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### Russian Agricultural Policy and Situation Bi-Weekly Update 11

**Report Categories:**

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**Report Highlights:**

President Putin Signed Amendments to the Veterinary Law . . . New Beer and Cider Reporting Requirements . . . Amendments to the Forestry Code of the Russian Federation . . . Amendments to the Federal Law on Fishery and Preservation of Water Biological Resources . . . Amendments to the Federal Law on Turnover of Agricultural Land . . . New Federal Law Establishes the Free Port of Vladivostok . . . Draft Law Restricting Advertising of Certain Food Products . . . Government Approved Rules for Selection of Innovation Projects in Agriculture . . . New Investment Projects Approved by the Ministry of Agriculture . . . Government Allowed Farmers Buy-Back Grain from the State Intervention Fund . . . Government Defined Zones for Catching Aquatic Biological Resources . . . Import Substitution for Fish Products Gains Support in Primorye . . . New Container Train for the Vladivostok - Moscow Line . . . Maersk Signs New Agreement with the Vladivostok Port . . . Holstein Cows from Germany Arrive in Primorye

## **General Information:**

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

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

**President Putin Signed Amendments to the Veterinary Law:** Draft Federal Law-243 was adopted by the State Duma on July 1, 2015, approved by the Federation Council on July 8, 2015, and signed by President Putin on July 13, 2015. According to the law, the Ministry of Agriculture of the Russian Federation is granted the power to draft and approve veterinary rules obligatory for all operators in the market. The law also introduces an electronic certification system and an information data base of issued veterinary certificates. According to the law, electronic veterinary documents will be issued at no charge. Supporters of the law believe the changes will facilitate the creation of a national system for tracking of the full production cycle of products of animal origin from farm to final consumers, will reduce bureaucratic barriers and costs for agricultural producers, and will reduce the presence of counterfeit products in the market. In addition, the law introduces the principles of regionalization based on the epizootic situation. Officials also believe the new legislation will help enhance animal disease control and ensure biological sustainability in the country. Major dairy unions opposed the amendment, as the quality of processed dairy products has been traditionally controlled by Rospotrebnadzor. In February 2015, the Government of Russia issued the Decree to postpone the introduction of veterinary certificates for dairy products until February, 2017.

<http://asozd2.duma.gov.ru/main.nsf/%28SpravkaNew%29?OpenAgent&RN=526047-6&02>

More details: <http://kremlin.ru/acts/news/49930>

**New Beer and Cider Reporting Requirements:** Russian President Vladimir Putin signed Federal Law No. 182 of June 29, 2015, binding producers of beer, cider and mead to record information about product turnover in the Unified Federal Automated Information System for ethyl alcohol, wines and spirits production (UFAIS). UFAIS registration will begin for beer, cider and mead manufactures on October 1, 2015, and for distributors/wholesalers of all alcohol - on January 1, 2016. Retailers in urban areas will be required to register with UFAIS on July 1, 2016 and in rural areas on July 1, 2017. Beer producers will not be required to record information in UFAIS if production output is less than 300,000 deciliters per year. The UFAIS mandatory recording requirement will apply to companies dealing with procurement, storage, and retail trade in wine, spirits and alcohol-containing products. An exception is made for wine and spirits sales in public catering establishments and in rural settlements with a population below 3,000 and lack of Internet.

<http://www.garant.ru/hotlaw/federal/634013/>, <http://tass.ru/ekonomika/2083452>

**Amendments to the Forestry Code of the Russian Federation:** Federal law No. 206-FZ of June 29,

2015 “On Amendments to the Forestry Code of the Russian Federation” clarifies the wording of some terms, i.e. wood plot, logging operations, timber harvesting, etc.; specifies categories of timber harvesters; determines grounds for giving rights on logging operations and timber harvesting to individuals and legal entities; and describes agreements on leasing forest lands in the state and municipal property, etc. Federal Law No. 206-FZ comes into force on October 1, 2015. <http://kremlin.ru/acts/bank/39863>

**Amendments to the Federal Law on Fishery and Preservation of Water Biological Resources:** Federal Law No. 208-FZ of June 29, 2015 “On Amendments to the Federal Law On Fishery and Preservation of Water Biological Resources” changes some requirements to fishing of anadromous fish species. The amendments prohibit driftnet fishing during commercial fishing operations, fishing for scientific and research purposes, as well as coastal fishing of anadromous species during migration to spawning locations. The objective of the Law is to better preserve anadromous fish species. The amendments come into force on January 1, 2016. <http://kremlin.ru/acts/bank/39865>.

**Amendments to the Federal Law on Turnover of Agricultural Land:** President Putin signed Federal Law No. 245-FZ of July 13, 2015 “On Amendments to the Federal law On Turnover of Agricultural Lands.” The amendments stipulate that the authorized executive body of the Russian Federation (provincial administrations) shall publish on its official Internet site, information on the provisions for and terms of acquisition of unclaimed agricultural land that had been the property of the Russian Federation (property of provinces) prior to July 1, 2011. This information shall be published not later than March 1, 2016. <http://kremlin.ru/acts/bank/39933>

**New Federal Law Establishes the Free Port of Vladivostok:** President Vladimir Putin signed a federal law to designate the Port of Vladivostok as a “free port.” The law will enter into force on October 12, 2015, and will be effective for a period of seventy years. The new free port territory will unite fifteen municipalities south of Primorye, from the Port of Vostchny to the Port of Zarubino, located near the borders of China and North Korea. The new free port status will establish a simplified visa regime, a modern and faster border crossing regime, as well as new measures of state support to attract investment in infrastructure and encourage the development of more competitive enterprises focused on markets in the Asia-Pacific region. <http://www.eastrussia.ru/news/prezident-podpisal-ukaz-o-porto-franko-vladivostok/>

**Draft Law Restricting Advertising of Certain Food Products:** State Duma deputies proposed a draft law which would legally limit the promotion in the media and in public places of food with high sugar content, salt, fat and saturated fat. Products that potentially could be effected by this restriction include: carbonated drinks, confectionery, chips, margarine and certain types of sausages. The Amendment to the law “On Advertising” was introduced in the State Duma on July 7, 2015, and the restrictions must promote a culture of good nutrition for young people for the preservation of normal weight and blood pressure. <https://news.mail.ru/politics/22578621/?frommail=1>  
<http://ria.ru/society/20150707/1118966482.html>

**Government Approved Rules for Selection of Innovation Projects in Agriculture:** Government Resolution No. 678 of July 7, 2015 approved the rules for selection of prospective innovation projects in agriculture that will be subsidized under the federal budget. The subsidies (grants) are envisaged by the sub-program “Technical and Technological Modernization and Innovation Development” of the State

Program for Development of Agriculture in 2013-2020. The adoption of the Rules will allow the Ministry of Agriculture to analyze and approve innovation projects in agriculture and distribute grants for implementation of such projects. In the 2015 budget of the Ministry of Agriculture, the total funds for the sub-program “Technical and Technological Modernization and Innovation Development” are 2.15 billion rubles (approximately \$39 million).

<http://www.garant.ru/products/ipo/prime/doc/71023398/>

**New Investment Projects Approved by the Ministry of Agriculture:** The recent meeting of the Commission on Coordination of Issues Related to Financing in the Agro-Industrial Sector at the Ministry of Agriculture approved for implementation 1,710 projects for a total of 67.6 billion rubles (\$1.2 billion). Volga Valley and Southern Federal districts presented the greatest number of projects for review, 598 and 411 projects, respectively. Russian banks have reported that starting in 2015, the amount of investment credit decreased by 38.2 percent, or to 48.98 billion rubles (\$857 million), in comparison with the same period in 2014. <http://www.mcx.ru/news/news/show/40548.355.htm>

**Government Allowed Farmers Buy-Back Grain from the State Intervention Fund:** The Order of the Russian Government No. 1352-p of July 13, 2015, allows farmers who sold grain from their 2014 crop to the Intervention Fund to buy-back this grain without auction. Farmers must execute this buy-back option between July 16, 2015 and September 1, 2015. The Government permitted a similar buy-back option for the first time in MY 2013/14 ([GAIN report](#)). Farmers can buy-back only grain that they sold and at the same price at which the grain was sold, minus expenses for storing grain, insurance, and commission of the state agent, i.e. United Grain Company. <http://government.ru/docs/18888/> and <http://agronews.ru/news/detail/141526/>.

**Government Defined Zones for Catching Aquatic Biological Resources:** In accordance with Order No. 1334-p of July 11, 2015 on Fishing and Preservation of Water Biological Resources, the Government has the authority to define the regions from which fish and biological resources may be delivered to the territory of the Russian Federation. These regions are the following: the exclusive economic zone of Russia, the Russian continental shelf, and Barents, Baltic and Black seas, including outside the internal waters, and the exclusive economic zone and the continental shelf of Russia. <http://government.ru/docs/18848/>

**Import Substitution for Fish Products Gains Support in Primorye:** According to the Chairman of Legislative Assembly of Primorye, Victor Gorchakov, consumption of domestic fish products in the Primorye Territory and throughout Russia is growing. During the first five months of 2015, regional production of fish products sold on the domestic market was 42 percent higher than the volume sold during same period in the previous year. Also according to Gorchakov, the volume of domestically produced canned fish also increased by 25 percent over last year. According to the Director of the Department of Fisheries and Aquatic Biological Resources of Primorsky Krai, fish products accounted for 27.8 percent of the total volume of goods produced in the region during the first half of 2015. Primorye’s share of the Far East regional fishery catch is about 32 percent. During the first half of 2015, the total catch volume amounted to 462.2 MT, including 374.6 MT (or 81 percent) of Pollock and 45.7 MT (or 9.9 percent) of Herring. <http://primamedia.ru/news/economics/09.07.2015/448742/ribnoe-importozameschenie-v-primore-nabiraet-oboroti---victor-gorchako.html>

**New Container Train for the Vladivostok - Moscow Line:** FESCO Transport Group is launching a

new container train on the Vladivostok – Moscow line (FMSK), which will enable cargo delivery to Kupavna within 10 days. Container train service on this new route will be weekly and will focus on the transport of FESCO and other containers originating from Southeast Asia transiting through the Vladivostok Commercial Sea Port. FMSK's goals are to complement the existing FESCO Moscow Shuttle service to Silikatnaya, and better optimize logistics.

<http://primamedia.ru/news/economics/06.07.2015/448081/noviy-konteynerniy-poezd-iz-vladivostoka-v-moskvu-zapuskaet-fesco.html>

**Maersk Signs New Agreement with the Vladivostok Port:** On July 3, 2015, LLC Maersk, a subsidiary of the world's largest ocean carrier of refrigerated containers, signed a memorandum of understanding with JSC "Vladivostok Sea Fishing Port" (JSC "VSFP") to increase deliveries of fish products from the Russian Far East to Russia's central regions. JSC "VSFP" plans to develop and improve technology for handling frozen fish, including expansion of its refrigerated container fleet at the Vladivostok Sea Fishing Port. <http://deita.ru/news/economy/13.07.2015/4926413-vladmorrybport-i-maersk-gotovy-narastit-gruzooborot-ryby-po-vsey-rossii/>

**Holstein Cows from Germany Arrive in Primorye:** A company based in Ussuriysk city district purchased 165 Holstein cows from Germany. The animals, which arrived in Primorye by a special flight from Germany, were the first delivery. The company plans to build a herd of one thousand cows within the next three years. [http://www.zrpress.ru/business/primorje\\_14.07.2015\\_73303\\_nemetskie-korovy-budut-davat-primorju-8-tys-tonn-moloka-v-god.html](http://www.zrpress.ru/business/primorje_14.07.2015_73303_nemetskie-korovy-budut-davat-primorju-8-tys-tonn-moloka-v-god.html)