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Date: 5/4/2017

GAIN Report Number: RS1730

Russian Federation

Post: Moscow

Russian Agricultural Policy and Situation Bi-Weekly Update - 6

Report Categories:

Agriculture in the News

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Report Highlights:

Grain Stocks on April 1, 2017 are 32.0 MMT... Summary of Russian Agriculture Subsidy Expenditures in 2016... GOR Distributes Subsidies for Purchasing of Agricultural Equipment... Russian Government Approved a List of Fish and Seafood under Investment Quotas... Draft of Scientific Technical Program is Available for Public... Researchers Announce Forecast for Recommended Total Allowable Catch (TAC) for Far Eastern Basin for 2018... Cotton Planting Season Starts in Southern Kazakhstan... Poultry Facility Costing \$5.4 Million to be Launched in Akmola region

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.

Summary of Russian Agriculture Subsidy Expenditures in 2016: The Government posted the Report on the Work of the Ministry of Agriculture in 2016. The report includes the summary of the development of major agricultural industries in 2016, achievements reached in the production of major crops and animal products, achievement of food security targets by major food security indicators, and the summarized data on the state subsidies to the agro-industrial complex in 2016. The federal subsidies for the development of the agro-industrial complex in 2016 were 155.4 billion rubles of which the actual budget execution was 98.7 percent, or 153.5 billion Rubles. These priority allocations among others (budget execution is in brackets) include the following:

- Subsidies for short term credits – 12.0 billion Rubles (11.9 billion);
- Subsidies for investment credits – 55.5 billion rubles (55.3 billion Rubles). In 2016 the Ministry funded 732 investment projects (total cost of projects is 128 billion Rubles), including 133 investment projects in plant production (59.4 billion Rubles), five investment projects in livestock production (2.2 billion Rubles), 542 investment projects in milk production (29.3 billion Rubles), and 52 investment projects in beef production (37.0 billion Rubles);
- Subsidies for direct expenditures incurred for construction and modernization of objects in the agro-industrial complex – 11.6 billion Rubles (10.8 billion Rubles);
- Subsidies for agricultural producers' insurance premium in accord with the Agreement on Agricultural Insurance (crop production – 2.3 billion Rubles, and livestock production – 0.24 billion Rubles)

http://government.ru/dep_news/27334/

Draft of Scientific Technical Program is Available for Public Comment: The draft of the Government Resolution and full text of the Program “On Implementation of the Federal Scientific Technical Program of Agriculture Development for the Period from 2017-2025” is published on the official government regulation web-site for public comments. The goal of the Program is decreasing technological risks in the agricultural sector and improving quality of domestically produced agricultural products. According to the Program implementing the following objectives will help achieve the goal: 1) creating conditions for technological upgrade for agricultural production based on science and research; 2) improving seeds and genetics; 3) improving technologies for production of feeds and feed additives and veterinary drugs; 4) creating modern technologies for production, processing and storage of agricultural production and food. While the draft states that the financing will be provided from the federal and regional as well as extra budgetary funds, no concrete budget for

implementation of the above mentioned objectives is provided.

<http://regulation.gov.ru/projects#npa=64034>

Grain Stocks on April 1, 2017 are 32.0 MMT: This is the seventh month in a row of the highest grain stocks (y-o-y) in the last seven years. The high level of stocks is due to the record grain crop. In March 2017 Russia exported the record March volumes of grain, and grain stocks by April 1, 2017, decreased from March 1, 2017 by 12 percent to 28.29 million metric tons (MMT). However, they remained 21 percent higher than the stocks on April 1, 2016. In Southern European Russia (Southern and North Caucasus federal districts), the major grain exporting districts of Russia, stocks in March decreased by 17 percent to 7.85 MMT on April 1, 2017, but were 50 percent higher y-o-y.

http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d02/73.htm

GOR Distributes Subsidies for Purchasing of Agricultural Equipment:

On April 17, 2017, GOR approved Resolution #715 by which from the Reserve Fund of the government allocated 13.7 billion Rubles in subsidies to producers of agricultural machinery. Reportedly, the amount will allow the purchase of 21,251 items of domestically manufactured agricultural equipment and stimulate local producers of agricultural machinery. The subsidies are provided in the framework of sub-program “Technical and Technological Modernization and Innovative Development.”

<http://government.ru/docs/27320/>

Russian Government Approved a List of Fish and Seafood under Investment Quota:

By Resolution #764 dated April 20, 2017, the GOR approved a list of fish and seafood in specific catching zones in regards to which the quota for investment purposes is allocated. This Resolution was issued in implementation of Federal Law #349 of July 3, 2016, which amends the Federal Law “On Fisheries and Preservation of Fish and Seafood.” According to the Resolution, quota for investment purposes (investment quota) may be allocated to those legal entities and entrepreneurs that own or have a lease contract for fish harvesting vessels built at the Russian shipyards or operate fish processing facilities located on the territory of the Russian Federation. The Resolution also stipulates a list of 16 types of fish and seafood in specific fish harvesting zones that are approved under the investment quota. The list includes cod, haddock and Kamchatka (king) crab in the Northern Fishery Basin, and Pollack, Pacific herring, Far Eastern plaice, Commander squid, Far Eastern cod, American turbot and five different types of crab in the Far Eastern Fishery Basin. The new mechanism will allow fishery companies to undertake long-term economic planning, increase catch volumes allocated by quota, and promote growth of investments into the construction of fish processing facilities and fishing vessels at Russian shipyards.

<http://government.ru/docs/27403/>

Researchers Announce Forecast for Recommended Total Allowable Catch (TAC) for the Far Eastern Basin for 2018:

On April 25th scientists of the Fishery Research Institute (TINRO) in Vladivostok announced their forecast for recommended Total Allowable Catch in the Far Eastern Basin for 2018 at 2.74 MMT. The share for Pollack in the total recommended catch volume accounts for 65 percent, followed by herring for 12 percent, cod for 5 percent, and Far Eastern cod for two percent. According to the head of the office of Commercial Forecasting and Fisheries Control of TINRO, 3.2 MMT of fish and seafood, accounting for 73 percent of the total Russian fish and seafood catch in CY2016 (the highest catch since 2012), was harvested in Far Eastern Basin. Researchers suggest that recommended allowable catch for 2018 should decrease for Pollock by 110,000 MT (TAC for Pollack in 2017 was 1.78 MMT). It is expected that most Pollack for commercial catch in summer 2018 will consist of migrating species of generation 2013-2014, average in respect to population size. Also,

scientists report that in addition to marine expeditions and monitoring, they used statistical data for fisheries catch and analysis of long-term life-cycle observations of various fish species. In the report, researchers also drew attention to an increasing level of poaching in the internal water basins in the Far Eastern territory. The next step is to forward the report and notes from the scientists' meeting and public hearings to the State ecological agency, which will review in detail the materials before the final figure for Total Allowable Catch in the Far Eastern Basin is approved for 2018.

<http://fish.gov.ru/press-tsentr/novosti/17808-obshchestvennost-oznakomili-s-prognozom-odu-v-dalnevostochnom-bassejne-na-2018-god>

Cotton Planting Season Starts Late in Southern Kazakhstan: The regional agriculture representative stated that in South Kazakhstan farmers started planting cotton ten days behind the schedule. He said that "the weather in the region has been colder than average this year, but cotton prefers warm weather. Compared to the previous year, the area under cotton will be reduced from 109,600 hectares to 105,000 hectares due to water shortage." In 2016, the South-Kazakhstan region harvested 281,000 MT of raw cotton.

Poultry Enterprise to be Launched in Akmola region: Regional authorities reported that Agro Invest-2015 LLP will put into operation a poultry facility in the Burabai district of the Akmola region in September 2017. The cost of the project is approximately \$5.4 million. The design capacity of the factory will be 500,000 poultry head and 115 million eggs a year. The project will create 100 jobs.

<http://www.interfax.kz>