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Vegetable Prices Keep Rising

Report Categories:

Agricultural Situation

Agriculture in the Economy

Agriculture in the News

Vegetables

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Report Highlights:

In 2014, Russia produced 15 million metric tons (MMT) of fresh vegetables which covered around 86 percent of total domestic consumption needs. The vast majority of all vegetables in Russia (70 percent) are grown by households and do not enter modern retail channels. The retail sector is highly dependent on imported vegetables – particularly during the off season. In 2014, Russia imported 2.4 MMT of fruits and vegetables making it the third largest importer globally. In early August 2014, Russia banned a number of food and agricultural products, including fresh vegetables, from the United States, Canada, European Union, Australia and Norway in response to the application of economic sanctions. The import restriction, in combination with a depreciating ruble, resulted in a 43 percent price increase for fruits and vegetables in February 2015 compared to February 2014.

General Information:

NOTE: USDA unofficial data excludes Crimean production and exports. However, as of June 2014, Russian official statistics (ROSSTAT) began incorporating Crimean production and trade data into their official estimates. Where possible, data reported by FAS Moscow is exclusive of information attributable to Crimea.

Post does not include potatoes in the current report. The Russian Statistics Committee (Rosstat) analyzes potatoes as a separate vegetable category. Also, the trend in potato consumption greatly differs from other vegetable consumption in Russia.

Executive Summary

In 2014, Russia produced 15 million metric tons (MMT) of fresh vegetables which covered around 86 percent of total domestic consumption needs. The vast majority of all vegetables in Russia (70 percent) are grown by households and do not enter modern retail channels. The retail sector is highly dependent on imported vegetables – particularly during the off season. In 2014, Russia imported 2.4 MMT of fruits and vegetables making it the third largest importer globally. In early August 2014, Russia banned a number of food and agricultural products - including fresh vegetables - from the United States, Canada, European Union, Australia and Norway in response to the application of economic sanctions. Before the August trade ban went into place, the affected countries supplied up to 30 percent of overall vegetable imports. The import restriction, in combination with a depreciating ruble, resulted in a 43 percent price increase for fruits and vegetables in February 2015 compared to February 2014. Consumer purchase power is dropping along with Russia's weakening economy leading many consumers to decrease vegetable purchases or to switch to less expensive vegetables. The Russian government continues to support the agricultural sector and has made vegetable production a priority. In late March 2015, the previous Russian Minister of Agriculture Nikolai Fyodorov, signed an order which approved a list of investment projects that will facilitate import substitution in the framework of the Federal Program for Agricultural Development for 2013-2020. The list includes 43 projects in the sphere of greenhouse vegetables production with a budget of 31 billion rubles (\$590 million) and 48 projects in construction of vegetable storage facilities for 10.7 billion rubles (\$203.7 million).

Vegetable Production in Russia

Russia is a large producer of vegetables and is able to supply 86 percent of total domestic consumption needs. Since 2004, vegetable production has been gradually growing, except in 2010 when a devastating drought took place. According to the Russian Statistics Committee (Rosstat), in 2014 Russia produced 15 MMT of fresh vegetables, up 2.4 percent compared to the previous year. In 2014, 69.3 percent of all vegetables were produced by households, 16.8 percent by large agricultural enterprises and 13.9 percent by private farms. Vegetables produced by households are mainly grown for personal consumption with a smaller share ending up in outdoor markets throughout Russia. As a result, 70 percent of domestically produced vegetables never enter modern retail chains. Commercial production of vegetables reached 4.5 MMT in 2014, 3.6 percent higher compared to 2013 and up 63 percent compared with 2004. This growth resulted from better yields at private farming operations. In 2014, big-scale agricultural enterprises produced 2.5 MMT of fresh vegetables, a 16 percent increase

over the last ten years and a 5.7 percent jump compared to 2013. This increase is mostly attributed to a spike in greenhouse vegetable production. A main challenge facing big Russian agricultural enterprises is the presentation of final products as retailers prefer to handle washed, calibrated, and with stable quality all year round which foreign producers are better able to meet.

In an effort to increase local production and loosen Russia's dependence on imported food products, on July 14, 2012, the Russian Government adopted the Federal Program for the Development of Agriculture and Regulation of Agricultural Products and Raw Materials Markets for 2013-2020. In late March 2015, former Minister of Agriculture Nikolai Fyodorov signed an Order approving a list of investment projects that facilitate import substitution on priority activities in the framework of the Federal Program for Agricultural Development for 2013-2020. The list includes a total of 464 investment projects with an allocated budget of 265.9 billion rubles (\$5 billion). The Agricultural Development program envisions 43 projects in the sphere of greenhouse vegetables production with a budget of 31 billion rubles (\$590 million) and 48 projects for construction of vegetable storage facilities for 10.7 billion rubles (\$203.7 million).

Russia is one of the largest vegetable markets in Europe with roughly 143 million consumers. Based on the production and imports statistics, in 2014, the Russian vegetables market is estimated at 17.4 MMT of product, up 1.1 percent compared with 16.2 in 2013. According to Rosstat, per capita consumption of fresh vegetables grew 2 percent CAGR and reached 99.6 kilogram (kg) in 2012 since 2006. In 2013, consumption declined 3.1 percent to 96.5 kg with 14 MMT of vegetables going to consumer consumption. Post expects domestic vegetable consumption to drop in 2015 due to rising prices and falling consumer purchasing power.

Food Import Ban of August 2014

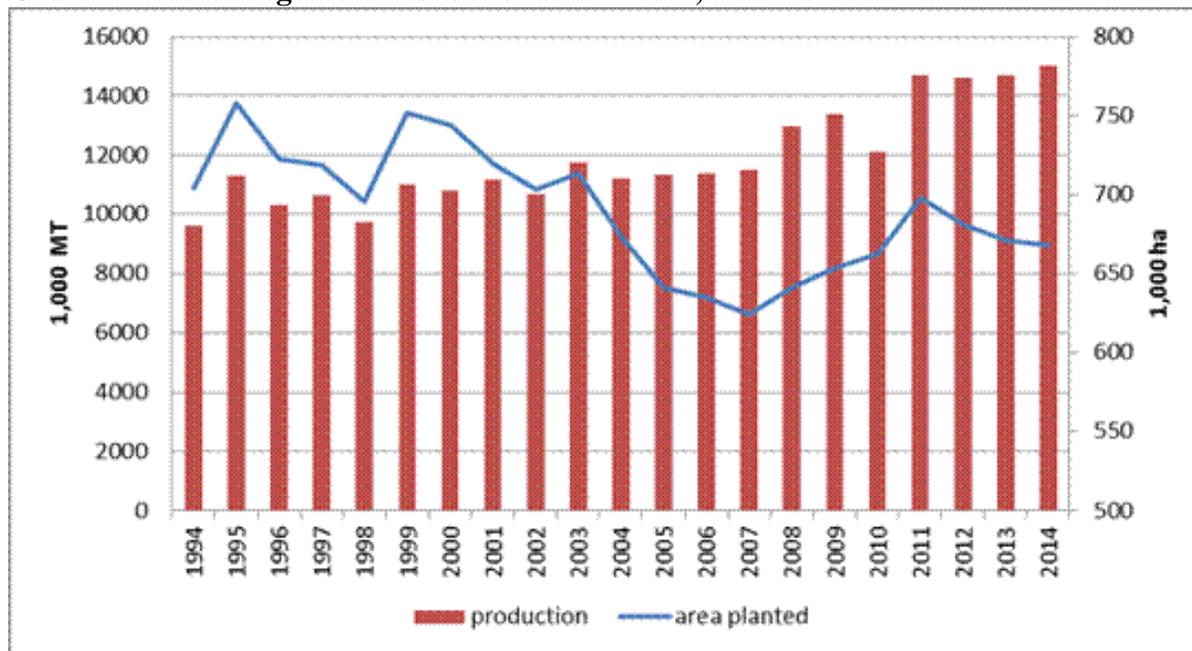
On August 6, 2014, Russia introduced trade restrictions to many agricultural products from the United States, Canada, European Union (EU), Australia, and Norway for a period of one year. The list of the products includes vegetables, edible roots and tuber crops under the following harmonized codes (HC) are currently banned for exports: 0701, 0702 00 000, 0703, 0704, 0705, 0706, 0707 00, 0708, 0709, 0710, 0711, 0712, 0713, 0714. The Russian government has announced that the ban will stay in place beyond one year until the affected countries remove economic sanctions applied due to tensions in the region. Despite the August 2014 food ban, Russia increased vegetable imports by 14 percent to 2.4 MMT valued at \$2.3 billion. This was due to large import volumes in the first half of 2014 before the ban was put into place. The affected countries historically export up to 30 percent of total Russian vegetable imports. After the ban, Russia has been able to substitute vegetable purchases from affected countries from Turkey, China, Israel, and additional countries. However, many retailers have complained that the quality of these vegetables is substantially lower than European and U.S. products. Market analysts report that significant shipments of fresh vegetables from affected European Union countries are being transshipped via non-affected European countries. For example, according to the Russian Federal Customs Service, Macedonia exports to Russia grew from 171 MT in the 4th quarter of 2013 to 2,820 MT in the same time period in 2014 (in particular tomatoes, cucumbers, and cauliflower). From October-December 2014, Belarus exported 10 times more eggplants, cauliflower, carrots, cucumbers, tomatoes, and head lettuce than in the same time period one year earlier. During the last 3 months of 2014, Russian vegetable imports dropped by 12.3 percent particularly for certain categories traditionally supplied by European Union members. Thus, EU exports of cauliflower and broccoli were down 61 percent, heads lettuce down by 47 percent, cabbage down by 29 percent,

eggplants down 28 percent, tomatoes and bell peppers down by 21 percent. The food ban along with a depreciating Russian ruble resulted in increased prices for imported vegetables. These factors most likely will result to overall decline in fresh vegetable imports in 2015 especially of the more expensive categories like cauliflower, broccoli, eggplants, and celery.

Production

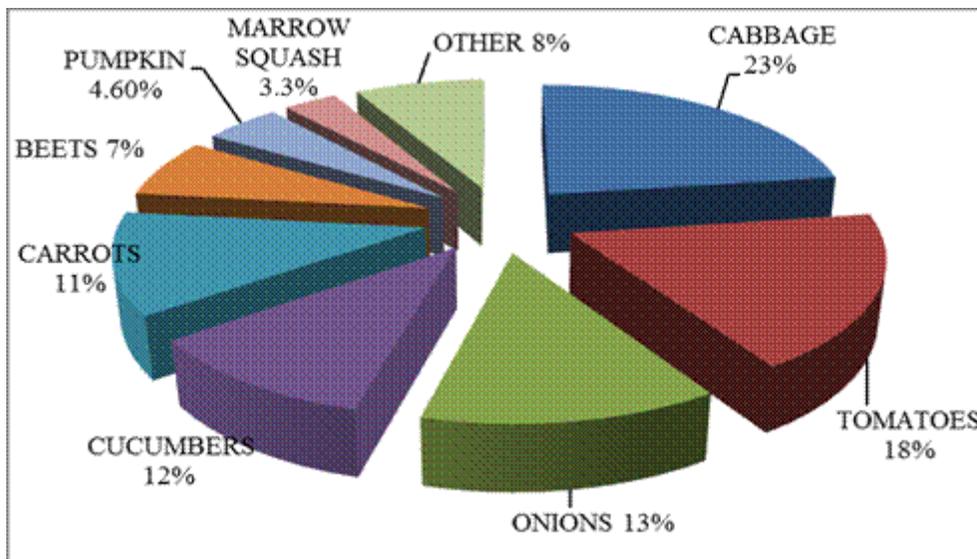
In 2014, Russia produced 15 million metric tons (MMT) of fresh vegetables which covered around 86 percent of total domestic consumption. The vast majority of all vegetables in Russia (70 percent) are grown by households and do not enter retail channels. The retail sector is highly dependent on the imported vegetables – particularly during the off season. Since 2004, domestic vegetable production has grown except for 2010 when a devastating drought occurred. Total land under vegetable cultivation is around 670,500 hectares (ha). Since 2011, the acreage has been decreasing simultaneously with crop volume growth, as vegetable cultivation is becoming more productive in Russia. At the same time, 90 percent of all vegetables are grown on open fields making them totally dependent on weather conditions.

Chart 1. Russia: Vegetable Production and Area P, 1994-2014



The main vegetables produced in Russia, besides potatoes, are cabbage (3.4 MMT), tomatoes (2.2 MMT), onions (1.9 MMT), carrots (1.6 MMT), cucumbers (1.1 MMT), pumpkins (708,000 MT), squash (508,000 MT), and garlic (248,000 MT).

Chart 2. Russia: Vegetable Production by Type, in Percentage, Total in 2014



In 2014, 69.3 percent vegetables of total production were produced by households, 16.8 percent of by large agricultural enterprises, and 13.9 percent grown by the private farms. Production of vegetables in Russia is dominated by household (backyard). In 2014, households produced 10.4 MMT of vegetables, including 2.6 MMT of cabbage (76 percent of total cabbage production), 2.1 MMT of tomatoes (76 percent), 1.1 MMT of carrots (65 percent), 1 MMT of onions, (53 percent), and 687,000 MT of beets (67 percent). The vast majority of backyard production vegetables are for personal consumption with a small percentage going to outdoor markets. Thus, 70 percent of locally produced vegetables don't enter modern retail grocery stores.

Traditionally, the rural population of Russia (37.1 million people) [1] grows vegetable in their backyards. According to All-Russia Public Opinion Research Center research, in 2013, 48 percent of the urban population (51.1 million people) has a house, dacha [2] or plot of land where Russians spend weekends during summer time for rest and gardening. Based on the same source, 46 percent of dacha owners grew vegetables, fruits, and berries for family consumption and some sales in outdoor markets. The trend of cultivating vegetable and fruits for personal consumption, however, is going down. The share of people growing vegetables on dachas declined from 60 percent in 2005 to 46 percent in 2013. Those that still cultivate fruits and vegetables in their backyard plots are mostly from smaller cities and 60 percent of them are pensioners. More and more, Russians are using their dachas for rest.

The commercial production of vegetables reached 4.5 MMT, up 3.6 percent from 2013 and 63 percent higher compared with 2004. The growth is attributed to higher yields on private farms where the production jumped from 653,000MT in 2004 to 2.1 MMT in 2014 driven by growing consumer demand for locally grown vegetables.

[1] According to Rostat, in 2014 total Russia's population total at 143.7 million people including 106.6 million of urban population and 37.1 of rural population.

[2] Dachas are summer houses, sometimes without in-house waters supply, and sewage system. Largely, dachas are for living during warm seasons form May to October.

Farmers usually their vegetables and fruits in outdoor markets where many Russians traditionally buy local produce. In 2014, big-scale agricultural enterprises produced 2.5 MMT of fresh vegetables, 16 percent increase for last ten years and 5.7 higher compared to 2013. This is due mostly to increased production of greenhouse vegetables. The main challenge facing big Russian agricultural enterprises is the presentation of final products as retailers prefer to handle washed, calibrated, and stable in quality year around products which foreign producers are better able to meet. Most local producers can't provide the consistent quality as there is a shortage of modern storage facilities and packing techniques to be able to achieve retail standards.

In 2014, the Russian ruble depreciated significantly resulting in major price increases for imported products. As a result, locally grown vegetables became more attractive and in greater demand. At the same time, according to market analysts, vegetable farming in Russia faces serious challenges that will require long term investments. To increase the production of vegetable and keep the vegetable in good condition till next season, Russian farmer need to:

1. Buy seeds, fertilizers, most of which are imported;
2. Purchase, repair, and buy spare parts for agricultural equipment, most of which is also imported;
3. Invest in modernization of storage facilities and packing lines;
4. Pay increasing expenses for transportation, fuel and utilities.

The deprecating Russian ruble, rising inflation, and a credit shortage have greatly affected agricultural producers. Commercial financing from banks have become very expensive as the Russian Central Bank increased the interest rate to 17 percent in December 2014. As a result, commercial banks raised their interest rates to 24-26 percent. Despite the decrease of the Central Bank of Russia rate to 14 percent by mid-March 2015, commercial interest rates to farmers have not yet lowered. As a result, agricultural producers are avoiding large investments in agricultural production without government support.

Chart 3. Russia: Vegetable Production in Different Types of organizations, 1994-2014

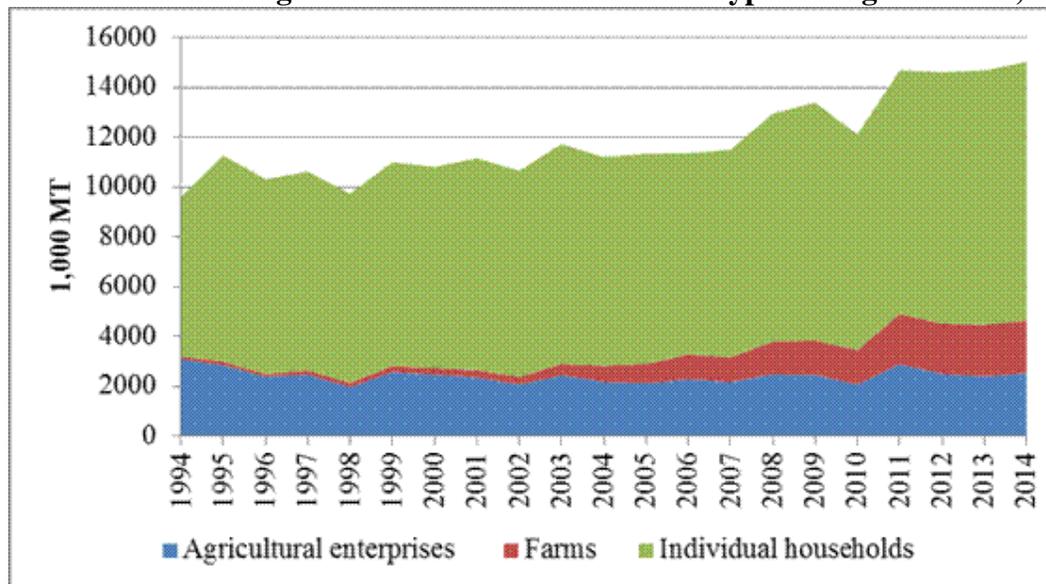


Chart 4. Russia: Vegetables by Variety, in Thousand MT, 2014

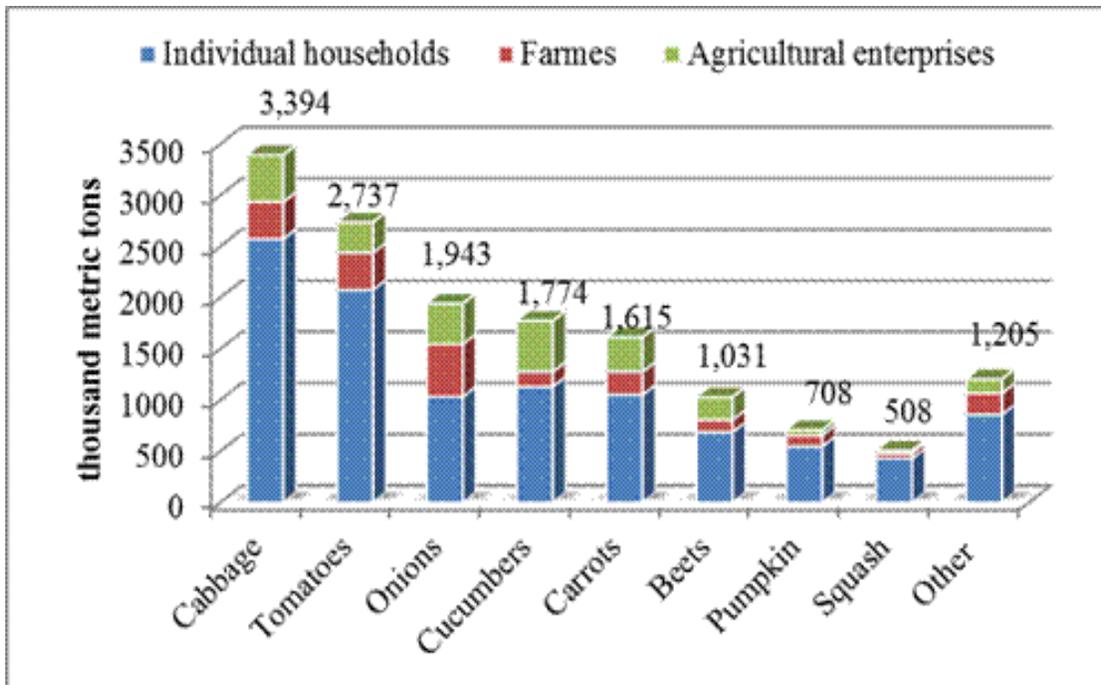
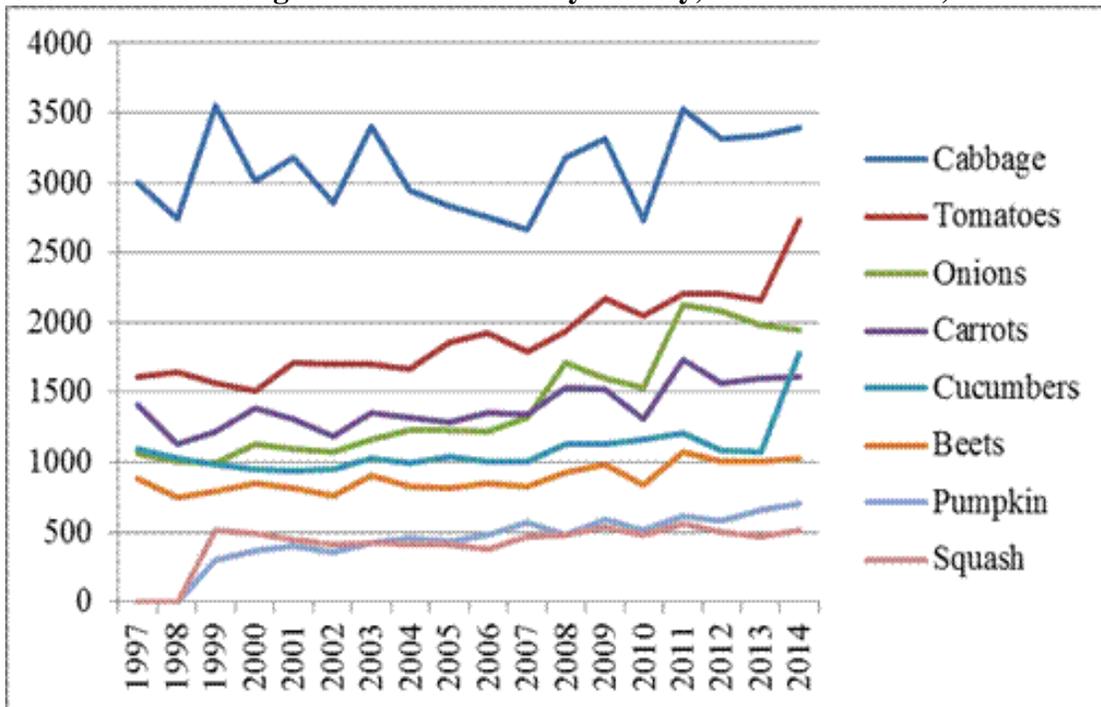


Chart 5. Russia: Vegetables Production by Variety, in Thousand MT, 1997-2014



Greenhouse Vegetables

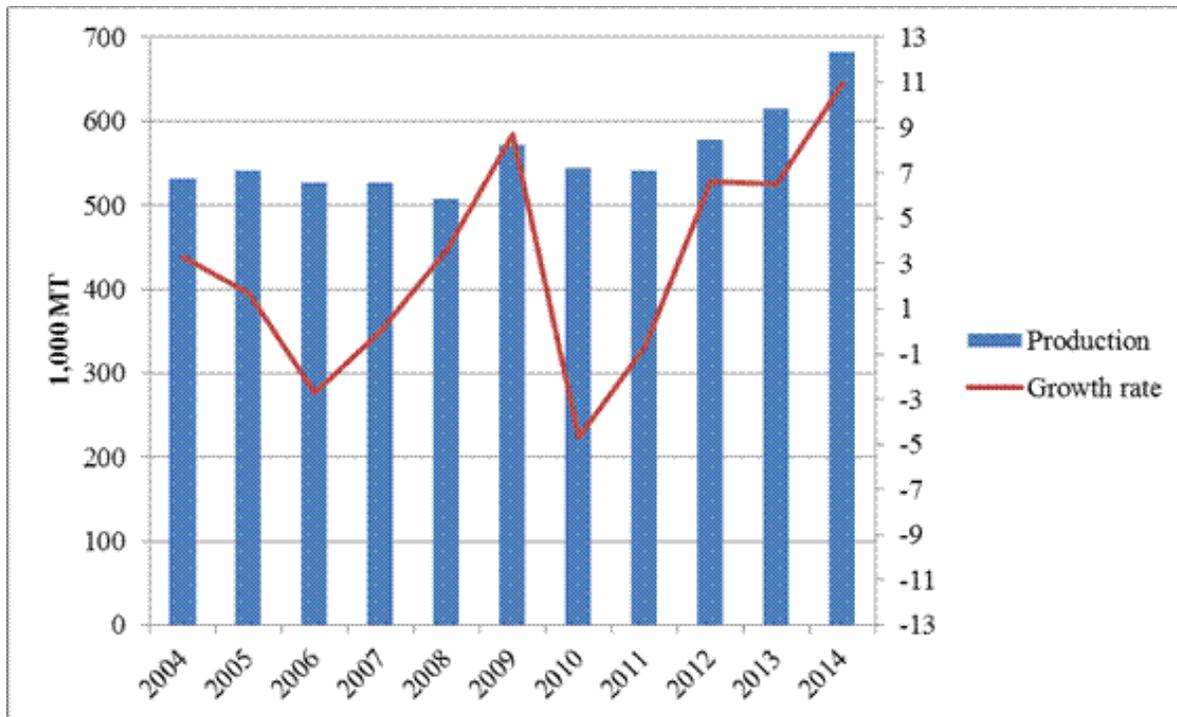
According to Rosstat, only 8.4 percent of all domestic vegetables are grown in greenhouses with more than half of this being grown by large scale agricultural companies. Since 2011, the commercial production of greenhouse vegetables has been grown 6 percent per year and amounted at 683,000 MT in 2014. There are 2,011 ha of winter green houses in Russia. It is expected that greenhouse vegetable

production will continue to expand in the future as the Russian government has made it a priority to increase overall domestic vegetable cultivation. The demand for locally grown off-season vegetables is very high. According to market analysts, Russia produces only 4.3 kg of off-season vegetables per capita, significantly lower than the recommended consumption requirement of 15 kg per person per year. At the same time, Russia imported 785,000 MT of tomatoes and 216,000 MT of cucumbers valued at \$1 billion and \$295 million from October 2013 to June 2014. Many Russian retailers prefer to work with local greenhouse vegetables because they are fresher and have longer shelf life than imported off-season vegetables. Another important aspect for potential investors is growing Russian government support of the domestic greenhouse industry. On March 28, 2015, the previous Minister of Agriculture approved a list of projects in greenhouse vegetable production within the framework of the Federal Program for Agricultural Development for 2013-2020 with an allocation of 31 billion rubles (\$590 million).

Regional officials also welcome investors in vegetable farming in order to speed up the replacement of imports and create new employment opportunities in rural areas. For example, the Government of Moscow Oblast (population of 7.1 million) organized an International Vegetable Forum in late March 2015 to discuss the potential of agriculture in the region and to attract potential investors. The Moscow Oblast governor declared that greenhouse farming is one of two strategic areas for the development of the agricultural sector in his Oblast and announced that he had already allocated around 800 million Rubles (\$15.2 million) [3] for the agricultural sector at the regional level. According to the press reports, local Moscow Oblast officials signed thirteen agreements with strategically important partners in particular Sberbank of Russia (state-owned Savings Bank of Russia) on cooperation in the development of agro-industrial projects of regional and interregional significance. Agreements were also signed with the Scientific Research Institute of Nutrition and University of Technology and Management, Rosiskiy State Agrarian University on cooperation in the development of programs for improvement of efficiency of production, normative legal document, processing, and sales of agricultural products. Four companies in Moscow Oblast have signed agreements for 9 billion rubles (\$171.3 million) of total investment in the construction of greenhouses. Dmitry Patrushev, Chairman of the Board Directors of JSC "Rosselkhozbank" (state-owned Russian agricultural bank) noted that the bank is actively financing greenhouse projects in many parts of Russia. More than 80 ha of greenhouses were put into operation using Rosselkhozbank funding and another 70 ha of greenhouses will be launched by 2017.

^[3] The exchange rate used is 52.54 RUB/USD, actual for April 10, 2015, according to the Central Bank of the Russian Federation. This exchange rate will be used for Ruble/US Dollar conversions in the current report. Information about the Ruble /USD exchange rate can be found on the Central Bank web: <http://www.cbr.ru>

Chart 6: Russia: Greenhouse Vegetable Production, in Thousand MT, 2004-2014



Russian Government Support

On July 14, 2012, the Federal Program for the Development of Agriculture and Regulation of Agricultural Products and Raw Materials Markets for 2013-2020 was adopted (Resolution # 717) and signed by Prime Minister Medvedev. The section of the Federal Program, #7 “Development of the Field and Greenhouse Vegetable Farming and Seeds Potato Production” is includes describes crop insurance of sustainable potato seed, field, and greenhouse vegetables production in order to increase Russian food independence relating to the Food Safety Doctrine and to fasten import implementation. #7 runs from January 1, 2015 to the December 31, 2020 with total financing reaching 43 billion Russian rubles (\$818.4 million) including 5 billion rubles (\$95.2 million) in 2015 alone. The aim of #7 is to increase production of big-scale agricultural enterprises, farmers, and entrepreneurs by 6 million MT of potatoes, field vegetables up to 5.2 million MT, and greenhouse vegetables up to 1.4 million MT; and to increase capacity of modern vegetable storage facilities up to 3.5 million MT.

On March 28, 2015, Nikolai Fyodorov, the former Russian Minister of Agriculture, signed an Order which approved a list of investment projects that is expected to facilitate import substitution on priority activities in the framework of the Federal Program for Agricultural Development for 2013-2020. The list includes a total of 464 investment projects for 265.9 billion Russian rubles (\$5 billion). Of all the 464 projects, 43 of them are in sphere of greenhouse vegetables production for 31 billion rubles (\$590 million) and 48 projects focus on construction of vegetable storage facilities for 10.7 billion rubles (\$203.7 million) and have already been approved within the frames of the Order.

<http://mcx.ru/news/news/show/36542.355.htm>

Russia Consumption

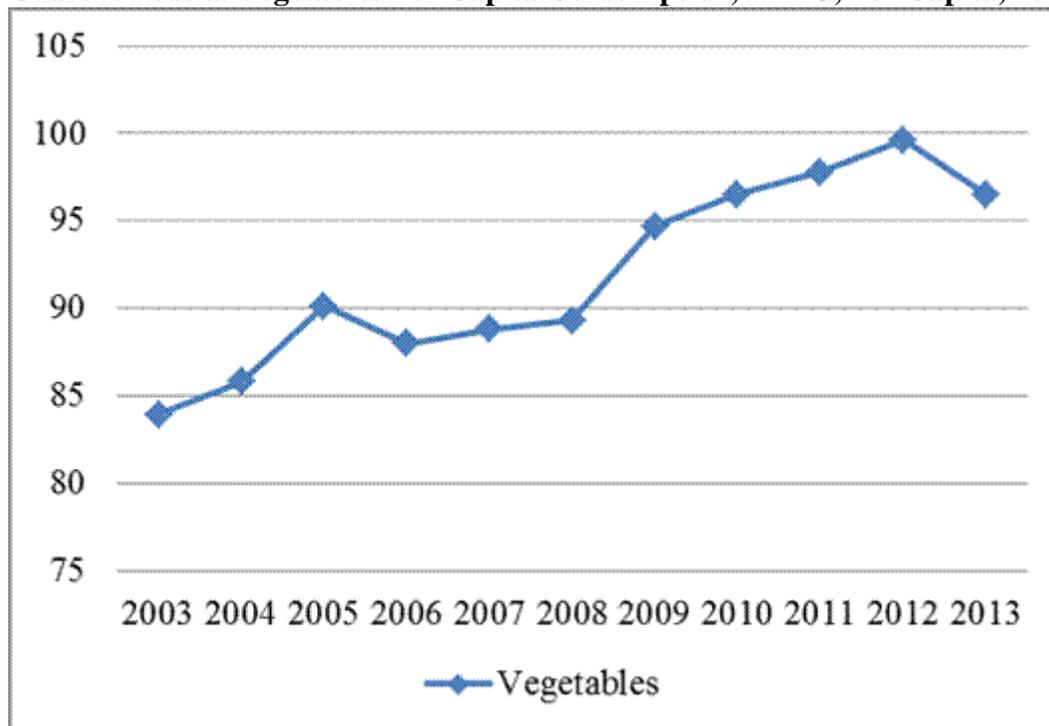
Russia is one of the largest vegetable markets in Europe with 143 million consumers. In 2014, Russia was the third largest importer of vegetables in the world having purchased 2.4 MMT. Before the

August 6, 2014 food import ban went into place, the affected countries supplied up to 30 percent of overall vegetable imports. The import restriction, in combination with a depreciating ruble, resulted in a 43 percent price increase for fruits and vegetables in February 2014 compared to February 2013.

Consumer purchase power is dropping along with Russia's weakening economy, leading consumers to decrease vegetable purchases or to switch to less expensive vegetables.

According to the Rosstat, since 2006, per capita consumption of fresh vegetables grew 2 percent CAGR and reached 99.6 kilogram (kg) in 2012. In 2013, vegetable consumption declined 3.1 percent to 96.5 kg. The most popular vegetables for Russian consumers are cabbage (21 percent of total vegetables volume), tomatoes (20 percent), onion (13 percent), carrot (11 percent), cucumbers (10 percent), beets (6 percent), pumpkin (4 percent), and squash (3 percent), based on the production and import data.

Chart 7. Russia. Vegetables Per Capita Consumption, In KG, Per Capita, 2003-2013

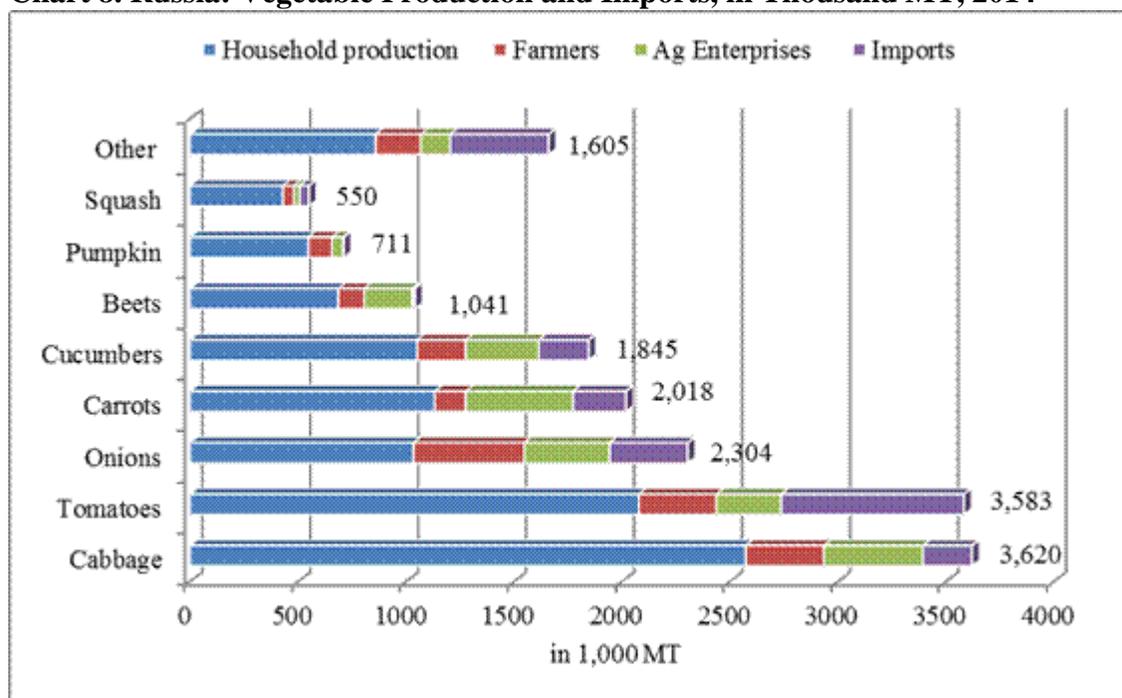


In 2015, the consumption of vegetable is expected to decline as consumer purchasing power is decreasing. Based on Rosstat data, during January-February 2015, real disposable income declined by 0.7 percent compared with the same period of 2014. According to the Russian Ministry of Economic Development (MED), consumer prices are expected to rise 12.2 percent, and real wages to decline by 9.6 percent over the course of 2015. MED also forecasts disposable income to decline 6.3 percent in 2015.

Romir research service analysts reported that 28 percent of consumers say they avoided “unnecessary expenditures” in 2014 and only purchased the food items on their shopping lists (no impulse purchases). Survey results also showed that the share of people purposefully searching for discounts and promotional sales in food stores increased substantially in 2014 with 20 percent of urban consumers acknowledging a strong preference for special food offers. The average grocery bill in this group increased by 23 percent in 2014 though purchase frequency declined by 17 percent. At the same time,

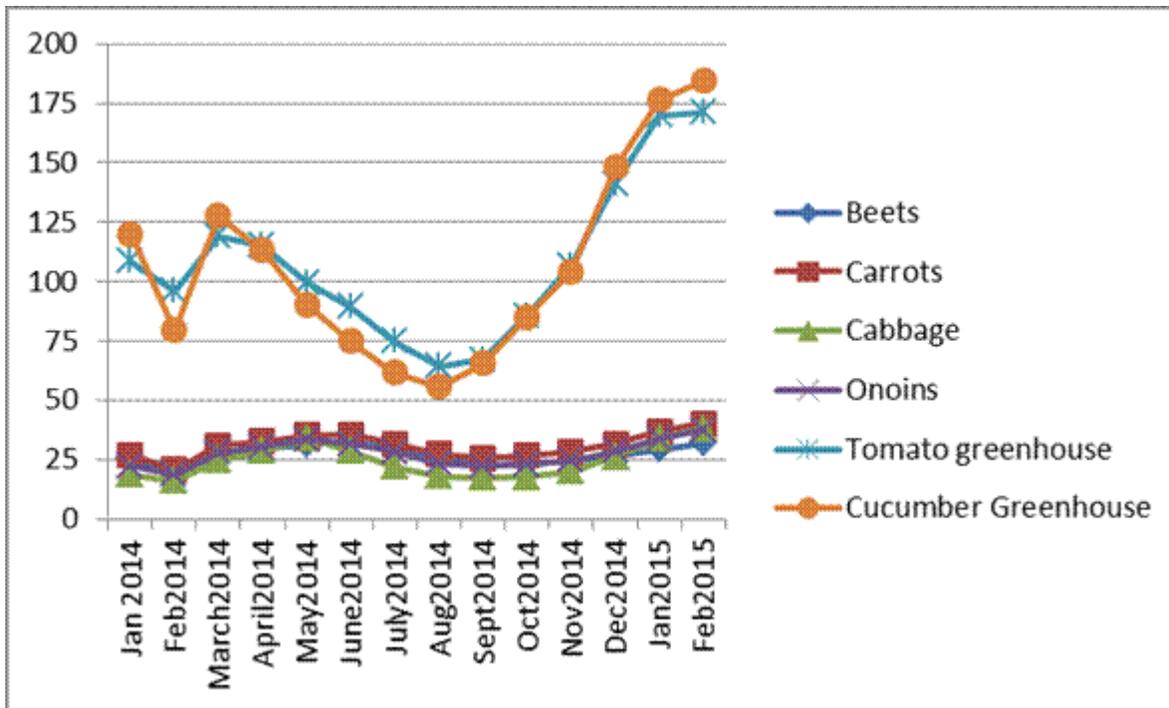
prices for major vegetables increased significantly due to the Russian ruble weakening. The ruble depreciated towards the end of 2014 and reached 66.1 rubles to the US dollar in mid-January 2015. One year earlier, the exchange rate was 33 rubles per US dollar. In April 2015, the ruble strengthened and flattened out at 52 rubles per US dollar but imported vegetables are still very expensive compared to last year. Russian producers have increased their prices for their products following the trend in the market.

Chart 8. Russia: Vegetable Production and Imports, in Thousand MT, 2014



According to Rosstat, in December 2014, prices for fresh vegetables increase 22 percent year-on-year. The prices for certain vegetables jumped dramatically in 2014 such as cabbage prices are up 48.4 percent, tomatoes – up 28.4 percent, while onion prices increased 25.7 percent. Vegetable prices continue to rise in 2015. According to Rosstat, in February 2015, prices for fruit and vegetable jumped 43 percent compared with February 2014. As of April 13, prices for major vegetable categories have increased since the beginning of 2015 such as carrots – up 44.5 percent, cabbage – up 57.1 percent, onions - up 39.6 percent, tomatoes – up 23.17 percent and cucumbers – up 25.1 percent.

Chart 9. Russia: Average Consumer Prices, Rubles/per KG, Jan 2014 - Feb 2015



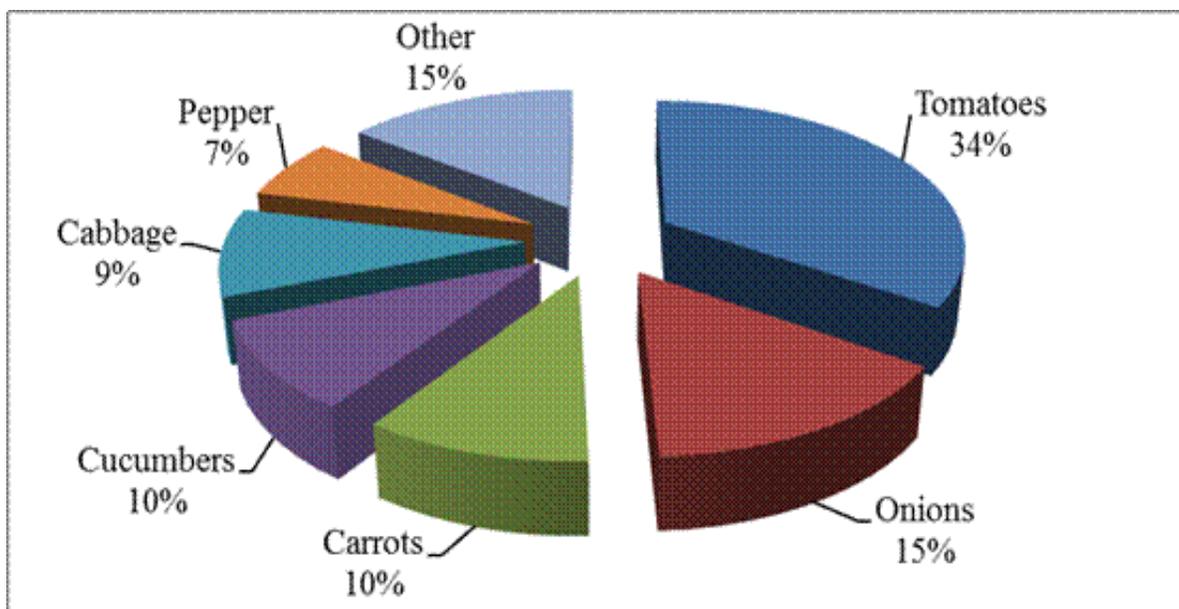
Source: Ministry of Agriculture of the Russian Federation

Trade

In August 2014, Russia introduced trade restrictions on agricultural products from the United States, the Canada, European Union (EU), Australia, and Norway for a period of one year. The list of the products includes vegetables, edible roots and tuber crops under the following harmonized codes (HC) are currently banned for exports: 0701, 0702 00 000, 0703, 0704, 0705, 0706, 0707 00, 0708, 0709, 0710, 0711, 0712, 0713, 0714. Please find more information about the ban and full list of restricted product in the report [Russia Announces Ban on Many US Agricultural Products](#).

Russia is third largest importer of vegetables in the world after the United States and Germany. In 2014, despite the food import ban, Russia increased purchases of vegetables to 2.4 MMT valued at \$2.3 billion - compared to 2.1 MMT in 2013. The major vegetables that Russia imports are: tomatoes, onions, carrots, cucumbers, cabbage, and peeper.

Chart 10. Russia: Vegetable Imports by Variety, in %, 2014

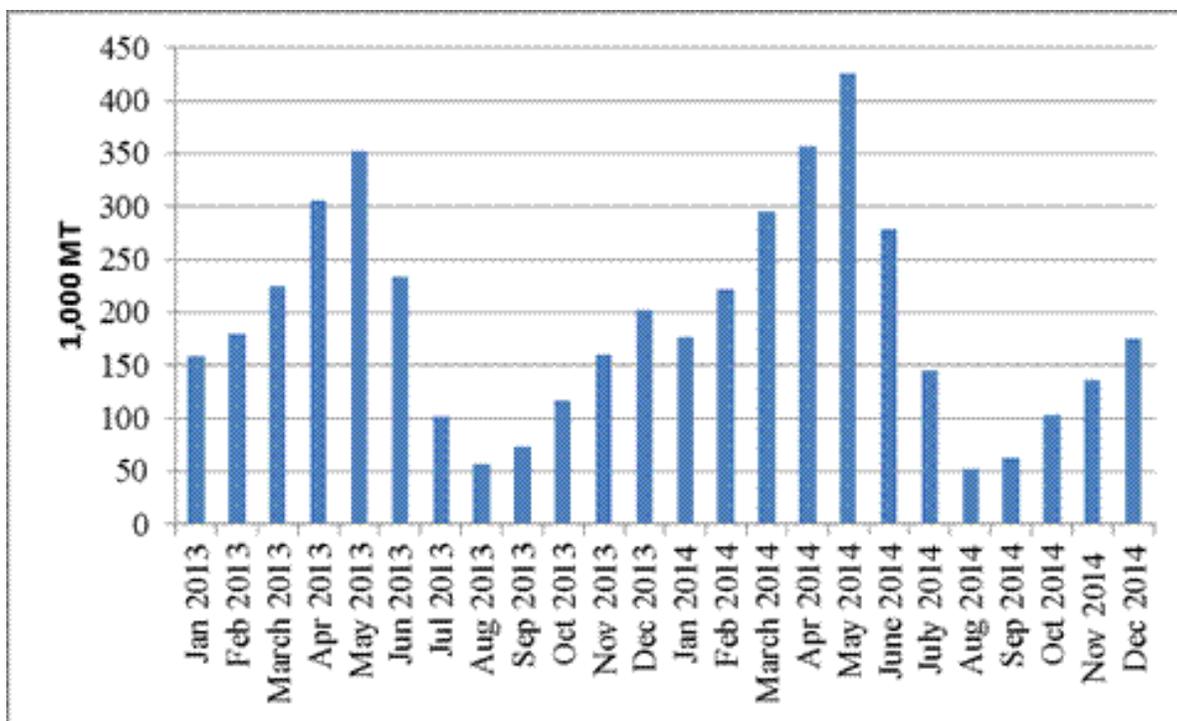


In 2013, the main suppliers of fresh vegetables to Russia were Turkey (438,287 MT), China (335,417 MT), Israel (240,795 MT), Netherlands (212,545 MT), Poland (202,361 MT), and Spain (152,708 MT). Among banned countries, the European Union was the only big exporter of vegetables to the Russian market and supplied around 30 percent of all imported vegetables including:

- 50 percent of total cabbage imports;
- 33 percent of total onions imports;
- 29 percent of total carrots imports;
- 26 percent of total tomatoes imports;
- 23 percent of total pepper imports;
- 89 percent of total cauliflower and broccoli imports;
- 89 percent of total head lettuce import; and
- 65 percent of total eggplant import.

Russia imports the vast majority of vegetables from February to June when locally-produced staple vegetables comes to an end. During this time, retail sells mostly imported fresh vegetables. In 2014-2015, the missing 30 percent of vegetable imports from traditional European sources was very noticeable and led to even higher price increases for fresh vegetables.

Chart 11. Russia: Vegetables Imports by Month, 2014-2015



In 2014, Russia increased imports of vegetables to 2.4 MMT having purchased 845,846 MT of tomatoes (up 5.8 percent from 2013), 361,453 MT of onions (up 52 percent), 229,495 MT of cabbage, and 244,465 MT of carrots (up 3 percent). Turkey increased exports by 26 percent (mostly tomatoes, cucumbers, onions, head lettuce, eggplants). China saw vegetable shipments increase 20 percent in 2014 particularly for tomatoes, onions, cabbage, and carrots. Israeli exports rose by 5 percent (carrots, beets, celery). Azerbaijan, Iran, and Morocco also supplied more vegetables to Russia in 2014 as supplies from major EU trading partners were closed with the August 2014 food import ban. Though full year import numbers shows an overall increase of fresh vegetables from overseas, during October - December 2014, Russia saw a 12.3 percent drop in particular vegetable categories traditionally supplied by EU countries. For example, Russian imports of cauliflower and broccoli dropped 61 percent in the last quarter of 2014 compared to the previous year as did head lettuce – down 47 percent, cabbage – down 29 percent, eggplants – down 28 percent and peppers – down 21 percent.

Table 1. Russia: Vegetable Imports by Country, in MT, 2013-2014

Year	2013		2014
Turkey	438,583	Turkey	555,233
China	335,417	China	415,802
Israel	249,795	Israel	252,925
Netherlands	251,014	Netherlands	230,722
Poland	203,157	Belarus	192,245
Spain	152,801	Iran	115,156
Iran	105,897	Poland	112,931
Ukraine	100,678	Spain	99,643
Morocco	74,256	Morocco	85,473
Azerbaijan	64,233	Ukraine	77,057

Others	190,864	Others	287,892
Total	2,166,695	Total	2,425,079

Table 2. Russia: Vegetable Imports by Variety, in MT, 2013-2014

Vegetables	2013	2014	Percent change 2014/2013
Tomatoes	799,340	845,846	5.8
Onions	236,711	361,453	52.7
Carrots	236,453	244,465	3.4
Cucumbers	198,863	230,575	16
Cabbage	174,408	229,495	31.6
Pepper	161,993	159,938	-1.3
Head Lettuce	27,978	26,600	-5
Eggplant	27,225	25,965	-4.5
Cauliflower and Broccoli	27,853	23,918	-14.1
Beets	19,405	12,521	-35.5
Other	256,466	263,303	2.7
Total	2,166,695	2,425,079	11.9

Table 3. Russia: Vegetable Imports by Variety, in MT, 4th Quarter 2013 and 2014

Vegetables	Oct-Dec 2013	Oct-Dec 2014	Percent change 2014/2013
Tomatoes	185,741	147,304	-21
Onions	8,129	17,901	120
Carrots	28,597	24,843	-13
Cucumbers	95,031	95,560	0.5
Cabbage	19,620	13,878	-29
Pepper	49,185	38,631	-21
Head Lettuce	8,404	4,457	-47
Eggplant	8,305	5,933	-28
Cauliflower and Broccoli	10,564	4,060	-61
Beets	660	170	-73
Other	65,039	58,545	-10
Total	479,275	411,289	-14

Policy

Fruits and vegetables are subject to sanitary-epidemiologic control, 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 Unified Sanitary–Epidemiological requirements can be found in Russian on the website of the Customs Union:

<http://www.tsouz.ru/db/techregulation/sanmeri/Documents/PishevayaCennost.pdf>

The Russian competent authority, Federal Service for Veterinary and Phytosanitary Surveillance (VPSS), requires that the exporter provide information to VPSS on the pesticides used at growing and storage location 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. There is no standard form, but VPSS developed a sample form of a letter (declaration) in Russian on pesticides (see Attachment I). 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](#).

Vegetables are products of recognized high phytosanitary risk, go through phytosanitary control. New Russian List of Quarantine Pests Comes into Force February 3, 2015 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.

Fresh produce shipments should be accompanied by a Phytosanitary certificate from the exporting country authorities (APHIS for American produce) to be able to certify and clear products in Russia.

- The issuance date of the certificate should be before the actual departure of the lot from the territory of the authorized body which issued the certificate.
- 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 and weights identified in Bill of Lading and Invoice.
- 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.