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Global Agricultural Information Network

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Report Highlights:

The Russian Government Approved Anti-Crisis Plan . . . Pink Salmon Exports Decline . . . Transport of Far Eastern Fish to Get More Expensive . . . Green Agro to Invest in Primorye Livestock . . . Vodka Production Down in 2014 . . . The Government of Russia Amended the Rules for Allocation and Distribution of Federal Interest Rate Subsidies for Agriculture . . . Unsuitable Farming Territories List Conditions Approved . . . New Russian List of Quarantine Pests Comes into Force February 3, 2015 . . . FTA Talks between Israel, Eurasian Economic Union in Progress . . . Armenia Reportedly Switched to Unified CU Veterinary Certificates..

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.

The Russian Government Approved Anti-Crisis Plan: On January 27, 2015, Russian Chairman of the Government Dmitry Medvedev signed Resolution # 98-p approving the plan of activities of prime importance for ensuring sustainable development of economic and social stability in 2015 (Plan). According to the Plan, the government will present a draft law to the State Duma of the Russian Federation that foresees cuts in spending by ten percent for all programs except defense, agriculture, Russian Federation international obligations, as well as social programs. Investment resources will be concentrated and aimed at finalizing projects initiated earlier. Implementation of new projects will be postponed. The document consists of 60 line items, but the list may be expanded if necessary. The Ministry of Economic Development will monitor the plan's implementation on a monthly basis.

<http://government.ru/docs/16639/>

Pink Salmon Exports Decline: According to the Far East Customs Office, 1,761 MT of pink salmon were exported in 2014, compared with exports of 25,207 MT in 2013. Exports of other species also dropped: coho salmon decreased 551 MT to 2,217 MT, sockeye salmon dropped by almost 17,000 MT to 23,947 tons, and pollock exports were down 86,000 MT to 691,260 MT. In 2013, Russia exported 11,722 MT of halibut, in 2014 exports dropped to 10,445 MT. Exports of herring fell by almost 82,000 MT, cod exports were down 2,323 MT to 30,293 MT, and chinook salmon exports were down 44 MT to 94 MT. Only chum salmon experienced an increase in exports, with exports in 2014 exceeding 32,000 MT compared with exports totals in 2013 of 30,648 MT.

<http://deita.ru/news/economy/23.01.2015/4821167-eksport-narodnoy-ryby-snizilsya-v-2014-godu/>

Transport of Far Eastern Fish to Get More Expensive: Following a ten percent increase in the Russian Railways tariff, there now also appears to be an intention to introduce additional paid services to contracts for scheduled shipper routes. This will inevitably result in price increases for seafood and fish products delivered by the Trans-Siberian Railway from the Far East to the western part of Russia. In light of both the tariff increase and these additional services charges, resellers are likely to raise prices of fish products to maintain their margins.

<http://primamedia.ru/news/economics/26.01.2015/416900/dalnevostochnaya-riba-stanet-esche-dorozhe-dlya-rossiyan-iz-za-deystviy-rzhd-ekspert.html>

Green Agro to Invest in Primorye Livestock: "Green Agro" Holding will invest 3.5 billion rubles in agriculture in Primorsky Krai. The company plans to implement six major projects in the field of animal husbandry, including building several breeding complexes in the region. In 2016, "Green Agro" will

complete the construction of the second breeding complex for 1,800 dairy cows, as well as build several feedlots for beef cattle, slaughterhouses and facilities for the primary processing of meat. The company plans to replenish livestock and purchase another 1,800 cows of high yield species, bringing 900 of them to Primorye this year. Also, in 2016 the company will implement the third phase of the dairy industry modernization, which will bring the milk processing plant production up to 130 tons of dairy products per day. Moreover, in 2016 “Green Agro” plans to launch facilities for hard and soft cheeses production. <http://www.agrodv.ru/content/v-zhivotnovodstvo-primorya-grin-agro-investiruet-35-milliarda-rublei>

Vodka Production Down in 2014: Russian vodka production dropped more than twenty-two percent in 2014 to 66.6 million decaliters, a record drop in production. According to Rosstat data, the largest decline in the production of vodka occurred in November (down 38.5% to 7 million decaliters) and in December (down 47.3% to 7.3 million decaliters). The Russian Government’s decision to freeze the excise tax on spirits for 2015-2016 at 500 rubles per liter, meant that producers did not create large stocks before the new year. Moreover, it is believed that illegal manufacturers have begun to displace legal vodka producers due to the Russian excise tax.

<http://www.alcoexpert.ru/itnews/21487-proizvodstvo-glavnogo-napitka-rossii-v-2014-godu-perezhilo-nebyvaloe-padenie.html>

The Government of Russia Amended the Rules for Allocation and Distribution of Federal Interest Rate Subsidies for Agriculture: Government Resolution No. 53 of January 27, 2015 amended the previous rules for calculation and distribution of federal subsidies for compensation of interest rates on loans borrowed by agricultural producers. The resolution specifies the procedures for calculation of compensation for the cost of interest on loans in 2015. Short-term loans can be compensated at the refinancing rate of the Central Bank as of January 1, 2015, multiplied by a factor of 1.1, taking into account the inflation rate for 2014. <http://government.ru/docs/16667/>

Unsuitable Farming Territories List Conditions Approved: Government Resolution No. 51 of January 27, 2015, approved the list of characteristics of territories unfavorable for agriculture. According to the document the following characteristics hamper farming: poor quality of soil (sandy, heavy loamy, salty, etc.), height of over 600 meters above sea level and/or slope greater than 15%; susceptibility to drought or water-logging, and poor socio-economic development of rural area including factors such as low rural population, high unemployment, household poverty level. If at least half of the region's farmland is subject to the fourth criterion and at least one of the first three conditions exist, the territory is recognized as unfavorable to agriculture. The GOR is to maintain a list of such regions, which will be edited at least every three years. <http://government.ru/docs/16646/>.

New Russian List of Quarantine Pests Comes into Force February 3, 2015: The new List of Quarantine Pests was adopted by the Ministry of Agriculture on December 15, 2014 by Order No. 501 in accordance with the requirements of the Russian Federal Law No. 2016-FZ of July 21, 2014 “On Plant Quarantine” ([Russian New Federal Law on Plant Quarantine_8-13-2014.pdf](#).) FAS/Moscow reported on the new Russian List of quarantine pests in the GAIN report [New Russian List of Quarantine Pests_1-14-2015.pdf](#). The list is the basis for checking products of plant origin in the territory of the Russian Federation and in foreign trade operations on the presence of quarantine pests. <http://www.fsvps.ru/fsvps/print/news/12473.html>

FTA Talks between Israel, Eurasian Economic Union in Progress: According to the TASS news

agency, Israel's Foreign Minister, Avigdor Lieberman, expressed hope that the negotiations on establishing a free trade zone between Israel and the Eurasian Economic Union (EAEU) of Russia, Kazakhstan, Belarus, and Armenia would enter final stages in April 2015. Lieberman said that both sides had been working rather intensively, marking good progress on the issue.

<http://tass.ru/en/economy/773578>

Armenia Reportedly Switched to Unified CU Veterinary Certificates: Russia's Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhozadzor) reported that Armenian competent authorities had informed veterinary services of foreign states through WTO about Armenia's accession to the EAEU, and the need to use Customs Union certificates to facilitate imports to Armenia. According to the Rosselkhozadzor release, at the moment, Armenia does not allow products that do not conform to these CU requirements to enter its territory.

http://www.fsvps.ru/fsvps/news/12393.html?_language=en