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## **Russian Federation**

### **Livestock and Products Semi-annual**

### **2016 Livestock and Products Semi-annual Report**

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**Report Highlights:**

In 2016 beef production is forecast to decline 3.3 percent to 3.310 MMT CWE as cattle inventories decrease 1.6 percent due to stagnation of the Russian dairies which supply most cattle for slaughter.

The forecast for beef imports is 630,000 MMT CWE, flat year-on-year. Imports account for 32 percent of total beef supplies and push prices up while beef consumption will decline by 2 percent after a 14 percent drop in 2015. Pork production is forecast to increase 2 percent to 2.675 MMT CWE as leading companies continue to expand and as pork imports decline 13 percent to 355,000 MT CWE. Pork consumption is forecast to remain flat as lower pork prices are attractive for consumers, but poor economic conditions restrain demand.

## **General Information**

*NOTE: USDA unofficial data excludes Crimean production and exports. As of June 2014, the Russian Federal State Statistics Service (Rosstat) began incorporating Crimean production and trade data into its official estimates. Where possible, data reported by FAS/Moscow is exclusive of information attributable to Crimea.*

## **Executive Summary**

### **Cattle and Beef**

FAS/Moscow forecasts 2016 year-end cattle inventories to decrease 1.3 percent to 18.593 million head. This is a continuation of the long-term trend of reduction in cattle inventories in Russia. FAS/Moscow has revised the 2015 year-end cattle stocks to 18.838 million head (173,000 head more than previously forecast), which is a smaller, 1.6 percent decline year-on year. The change reflects the improvements in calf crops at industrialized dairy farms and greater than expected feeder and slaughter cattle imports in 2015.

However, Russian imports of cattle in 2016 are forecast at 60,000 head, which is 40 percent less than the revised 2015 estimate. The significant decline in imports is anticipated given the overall pessimistic expectations of the country's economic performance in 2016, the weak ruble, and changes in state support programs, all of which make bovine cattle imports too expensive for most potential buyers in Russia. The projected supply is below the existing demand, and the final number may be considerably influenced by GOR budget decisions in 2016, currency rates, and possible purchases of steers for slaughter by beef industry leaders.

FAS/Moscow forecasts 1.310 million metric tons in Carcass Weight Equivalent (MMT CWE) of Russian beef production in 2016 – 3.3 percent less than the 1.355 MMT CWE produced in 2015. Despite the overall lack of beef supplies and high prices in the Russian market, domestic producers are not able to increase production due to limited cattle stock and reduced access to long-term credit. Dairies supply more than 90 percent of cattle to meat production plants, and so stagnation in dairy cattle numbers results in a decline in beef production.

FAS/Moscow forecasts 2016 beef imports to remain at the level of 2015, or 630,000 MT CWE after 33 percent decrease in 2015. The reduction in beef imports by 300,000 MT CWE was due to the 14 percent fall in consumer demand for beef in the stressed economy. The economic crisis started with sharp ruble depreciation in November and December 2014 followed by high ruble volatility, accelerated inflation, and increased interest rates. Total consumer expenditures fell by 9.9 percent in 2015 as GDP dropped 3.7 percent and real disposable income fell 4 percent. Beef consumption is expected to continue declining at a slower pace in 2016 (-2.3 percent). Industry performance limitations are expected to further reduce beef supplies from domestic producers, which will have enough capacity to meet approximately 68 percent of the projected demand, and so there is a market for non-restricted suppliers in 2016. Currently, Russia bans the import of beef, pork and poultry from Australia, the European Union, and the United States in a “counter-sanctions” embargo.

### **Swine and Pork**

FAS/Moscow anticipates the swine herd to grow to 21.7 million head in 2016, which is a 2 percent increase year-on-year. The swine herd at large commercial plants has been growing over the last decade, but the inventories at backyard farms have been declining; both trends will continue in 2016. Live swine imports and exports are likely to remain low in 2016 due to numerous restrictions related to veterinary issues.

FAS/Moscow forecasts 2 percent growth in pork production in 2016 to 2.675 MMT CWE. Leading producers continue expansion; some companies completed construction and started operations at new facilities in 2015, which will contribute to production growth. However, the pace of pork production growth is anticipated to slow compared to the 4.2 percent growth in 2015. Producers are experiencing downward pressure on margins due to the ongoing economic crisis in Russia and competition from low world prices on pork. Expenses for genetics, equipment, feed additives, veterinary drugs, vaccines, transportation and utilities have been growing. At the same time, opportunities for sales price increases are limited; the elasticity of demand for pork has increased during the crisis as consumers' purchasing power weakened. Margins in the pork production sector are expected to further decrease in 2016. Competition between industrialized producers will most likely intensify, and more efficient companies will continue their expansion to the detriment of less efficient producers and will cause further declines in imports.

FAS/Moscow forecasts pork imports to decline to 355,000 MT CWE in 2016, a 13 percent reduction from 407,000 MT CWE imported in 2015, when the volumes dropped by 20 percent (or 108,000 MT CWE). Imports are anticipated to decline in 2016 because local pork production is growing, but no significant growth in consumer demand for pork is expected.

FAS/Moscow forecasts 3.020 MMT CWE pork consumption in 2016, which is almost flat compared to 3.015 MMT CWE consumed in 2015. Downward trends in world pork prices and price-sensitive consumer demand for meats in Russia resulted in better than expected pork consumption in 2015 (a minor 0.3 percent decrease year-on-year). Pork most likely will remain a better-priced alternative for beef in 2016 and the share of pork in total meat consumption will remain stable next year (approximately 34 percent).

## Cattle

Table 1. Russia: Cattle Numbers, 1,000 Head

Animal Numbers, Cattle Market Begin Year  Russia	2014		2015		2016	
	Jan 2014		Jan 2015		Jan 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Cattle Beg. Stocks</b>	19,564	19,564	19,152	19,152	18,665	18,838
<b>Dairy Cows Beg. Stocks</b>	8,201	8,201	7,982	7,982	7,820	7,820
<b>Beef Cows Beg. Stocks</b>	460	460	490	490	500	500
<b>Production (Calf Crop)</b>	6,670	6,670	6,520	6,620	6,406	6,515
<b>Total Imports</b>	74	74	68	100	80	60
<b>Total Supply</b>	26,308	26,308	25,740	25,872	25,151	25,412
<b>Total Exports</b>	27	27	20	25	20	25
<b>Other Slaughter</b>	6,750	6,750	6,680	6,660	6,360	6,450
<b>Total Slaughter</b>	6,750	6,750	6,680	6,660	6,360	6,450
<b>Loss</b>	379	379	375	349	361	345
<b>Ending Inventories</b>	19,152	19,152	18,665	18,838	18,410	18,593
<b>Total Distribution</b>	26,308	26,308	25,740	25,872	25,151	25,412
(1,000 HEAD)						

NOTE: Not Official USDA data;

Official USDA data is available at <http://apps.fas.usda.gov/psdonline/>

## **Cattle Production**

FAS/Moscow forecasts another year of decline in cattle inventories, anticipating a decrease by 1.3 percent (or approximately 245,000 heads) in 2016. The lion's share of beef in Russia originates from dual purpose cows and calves that dairy farms sell for slaughter to meat production plants. Milk producers have been struggling with low profitability and insufficient investments since the collapse of the planned economy, and the country's cattle herd has been shrinking since 1990. The financial state of dairy farmers further deteriorated in 2015 as a result of the economic crisis, which started from the sharp ruble depreciation in November and December 2014 followed by high ruble volatility, accelerated inflation, and increased interest rates. All of these instabilities reduced the capital available for investments<sup>1</sup> in 2015. In addition, the operational expenses of milk producers increased while milk prices remained low due to weak consumer demand<sup>2</sup>.

<sup>1</sup> In 2015 Russian GDP dropped by 3.7 percent, Consumer Price Index rose to 12.9 percent, Food Price Index to 14 percent. As a response to accelerated inflation the Central bank of Russia (CBR) has changed the key rate eight times between November 2014 and February 2016. Key rate peaked at 17 percent in December 2014, in February 2016 the official key rate was at 11 percent. Capital expenditures declined in 2015 by 8.4 percent year-on-year. Sources: CBR <http://www.cbr.ru/>; Federal Statistical Service (Rosstat) <http://www.gks.ru>.

<sup>2</sup> Rosstat: Real disposable income declined by 4 percent; Retail turnover dropped by 10 percent.

Given the current financial challenges in the milk-producing sector, state subsidies remain among the key factors influencing new investments in dairy farms and new cattle purchases. Industry contacts reported improvements in payments of the state subsidies<sup>3</sup> to dairy farmers in 2015, but it's unclear if GOR will be able to continue consistent support in 2016. Uncertainty about the actual funds available for dairy subsidies in federal and regional budgets may have a negative impact on new cattle purchases by dairy farmers.

The sharp fall in the price of oil has forced the Russian government to consider steep spending cuts, as the current budget is based on projected revenues from oil exports at a price of 50 US dollars per barrel, while Benchmark Brent crude slid below 30 US dollars per barrel by mid-January 2016. The GOR abandoned three-year budgeting and adopted a budget for only 2016 because of the current market volatility.

The Ministry of Agriculture drafted Amendments to the State Program of Development of Agriculture. According to the draft Amendments<sup>4</sup>, total federal budget spending for agriculture may be cut by 10 percent in 2016. The budget cut may impact the volume of subsidies for milk producers because the Ministry suggested the reduction of funds for the sub-program of the dairy sector development from 34.3 to 25.4 billion rubles. The draft Amendments also revise the strategic goal of additional cows-in-milk from 560,000 to 473,000 heads in 2020. In addition, the Ministry suggests excluding milk produced at household farms from consideration in the state program, which may reduce the 2020 milk production goal from 38.2 MMT to 19.8 MMT.

Rosstat reports the total cattle herd at 18.838 million head as of January 1, 2016, which is a 1.6 percent decline year-on-year. Commercial farms keep 56.5 percent of cattle<sup>5</sup>. Year-end cattle inventories are higher in 2015 than previously expected. According to the Ministry of Agriculture, the average calf crop per 100 cows increased from 77 to 78 heads. Commercial dairies had invested in improvement of herd's genetics and new reproduction methods; these operational enhancements resulted in better than expected calf crops.

## **Cattle Trade**

Russian imports of cattle in 2016 are forecast to total 60,000 head, which is a 40 percent decline from the 2015 level. The projected supply is below the existing demand, and the actual number may be considerably influenced by GOR budget decisions and currency rates in 2016.

GOR established ambitious milk and meat production goals for 2020 in the current version of the Program of Agricultural Development: its total meat production goal 14.45 MMT (live weight) and total milk production target 38.2 MMT. Business community, industry experts, and officials from the Ministry of Agriculture agree that there is a shortage of breeding and commercial cattle needed to reach these goals. The current version of the agricultural program assumes the addition of 560,000 cattle heads

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<sup>3</sup> In 2016 GOR committed to partially compensates bank interests associated with long-term loans for construction or modernization of dairy farms; partially subsidizes interest rates for short-term loans; pays "per liter of sold milk" subsidies; partially reimburses CAPEX (capital expenditures) for pre-approved dairy projects; pays subsidies for pure-bred breeding dairy cattle. The administration of the state support program has improved since Agricultural Minister Tkachyov was appointed in May 2015.

<sup>4</sup> published at <http://regulation.gov.ru/projects#npa=45790> on February 2, 2016

<sup>5</sup> For more information about types of agricultural producers in Russia please see Gain Report [RS1593 Classification of Agricultural Producers in Russia](#)

to increase production capacity in accordance with the plan. However, as mentioned above, the 2016 Federal budget might be adjusted as well as the Program of Agricultural Development. The weak and volatile ruble, expensive investment capital, and the high level of uncertainty in terms of the state support will likely constrain imports of live cattle in 2016.

In addition, as part of the import substitution policy, GOR has amended the rules of the support program of the cattle breeders, and excluded the imported cattle from the list of purebred breeding livestock eligible for subsidies. Only companies, who purchase cattle from domestic breeders, can receive subsidies for breeding stock purchases and maintenance. According to industry contacts the change in the policy resulted in 30 percent increase of farmers' expenses for imported cattle that, coupled with ruble depreciation, made imports of breeding cattle extremely expensive. Modern dairy farmers generally prefer imported breeding cattle because of the ability to source large numbers of quality breeding stock.

In 2015 Russia imported 100,000 head of bovine animals, including 59,895 steers (HS code 010229), mostly for feedlots managed by Miratorg in the Briansk and Oryol regions. In 2015, Australia increased its beef cattle exports to Russia by 72 percent year-on-year to 54,605 heads. However, it is unclear if companies will have the need and capacity to purchase at the same levels in 2016. Suppliers from the EU increased their breeding dairy cattle shipments to Russia by 12.82 percent to 28,177 heads. Key exporters of breeding dairy cattle from the EU were the Netherlands (9,564 heads); Germany (8,476 heads), Denmark (3,017 heads).

Cattle exports from Russia are expected at 2015 levels (e.g. 25,000 heads). Most of the cattle originates from southern regions of Russia (Dagestan, Krasnodarsky Krai) and are destined for meat processing plants in Azerbaijan.

## **Beef**

Table 2. Russia: Beef and Veal Production, Supply & Distribution (1,000 MT CWE)

Meat, Beef and Veal Market Begin Year  Russia	2014		2015		2016	
	Jan 2014		Jan 2015		Jan 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Slaughter (Reference)</b>	6,750	6,750	6,680	6,660	6,360	6,450
<b>Production</b>	1,370	1,370	1,355	1,355	1,300	1,310
<b>Total Imports</b>	929	929	700	630	735	630
<b>Total Supply</b>	2,299	2,299	2,055	1,985	2,035	1,940
<b>Total Exports</b>	10	10	8	10	10	10
<b>Human Dom. Consumption</b>	2,289	2,289	2,047	1,975	2,025	1,930
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	2,289	2,289	2,047	1,975	2,025	1,930
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	2,299	2,299	2,055	1,985	2,035	1,940

(1,000 HEAD; 1,000 MT CWE)

NOTE: Not Official USDA data;

Official USDA data is available at <http://apps.fas.usda.gov/psdonline/>

## **Beef Production**

FAS/Moscow forecasts 1.31 MMT CWE of Russian beef production in 2016: 45,000 MT CWE less than the 1.355 MMT CWE produced in 2015. Beef production continues declining due to limited access to long-term credit for investment in new stock. The poultry and pork sectors are more attractive for investors due to shorter payback periods compared to beef projects, which has led to a shrinking share of beef in total domestic production. FAS/Moscow estimates that beef will account for approximately 17 percent of total meat production in 2016 compared to pork's 35 percent share and poultry's 48 percent<sup>6</sup>.

In addition to financial constraints, beef production declines because there are fewer cattle for slaughter each year. Cattle inventories decline at commercial industrialized dairies because producers have successfully improved per-cow milk yields. Herds are also shrinking at household farms due to negative demographic trends in Russian rural areas. As mentioned above dairies supply more than 90 percent of cattle to meat production plants, and the stagnation of cattle numbers in the milk production sector results in the decline of beef production.

Beef-cattle projects started in the country less than a decade ago. In contrast to dairy, beef cattle inventories have been growing since 2006. Federal and regional authorities support the implementation of beef cattle projects, and GOR has recently confirmed its commitment to the development of the beef cattle sector and distributed 5.5 billion rubles (approximately 0.7 billion USD<sup>7</sup>) from the federal budget

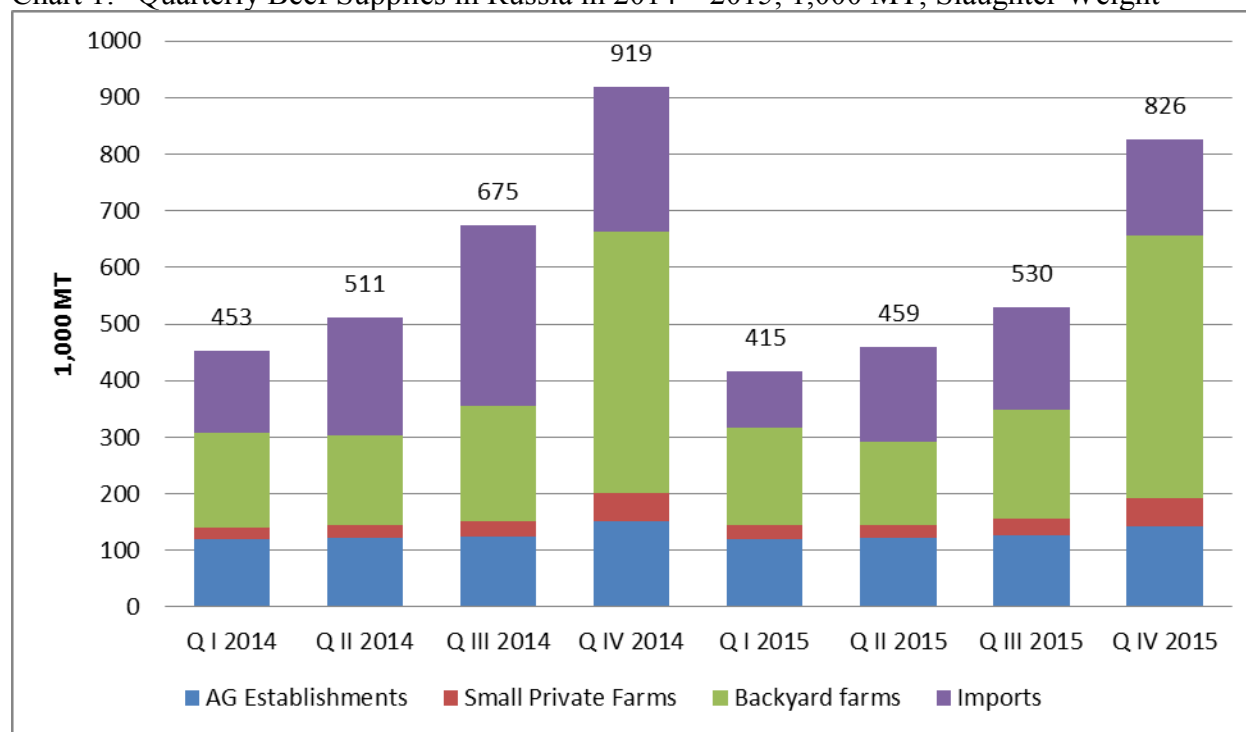
<sup>6</sup> In 1990, the cattle herd (dual-purpose beef and dairy breeds) exceeded 60 million head and the share of beef in total meat production accounted for 50 percent (compare to 40 percent share for pork, and 10 percent for poultry)

<sup>7</sup> Official exchange rate on 02.25.2016 is 76.39 rubles re one US dollar [http://www.cbr.ru/currency\\_base/daily.aspx](http://www.cbr.ru/currency_base/daily.aspx)

specifically for partial reimbursement of the interest rate for long-term credits taken by beef-cattle businesses<sup>8</sup>. In 2015 beef production increased only in those regions where leading companies implement their beef-projects: Bryansk (+50,000 MT live weight), Voronezh (+5,000 MT live weight), and Orel (+10,000 live weight).<sup>9</sup> ABH “Miratorg” is expanding its beef production in Bryansk, Kaluga, Kaliningrad and Orel regions. The “Zarechnoye” Group of Companies continues its project in Voronezh region.

New beef projects of a smaller scale started in Bashkortostan, Kalmykia, Orenburg, Omsk, and Leningrad regions. However, the share of beef cattle in total inventories remains low (according to various estimates between 6 and 10 percent); consequently, the decline in dairy cattle overshadows the growth in beef.

Chart 1: “Quarterly Beef Supplies in Russia in 2014 – 2015; 1,000 MT; Slaughter Weight”



Source

: FAS/Moscow estimate based on Rosstat and Federal Customs Service data

## Beef Trade

FAS/Moscow forecasts 2016 beef imports to remain at the level of 2015, or 630,000 MT CWE. Beef imports decreased by 300,000 MT CWE in 2015, or 33 percent compared to 2014 because of a decline in consumer demand for beef in the stressed economy. Beef accounted for approximately 49 percent of all Russian meat imports in 2015 and the share of beef is anticipated to grow to 55-56 percent in 2016 due to continued reduction of pork and poultry shipments from foreign suppliers. The continued impact of the economic shocks of 2014-2015 will reduce beef consumption, but at a slower pace in 2016. Beef supplies from domestic producers are also expected to decline due to issues related to the performance of the industry. Domestic producers have enough capacity to meet

<sup>8</sup> GOR Order # 224-p dated Feb, 15 2016 <http://government.ru/docs/21821/>

<sup>9</sup> Please refer to Table 5 for detailed information.

approximately 68 percent of the projected demand in 2016, so there is a market for non-restricted suppliers.

In 2015, the GOR extended a ban on a variety of agricultural products (including beef, HS codes 0201, 0202, and 0210) from the United States, Canada, the European Union, Australia, and Norway until August 6, 2016 ([RS1540 Russian Food Ban Extended Until August 2016](#)). In August 2015 Prime Minister Medvedev also signed a decree that expanded the list of countries that fall under restrictions to include Albania, Montenegro, Iceland and Liechtenstein.

On January 1, 2016, Ukraine implemented the full-scale Deep and Comprehensive Free Trade Agreement (DCFTA); effective the same date, Russia cancelled its Free Trade Agreement with Ukraine and banned imports of a number agricultural products, including beef<sup>10</sup>. Ukraine shipped 35,507 MT (CWE) of beef to Russia in 2015, including 22,751 MT (CWE) of frozen beef HS code 0202, and 11,564 MT (CWE) of chilled beef HS code 0201; this share will be likely redistributed between other non-restricted suppliers.

If there are no new shocks in the currency rates or additional trade restrictions<sup>11</sup> in 2016, exporters from Latin America and Eurasian Economic Union (EAEU) will likely be able to maintain the shares, which they managed to obtain in the falling market of 2015. Belarus increased its beef exports to Russia by 10 percent in January-October 2015, and shipped 174,198 MT CWE during these months; 76 percent of these shipments were fresh or chilled beef<sup>12</sup>. In 2015, Russia imported 442,487 MT CWE<sup>13</sup> of beef from non-EAEU countries, mostly from Brazil (229,795 MT CWE and Paraguay 132,294 MT CWE). India started exports of frozen bovine meat (HS code 02023000) in 2015 and gained two percent of Russian imports by shipping 13,470 MT CWE.

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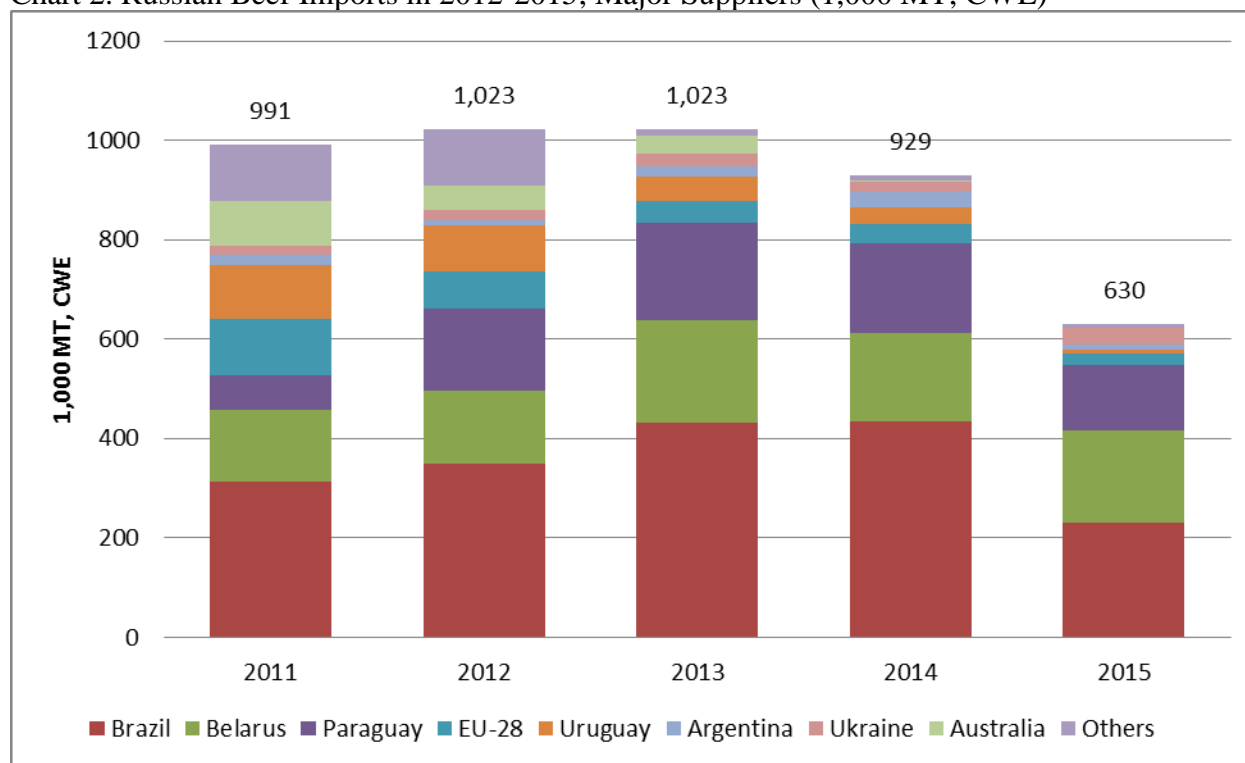
<sup>10</sup> The ban is similar to the trade restrictions imposed on a number of Western countries until August 2016. The list of banned agricultural includes product groups under the following HS Codes: 0201, 0202, 0203, 0207, 0210, 0301, 0302-0308, 0401-0406, 0701-0714, 0801- 0811, 0813, 1601, 190190 and 210690

<sup>11</sup> Import restrictions due to sanitary and veterinary reasons have become frequent in trade with Russia. E.g. on January 14, 2016 Rosselkhozadzor imposed temporary restrictions on beef supplies from the major Brazilian beef producer JBC SA due to sanitary reasons. Actual information on trade restrictions due to SPS reasons is available on the official web-site <http://www.fsvps.ru/fsvps/importExport/brazil>

<sup>12</sup> Source: Belstat

<sup>13</sup> Source: Federal Customs Service of Russia

Chart 2. Russian Beef Imports in 2012-2015; Major Suppliers (1,000 MT; CWE)



Source

s: Federal Customs Service of Russia; Belstat

Roughly 75 percent of all Russian beef imports in 2015 was frozen beef (HS Code 0202), of which 49 percent (228,016 MT CWE) was supplied by Brazil and 28.5 percent (132,214 MT CWE) by Paraguay. Belarus and Ukraine were the major suppliers of chilled beef (HS Code 0201) in 2015: Russia imported 128,856 MT CWE from Belarus and 11,564 MT CWE from Ukraine. According to the market research agency EMEAT ([“EMEAT”](#)), 65.3 percent of Tariff Rate Quotas (TRQ) for frozen beef (HS Code 0202) and 15 percent of TRQ for chilled beef were utilized in 2015.

FAS/Moscow forecasts Russian beef exports at 10,000 MT CWE in 2016. Some growth is possible in premium beef exports; leading beef producers are searching for new markets because the demand for premium beef remains rather soft in the domestic market. Russia is pursuing markets for halal beef in the Arab Gulf and Iran. For example, the veterinary authorities of the United Arab Emirates officially approved ABH “Miratorg” as a beef exporter in late 2015. In 2015 Russia exported beef to Kazakhstan, Belarus, Georgia and Azerbaijan.

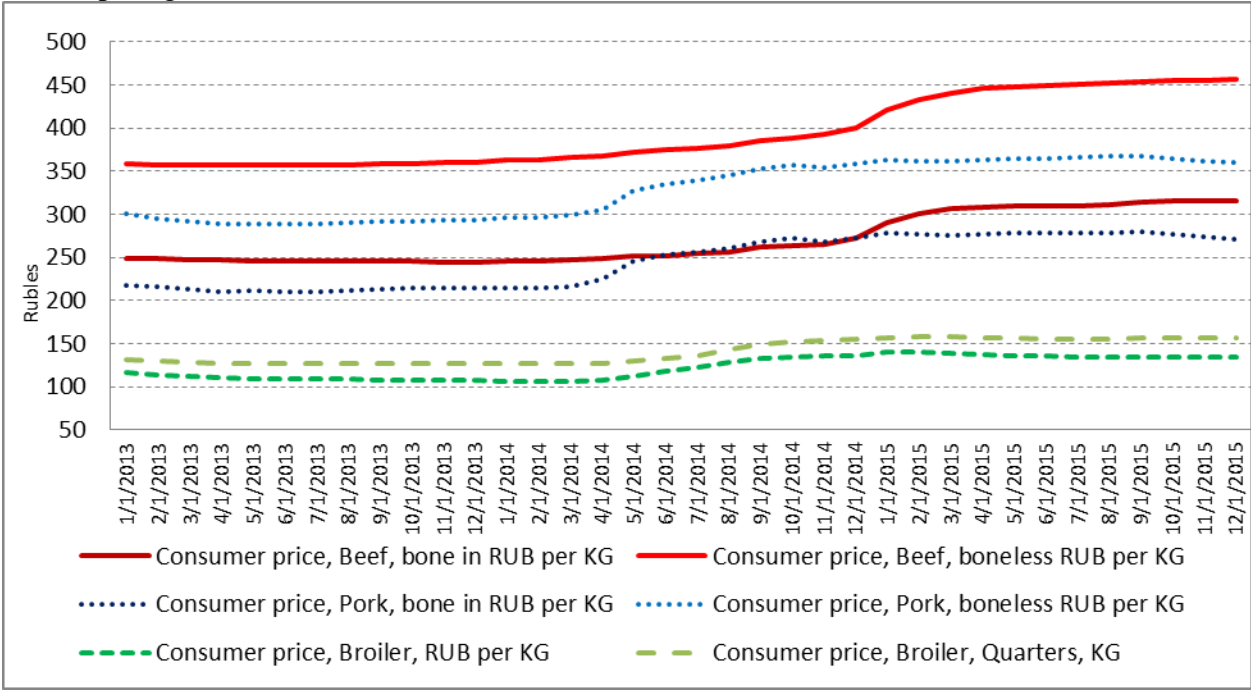
# Beef Consumption

Beef consumption is forecast to decrease to 1.930 MMT CWE, by 2.3 percent in 2016, from 1.985 MMT CWE in 2015, which was approximately 14 percent decline year-on-year. Beef is the most expensive commodity in the meat category, and reduction of the purchasing power had the strongest negative impact on beef consumption compared to other meats. Consumers switched to more affordable poultry and pork in 2015, and the pattern is anticipated to persist in 2016.

In 2015 Russia imported approximately 32 percent of beef it consumed. According to “EMEAT”, the average wholesale ruble price for imported beef (excluding imports from Belarus) increased by 17.2 percent in 2015; ruble depreciation was the key driver of the price growth. Prices for bovine meat in Russia are strongly correlated with the prices for the imported products, because domestic producers have enough capacity to meet only about 68 percent of the existing demand for beef (compare with 95 percent country’s self-sufficiency in broiler meat and 87 percent in pork).

Rosstat shows that the average retail price for bone-in beef grew by 8.42 percent in 2015 from 290.47 rub/kg to 314.26 rub/kg. The price for boneless beef increased 8.47 percent, from 420.48 Rub/kg to 456.11 Rub/kg. The average consumer prices for pork, on the contrary declined in 2015, e.g. the average retail price for bone-in pork decreased by 2.6 percent from 278.32 rub/kg in January 2015 to 271.08 rub/kg in December; the average retail price for boneless pork also declined from 362.86 Rub/kg to 359.4 rub/kg. Prices for broiler carcasses also decreased in 2015 by 4.56 percent to 133.73 rub/kg in the end of the year.

Chart 3. Comparison of Consumer Prices in Russia for Beef, Pork, and Broiler meat in 2013 – 2015 (rubles per kg.)



Source

: Rosstat

## Swine

Table 3. Russia: Swine Numbers, 1,000 Head

Animal Numbers, Swine Market Begin Year  Russia	2014		2015		2016	
	Jan 2014		Jan 2015		Jan 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	19,081	19,081	19,405	19,405	20,125	21,267
Sow Beginning Stocks	2,355	2,355	2,400	2,420	2,420	2,480
Production (Pig Crop)	37,000	37,000	38,650	39,760	39,750	40,501
Total Imports	8	8	1	2	1	2
Total Supply	56,089	56,089	58,056	59,166	59,876	61,770
Total Exports	0	0	0	2	0	0
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	34,750	34,750	35,800	35,800	37,400	37,770
Total Slaughter	34,750	34,750	35,800	35,800	37,400	37,770
Loss	1,934	1,934	2,131	2,098	2,251	2,300
Ending Inventories	19,405	19,405	20,125	21,267	20,225	21,700
Total Distribution	56,089	56,089	58,056	59,166	59,876	61,770

(1000 HEAD)

NOTE: Not Official USDA data;

Official USDA data is available at <http://apps.fas.usda.gov/psdonline/>

## **Swine production**

FAS/Moscow anticipates the swine herd to grow to 21.7 million head in 2016, which is a 2 percent increase year-on-year. The swine herd at large commercial plants has been growing over the last decade, but the inventories at backyard farms have been declining; both trends will continue in 2016.

In 2016 the swine inventories will be growing at slower pace compared to 2015 because as some new projects were put on hold due to reduced profitability in the sector and state budget cuts for financial support of pork producers<sup>14</sup>. Competition between local producers will most likely intensify because the supply of domestic and low-priced, non-banned imported pork will continue growing and pressure the prices and the margins. The current market is stressed by the reduced purchasing power of Russian consumers, and consumer price growth for pork is unlikely due to increased elasticity of demand and competition from other proteins (broiler, turkey and even dairy products). Bankruptcies of less efficient

<sup>14</sup> The 2016 Federal Budget had allocated 28.6 billion rubles for partial reimbursement of the interest rates for investment credits, which companies borrowed for production and processing expansion and modernization projects in poultry and pork sectors. However, on 02.15.2016 GOR issued the Order #225-p <http://government.ru/media/files/A8at0kGsVNIkci50MV00OPex0BJsmA3.pdf> ; and distributed 25.8 billion rubles for this purpose, which is 9.8 percent less than GOR initially planned.

producers struggling with low sales prices are possible. Some financially struggling companies may have to stop their operations and slaughter swine early, which would lower the average operational performance indicators in the industry (e.g. piglets per sow, slaughter weights) in 2016 compared to 2015.

Swine inventories at all types of farms grew by 9.6 percent during 2015 to 21.267 million head, mostly as a result of investments in the previous years. The National Union of Pork Producers (NUPP) reports that swine inventories at 20 major companies<sup>15</sup> increased by 1.5 million heads as new production facilities started operations. Smaller industrialized producers also increased their inventories by approximately 0.5 million heads.

At the same time swine inventories declined at backyard farms to 4.154 million head in October 2015, an 8.42 percent decline year-on-year, mostly due to African Swine Fever (ASF). ASF has become 'endemic' in the country since spreading into the North Caucasus in November 2007<sup>16</sup>.

Rosselkhoznadzor registered 84 outbreaks in 2015, including ones in important pork producing regions such as Kursk, Krasnodarsky Kray, Bryansk. Most of the cases were detected at backyard farms, which fail to meet bio-security requirements. Despite the implementation of strict preventive measures, large commercial farms are also at risk. For example, the disease impacted the operations of the third largest pork producer in the country, "Cherkizovo", in 2015. Two company farms in Voronezh and Oryol regions were closed during 2015 after ASF had been detected there in December 2014 and the company had to terminate approximately 50,000 heads. In January 2016 ASF cases have been registered in two new regions – Penza oblast and Leningrad oblast, and ASF-related risks remain high in 2016.

Regional authorities encourage household farms to suspend swine farming activities and switch to alternative types of farming. For example, in November 2015 the Governor of Oryol region signed a regional government order, "The Comprehensive African Swine Fever Prevention and Control Action Plan", to combat the unfavorable epidemiological situation in Oryol Oblast. Regional veterinary authorities in cooperation with the region's ministry of agriculture must finalize the plan to transition backyard pork farms operations to alternative products by March 2016. All pork farms must be transferred to non-free range farming type. Small household farms will be unlikely to find the funds required for alternation of their facilities and change operations in accordance with new bio-security requirements. Another example of regional response is a program in Tver region, where authorities have allocated funds for reimbursement up to 24 percent of expenses for purchases of cattle, goats, sheep, or poultry by backyard pork farmers with an obligation from them to halt all pork-farming activities for three years. Similar policies led to suspension of pork production at small household farms in other affected regions in the past. The loss of animals due to ASF and prevention policies will result in continued decline of swine inventories at household farms in 2016.

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<sup>15</sup> For more information please refer to Table 9 of the Report

<sup>16</sup> [http://www.fsvps.ru/fsvps-docs/ru/iac/asf/2015/asf\\_chronology\\_15.pdf](http://www.fsvps.ru/fsvps-docs/ru/iac/asf/2015/asf_chronology_15.pdf)

## Swine Trade

In 2015 Russia imported purebred breeding swine<sup>17</sup> HS Code 010310 from Canada (1,377 heads), Norway (583 heads) and Belarus (471 heads). Producers buy breeding stock and genetic materials from local breeding farms, including from operations owned by international companies. NUPP reports that 95 percent of breeding animals and genetic material for pork production in 2015 originated from Russia. According to industry contacts, producers are interested in having purebred breeding hog shipments restored from the traditional suppliers, although there is no demand for slaughter animals in the current market<sup>18</sup>.

Russia exported 2,678 heads in 2015 to Ukraine and Kazakhstan, 94 percent of which was commercial swine (HS codes 010391 and 010392).

## Pork

Table 4. Russia: Pork Production, Supply & Distribution (1,000 MT CWE)

Meat, Swine Market Begin Year  Russia	2014		2015		2016	
	Jan 2014		Jan 2015		Jan 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Slaughter (Reference)</b>	34,750	34,750	35,800	35,800	37,400	37,770
<b>Production</b>	2,510	2,510	2,630	2,615	2,780	2,675
<b>Total Imports</b>	515	515	300	407	200	355
<b>Total Supply</b>	3,025	3,025	2,930	3,022	2,980	3,030
<b>Total Exports</b>	1	1	1	7	1	10
<b>Human Dom. Consumption</b>	3,024	3,024	2,929	3,015	2,979	3,020
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	3,024	3,024	2,929	3,015	2,979	3,020
<b>Total Distribution</b>	3,025	3,025	2,930	3,022	2,980	3,030

(1000 HEAD; 1000 MT CWE)

NOTE: Not Official USDA data;

Official USDA data is available at <http://apps.fas.usda.gov/psdonline/>

## Pork Production

FAS/Moscow forecasts 2 percent growth in pork production in 2016 to 2.675 MMT. Leading producers, who currently account for 60 percent of industrial pork production in Russia invested sufficient funds in modernization and expansion of the production facilities in the past years. Some companies completed

<sup>17</sup> The import ban imposed by the GOR in August 2014, and extended until August 2016, does not include cattle or live swine, bovine and pig semen and embryos. However, shipments of live swine from the EU have been restricted due to ASF and from the United States because of PED. As a result, live swine imports dramatically declined from 88,869 head in 2013 to just 7,606 head in 2014 and only 2,431 head in 2015.

<sup>18</sup> For reference: in 2013, a benchmark year in terms of the live swine trade in Russia, the country imported 18,373 head of purebred swine (HS Code 010310), and 67,198 commercial swine (HS codes 010391 and 010392)

construction in the second half of 2015; now these projects are coming into fruition and contributing to on-going production growth<sup>19</sup>. On the other hand, small household farms, severely impacted by ASF and competition from more efficient industrial companies, will continue to decrease pork production. However, the growth in the industrial sector is anticipated to offset the decline in household output as leading companies continue expansion.

FAS/Moscow has decreased its previous 2016 production forecast from 2.870 MMT to 2.675 MMT (CWE) or from 6.0 to 2.3 percent annual growth due to possible closures of less efficient businesses, and also because several new projects were suspended due to reduced profitability in the sector and confirmed cuts in government subsidies.

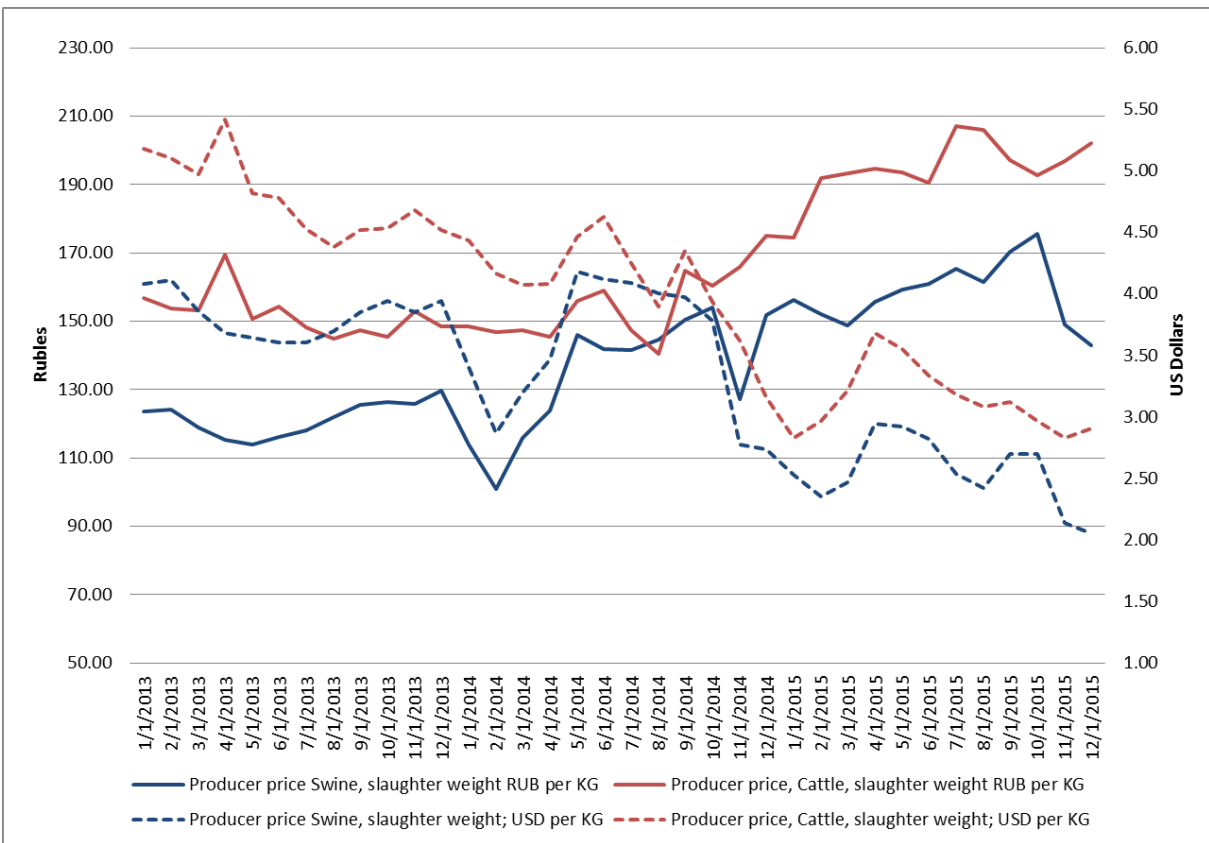
In 2015 total pork production reached 2.615 MMT CWE, or 4.2 percent year-on-year growth. Large industrialized pork producers expanded production by approximately 170,000 MMT CWE, increasing output by 8.3 percent, while the small private farms and household farms produced 65,000 MMT CWE less. According to NUPP, industrial producers increased their share in total domestic pork production from 28 percent in 2005 to 80 percent in 2015. Experts predict further decrease of pork production at household and small private farms by another 300,000 MT (live weight) before 2020.

Pork consumption was growing before 2014, and the market was favorable for both highly and less efficient domestic pork businesses. In particular, pork prices rose after the trade restrictions of 2014, and domestic pork producers were earning margins up to 60 percent. However, the current market has changed; in 2015 accelerated inflation and ruble depreciation increased expenses for equipment, feeds, veterinary drugs, vaccines, transportation, and utilities. At the same time, opportunities for price increases are limited due to weak consumer purchasing power and persistent price competition from non-banned imports. The average ruble price for pork carcasses in January 2016 was 14.3 percent lower than in January 2015 (source: EMEAT).

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<sup>19</sup> For more information please refer to Table 9 of the Report

Chart 4. Comparison of Producers' Prices in Russia for Beef and Pork in 2013 – 2015 (rubles per kg. and US dollars per kg.)

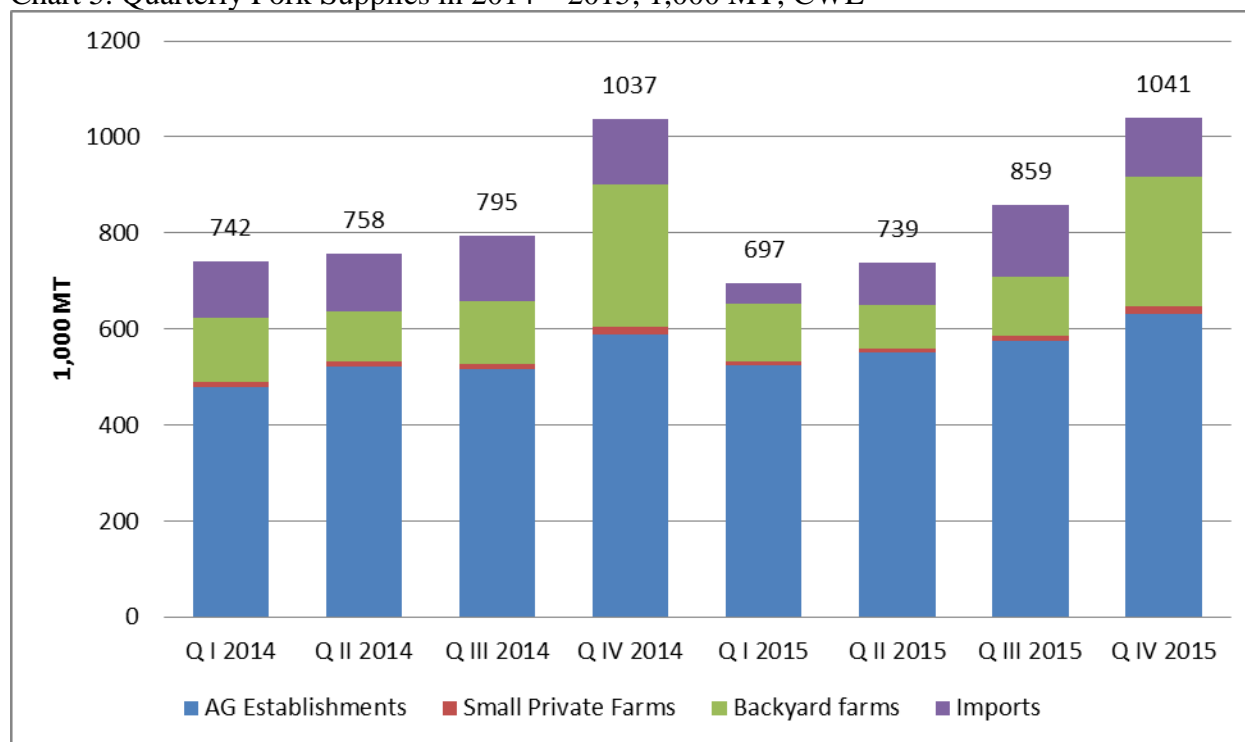


Source: Rosstat

These trends had a negative impact on margins in 2015, which are expected to tighten further in 2016. Competition between industrialized pork producers will most likely intensify, and more efficient companies will continue their expansion as less efficient producers shrink<sup>20</sup>. Some financially struggling companies and household farms in the ASF affected regions may have to stop their operations and slaughter swine early, which would lower the average operational performance indicators in the industry, the average slaughter weights may decline in 2016 compared to 2015.

<sup>20</sup> There is a significant difference in operational performance of the most and least efficient pork producers. Please refer to Table 8 of the Report for more information.

Chart 5. Quarterly Pork Supplies in 2014 – 2015; 1,000 MT; CWE



Source

: FAS/Moscow estimate based on Rosstat and Federal Customs Service data

## Pork Trade

FAS/Moscow forecasts pork imports to decline to 355,000 MT CWE in 2016, a 13 percent reduction from 407,000 MT CWE imported in 2015, when volumes dropped by 20 percent (or 108,000 MT CWE). Imports are anticipated to decline in 2016 because local pork production is growing while no significant improvement in consumer demand for pork is expected.

Effective trade restrictions continue to influence pork trade with Russia in 2016. Pork (HS Codes 0203 and 0210) is included in the food import bans currently in place until August 2016. Additionally, pork trade is limited due to numerous SPS restrictions imposed by Rosselkhoznadzor. Few countries have continued to ship pork to Russia in comparable volumes to previous years: Brazil (305,627 MT CWE; +26.63 % annual growth), Ukraine (35,285 MT CWE; +494%), Chile (30,805 MT CWE; -3.22 % decline), Serbia (15,163 MT; -24.26 % decline), China (6,026 MT CWE; +30%). Frozen pork – HS Codes 020329 and 020321 – comprised 90 percent of total pork imports in 2015 with 60 percent of pork TRQs utilized.

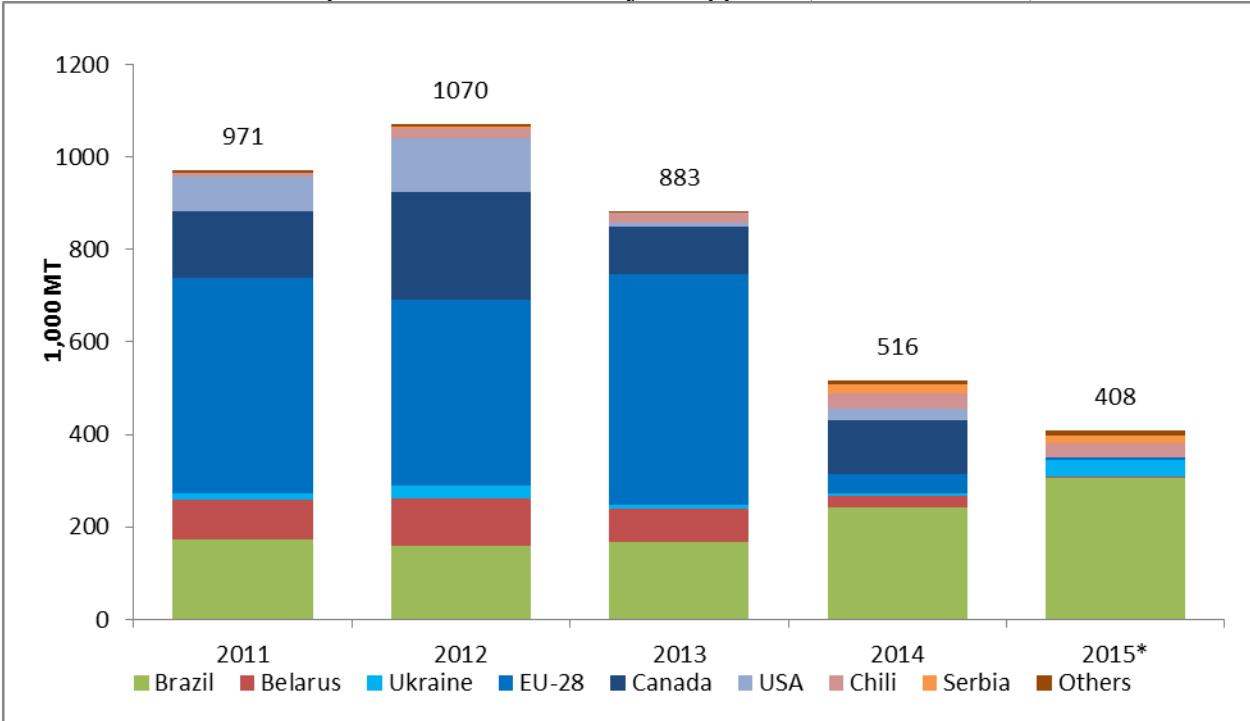
Ukraine increased exports of HS 020311 “Carcasses and Half-Carcasses of Swine Fresh, Chilled” to Russia, shipping 18,788 MT CWE in 2015. Ukrainian products accounted for 94 percent of fresh or chilled pork that Russia imported last year, but the trade has stopped since January 2016 due to restrictions related to ASF and the GOR ban related to trade regime changes in Ukraine<sup>21</sup>. Other

<sup>21</sup> For more information about effective trade restrictions refer to the “Beef Trade” section of the Report

exporters are unlikely to increase shipments of fresh pork in 2016 because domestic producers have the capacity to substitute this product group with locally produced meat.

FAS/Moscow raised its previous estimate of 2015 pork imports to 407,000 MT CWE, which is still 20 percent decline year-on year. Despite the currency risks associated with import operations in volatile economy, the dramatic drop of world pork prices keep imported products competitive. Average prices for pork in international markets declined in 2015 by 17 percent; most strikingly, in December 2015 price for Brazilian pork in US dollars (CIF St. Petersburg) dropped 44 percent lower than in December 2014<sup>22</sup>. In January 2016 the average price for pork half-carasses produced in Russia was 2.03 USD /kg (148.2 rubles/kg) compared with 1.39 USD/kg. (101,7 rubles/kg) for pork half-carasses in Brazil.

Chart 6. Russian Pork Imports in 2012-2015; Major Suppliers (1,000 MT; CWE)



Source

s: Federal Customs Service of Russia; Belstat

### Pork Consumption

FAS/Moscow forecasts 3.020 MMT CWE pork consumption in 2016, which is almost flat compared to 3.015 MMT CWE in 2015. Downward trends in world pork prices and price-sensitive consumer demand for meats in Russia resulted in better than expected pork consumption in 2015: a minor 0.3 percent decrease year-on-year<sup>23</sup>. Pork most likely will remain a better-priced alternative to beef in 2016 and the share of pork in total meat consumption will be stable next year.

Demand for pork and other meats fluctuates somewhat seasonally in Russia; it usually declines during Orthodox fasting in spring, grows during barbeque season in May, remains stable in summer months,

<sup>22</sup> Source "EMEAT"

<sup>23</sup> Compare to 14 percent decline in beef consumption

and, finally, peaks before the New Year holidays. However, in 2015 wholesale prices for pork half-carasses peaked in June at 190 rubles per kg and declined to approximately 148 rubles/kg by the end of the year, leaving the average producer price for pork carcasses in January 2016 14.3 percent lower than in January 2015<sup>24</sup>. The downward price trends reflect the consumer demand patterns that were shaped in response to economic crisis. Russian consumers shifted their preferences to less expensive products, buying more poultry than pork and more pork than beef.

The average ruble consumer price for pork declined by approximately 2 percent in the beginning of 2015 and remained relatively stable, with a noticeable downward trend throughout the year. On average retail pork prices were 30-40 percent higher than poultry prices, but 15-20 percent lower than prices for comparable beef cuts. Pork became a better-priced alternative for beef and the share of pork in total meat consumption remained stable the year at approximately 34 percent of total consumption of the most popular meats. While the share of poultry increased from 40 to 44 percent, the share of beef dropped from 26 to 22 percent. The anticipation is that pork will remain in demand as a beef substitute because leading pork producers, who now compete for the market shares with each other and non-banned exporters, will continue to increase supplies of reasonably priced pork in 2016.

#### Related Reports of Interest

[RS1606 - 2016 Poultry and Products Semi-Annual](#)

[RS1601 Grain and Feed January 2016 Update](#)

[RS1561 - 2015 Livestock and Products Annual](#)

[RS1584 2015 Dairy and Products Annual](#)

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<sup>24</sup> Source “EMEAT”. Note, that average price for broiler carcass (in rubles) also dropped by 9.9 percent between January 2015 and 2016.

## Production Tables

Table 5. Agricultural Production Summary 2014 - 2015, All Farm Types

	2014	2015	2015 to 2014, % change
<b>All Farm Types</b>			
Cattle, swine and poultry production; live weight; 1,000 MT	12,912.4	13451.4	4.2%
Raw Milk; 1,000 MT	30790.9	30781.1	-0.1%
Eggs; million pc	41,860.0	42,523.6	1.6%
Livestock count as of Jan 1st 2016;1,000 heads:			
Cattle	19,264.3	18,963.2	-1.60%
Including cows	8,531.1	8,379.2	-1.78%
Swine	19,546.1	21,419.2	9.6%
Sheep and goats	24711.2	24,528.4	-0.74%
Poultry	527,326.0	547,202.8	3.8%
<b>Agricultural Establishments</b>			
Cattle and poultry production; live weight; 1,000 MT	8,924.0	9,563.3	7.2%
Raw Milk; 1,000 MT	14,364.9	14,713.3	2.4%
Eggs; million pc	32,563.0	33,361.7	2.5%
Livestock count as of July 1st 2015; 1,000 heads:			
Cattle	8,523.2	8,437.3	-1.08%
Including cows	3,439.6	3,385.0	-1.58%
Swine	15,588.2	17,597.6	12.9%
Sheep and goats	4,368.9	4,226.7	-3.24%
Poultry	425,374.3	444,984.7	4.6%
<b>Private Households</b>			
Cattle and poultry production; live weight; 1,000 MT	3,542.9	3,422.1	-3.411%
Raw Milk; million MT	14,507.7	14,033.1	-3.27%
Eggs; million pc	8,976.437	8785.11	-2.13%
Livestock count as of July 1st 2015; 1,000 heads:			
Cattle	8,595.98	8,309.56	-3.33%
Including cows	4,005.45	3,873.61	-3.29%
Swine	3,536.38	3,390.15	-4.13%
Sheep and goats	11,556.0	11,590.4	0.60%
Poultry	120.7	121.3	0.3%
<b>Private (Peasant) Farms</b>			
Cattle and poultry production; live weight; 1,000 MT	445.5	466.0	4.6%
Raw Milk; 1,000 MT	1,918.34	2,034.71	6.1%
Eggs; million pc	320.6	376.8	7.5%
Livestock count as of July 1st 2015; 1,000 heads:			
Cattle	2145.125	2216.411	3.3%
Including cows	1,086.1	1,1120.6	3.2%
Swine	421.5	431.5	2.4%
Sheep and goats	8786.743	8711.276	-0.86%
Poultry	8,251.004	9,271.978	12.4%

Source: Rosstat

Table 6. Cattle Production for Slaughter in 2014-2015; All Farm Types (live weight, 1,000 MT Federal Districts)

	All Farm Types			Agricultural Establishments		
	2014	2015	Change 2015 to 2014; %	2014	2015	Change 2015 to 2014; %
RUSSIAN FEDERATION*	2,884.7	2.849	-1.23%	925.3	906.3	-2.04%
CENTRAL DISTRICT	437.43	479.3	9.56%	213.2	268.4	25.87%
NORTHWEST DISTRICT	91.13	86.79	-4.76%	60.26	57.51	-4.57%
SOUTHERN DISTRICT	382.00	374.43	-1.97%	80.09	66.28	-17.25%
NORTH-CAUCASIAN FEDERAL DISTRICT	288.0	284.3	-1.27%	33.94	28.02	-17.46%
THE VOLGA FEDERAL DISTRICT	891.39	863.25	-3.16%	298.80	272.09	-8.93%
URAL FEDERAL DISTRICT	180.08	166.16	-7.72%	60.56	50.36	-16.82%
SIBERIAN FEDERAL DISTRICT	556.42	543.62	-2.30%	168.74	155.7	-7.75%
FAR EASTERN FEDERAL DISTRICT	58.24	51.1	-12.26%	3.15	2.3	-27.01%

Source: Rosstat (excluding Crimea production)

Table 7. Swine Production for Slaughter in 2014-2015; All Farm Types (live weight, 1,000 MT Federal Districts)

	All Farm Types			Agricultural Establishments		
	2014	2015		2014	2015	
RUSSIAN FEDERATION	3,774.5	3, 39.0	4.3%	2,847.4	3,097.0	8.3%
CENTRAL DISTRICT	1,700.9	1,819.4	7.0%	1,585.8	1,715.3	8.2%
NORTHWEST DISTRICT	217.5	244.5	12.4%	92.4	234.9	14.9%
SOUTHERN DISTRICT	200.8	207.7	3.4%	122.9	138.4	12.6%
NORTH-CAUCASIAN FEDERAL DISTRICT	82.7	75.9	- 8.19%	42.2	40.4	-4.25
THE VOLGA FEDERAL DISTRICT	691.3	697.8	0.9%	440.9	470.1	6.6%
URAL FEDERAL DISTRICT	258.9	1269.9	4.2%	168.0	182.8	8.8%
SIBERIAN FEDERAL DISTRICT	571.3	573.9	0.5%	265.9	282.4	6.2%
FAR EASTERN FEDERAL DISTRICT	51.1	50.0	-2.2%	17.3	19.7	14.1%

Source: Rosstat (excluding Crimea production)

Table 8. Comparison of performance Indicators at modernized, average and non-modernized pork production plants in Russia in 2015

Indicator	Highly Efficient	Efficient	Non-modernized
Pigs born alive per sow per year; heads	28.7	24	18
Annual meat production per sow; kg.	2150	2016	1400
Daily weight gain, gram	800	680	520
Feed conversion; kg.	2.9	3.6	5.6

Days between weaning to slaughter; days	170	175	200
Live to carcass weight, %	75	73	69
Lean meat per carcass, \$	60	58	52
Costs per 1 kg (live weight); \$ per kg.	0.9 --1.0	1.2 --1.3	1.3 – 1.5

Source: National Union of Pork Producers <http://www.nssrf.ru/>

Table 9. List of 20 largest Russian pork-producing companies in 2015\*

# in 2015	Company Name	Pork Production in <b>2014</b> ; live weight; 1,000 MT	Pork Production in <b>2015</b> ; live weight; 1,000 MT	Change in production; Live weight 1,000 2014/15	Share in total industrial production; percent in 2014/ <b>2015</b> **
1	<a href="#">ABH “Mirtatorg”</a>	369.9	384.9	15.00	12.7 / <b>12.2</b>
2	<a href="#">"Rusagro" Group</a>	183.8	187.82	4.20	6.3 / <b>6.0</b>
3	<a href="#">“Cherkizovo” Group</a>	178	169.56	-8.44	6.1 / <b>5.4</b>
4	<a href="#">“Agro-Belogorje” Group</a>	162.9	162.85	-0.50	5.6 / <b>5.2</b>
5	<a href="#">“Sibirskaya Agrarnaya Gruppa” ZAO</a>	91.1	106.25	15.50	3.1 / <b>3.4</b>
6	<a href="#">“AgroProm Komplektatsia” Group</a>	67.3	102.13	34.83	2.3 / <b>3.2</b>
7	<a href="#">Agro Industrial Holding “KoPitania”</a>	80.6	93.20	12.60	2.8 / <b>3.0</b>
8	<a href="#">“Velikolukskiy Pork Plant” LTD</a>	58.0	85.22	27.22	2 / <b>2.7</b>
9	<a href="#">“Agro Industrial Corporation Don”</a>	61.1	69,19	8.09	2.1 / <b>2.2</b>
10	<a href="#">“Ostankino” Group</a>	60.0	65.00	5.00	2.1 / <b>2.1</b>
11	<a href="#">“Agrofirma Ariant”</a>	46.8	61.90	15.10	1.6 / <b>2.0</b>

12	<a href="#">“Exima” Agro Industrial Holding</a>	58.3	61.00	2.7	2.0 / <b>1.9</b>
13	<a href="#">“Belgrankorm” LTD</a>	38.2	58.74	20.54	1.3 / <b>1.9</b>
14	<a href="#">“Agroeko” LTD</a>	33.7	55.25	21.55	1.2 / <b>1.8</b>
15	<a href="#">“Kamsky Bacon” LTD</a>	48.9	49.01	0.11	1.7 / <b>1.6</b>
16	<a href="#">“Prodo Management” LTD</a>	47.2	44.80	-2.4	1.6 / <b>1.4</b>
17	<a href="#">“Komos” Group</a>	39.7	41.72	2.02	1.4 / <b>1.3</b>
18	<a href="#">Agro Holding “Talina”</a>	40.4	41.19	0.79	1.4 / <b>1.3</b>
19	<a href="#">Agro Holding “Ohotno”</a>	34.4	39.63	5.23	1.2 / <b>1.3</b>
20	<a href="#">“Zvenigovsky SPK” LTD</a>	37.1	38.10	1.00	1.3 / <b>1.2</b>
	<b>Top 20 producers; total</b>	<b>1738</b>	<b>1917.47</b>	<b>179.47</b>	<b>59.6 / 60.8</b>
	<b>Other industrialized producers</b>	<b>1180</b>	<b>1236.58</b>	<b>56</b>	<b>39.2</b>

Source: National Union of Pork Producers <http://www.nssrf.ru/>

\*based on data available on 02.09.2016

\*\*Industrial production includes output of agricultural organizations and small-private farms

## Trade Tables

Table 10. Russian Imports of Live Cattle, Calendar Year: 2010-2015 Quantity (Head); Major Suppliers

Partner Country	Calendar Year						% Change 2014/2015
	2010	2011	2012	2013	2014	2015	
<b>World</b>	<b>37,725</b>	<b>94,468</b>	<b>137,613</b>	<b>97,023</b>	<b>74,068</b>	<b>144,168</b>	<b>94.64%</b>
United States	2,487	19,092	74,734	51,534	16,386	3,427	<b>-79.09%</b>
Australia	10,311	31,979	36,645	34,519	31,710	54,605	<b>72.2%</b>
EU-28	22,121	36,140	24,372	9,313	24,976	28,054	<b>12.3%</b>
<i>Netherlands</i>	<i>8,054</i>	<i>14,366</i>	<i>785</i>	<i>0</i>	<i>6,836</i>	<i>9,564</i>	<b>39.91%</b>
<i>Denmark</i>	<i>0</i>	<i>3,128</i>	<i>10,811</i>	<i>3,462</i>	<i>3,115</i>	<i>3,017</i>	<b>-3.15%</b>
<i>France</i>	<i>0</i>	<i>902</i>	<i>0</i>	<i>283</i>	<i>2,260</i>	<i>1,794</i>	<b>-20.62%</b>
<i>Hungary</i>	<i>6,300</i>	<i>2,288</i>	<i>3,874</i>	<i>3,513</i>	<i>1,864</i>	<i>2,556</i>	<b>37.12%</b>
<i>Slovakia</i>	<i>1,806</i>	<i>1,306</i>	<i>1,194</i>	<i>879</i>	<i>128</i>	<i>941</i>	<b>635.16%</b>
Canada	202	6,763	1,862	1,587	216	5	<b>97.69%</b>
Belarus	*267	*719	*528	*47	*1,164	5,741	<b>393%</b>
**Kazakhstan	0	0	0	0	0	50,673	<b>N/A</b>
Others	2,337	494	0	3	360	1,663	<b>360%</b>

Source: Federal Customs Service of Russia; \*Belstat

\*\* FAS/Moscow estimate of 2015 live cattle imports in Table 1 excludes 50,673 heads from Kazakhstan as data needs further verification

Table 11. Russian Imports of Live Cattle  
Calendar Year: 2010 – 2015 Quantity (Head); Types of Cattle

HS Code	Description	Calendar Year						YTD% Change
		2010	2011	2012	2013	2014	2015	
0102	Bovine Animals, Live	37,725	94,468	137,613	97,023	74,068	144,168	<b>94.64%</b>
10221 /010210	Cattle, Live, Purebred Breeding	34,730	86,534	136,982	96,894	41,804	32,995	<b>- 21.07%</b>

10229	Cattle, Live, Other Than Purebred Breeding	0	0	432	0	32,082	59,895	<b>86.69%</b>
010290	Bovine Animals, Live, Nesoi	2,995	7,394	199	69	163	647	<b>296 %</b>
010231	Buffalo, Live, Purebred Breeding	0	0	0	60	19	*50,631	<b>N/A</b>

Source: Federal Customs Service of Russia

\* FAS/Moscow estimate of 2015 live cattle imports in Table 1 excludes 50,631 heads HS Code 010231 Buffalo, Live, Purebred Breeding as data needs further verification.

Table 12. Russian Imports of Live Swine, Calendar Year: 2010-2015, Quantity (Head); Major Suppliers

Partner Country							
	2010	2011	2012	2013	2014	2015	% Change 2014/2015
<b>World</b>	<b>782,733</b>	<b>781,931</b>	<b>334,473</b>	<b>88,869</b>	<b>7,606</b>	<b>2,431</b>	<b>-68.04%</b>
Belarus	*54,233	*112,754	*103,131	*52,213	0	471	<b>N/A</b>
EU-28	721,969	663,552	226,593	29,467	2,354	0	<b>-100.00%</b>
<i>Denmark</i>	<i>18,497</i>	<i>73,039</i>	<i>77,739</i>	<i>25,759</i>	<i>814</i>	0	<b>-100.00%</b>
<i>Estonia</i>	<i>155,432</i>	<i>231,925</i>	<i>53,120</i>	<i>0</i>	<i>0</i>	0	<b>0.00%</b>
<i>Ireland</i>	<i>3,886</i>	<i>6,782</i>	<i>4,055</i>	<i>932</i>	<i>734</i>	0	<b>-100.00%</b>
<i>Germany</i>	<i>121,841</i>	<i>59,569</i>	<i>26,728</i>	<i>0</i>	<i>0</i>	0	<b>0.00%</b>
<i>Latvia</i>	<i>112,239</i>	<i>141,844</i>	<i>45,894</i>	<i>0</i>	<i>0</i>	0	<b>0.00%</b>
<i>Poland</i>	<i>9,945</i>	<i>13,102</i>	<i>8,268</i>	<i>78</i>	<i>0</i>	0	<b>0.00%</b>
Norway	0	0	0	0	465	583	<b>25.38%</b>
Canada	6,298	4,509	3,507	6,838	3,508	1,377	<b>-60.75%</b>
United States	0	1,116	1,242	351	1,279	0	<b>-100%</b>
Others	233	0	0	0	0	0	<b>n/a</b>

Source: Federal Customs Service of Russia; \*Belstat

Table 13. Russian Imports of Beef, CWE, Annual Series: 2010 – 2015 Quantity (MT); Major Suppliers

Partner country	Calendar Year						2015/2014 Change, %
	2010	2011	2012	2013	2014	2015	
<b>World</b>	<b>1,057,438</b>	<b>990,504</b>	<b>1,023,392</b>	<b>1,023,196</b>	<b>928,669</b>	<b>630,034</b>	<b>-47.4%</b>
Brazil	395,058	313,824	348,468	431,557	433,649	229,795	<b>-88.7%</b>
Belarus*	179,966	143,469	146,647	206,548	177,923	186,200	<b>4.4%</b>
Paraguay	89,725	70,669	167,258	195,210	181,730	132,294	<b>-37.4%</b>
EU-28	110,204	113,037	73,238	44,918	37,709	21,620	<b>-74.4%</b>
Uruguay	110,496	108,539	92,218	49,351	33,123	8,841	<b>-274.6%</b>
Argentina	47,506	20,859	12,506	20,768	32,165	9,260	<b>-247.4%</b>
Ukraine	17,986	17,314	19,838	23,818	19,376	35,507	<b>45.4%</b>
Australia	57,634	91,351	47,779	37,666	3,053	0	<b>-100%</b>
Others	48,864	111,441	115,438	13,360	9,941	6,517	<b>-52.5%</b>

Source: Federal Customs Service of Russia;

\*Belstat

Table 14. Russian Imports of Pork, CWE, Annual Series: 2010 - 2015 Quantity (MT); Major Suppliers

	Calendar						2015/2014 Change %
	2010	2011	2012	2013	2014	2015	
<b>World</b>	<b>915,976</b>	<b>970,654</b>	<b>1,069,870</b>	<b>882,527</b>	<b>515,993</b>	<b>407,922</b>	<b>-20.9%</b>
Brazil	291,104	172,965	159,007	167,119	241,354	305,627	<b>26.6%</b>
Belarus*	61,910	84,586	103,217	72,918	24,996	4,368	<b>-82.5%</b>
Ukraine	612	16,520	27,469	6,447	5,974	35,285	<b>490.7%</b>
EU-28	394,792	463,592	401,896	499,103	42,559	5,980	<b>-85.9%</b>
Canada	87,259	145,622	233,500	103,168	115,213	0	<b>-100.0%</b>
USA	77,227	75,421	114,325	7,718	25,935	0	<b>-100.0%</b>
Chili	2,080	6,869	24,107	22,361	31,831	30,805	<b>-3.2%</b>
Serbia	459	498	3,440	835	20,020	15,163	<b>-24.3%</b>
Others	534	4,581	2,909	2,859	8,112	10,694	<b>31.8%</b>

Source: Federal Customs Service of Russia;

\*Belstat

Table 15. Russian Imports of Beef, CWE, Annual Series: 2012 - 2015 Quantity (MT); Product types

HS CODE	Description	2012	2013	2014	2015	% Change YTD 2015/2014	% Share in 2014	% Share in 2015
	BEEF	876,745	929,841	931,229	616,564	-33.8%	100.0%	100.0%
0202	Meat Of Bovine Animals, Frozen	818,461	801,752	744,321	465,441	-37.5%	79.9%	75.5%
0201	Meat Of Bovine Animals, Fresh Or Chilled	57,631	123,131	142,163	144,026	1.3%	15.3%	23.4%
160250	Prepared Or Preserved Bovine Meat Etc. Nesoi	646	4,948	44,719	7,074	-84.2%	4.8%	1.1%
021020	Meat, Bovine Animals, Salted, In Brine, Drd, Smokd	7	11	26	23	-11.5%	0.003%	0.004%

Source: Federal Customs Service of Russia

Table 16. Russian Imports of Pork, CWE, Annual Series: 2012 - 2015 Quantity (MT); Product types

HS CODE	Description	2012	2013	2014	2015	% Change 2015/2014	% Share in 2014	% Share in 2015
	Pork	966,652	841,446	512,409	407,920	-20.4%	100.0%	100.0%
020329	Meat Of Swine, Nesoi, Frozen	749,497	664,893	407,348	325,063	-20.2%	79.5%	79.7%
020322	Meat, Swine, Hams, Shoulders Etc, Bone In, Frozen	88,539	62,697	44,467	16,923	-61.9%	8.7%	4.1%
020321	Carcasses And Half-Carcasses Of Swine, Frozen	52,469	26,935	28,087	33,753	20.2%	5.5%	8.3%
160249	Prepared Etc. Swine Meat, Offal, Etc. Nesoi	21,017	29,331	24,228	10,425	-57.0%	4.728%	2.556%
020311	Carcasses & Half-Carcasses Of Swine Fresh, Chilled	4,001	12,491	2,418	19,978	726.2%	0.5%	4.9%

16024 1	Prepared Or Preserved Swine Nesoi, Hams Etc	2,908	2,978	2,131	778	-63.5%	0.4%	0.2%
16024 2	Prepared Or Preserved Swine Nesoi, Shoulders Etc	2,091	1,889	1,687	498	-70.5%	0.3%	0.1%
02031 9	Meat Of Swine, Nesoi, Fresh Or Chilled	41,761	39,121	1,610	39	-97.6%	0.3%	0.0%
02101 9	Meat Of Swine Nesoi, Salted, In Brine, Dried, Smkd	3,045	587	222	354	59.5%	0.0%	0.1%
02101 2	Meat Of Swine, Bellies (Bacon Etc), Cured Etc	1,235	464	198	10	-94.9%	0.039 %	0.002 %
02101 1	Hams, Shoulders & Cuts, Bone In, Salted, Drd, Smkd	42	45	13	6	-53.8%	0.003 %	0
02031 2	Meat, Swine, Hams, Shldrs, Bone In, Frsh Or Chlld	47	15	0	93	0.0%	n/a	0.0%

Source: Federal Customs Service of Russia