of the Doctrine included several target indices for achieving the country’s food security, including per capita agricultural food production, consumption, share of imports in domestic consumption, and indicative prices for some major agricultural products. The draft envisioned that the Agricultural Ministry would be the main body to implement the Doctrine’s targets. It took more than a year to coordinate the text of this draft with other ministries and to agree upon the final text of the Doctrine. The drafters of the Doctrine and some politicians, including Duma deputies consider that the Doctrine is only the first step towards the development and adoption of the Federal Law on the National Food Security.

Major Components of the Doctrine

The Food Security¹ Doctrine is a framework that outlines Russia’s objectives and goals for ensuring domestic food security. It is “the basis for development of regulative legal acts in the area of food security, modernization of agri-industrial and fishery complexes” (Article 4).

The Doctrine stipulates the terms of food independence and food security. Food independence means sustainable domestic production, while food security refers the physical and economic availability of safe foodstuffs for every citizen.

The Doctrine establishes the following minimum production targets as the share of domestic production in the total supply of commodities:

- grain – 95 percent
- sugar – 80 percent,
- vegetable oil – 80 percent,
- meat and meat products (on meat basis) – 85 percent,
- milk and dairy products (on milk basis) – 90 percent,
- fish products – 80 percent,

¹ The title of the Doctrine in Russian means that it covers both food security and food safety issues, as the Russian word “bezopasnost” means both. In the translated text the interpreter used word “safety”, when it was clear from the Russian text that the issue is quality and safety of food products, while in all other cases the word “security” was used.

- potatoes – 95 percent,
- edible salt – 85 percent

The Doctrine does not determine the time frame or means for achieving these targets. The only time reference in the Doctrine is in Article 1, which ties the Doctrine to the National Security Strategy of the Russian Federation through 2020.

The Doctrine lists measures aimed at poverty alleviation, improvement of domestic market infrastructure, building of the national material reserves, and enforcing Russian food safety laws. Concerning food safety issues, the Doctrine specifically highlights products derived from genetically modified sources and the need to control these products (Articles 12, 18).

In the reference to foreign trade (Articles 15 and 16) it notes that policy should be developed which is consistent with food security criteria. Specifically it states that it may be necessary to revise tariff measures to “rationalize the ratio” of imports and exports. It also justifies corrective action to when foreign governments dump or use export subsidies to access the Russian market. However it also cautions that when implementing sanitary, veterinary and phytosanitary controls, international standards need to be taken into consideration.

The Doctrine ends with the stipulation that “implementation of the Doctrine’s provisions will allow to ensure food security as the essential component of the national security, predict and prevent emerging threats and risks to the country’s economy, improve its stability, create conditions for dynamic development of agri-industrial and fishery complexes and improvement of the population’s welfare” (Article 26).

However, The Food Security Doctrine does not specify who, when and how to finance and implement the provisions and measures.

Comments:

The legal status of the Doctrine does not give it legislative power. It may only be considered as agreed upon goals for agricultural production and policy. In contrast to previous drafts of the Food Security Doctrine, the version signed by the President fails to specify any concrete governmental measures for reaching its targets. Previous versions touted protectionism, subsidization and market management reminiscent of soviet style agriculture. The final version of the Doctrine has been considerably watered down and blatant references to protection have been removed. In this respect the Doctrine does not impose any additional incentives or deterrents for international trade. However, the Doctrine provides a political blessing and cover for the introduction of future legislation that might restrict trade through tariffs, quotas, and sanitary and phytosanitary measures. If the Russian government chooses to implement the Doctrine in the spirit it was originally drafted, it could result in challenging times for U.S. exporters. Mass media is already reporting the Minister of Agriculture’s rhetoric regarding self-sufficiency in poultry by 2012. As Russia moves toward the Doctrines’ goals and bolsters its domestic agricultural production, it may attempt to close the door on traditional U.S. exports, but in the process it will create new opportunities for agricultural inputs such as feeds, seeds and genetics.

Presidential Decree and the Text of the Food Security Doctrine

BEGIN TRANSLATION

Decree of the President of the Russian Federation
“On Approval of the Food Security Doctrine of the Russian Federation”

In order to implement the national economic policy in the area of ensuring food security of the Russian Federation aimed at securing reliable food supply to the country’s population, development of domestic agri-industrial and fishery complexes, dynamic response to internal and external threats to the food market stability, and effective participation in the international cooperation in the area of food security, I resolve:

- To approve the attached Food Security Doctrine of the Russian Federation.
- For the Government of the Russian Federation:

to develop and approve the plan of actions for implementing the provisions of the Food Security Doctrine of the Russian Federation;

to make sure that the President of the Russian Federation receives annual reports containing the analysis, assessment and forecast of the food security of the Russian Federation.

- The federal authorities and state government bodies of the constituent entities of the Russian Federation must be guided by provisions of the Food Security Doctrine of the Russian Federation in practical work and when drafting regulative legal acts related to ensuring the food security of the Russian Federation.
- The present Decree comes to force from the day of its signing.

President of the Russian Federation
Moscow, Kremlin
January 30, 2010
No. 120

D. Medvedev

Food Security Doctrine of the Russian Federation

I. General Provisions.

1. The present Doctrine represents the aggregated official views of the objectives, goals and main directions of the government economic policy in the area of ensuring food security of the Russian Federation.

The present Doctrine follows up on the provisions of the National Security Strategy of the Russian Federation until 2020 approved by the Decree of the President of the Russian Federation from May 12, 2009 No. 537 concerning food security of the Russian Federation, and takes into consideration the norms of the Maritime Doctrine of the Russian Federation until 2020 approved by the President of the Russian Federation on July 27, 2001, and other regulatory legal acts of the Russian Federation in this area.

2. Food security of the Russian Federation (hereinafter – Food Security) is one of the key areas of ensuring the country’s national security in the medium term, the factor that contributes to maintaining

its statehood, sovereignty, the essential component of its demographic policy, the necessary condition for implementing the national priority, i.e. the improvement of the Russian citizens' life quality through ensuring high sustenance standards.

In accordance with the provisions of the National Security Strategy of the Russian Federation until 2020, the state's national interests in the long term include but are not limited to the recovery of competitiveness of the national economy, and transformation of the Russian Federation into the world power, which activities are focused at maintaining strategic stability and mutually beneficial partnerships in the multi-polar world environment.

Strategic goal of food security is to supply the country's population with safe farm products, fish and other aquatic bioresources (hereinafter – fish products), and food. Stability of domestic production, as well as availability of necessary reserves and stocks is the guarantee that the goal is achieved.

3. The key objectives of ensuring food security regardless of change in external and internal conditions are:

- timely forecasting, detection and prevention of internal and external threats to food security, minimization of their negative consequences due to constant readiness of the food supply system, creation of strategic food stocks;
- sustainable development of domestic production of food and raw material sufficient to provide for the country's food independence;
- achieving and maintaining physical and economic availability of safe foodstuffs for each citizen in quantities and assortments that comply with the established balanced food consumption rates required to support active and healthy lifestyle;
- ensuring foodstuffs safety.

4. The Doctrine is the basis for development of regulative legal acts in the area of food security, modernization of the agri-industrial and fishery complexes.

The Doctrine takes into consideration the recommendations of the United Nations Food and Agriculture Organization concerning the marginal propensity of imports and food stocks, as well as it defines the basic concepts used in the area of food security.

5. Food independence of the Russian Federation is sustainable domestic production of foodstuffs in quantities no less than the established thresholds of their share in relevant domestic commodities.

Food security of the Russian Federation is the state of the country's economy that ensures food independence of the Russian Federation, physical and economic availability of foodstuffs to every citizen that meet the requirements of the laws of the Russian Federation on technical regulation, in quantities no less that the balanced food consumption rates required to support active and healthy lifestyle.

Food security index is a quantitative or qualitative characteristic of the food security status that allows to evaluate the level of its successful implementation on the basis of the approved criteria.

Food security criterion is a quantitative or qualitative threshold characteristic value that is used to

evaluate the food security assurance level.

Balanced food consumption rates is a diet represented as a set of products including foodstuffs in quantities and combinations that meet the modern scientific principles of the optimum nutrition taking into consideration the existing nutritional structure and traditions of the popular majority.

Economic food availability is a possibility to purchase foodstuffs at prevailing prices in quantities and assortments no less than the established balanced consumption rates supported by the appropriate income level.

Physical food availability is the level of commodity distribution infrastructure development when population in every locality of the country can purchase foodstuffs or catering can be arranged in quantities and assortments no less than the established balanced food consumption rates.

6. Based on requirements of food independence, the main sources of foodstuffs are products of farming, forestry, fish and hunting industries, and also food processing industry. Farming, fish and food processing industries are the determining factors in ensuring food security.

Strengthening and development of cooperation with international and regional organizations, establishing mechanisms of inter-governmental dialogues and development of relations with the leading states of all of the world regions on food security issues in accordance with the Foreign Policy Concept of the Russian Federation meet the foreign policy and economic interests of the country.

Accession to the World Trade Organization on conditions that meet the national interests of the Russian Federation will also contribute to strengthening of the country's food security.

II. The Russian Federation Food Security Indexes and Their Evaluation Criteria

7. The following system of indexes is used to evaluate the level of food security:

a) at the consumption end:

- available resources of peoples' households by groups of population;
- availability of trading and catering grounds per 1,000 people;
- food consumption per capita;
- volumes of targeted aid to the community;
- daily diet calorific value;
- amount of proteins, fats, carbohydrates, vitamins, macro- and microelements consumed by person per day;
- consumer price index for foodstuffs;

b) in the area of production and national competitiveness:

- production volumes of farm and fish products, raw material and food;
- import of farm and fish products, raw material and food;
- budget support to producers of farm and fish products, raw material and food calculated per one ruble of products sold;
- efficiency of land resources used in agriculture;

- foodstuffs sales volumes by trade and catering organizations;

c) in the area of management:

- food volumes in the state material reserve formed in accordance with the regulative legal acts of the Russian Federation;
- stocks of farm and fish products, raw material and food.

8. A criterion to evaluate the level of food security is the share of domestic farm, fish products and food in total commodity resources (including carry-over stocks) of the domestic market of relevant products. These shares have threshold values with regards to:

- grain – no less than 95 percent;
- sugar – no less than 80 percent;
- vegetable oil – no less than 80 percent;
- meat and meat products (on meat basis) – no less than 85 percent;
- milk and dairy products (on milk basis) – no less than 90 percent;
- fish products – no less than 80 percent;
- potatoes – no less than 95 percent;
- edible salt – no less than 85 percent.

III. Risks and Threats Related to Ensuring Food Security of the Russian Federation

9. Ensuring food security is associated with risks that can weaken it significantly. The greatest risks fall under the following categories:

- macroeconomic risks driven by the decrease of investment attractiveness of domestic real sector of the economy and competitiveness of domestic products, as well as dependence of the major sectors of the economy on the foreign trade environment;
- technological risks caused by lagging behind the developed countries where it concerns the level of technological development of the domestic production facilities, differences in requirements to safety of foodstuffs and systems of control over their compliance;
- agro-ecological risks driven by unfavorable climate changes, as well as consequences of natural and technogenic emergencies;
- foreign trade risks caused by market fluctuations and the use of measures of government support in foreign countries.

10. Existence of the mentioned risks creates food security threats that can result in non-compliance with the food security criterion threshold values. The country's economic development stability calls for implementation of state regulation actions in order to overcome:

- low level of effective consumer demand for foodstuffs;
- insufficient level of domestic market infrastructure development;
- price disproportions at farm, fish, raw material and food markets on the one hand and markets of material and technical resources on the other hand;
- insufficient level of innovational and investment activities in the area of farm, fish, raw material and food production;
- decrease in the national genetic animal and plant resources;
- shortage of qualified personnel;
- differences in standards of living of urban and rural population;

- artificial competitive advantages of foreign products created on account of various measures of state support rendered to production of foodstuffs in foreign countries.

IV. Main Directions of the National Economic Policy in the Area of Ensuring Food Security of the Russian Federation

11. With due consideration of risks and threats to food security, the national economic policy where it comes to ensuring food security, with the national agrarian and maritime policy being its component, must be implemented in the following main directions.

With respect to improvement of economic availability of foodstuffs to all groups of population, special attention must be paid to implementation of measures aimed at poverty alleviation, priority support to the poorest layers of the population short of sufficient funds to afford healthy diets, as well as arrangements for healthy feeding of pregnant and nursing women, infants, pre-school and school children, health feeding in social welfare institutions (hereinafter – social nutrition).

As it pertains to physical availability of foodstuffs, it will be a matter of developing inter-regional integration in the field of food markets and food supply, a better use of mechanisms of support to the regions located in areas where foodstuffs are not being produced in sufficient quantities or those that happen to find themselves in emergency situations. It will be necessary to improve the transportation accessibility in the remote regions to provide for the secured and evenly timed food distribution to the population, to create conditions so that the number of retail infrastructure and catering facilities of various types is increased.

As far as it relates to building the national material reserve, it is necessary to establish the inventory of relevant tangible assets and their accrual rates.

12. To ensure that foodstuffs are safe, it is required to enforce the compliance of farm, fish products and food including imported products and food with the requirements of the laws of the Russian Federation at every stage of their production, storage, transportation, processing and marketing. It is required to eliminate the uncontrolled distribution of foodstuffs received from genetically modified plants with the use of genetically modified microorganisms and microorganisms that have genetically modified analogues.

Efforts aimed at harmonization with the international food safety standards on the basis of fundamental research in the area of nutrition science will be continued.

It is necessary to improve the system of food safety controls including development of the advanced technical and procedural framework.

13. As it pertains to production of farm and fish products, raw material and food, an emphasis must be made in the following areas:

- improvement of land fertility and productivity, expansion of crop acreage at the expense of idle arable land, rehabilitation and construction of land reclamation systems;
- accelerated development of livestock industry;
- expansion and better use of the potential of aquatic biological resources and new technologies of their

industrial farming;

- development of new technologies for deep and complex processing of food raw material, and farm and fish produce storage and transportation techniques;
- development of the scientific potential in agri-industrial and fishery complexes, assistance to new scientific fields in related sciences and implementation of measures to prevent outflow of highly qualified scientific manpower;
- enhancing the pace of structural and technological upgrading of agri-industrial and fishery complexes, restoration of the natural and ecological potential;
- development of training and extended training system for qualified personnel capable of implementing the objectives of the innovational development model taking into consideration food security requirements;
- improvement of farm and fish products, raw material and food market regulation mechanisms as it relates to operational efficiency upgrades and elimination of price disproportions at farm and fish markets and materials and equipment markets;
- improvement of efficiency of the government support paying special attention to creating conditions for financial stability and solvency of producers.

14. As it pertains to sustainable development of rural territories, the following areas must be developed:

- social infrastructure development of rural and coastal fish settlements;
- increase in financial assistance to implement social programs in rural and coastal fish settlements;
- monitoring of the unemployment level and real income level of rural population;
- diversification of rural population employment.

15. As it pertains to the foreign trade policy, it is necessary to make provisions for:

- operational application of customs tariff regulation measures to rationalize export and import ratio of farm and fish products, raw materials and food;
- active application of protective measures when imports of farm and fish products, raw material and food are growing, and when dumping scenarios and use of export subsidies in foreign countries occur;
- effective work of systems of sanitary, veterinary and phytosanitary controls taking into consideration the international rules and standards;
- stage-by-stage reduction of domestic agri-industrial and fishery complexes dependence on imports of technologies, machinery, equipment and other resources.

16. Foreign trade policy must be developed in compliance with the food security criteria.

V. Mechanisms and Resources for Ensuring Food Security of the Russian Federation

17. Mechanisms to ensure food security are set in the relevant regulative legal acts that determine conditions for operating the country's economy and its specific branches, and are funded by financial resources of the federal budget and budgets of the constituent entities of the Russian Federation.

Measures and mechanisms ensuring food security are aimed at credible prevention of internal and external threats to food security and must be developed simultaneously with the national projections of the country's social and economic development.

The Government of the Russian Federation ensures the annual elaboration of balance-sheets of resources and the use of main types of farm and fish products, raw material and food.

18. The following decisions must be made to improve availability of foodstuffs to all of the population groups:

- development of mechanisms to render targeted assistance to population groups with income levels not sufficient to afford well-nourished diets;
- creation of the interrelated index system that ensures safety of foodstuffs including products fabricated from raw material obtained with the use of genetically engineered and modified organisms;
- development of unified requirements applied by food processing plants to the systems of control, and harmonized with recommendations of the international organizations, transition of food industry to the integrated system of safety controls.

19. Formation of the healthy nutrition type will require:

- development of fundamental and applied research in biomedical safety evaluation of new sources of food and ingredients, introduction of innovational technologies including bio- and nanotechnologies, technologies for organic manufacturing of foodstuffs and raw food,
- increase of capacities to produce new enriched, dietary and functional foodstuffs;
- development of educational programs on healthy nutrition as the essential component of healthy lifestyle engaging media, creation of special training programs;
- development of social nutrition regulations and implementation of supportive measures;
- development and implementation of the set of measures aimed at reduction of consumption of spirit and other alcohol-containing products.

20. As it pertains to production and circulation of farm, fish products and food, measures must be implemented aimed at:

- optimization of inter-industrial economic relations that would facilitate extended reproduction growth rates, attraction of investments and introduction of innovations in agriculture and fisheries;
- stabilization of price situation and development of price formation mechanisms based on indicative prices for main types of products;
- improvement of loan support system in order to provide access to short-term and investment credits for the majority of producers;
- creation of environment for implementing the potential of the higher-than-anticipated economic growth zones in the constituent entities of the Russian Federation that are specialized in farm and fish industries, this factor should be taken into account when developing the future resettlement system;
- facilitation of integration and cooperation in the area of production, processing and marketing of farm and fish products, raw material and food;
- accelerated development of domestic market infrastructure;
- development and implementation of technical upgrade programs, realization of new technologies designed to increase labor productivity and cost-efficient use of resources in agriculture and fisheries, food industry;
- creation of the common food market and unified commodity distribution network under the framework of the customs union of the Eurasian Economic Community member countries;
- improvement of the national trade policy, regulation of farm and fish products, raw materials and food markets including purchases for the State needs that provide for expansion of demand for domestic products.

21. As it pertains to food security administration and management, it is necessary to:

- improve the regulative legal framework required to operate the agri-industrial and fishery complexes on the basis of the Doctrine main directions and implementation mechanisms;
- monitor, forecast and control the food security status;
- evaluate the country's economy resistance to changes at the world food markets and natural climatic changes;
- evaluate the stability of municipal and regional food supply in areas dependant on external supply of foodstuffs;
- create the public informational resources in the area of ensuring food security.

22. The system for ensuring food security is defined in the federal laws, decrees and orders of the President of the Russian Federation, resolutions and orders of the Government of the Russian Federation, and also in the decisions of the Security Council of the Russian Federation.

23. The Government of the Russian Federation:

- carries on a common national economic policy in the area of ensuring food security;
- monitors the food security status and oversees the implementation of measures that ensure food security;
- takes measures to reach and maintain food security threshold values for main types of farm and fish products and food;
- takes measures in accordance with the established order in case of emergencies;
- coordinates activities of the government executive bodies in the area of ensuring food security.

24. Public authorities of constituent entities of the Russian Federation in conjunction with the federal authorities:

- pursue a common national economic policy in the area of ensuring food security taking into consideration regional specifics;
- develop and adopt regulative legal acts of the constituent entities of the Russian Federation regarding issues related to ensuring food security;
- create and maintain necessary stocks and food reserves in the constituent entities of the Russian Federation;
- provide for monitoring of the food security status on the territory of the constituent entities of the Russian Federation.

25. The Security Council of the Russian Federation reviews as part of the national security framework strategic issues related to ensuring food security, and drafts recommendations to the federal executive bodies and government executive bodies of the constituent entities of the Russian Federation on how to implement their responsibilities in this domain.

26. Implementation of the Doctrine's provisions will allow to ensure food security as the essential component of the national security, predict and prevent emerging threats and risks to the country's economy, improve its stability, create conditions for dynamic development of agri-industrial and fishery complexes and improvement of the population's welfare.

END TRANSLATION

Relevant Reports:

1. Policy and Program Announcements _ Russian Food Security Doctrine Reemerged _ Moscow _ Russian Federation _ 12-22-2009
2. RS8089 _ Agricultural Situation _ Russia: Doctrine of Food Security