USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Required Report - public distribution

Date: 10/26/2011

GAIN Report Number: RSATO1119

Russian Federation

Fresh Deciduous Fruit Annual

Demand Drives Russian Fruit Imports Up

Approved By:
Deanna Ayala

Prepared By:
Svetlana Ilyina

Report Highlights:

In MY 2010 (July/June), Russia became the largest importer of apples and pears in the world with a combined total of 1,521,600 MT of fruit. Fruit consumption in Russia is going up, reaching 71 kg per person in 2010. This trend is likely to continue, supported by a trend toward healthy diets in Russia. Russia produces only one third of the fruit it consumes and therefore relies heavily on imports. In MY 2011, Russian imports of apples and pears are expected to go up slightly and reach 1,115,000 metric tons (MT) and 412,000 MT, respectively. The grape import forecast is around 403,000 MT, slightly lower the 2010 level. The long terms prospects for U.S. apple, pear and grape exports is good given that Russian production is not expected to increase significantly. In the short term, U.S. exports could face challenges based on price because of the weakening of the Ruble since September.

Fruit Consumption Overview

Russians are eating more fruit and diversifying the types of fruit they consume due to increasing disposable incomes and a trend toward eating more healthy diets. In 2010, consumption of fruit in Russia increased to 71 kg per capita, up 10 percent compared with 2009, based on the Russian Federation Statistic Committee data. This is still significantly lower than consumption levels in European countries, the United States, Japan, and China. For example, according to the Economic Research Service, the typical American consumes 270 pounds (122.5 kg) of fruit and tree nuts (fresh and processed, fresh-weight basis) each year.

Fruit consumption in Russia varies widely depending on geographic location. In rural areas and cities with population under 100,000 people, Russians tend to consume locally grown fruits and vegetables where a lot of canning is traditionally done in order to preserve fruits and vegetables for out of season consumption. Fruit consumption, especially imported fruit, is substantially higher in urban areas such as Moscow, St. Petersburg and Vladivostok.

In Russia, 10.6 percent of the average food basket goes to fresh fruits. The average household's weekly spending for food products ranges from 3,632 rubles ($114.29) in Moscow to 2,809 ($89.27) rubles in a city less than 500,000 citizens, according to the RBK Department of Consulting research.

Apple

Production

Post decreased its MY 2010 (July/June) domestic apple production figure down from 1,000,000 MT (metric tons) to 910,000 MT, based on Russian Federation Statistics Committee[1] data. Severe crop damage resulting from drought in the Central region and Volga Valley and spring frosts in Krasnodarsky Kray (i.e. administrative region) exceeded the Post's previous estimates. Post also revised the balance between commercial and non-commercial production of apples for MY2009 and MY 2010 based on new data available from Statistic Committee and industry reports. In MY2010, of 910,000 MT of apples harvested in Russia, 61.5 percent (560,000 MT) were cultivated in household plots for personal consumption and 350,000 MT by agricultural enterprises and farms for further sales via commercial channels and processing.

Better weather in MY 2011 helped push the apple production forecast up toward average levels of 955,500 MT, 5 percent higher than 2010. Growers from Lipetskaya Oblast and other areas in the Central region expect to harvest 20 percent more apples than in 2010. At the same time, last year's extreme heat damaged some orchards to the extent that the trees did not flower in 2011 in some apple growing areas in South and Central Russia.

The Golden Delicious, Red Chief, Semerenka (a Russian light green sour variety), Granny Smith, Ida

[1] Post estimates are based on the Russian Federal Statistic Committee "seed type fruit" data, the All-Russia Census of Agriculture and interview with farmers

Red, Gala, and Bolshevik are the most popular varieties with growers. In September 2011, the farm gate price was 18-20 rubles ($0.63)[2] per kg, a little bit lower last year's prices. Growers stressed that they sell mostly truckloads to regional wholesalers or small wholesale shipments to local traders and families. Organized retail establishments tend to prefer imported apples because, in their view, domestic apples tend to lack quality and size, and the supply is too inconsistent to satisfy the retail chains.

The smaller-sized apples with possible damage are used in juice concentrate, puree, and jam production. In 2011, the demand for apples for processing is high because the price for Chinese juice concentrate is up. Some growers estimated that they will probably sell up to half of their harvest for processing in 2011. The price for these apples increased from 4 rubles (0.13 USD) per kg last year to 7.5 rubles (0.24 USD) per kg in 2011.

In 2010, the acreage under apple orchards declined by 3.5 percent and totaled at 217,000 hectares (ha). According to industry experts the trend will continue downward because of the abandonment of old orchards. In 2010, the average yield per hectare in Russia was around 5.2 tons per ha, because of low yields in older orchards, 75 percent of total area planted according to some industry estimations. Productivity is expected to go up due to the new traditional and intensive orchards which have started to bear fruit in big agricultural enterprises. The productivity in these orchards varied from 12 to 40 tons per hectare, and possibly more in a good year. So in perspective, in approximately 2-3 years Russia will produce bigger volumes of "first class" apples (7+ in size and good color) with longer shelf life for retail. More producers have started to invest in storage facilities. With more up-to date storage they believe they could expand the sales season for local apples and have more revenues, as prices from 20 rubles per kg ($0.63) in September can reach 30 rubles ($0.94) in winter.

In 2011, the Russian Government reinstated domestic support of the horticulture industry. 200 million rubles ($6.3 million) of the Federal budget went for subsidization of new orchard planting as well as and planting for berries. Farmers responded by more actively replacing the old orchards with "semi intensive" and "intensive" techniques using Serbian, Polish, Ukrainian, and Italian root stock. The current funding allows the farmer to be reimbursed around 10 percent of the cost of orchard renovation works. One hectare of traditional orchard planting costs around 133,300 rubles ($4,194.4)[3] and intensive orchard 775,000 rubles ($24,386). According to industry experts, this level of support is still not sufficient to encourage rapid industry renovation.

The industry is hopeful that the Duma will pass a support measure known as the State Program for the Development of Agriculture and Regulation of the Agricultural Products and Raw Materials Markets for 2013-2020. This program has numerous provisions devoted to horticulture development including: partial reimbursement for new orchard planting, partial reimbursement for old orchard removal, cultivation development, financing research in new varieties and seed breeding, and lower

---

[2] The exchange rate used is 31.78 RUB/USD, actual for October 21, 2011. This exchange rate is applied to all further Ruble –USD conversions in the current report. More information about the history of the RUB /USD exchange rate can be found on the web: http://bankir.ru/kurs/dollar-ssha-k-rossijskij-rubl

[3] According to Academic Kulikov of Rosselkhozacademi (Academy of Agriculture of Russian Federation) as printed in Agrarnaya Politica, specialized in agriculture magazine

interest rates for investment in storage facilities.

Consumption

In MY 2011, domestic consumption of apples is expected to go up from 1,530,000 to 1,540,000 MT. In 2010, apple consumption increased by 7 percent and reached 11.1 kg per person. Apples alone capture 25 percent of the fruit market and are recognized in Russia as one of the healthiest products. Apples are one of the least expensive fruits in Russia, which is critically important for Russia where affordability is the main criteria in food procurement. Post expects the consumption of apples in Russia will continue to grow slightly.

Russian consumers know such varieties as Semerenko, Beliy Naliv, Ranet, Royal Gala, Golden and Granny Smith. Russians love apples from Krasnodarskiy Krai, Lipetskaya Oblast and regionally grown varieties and prefer to buy them in the September-November period, when these apples are broadly available. Also, there is a historic preference for fruits and vegetables from former Soviet republics such as Ukraine and Moldova.

Trade

In MY 2010, Russia became the largest importer of apples in the world; import volume reached 1,110,689 MT (9,360 MT less than in MY 2008), valued at $719.1 million (a 24 percent increase over the 2009 record). The increase in value can be explained by an increase in apple prices.

In MY 2010, the major suppliers of apples to Russia were: Poland (252,773MT), China (158,307 MT), Moldova (148,588 MT), and Serbia (96,983). The affordable apples from the CIS countries represent 20 percent of imports. The supply of apples from the Southern Hemisphere increased by 36 percent and made up for lower volumes from European countries.

Imports in MY 2011 are expected to increase slightly to 1,115,000 MT, due to bigger supply from European countries. In July –August 2011, Russia increased apple imports by 30 percent due to shipments form Moldova, Ukraine, and Argentina.

The weakening of the ruble starting in September 2011 could result in an overall decline in fruit imports from countries with strong currencies. Currently, the exchange rates are RUB 31.78/USD (RUR27.67/USD in July) and RUB 42.98/EURO (39.50/EURO in July). But Post expects that supplies from Poland, Moldova, Serbia, and Ukraine have very good chances of increasing the sales volume of their affordable apples this year.

U.S. apple exports to Russia decreased from 12,713 MT in 2010 to 12,614 MT in 2011. American apples are recognized for long shelf life and consistent quality. Russian consumers like large, richly colored apples, which are characteristics that U.S. suppliers can normally provide. Good apple crops in Europe and Russia and the Ruble’s significant weakening in September could adversely affect sales of American apples to Russia. According to importers, if a box of American apples will be 50 rubles ($1.57) more expensive than Italian or French apples, the wholesalers prefer European ones. Prices for apples on the wholesale markets of Moscow are as follows as of October 21, 2011:

- Polish apples cost from 40 rubles ($1.26) to 45 rubles ($1.42) per kg
- Golden Delicious, France - 50 rubles ($1.57) – 55 rubles (1.73) per kg
- Golden Delicious, Belgium/Netherlands - 50 rubles ($1.57) – 60 rubles (1.89) per kg
- Granny Smith, Argentina/Chile 50 rubles ($1.57) – 60 rubles (1.89) per kg[4]

Pears

Production

Post revised the pear production figure for MY 2010 (July/June) down to 135,000 MT in accordance with Russian Statistic Committee data and interviews with farmers. The actual losses from frosts in Krasnodar and drought in Central Russia exceeded last year's assessment. Commercial production accounted for 20,000 MT and household plots for the remainder. Commercial pear production is mainly developed in the Central and Volga Valley Economic Districts of Russia. Pear production suffered more damage by frosts in 2010 than apples. Taking into account that pears are less resistant to plant diseases than other crops, pear production is declining in popularity among horticultural enterprises and the aforementioned damaged pear orchards won't likely be replanted. As a result, commercial pear production will likely go down in Russia in the long term. In contrast, pears are often planted in private orchards where families grow pears for personal consumption and winter canning.

In 2011, Post's forecast for pear production is 127,000 MT.

Consumption

Pears are one of the most popular fruits in Russia following apples, citrus, and bananas. Based on import and production data, pear consumption per capita is around 3.4 kg. In MY 2010, Post increased consumption to 492,000 MT because of the growing fruit consumption trend in Russia. In MY2011, consumption is forecast up to 497, 000 MT again driven by demand from consumers. In the long run, declining production and increasing consumption could lead to higher imports. In the short term, imports could be limited by the declining purchasing capacity of the ruble given that the most important factor while purchasing fruit is price.

For Russians, the ideal pear is usually described as juicy, crispy, sweet, and not overripe. Russians usually eat pears as a whole fruit or sometimes include it in fruit salads. Consumers know some of the most popular pear varieties like Conference, Williams, and Red Bartlett, but don't care much about product origin. Pears are not associated with a definite season in Russia and people buy them year round. Consumers tend to buy pears in chain supermarkets during their weekly shopping, and some still make purchases close to home at fruit kiosks and open air seasonal kiosks in Summer/Fall. Pears in wine and other pear-based desserts are increasingly available on menus of high end and casual restaurants and are gaining popularity with healthy diet fans.

---

[4] These prices for apples, pears, and grapes are taken from Fresh Market, informational online magazine for the fresh produce market, price monitoring database on October 21, 2011. http://www.freshmarket.ru/prices_online

Pear consumption patterns are different in rural areas because of the lower incomes and many rural residents grow their own fruits and vegetables. Around one-quarter of the Russian population live in rural areas and consume pears grown on their plots or their neighbor's.

Trade

In MY 2010, Russia remained the world's largest importer of pears with 409,935 MT of imports by volume and $424.6 million by value (a 7 percent increase in volume and almost by 20 percent increase in value terms from last year). For MY 2011, imports are forecast to reach 412,000 MT due to higher supplies from Belgium, France, and Spain particularly of Conference, Abbat Fetel, and Rocha and due to growing consumption in Russia. The wholesale price in Moscow for Conference pears from Belgium and the Netherlands is in the range of 50 -55 Rubles ($1.57-$1.73) per kg, as of October 22, 2011.

In MY 2010, the largest suppliers of pears to Russia were: Belgium (139,185MT), Argentina (108,126 MT), and the Netherlands (46,375 MT). Russia sourced around 58 percent of all pears from European counties. Polish pears, which tend to be less expensive than U.S. pears, expanded sales to Russia by 25 percent. Southern Hemisphere countries continued to supply pears in the winter season.

In MY 2010, U.S. pear imports to Russia totaled to 9,635 MT, down 6 percent from the previous season. Importers claimed that U.S. pears didn't have strong sales and they might be more cautious in placing orders for the current season. MY 2011 could be a challenging season for American pears in Western Russia since the European pear crop is up by 12 percent, based on the World Apple and Pear Association estimation. In the Russian Far East, however, American pears continue to sell well and if the price is right Post expects that Russian importers will continue to buy U.S. Anjou pears for their assortment.

Table grape

Production

Post revised the table grapes production figure for MY 2010 from 27,000 MT to 27,750 MT in accordance with Russian Statistic Committee data.

In MY 2011, Russian production of table grapes is expected to be very good and may reach 28,500 MT due to good weather conditions in the main grape growing areas. The yields were up to 6.3 tons per hectare from 5.53 MT in 2010.

Commercial grape production in Russia is limited for several reasons. Firstly, the climate limits growing to very few areas in the South of the Russian Federation. Secondly, competition from wine grapes and other crops is very strong. Moreover, table grape production is very labor intensive while wine grapes are picked by machines and have a guaranteed channel of sales. Thirdly, according to wholesales, imported grapes are preferable to domestic because they have a longer storage life, nearly a month versus domestic grapes that need to be sold within 5-6 days.

According to the Statistic Committee, the land under the commercial table grape production decreased from 7,200 ha in 2008 to 6,200 ha in 2010.

This year, even with farm gate prices around 15-17 rubles/kg ($0.47 - $0.53 per kg) farmers claimed to have problems selling their harvest. Reportedly, they sold only 25 percent of their crop via retails channels.

Consumption:

Post estimation of the MY 2011 table grape consumption is 419,700 MT, slightly below the 2010 level.

Grapes are one of the most popular fruits in Russia, almost on par with pears but after apples, bananas, and citrus and consumption is still growing. According the Russian Statistic Committee, in 2010 the grape per capita consumption in Russia reached 2.8 kg, up 7.6 percent compared to 2009 data. The upward trend should continue in MY 2011 supported by healthier diets and recognition of fruits as one of the basic elements of a healthy diet.

Russians prefer seedless and beautiful grapes and usually buy Uzbekistan and Moldovan grapes in season. Both consumers and traders call grapes from former Soviet bloc countries “local product”.

Grapes are available year round in Russia. However, the peak consumption months are August – November (66 percent of annual sales), when the most affordable and well-known grapes from Moldova, Uzbekistan, and Kyrgyzstan are available. Many Russians buy grapes during their weekly shopping in supermarkets and discounters. However, during the fall season, Russians purchase a lot of fresh seasonable grapes and other produce spontaneously on a daily basis and usually in open-air fruit stands, where the product from former Soviet republics are broadly presented.

Grapes are available on the shelves of big city supermarkets year round. The retail chains tend to supply product from Turkey, Italy, Argentina, Peru, and South Africa. Grapes form NIS countries are available in retail chains soon after picking, when it is possible to get volumes of product on regular basis. Like wholesalers, retailers comment on the shorter life span of “local grapes” and also noted that the percentage of waste during handling is much higher compared to product from Europe or South America.

Trade:

Russia remains one of top importers of grapes in the world. Russia’s grape imports have grown steadily since 2002. In MY 2010, Russia imported 407,730 metric tons, worth $565.8 million, up by 5 percent in volume and 21 percent in value. Turkey, the largest exporter to Russia, increased its sales to Russia to 167,518 MT, almost 40 percent of the Russian grape market by volume. Uzbekistan remains the second biggest supplier with 53,500 MT, followed by Chile with 42, 959 MT.

In MY 2011, the grape import forecast is around 403,000 MT, slightly lower the 2010 level. June – August 2011, imports were down 14% percent compared with same period in 2010 mainly due to decreased shipments from Turkey. Increased imports from Uzbekistan and good crop prospects in Moldova and Armenia will probably fill in the missing tonnage and expand the share of the former

Soviet republics on the Russian market. Traditionally, product from former Soviet republics captures 30 percent of the Russian grape market. And due to counter-seasonal production, grapes from Argentina, Chile, and South Africa arrive in January and dominate the market until May. Exports from Chile could be lower this year because of frost damage. On the other hand, Peru announced a good crop and expanded plans for exports in MY2011.

In MY 2010, California table grape imports to Russia reached 3,718 MT, 79 percent higher than in 2009. The season for California grapes peaks in November and December. Some importers claimed quality problems with California grapes that could inform purchasing habits in the coming season. American and Italian grapes compete in terms of price and quality. A new addition to the competitor field is Peru, whose grapes are in season earlier than product from other South American countries and fit the pre holiday sale season. With these strong competitors in the market, American grapes must be high quality and competitively priced to gain market share in Russia.

According to the Russian food industry information source Freshmarket, http://www.freshmarket.ru, during the week of October 10, the wholesale price for Italian red grapes had risen to 80-85 rubles ($2.51-$2.67) per kg due to the low supply of the product. Prices for Turkish white seedless grapes and black grapes were up as well to 50-60 rubles ($1.57- $1.89) per kg.

Policy

The formation of the Russia-Kazakhstan-Belarus Customs Union (CU) has caused continuous revisions of Russian SPS import regulations. Post recommends checking regularly the www.fas.usda.gov database of Attaché reports for updates under the "sanitary/phytosanitary/food safety report" category and also advises that exporters consult with their importer in order to ensure that they have the most up-to-date information.

Fruits and vegetables are subject to sanitary-epidemiologic inspection, based on Decision # 299 on use of Sanitary Measures in the Customs Union. This inspection checks whether the imported produce complies with the chemical, radiological, biologically active, microbiological, and pesticide content norms of the Russian Federation. The Customs Union Commission adopted the Unified Sanitary–Epidemiological requirements that can be found here: http://www.tsouz.ru/db/techregulation/sanmeri/Documents/PishevayaCennost.pdf

The Russian competent authority, VPSS, requires that the exporter provides information to VPSS on the pesticides used at growing and storing of the plant products, on the date of the last treatment, and on the MRLs of pesticides in these products. The information may be in the form of a letter from producer or from the producer's association, etc. The maximum residue levels for pesticides specifically can be found in the following GAIN report *The Customs Union Update on MRLs for Pesticides in Ag Products*: http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Customs%20Union%20Update%20on%20MRLs%20for%20Pesticides%20in%20Ag%20Products_Moscow_Russian%20Federation_12-22-2010.pdf

Apples, pears and grapes, as products of recognized high phytosanitary risk, go through phytosanitary control. Please refer to GAIN report *RS1102 _ Russia Updates Quarantine Regulations of Imported*

Products _ Moscow _ Russian Federation _ 1/18/2011 which provides detailed information on the list of quarantine objects that shall be controlled in products imported from the United States, and also an unofficial translation of the general phytosanitary requirements of the Russian Federation for imported products subject to phytosanitary control at the border and inside the territory of the Customs Union, specified by products groups.

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russia%20Updates%20Quarantine%20Regulations%20of%20Imported%20Products_Moscow_Russian%20Federation_1-18-2011.pdf

Import procedures:

The importer must undertake several steps while handling fruit and vegetable imports into the Russian Federation:

1. Russia no longer requires an Import Quarantine Permit for imported products.

2. The importer must obtain a declaration of conformity prior to product shipment. This document certifies that the product conforms to quality standards of the Russian Federation. The certification bodies approved by the Russian authorities have the right to issue the declaration of conformity. The declaration can be issued for one shipment or according to the contract for several shipments. The declaration of conformity is issued based on a copy of the contract and phytosanitary certificate of the exporting country authorities. The certificate of Conformity will accompany the product use and sales in Russia.

3. The importers must submit originals of all documents necessary for sanitary, phytosanitary control and customs clearance. For major fruits and vegetables the package of documents should be as follows:

1. The contract, an invoice, bill of lading, packing list;
2. Phytosanitary certificate from the exporting country authorities (APHIS for American produce)

- **The issuance date of the certificate should be before the actual departure of the lot from the territory of the Party, the authorized body which issued the certificate.**
- The phytosanitary certificate must be printed out, not filled in handwriting.
- The net weight in tons or kilograms must be identified in the document. The weight in the certificate should comply with actual weight of the shipment.
- All boxes on the document should be completed. If there is a box requesting information not applicable for the current shipment, the empty box should be marked with cross. Each of these defects in filling out the phytosanitary certificate causes Customs authorities to question the importers and requires extra effort and time for shipment clearance that makes the produce more expensive and less competitive on the market.

3. Declaration of conformity (issued by Russian certification body before product shipment)

4. Declaration of Safety of food production of plant origin (of the phytogenesis) delivered to the Russian Federation according to norms, concerning pesticides residues, established by the Russian legislature). The information may be in the form of a letter from producer, or from the producers' association, etc. There is no standard form, but a sample letter (declaration) on pesticides is available.

5. Certificate of Safety for some types of produce from European Union and South American countries issued by certified laboratories, stating that the produce complies with MRLs norms in Russia.

6. Russian Customs may ask as well for the certificate of origin (released by the producers) and export declaration (issued by the customs authorities of the exporting country).

The importer pays the customs duties accounting for a percentage of the customs value of the shipment (product value and transportation cost) in U.S Dollars or Euros. The VAT, 18 %, is taken from the summarized customs value and duties. The customs duties are calculated according to the Unified Customs Tariff list accepted by Customs Union Commission in the Decision #130 on the 27 of November 2009. Please see the full tariff schedule via the following link: http://www.tsouz.ru/db/ettr/tnved/Pages/default.aspx

Table 1. Russia: Customs duties according to the Customs Union Tariff List.

Harmonization code	Product	Customs duty (in percentage of customs value, either in USD or Euros per kg)
0806 10	Grapes fresh	5
0808 10 800 1	Apples from 1 of January to 31 of March	0.1 Euro per kg
0808 10 800 2	Apples from 1 of April to 31 of June	0.1 Euro per kg
0808 10 800 3	Apples from 1 of July to 31 of July	0.1 Euro per kg
0809 10 800 4	Apples from 1 of August to 31 of December	0.2 Euro per kg
0808 20 500 0	Pears	10

Apples , pears and grapes from certain developing and less developed countries qualify for preferential import duties under the Customs Union Commission Decision #130 which approved a list of products enjoying the tariff preferences http://www.tsouz.ru/db/ettr/Pages/tovRSiNRS.aspx and a list of the developing and the least developed countries who are eligible users of preferences:

http://www.tsouz.ru/db/ettr/Pages/RazvivStrani.aspx
http://www.tsouz.ru/db/ettr/Pages/NaimRazvStrani.aspx

The duty for products with preference is 75% of the regular duty calculated in USD or Euros. For example, the importer will pay for 1 kg of U.S. pears 10 percent from customs value and for pears from Argentina - 7.5 percent.

Russia is moving toward ratification of a Free Trade Agreement with CIS countries including

Ukraine, Belorussia, Kazakhstan, Armenia, Kirgizstan, Moldova and Tajikistan. If the agreement comes into force as is currently planned, apples, pears, and grapes from the aforementioned countries will enjoy zero customs duties.

Marketing

Russia is one of largest buyers of fruit in the world and is recognized as a priority market by many European, Turkish, Moroccan, and South American growers. Almost all these countries actively promote their product among the Russian trade via educational tours in their main growing areas including introductions to main growers.

The major global exporters of fruit took part in the World Food Moscow annual trade show in September 2011. The Fruit Pavilion has become the largest pavilion at the show. The major Russian importers use this platform for negotiations for the coming season. The USDA Agricultural Trade Office in Russia traditionally organizes the American Pavilion during World Food Moscow. Post highly recommends that new to market companies who are interested in Russia join the pavilion in 2012. Post and USDA Washington D.C. will assist with logistic and Post can arrange introductions to the major fruit players in Russia. For more information about participating in the American Pavilion at World Food Moscow please contact: Olga.Kolchevnikova@fas.usda.gov.

In Russia, marketing of fresh produce is becoming more and more sophisticated. The retail chains are open to hosting tastings, samplings, and/or informational displays. Such events create better awareness of the product among the final consumers and encourage sales. In Western Russia such events can increase sales significantly.

This year Turkey launched a commercial in the Russian media called, “Almost from your garden” advertising Turkish citrus. Pink Lady @Apples, the international association, is actively promoting the Pink Lady apple variety in Russia through tastings in retail, educational stories in the press, and a pavilion at World Food. Chile is also actively promoting its produce, mainly through an internet portal and tastings in retail. These are the examples of aggressive and effective promotions in Russia.

Table 2. PSD Table, Apples

Apples, Fresh Russia	2009/2010	2010/2011	2011/2012

	Market Year Begin: July 2009		Market Year Begin: July 2010		Market Year Begin: July 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	225,000	225,000	220,000	217,000		215,000
Area Harvested	175,000	175,000	170,000	173,000		170,000
Bearing Trees	87,000	87,000	88,000	89,000		89,000
Non-Bearing Trees	36,000	36,000	34,000	35,000		37,000
Total Trees	123,000	123,000	122,000	124,000		126,000
Commercial Production	820,000	420,000	655,000	350,000		370,000
Non-Comm. Production	410,000	810,000	345,000	560,000		585,000
Production	1,230,000	1,230,000	1,000,000	910,000		955,000
Imports	1,120,050	1,120,000	1,140,000	1,111,700		1,115,000
Total Supply	2,350,050	2,350,000	2,140,000	2,021,700		2,070,000
Fresh Dom. Consumption	1,434,929	1,435,000	1,315,000	1,530,000		1,540,000
Exports	4,621	4,500	4,500	4,000		4,000
For Processing	880,500	880,500	800,500	457,700		486,000
Withdrawal From Market[5]	30,000	30,000	20,000	30,000		40,000
Total Distribution	2,350,050	2,350,000	2,140,000	2,021,700		2,070,000
HA, 1000 TREES, MT						

Source: Rosstat, Global Trade Atlas, trade press, interviews

Table 3. Import Trade Matrix for Apples in Metric Tons, MY 2009-2010

Year	**2009**		**2010**
U.S.	**12,713**	**U.S.**	**12,614**
Others		**Others**	
Poland	327,948	Poland	252,773
China	157,782	China	158,307
Moldova	137,991	Moldova	148,588
Azerbaijan	81,838	Serbia	96,983
Ukraine	91,285	Italy	64,407
Italy	60,276	Argentina	51,603
Belgium	41,506	Ukraine	50,984
France	39,248	France	50,635
Chile	36,790	Chile	49,114
Argentina	36,170	Belgium	47,627
Total for Others	1,010,834	Total for Others	971,021
Others not Listed	109,215	Others not Listed	139,668
Grand total	**1,120,049**	**Grand total**	**1,110,689**
Source: Global Trade Atlas			

Table 4. Russia: Imported Apples, U.S. Dollars per Metric Ton, MY 2009-2010

Prices in U.S Dollars/MT

[5] Post includes in “Withdrawal from Market” the losses from in-country transportation and storage

Year	2009	2010	%
Jul	529	563.79	5.38%
Aug	422	461.36	9.22 %
Sep	402	460.21	14.43%
Oct	413	478.77	15.84%
Nov	422	500.11	18.45%
Dec	436	665.14	52.45%
Jan new CY	542	714.78	31.65%
Feb	553	721.00	30.24%
March	559	719.84	28.56%
April	573	758.93	32.34%
May	570	708.75	24.22%
Jun	598	723.16	20.93%
Source: Global Trade Atlas			

Table 5. PSD Table, Pears

Pears, Fresh Russia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: July 2009		Market Year Begin: July 2010		Market Year Begin: July 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	38,000	38,000	38,000	35,000		34,000
Area Harvested	29,000	29,000	29,000	28,000		27,000
Bearing Trees	12,000	12,000	12,000	11,000		10,000
Non-Bearing Trees	4,000	4,000	4,000	3,000		2,800
Total Trees	16,000	16,000	16,000	14,000		12,800
Commercial Production	32,000	32,000	27,000	20,000		21,000
Non-Comm. Production	153,000	153,000	145,000	115,000		120,000
Production	185,000	185,000	172,000	135,000		141,000
Imports	380,678	383,000	370,000	409,900		412,000
Total Supply	565,678	568,000	542,000	544,900		553,000
Fresh Dom. Consumption	489,711	492,000	472,000	492,000		497,000
Exports	1,367	2,500	1,500	1,500		2,000
For Processing	67,600	66,500	63,500	40,400		43,000
Withdrawal From Market	7,000	7,000	5,000	11,000		11,000
Total Distribution	565,678	568,000	542,000	544,900		553,000
HA, 1000 TREES, MT						

Source: Rosstat, Global Trade Atlas, trade press, interviews

Table 6. Import Trade Matrix for Pears And Quinces in Metric Ton, MY 2009-2010

Year	2009		2010

U.S.	**10,309**	**U.S.**	**9,635**
Others:		**Others:**	
Belgium	116,045	Belgium	139,185
Argentina	97,328	Argentina	108,126
Netherlands	56,364	Netherlands	46,375
China	27,960	China	26,602
South Africa	17,792	Spain	20,906
Poland	16,281	South Africa	13,140
Spain	8,338	Poland	11,195
Portugal	7,652	France	7,566
Chile	5,587	Portugal	6,319
France	5,579	Chile	6,075
Total for others	358,926		385,489
Others not listed	24,360		24,446
Grand total	**383,286**		**409,935**
Source: Global Trade Atlas			

Table 7. Russia: Imported Pears, U.S. Dollars per Metric Ton, MY 2009-2010

Prices in US Dollars/MT			
Year	2009	2010	%
Jul	813	927.89	17.32%
Aug	817	985.62	11.87%
Sep	823	1,016.08	15.11%
Oct	830	1,022.59	15.25%
Nov	840	1,060.92	15.87%
Dec	847	1,181.94	30.86%
Jan New CY	917	1,166.39	27.18%
Feb	908	1,108.57	23.22%
March	885	997.59	15.68%
April	881	992.28	14.23%
May	873	964.66	14.50%
Jun	874	958.15	8.12%
Source: Global Trade Atlas			

Table 8. PSD Table, Grapes

Grapes, Fresh Russia	2009/2010	2010/2011	2011/2012

	Market Year Begin: June 2009		Market Year Begin: June 2010		Market Year Begin: June 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7,400	7,400	7,500	6,200		6,200
Area Harvested	5,400	5,400	5,500	4,400		4,500
Commercial Production	29,000	29,000	27,000	27,750		28,500
Non-Comm. Production	3,000	3,000	2,500	2,500		2,700
Production	32,000	32,000	29,500	30,250		31,200
Imports	385,460	388,000	400,000	407,730		403,000
Total Supply	417,460	420,000	429,500	437,980		434,200
Fresh Dom. Consumption	414,938	417,500	427,100	422,980		419,700
Exports	522	500	400	500		500
For Processing	0	0	0	0		0
Withdrawal From Market	2,000	2,000	2,000	14,500		14,000
Total Distribution	417,460	420,000	429,500	437,980		434,200
HA, MT						

Source: Rosstat, Global Trade Atlas, trade press, interviews

Table 9. Russia: Import Trade Matrix for Grapes in Metric Tons, MY 2009-2010

Year	**2009**		**2010**
U.S.	**2,069**	**U.S.**	**3,718**
Others:		**Others:**	
Turkey	122,930	Turkey	167,518
Uzbekistan	72,173	Uzbekistan	53,504
Chile	42,826	Chile	42,959
Kyrgyzstan	29,848	Italy	28,409
Italy	21,609	Moldova	16,873
Moldova	21,023	Argentina	15,450
China	15,811	South Africa	13,628
South Africa	12,291	Peru	13,185
Argentina	12,041	Kyrgyzstan	13,067
Peru	7,773	China	11,800
Total for Others	358,325	Total for Others	376,393
Others not Listed	29,909	Others not Listed	31,343
Grand total	**388,234**	**Grand total**	**407,736**
Source: Global Trade Atlas			

Table 10. Russia: Imported Grapes, U.S. Dollars per Metric Ton, MY 2009-2010

Prices in US Dollars/MT

Year	**2009**	**2010**	**%**
Jun	1,360.23	1,524.20	12.05%
Jul	1,424	1,588.94	11.54%
Aug	1,293	1,447.95	11.97%
Sep	1,110	1,262.48	13.74%
Oct	1,003	1,182.40	17.78%
Nov	1,026	1,404.40	36.79%
Dec	1,445	1,728.13	19.54%
Jan new CY	1,480	1,565.07	5.73%
Feb	1,438	1,495.23	3.97%
March	1,419	1,480.80	4.29%
April	1,397	1,487.80	6.49%
May	1,426	1,523.97	6.83%
Source: Global Trade Atlas			

Table 11: Forecast Sales of Fruits by Category: Total Volume 2009-2014, in thousand tons

	2009	2010	2011	**2012**	**2013**	2014
Apples	1,454.5	1,541.9	1,619.3	1,670.3	1,710.1	1,737.3
Bananas	927.6	972.6	1,010.6	1,059.9	1,098.5	1,121.8
Cherries	104.6	114.4	124.7	135.6	145.4	154.8
Cranberries/Blueberries	32.3	34.4	36.1	37.8	38.2	38.6
Grapefruit/Pomelo	80.4	82.5	83.3	84.7	85.7	86.5
Grapes	440.4	468.8	505.6	531.4	564.5	588.3
Lemon and Limes	187.8	191.5	192.5	195.3	197.2	201.2
Oranges, Tangerines and Mandarins	1,007.3	1,037.0	1,120.0	1,215.7	1,302.5	1,383.9
Peaches/Nectarines	160.8	171.2	192.7	212.4	229.7	246.3
Pears/Quinces	419.6	438.7	483.1	522.5	555.2	582.3
Pineapple	29.7	31.7	33.9	36.6	38.9	40.5
Plums/Sloes	86.2	90.9	96.7	101.9	106.2	110.3
Strawberries	79.2	86.4	94.0	101.1	108.1	113.6
Other Fruits	673.8	714.9	752.3	806.2	859.6	898.8
Fruits	5,684.2	5,977.1	6,344.8	6,711.4	7,039.7	7,304.0
Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources						

Other Relevant Reports

Attaché reports on the Russian food and agricultural market are available on the FAS Website; the search engine can be found at http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp

Exporter Guide: Opportunities in Russia
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Moscow%20ATO_Russian%20Federation_12-21-2010.pdf

Food and Agricultural Import Regulations and Standards Narrative
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Moscow%20ATO_Russian%20Federation_12-29-2010.pdf

Russian Retail Sector Continues Expansion
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Moscow%20ATO_Russian%20Federation_9-2-2011.pdf

Russia Update Quarantine Regulations of Imported Products
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russia%20Updates%20Quarantine%20Regulations%20of%20Imported%20Products_Moscow_Russian%20Federation_1-18-2011.pdf

Russia Update Quarantine Regulations of Imported Products
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russia%20Updates%20Quarantine%20Regulations%20of%20Imported%20Products_Moscow_Russian%20Federation_1-18-2011.pdf

Customs Union Update on MRLs for Pesticides in Ag Products
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Customs%20Union%20Update%20on%20MRLs%20for%20Pesticides%20in%20Ag%20Products_Moscow_Russian%20Federation_12-22-2010.pdf

VPSS Strengthens Border Quarantine Check
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/VPSS%20Strengthens%20Border%20Quarantine%20Check_Moscow_Russian%20Federation_8-22-2011.pdf