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### Russian Agricultural Policy and Situation Bi-Weekly Update 8

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**Report Highlights:**

Government Lifted Wheat Export Duty . . . EAEU, Vietnam Sign Free Trade Agreement . . . New Deputy Minister of Agriculture Appointed . . . Agricultural Biotechnology Added to the List of Skolkovo's Activities . . . Russian Grain Stocks Up . . . Amendments to the Russian Land Code Facilitates Agricultural Land Transfer . . . Government Increased Support to Milk Producers . . . Imports of Fish and Seafood Dropped Nearly Fifty Percent in Early 2015 . . . Eastern Economic Forum Planned . . . China Proposes High-Speed Railway to Vladivostok . . . Russia's Trade through Vladivostok Customs Decreased in Early 2015 . . . Russian Fisheries Catch Increased . . . Russia and the United States Agreed to Cooperate in IUU Fishing . . . National Fish Brand to Sell Russian Fish . . . Kamchatka Salmon to be Sold at Auction

### **General Information:**

Welcome to the Russian Agricultural Policy and Situation Bi-Weekly Update, a summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Russia, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

**Government Lifted Wheat Export Duty:** On May 15, 2015, the Russian Government lifted duties on wheat exports with Government Resolution No. 467. An export duty on wheat in the amount of 15 percent of customs value plus 7.5 Euro, but not less than 35 Euro per 1 metric ton (MT) was in force since February 1, 2015. FAS/Moscow GAIN report is here: [Wheat Export Duty Lifted 5-15-2015.pdf](http://www.fas.usda.gov/secure/FAS/Moscow/GAIN/20150515/WheatExportDutyLifted5-15-2015.pdf). The Russian Government expects that Russia may export an additional 1 million metric tons of wheat by the end of MY 2014/15. <http://government.ru/docs/18129/>.

**EAEU, Vietnam Sign Free Trade Agreement:** According to the Eurasian Economic Commission (EEC), the Armenia-Belarus-Kazakhstan-Russia Eurasian Economic Union (EAEU) signed a Free Trade Agreement (FTA) with Vietnam in Kazakhstan on May 29, 2015. The Prime Minister of Kyrgyzstan also attended the signing ceremony while ratification procedures are currently underway for the Kyrgyz EAEU accession. The FTA with Vietnam, which is the first FTA for the EAEU with a third party, will take effect 60 days after ratification. According to Viktor Khristenko, Chairman of the EEC Collegium, the FTA will ensure free trade for over 90 percent of goods regulated by the EEC, with duties to be zeroed for half of them as of the FTA's entry into force, while there will be a short transition period for the remaining goods. Andrey Slepnev, the EEC Minister for Trade, estimated that the FTA could increase EAEU trade with Vietnam from the current \$4 billion to \$10 billion by 2020. <http://www.eurasiancommission.org/ru/nae/news/Pages/29-05-2015-5.aspx>, <http://www.vietnambreakingnews.com/2015/05/vietnam-eeu-sign-fta/>

**New Deputy Minister of Agriculture Appointed:** On May 27, 2015, Russian Prime Minister Dmitry Medvedev appointed Sergey Levin as the Deputy Minister of Agriculture of the Russian Federation. Formerly the advisor to the Prime Minister and the Head of the state owned United Grain Company, Mr. Levin is expected to replace Andrey Volkov. Volkov resigned his duties as the Deputy Minister of Agriculture on May 27, 2015.

<http://government.ru/media/files/CYuTVQr8alB3ftb0OnGLnCwVVAX42AX.pdf>  
<http://government.ru/media/files/SbRRck0glfKIwyhfbqAy6LZsbHbTQUis.pdf>

**Agricultural Biotechnology Added to the List of Skolkovo's Activities:** The Amendment to the Federal Law "On the Innovation Center "Skolkovo" (Federal Law No. 135-FZ of May 23, 2015), added agricultural biotechnology to the list of activities of the Skolkovo Center. The amendment mainly concerns property rights on land and facilities of Skolkovo. The amendment also included one sentence with states that the Skolkovo Center's activities would now include biotechnology but does not specify

the exact fields of agricultural biotechnology to be developed. The Amendment was adopted by the Duma on May 13, 2015, the Federation Council approved the law on May 20, 2015, and President Putin signed the law on May 23, 2015. <http://www.rg.ru/2015/05/26/skolkovo-dok.html>

**Russian Grain Stocks Up:** According to the Russian State Statistical Service's recently published monthly data on grain stocks in Russia, as of May 1, 2015, Russia's grain stocks were 19.05 million metric tons. This represents a 22 percent increase over stocks on the same date last year. Grain stocks in the Central and Southern parts of European Russia, major grain (wheat) exporting regions, were 38 percent and 53 percent higher than last year, respectively. Industry analysts attribute this increase to the export duties on wheat that curbed exports from these regions. [http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/enterprise/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/enterprise/).

**Amendments to the Russian Land Code Facilitates Agricultural Land Transfer:** Amendments to the Russian Land Code adopted under Federal Law No. 171 of June 23, 2014 ([FL 171 June 23 2014](#)) mostly came into force in March, 2015. The amendments cover general issues of land ownership, management, registration, leasing, transfer of land to and from state and municipal ownership, etc. A small section of this 26 page document covers issues related to agricultural land transfers. The Russian Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) monitors issues of agricultural land evaluation and transfer. In a recent interview, a VPSS official in the Far East stated that these amendments to the Land Code confirm the supremacy of Federal and public needs in agricultural land ownership. Thus, in case a land owner does not properly manage his land and doesn't support its agronomic productivity in accordance with the established requirements, Federal or municipal authorities will have the right to transfer the land to a new owner. Many of the current national parameters and requirements regarding agricultural land are too complicated for small land owners to meet. This may potentially lead to consolidation of agricultural lands into large entities. Additionally, the new Land Code allows for confiscation of agricultural lands needed for federal or municipal purposes, such as construction of roads or technical communications. The Land Code facilitates the transfer, eliminating the need of arriving at an agreement with the land owner, provided that compensation is made in accordance with the cadaster price. <http://fsvps.ru/fsvps/news/13578.html>

**Government Increased Support to Milk Producers:** On May 22, 2015 the Government of Russia issued order No. 932-p for the allocation of an additional 6,207 million Rubles (USD 124 million) of "per liter" milk subsidies from the Federal budget to the regional budgets in 2015. These additional subsidies which are for "one kilogram of milk sold or distributed for further processing" have been allocated under the new subprogram "The Development of Dairy Farming", which is a part of the larger State Program of Agricultural Development in 2013-2020. Krasnodarsky Krai, the major milk producing region, will receive 396 million Rubles, the Republic of Tatarstan 313 million, and Bashkortostan 308.8 million Rubles. Among other leading raw milk producing regions (in terms of volume) are Kirov Oblast (253 million Rubles), Altay Kray (237.8 million Rubles), Vologda oblast (201 million Rubles), and Voronezh oblast (195.9 million). Leningrad oblast, the region leading in terms of per cow yields, will receive 136.5 million Rubles of per one liter subsidies. <http://government.ru/docs/18223/>, <http://government.ru/media/files/etH9pA3XCopOr4zsQOqQ0ScqYeSjp3rH.pdf>

**Imports of Fish and Seafood Dropped Nearly Fifty Percent in Early 2015:** The Russian Federal Fisheries Agency reported that Russia's imports of fish and seafood during the period January to April

2015 declined 46.8 percent versus the same period in 2014. The largest decreases were seen in imports of trout, mackerel, herring and sardines. The agency also reported a downward trend in Russia's exports of fish and seafood. For the period January to April 2015 Russia's exports of fish and seafood are estimated at 540,700 MT, a 10.4 percent decline from the same period in 2014.

<http://tass.ru/ekonomika/2002590>

**Eastern Economic Forum Planned:** Russian President Vladimir Putin signed a decree to hold the annual Vladivostok Eastern Economic Forum from September 3-5, 2015 "in order to facilitate the accelerated development of the Far East and the expansion of international cooperation in the Asia-Pacific region." At a later meeting on the development of the Far East, President Putin said: "I am really counting on this forum to become a good platform to show the prospects of development of the Far Eastern Federal District, to show its advantages and to find additional partners to address the challenges that we face at this crucial, strategically important region for the Russian territory."

<http://tass.ru/ekonomika/1981124>

**China Proposes High-Speed Railway to Vladivostok:** Representatives of the Chinese Jilin province proposed to Primorye authorities a high-speed railway to Vladivostok. According to representatives from the Primorsky Krai Administration, the Chinese side is ready to build the tracks to Hunchun by August. If it can be extended, it will be the first cross-border high-speed railway between Russia and China. The Russian side intends to initiate talks with the head of Russian Railways Vladimir Yakunin.

[http://www.gazeta.ru/business/news/2015/05/21/n\\_7214425.shtml](http://www.gazeta.ru/business/news/2015/05/21/n_7214425.shtml)

**Russia's Trade through Vladivostok Customs Decreased in Early 2015:** During the first four months of 2015, Russia's imports through the Vladivostok custom's entry point decreased 40 percent, compared to the same period last year. The decline in imports was seen across many products: motor vehicles and parts decreased 50 percent, equipment decreased 60 percent, meat and meat products decreased 40 percent, and marine product imports decreased 53 percent. Total marine product imports during this period were 3,500 MT. Of these marine product imports: 31.4 percent were shellfish, 31.7 percent were dried, salted fish or fish in brine, 31.5 percent were frozen fish, 2.7 percent were fish fillets and other fish meat, and 2.7 percent were crustaceans. Exports of marine products amounted to 474,500 MT during the first four months of 2015, 12 percent less than the same period last year.

<http://primamedia.ru/news/economics/27.05.2015/440285/bolee-chem-na-40-snizilis-ob-emi-importa-cherez-tamozhnyu-vladivostoka-v-etom-godu.html>

**Russian Fisheries Catch Increased:** According to the Center of Fisheries Monitoring and Communication, as of May 19, 2015, the total Russian catch since the beginning of 2015 amounted to 1.812 million MT, which is 66,200 MT, or 3.8 percent higher than last year. The vast majority of the catch, 1.254 million, occurred in the Far Eastern region. This is 21,900 MT higher than the same period last year. The Pollock catch grew 33,900 MT, up to 988,700 MT.

<http://deita.ru/news/economy/20.05.2015/4899828-rossiyskie-rybaki-uvelichili-obemy-vylova-ryby/>

**Russia and the United States Agreed to Cooperate in IUU Fishing:** The Russian Federal Fisheries Agency (Rosrybolovstvo) held talks with representatives of the United States on a bilateral agreement on cooperation to prevent, deter and eliminate illegal, unreported and unregulated fishing (IUU fishing) of living marine resources. The conclusion and implementation of international agreements in combating IUU fishing is an important tool to prevent illicit trafficking of fisheries products. Such

agreements have already been signed with the Republic of Korea, North Korea, Japan and China.  
<http://deita.ru/news/economy/15.05.2015/4897217-rossiya-i-ssha-dogovorilis-o-sotrudnichestve/>

**National Fish Brand to Sell Russian Fish:** The largest fishing companies support the promotion of a national fish brand, "Russian Fish". The brand will make the Russian product recognized not only domestically, but also in foreign markets. According to the Head of the Russian Federal Fisheries Agency, Ilya Shestakov, the creation of this nationwide quality mark is important for the promotion of domestic products and for facilitating import substitution. Unlike foreign competitors, such as Alaska Seafood Marketing Institute or the Association of Genuine Alaska Pollock, the Russian fishing industry does not yet have the organizational infrastructure to promote its products in domestic and foreign markets. Experts expect that the "Russian Fish" project will radically improve this situation.

<http://deita.ru/news/economy/14.05.2015/4896573-v-rossii-poyavilsya-natsionalnyy-rybnyy-brend-/>

**Kamchatka Salmon to be Sold at Auction:** In late May, for the first time in Russia, an auction for the sale of chum salmon, pink salmon, caviar and saffron cod was held. More than 1,500 MT of fish products were offered for sale to any Russian legal body without intermediaries. The auction was held on the website: <http://www.dvrb2014.ru> in the electronic system of CJSC "Stock Exchange" St. Petersburg. According to market participants, the system of electronic exchange trading will make the operations of regional fishing companies more predictable and will increase the volume of fish products arriving at the Russian coast with a final buyer. Shipping directly will eliminate additional costs, such as warehousing. The electronic exchange platform will also exclude a number of intermediaries that merely reissue documents for the movement of fish products from port to retail.

[http://zrpress.ru/markets/dalnij-vostok\\_20.05.2015\\_72534\\_kamchatskij-losos-doplyl-do-auktsiona.html](http://zrpress.ru/markets/dalnij-vostok_20.05.2015_72534_kamchatskij-losos-doplyl-do-auktsiona.html)