



Russia

Target market report for the
export of GB seed potatoes

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SUMMARY OF THE ENQUIRY

This report provides some general information about the Russian Federation and its agricultural sector. It concentrates mainly on its potato and seed potato markets, providing data on potato varieties, principal potato growing regions, production and consumption trends, imports, etc. It also contains information on RF State regulation in food safety, certification, taxation and import, as well as some useful contacts. The report gives some advice on doing business in Russia, as well as a list of relevant exhibitions and publications.

Here are the major findings:

- Potato is considered to be the most popular vegetable in Russia.
- Russia is second largest potato producer in the world.
- It produces potatoes mainly in the risky farming zones.
- Central Federal District and Siberia have the largest potato sowing area and are the largest production regions.
- There are over 200 potato varieties allowed for usage in Russia.
- Potato production is primarily concentrated on private plots and specialised farms.
- Russian potato production is ineffective with potato yields 3-4 times lower than in Europe or the States.
- Russia primarily uses domestic seeds, and imported seeds continue to play a minor role in the sector.
- Still most of the seed potatoes at individual plots of land are saved from the previous year and the quality of these seeds deteriorates from year to year.
- Potato seeds are imported mainly from the Netherlands, Finland, UK (Scotland), and Germany.
- Russian importers are most interested in varieties that are tolerant of cold conditions, produce high yields and can mature quickly in Russia's short growing season.
- On the base of our report we are happy to prepare another report with verified industry contacts, including large potato growers, seed importers and distributors, potato processing

METHODOLOGY

The information and statistics in this report were sourced from Encyclopaedia Britannica, Goscomstat (The Federal Statistics Service), Russian Customs Committee, World Bank Agricultural Committee, Global Agriculture Information Network, Agrotek exhibition catalogues, Potato, Vegetables and Fruits exhibition catalogue, Golden Autumn exhibition catalogue, industry press, Internet sources and contacts previously made by Trade & Investment Section.

GENERAL INFORMATION ON RUSSIA

General

- Russia is the world's largest country with an area of 6,592,800 square miles. Covering much of Eastern Europe as well as the whole of Northern Asia, Russia extends nearly halfway around the Northern Hemisphere.
- It ranks sixth in the world in population, following China, India, the United States, Indonesia, and Brazil.
- More than 80% of the 144.2 million people (2004) who live in Russia are ethnic Russians. There are also some 75 ethnic groups.
- One fifth of its population lives in major 13 cities with a population of over a million: Moscow, St. Petersburg, Novosibirsk, Nizhny Novgorod, Ekaterinburg, Samara, Omsk, Kazan, Chelyabinsk, Rostov-on-Don, Ufa, Volgograd, Perm.
- Around 27% of the population are classified as rural.
- Russia is divided into seven federal districts: Central, Northwest, Southern, Volga, Urals, Siberian, and Far East.
- Russia's GDP: \$572,960 million; GDP per capita: \$3,975; GDP Growth: 7.1% (2004)

Geography

Russia contains two stable blocks—the Eastern European and Siberian platforms. The suture that ties the two platforms together is the 250-million-year-old Ural Mountain chain. Around these platforms are folded mountain systems of younger ages. The platforms' ancient rocks are exposed on the Fenno-Scandian Shield, in the southern Urals, and on Siberia's Aldan and Anabar shields. The youngest materials are the sediments of the Azov-Caspian and West Siberian plains.

The *European part* is covered by sediments except in the northwest. The highest elevations outside the Urals in the west are in the Khibin Mountains of the Kola Peninsula. Elsewhere the region consists of low-lying plains and peat bogs, except in the Valday Hills; the Smolensk-Moscow Ridge and the Central Russian Upland; and the pre-Volga Heights. The Valday Hills and Smolensk-Moscow Ridge are morainal deposits that trapped meltwater from Pleistocene glaciers and created proglacial lakes and marshes.

On the southern lip of the Crimean Peninsula in neighbouring Ukraine begins the first of a long string of bordering mountain ranges that penetrate into eastern Siberia and the Russian Far East. The Crimean Mountains are separated from the *Greater Caucasus* by the Kerch' Peninsula and Kerch' Strait. The Greater Caucasus are flanked on the north by the broad Stavropol' Upland. Many of the mountains of the range are igneous, including Mount El'brus, the highest peak in Europe.

The *Ural Mountains* are low-lying remnants of much higher ranges. The northern Urals are highest. The central Urals are lowest and are the location of the main transportation routes, including the Trans-Siberian Railroad. The southern Urals are of medium elevation but broad. For more than 200 million years the Urals have been attacked by the Volga-Kama system and the rivers of the Ob' network. Sediments have filled basins on both sides of the divide, but none so remarkably as the West Siberian Plain.

The *West Siberian Plain*, covering one-seventh of Russia's territory, stretches from the Urals eastward to the Yenisey and from the Arctic Ocean to the foothills of the Altai Mountains. The Ob' River and its tributaries flow slowly across this massive "pool table" into the Arctic Ocean. When the southern tributaries swell with meltwater in the spring, the main trunk, the Ob', is still ice-dammed in the north. The flooding is extensive, creating the world's largest sphagnum bog, the Vasyugan Swamps, on the world's largest plain.

East of the Yenisey River lies the *Central Siberian Plateau*, from which flow the major tributaries of the Yenisey and Lena. In the south the mountain arc continues as the Altai Range, where the Ob' River is born. Two arms of the Altai system confine a valley of the Tom' River, a right-bank tributary of the Ob'. Within the valley (the Kuznetsk Basin), deposits of high-quality coal have been unearthed. The Altai merges with the Sayan Range in the east.

Beyond the Sayans is *Lake Baikal*, in an active rift valley that is separating at a rate of 1 to 2 inches per year. Baikal's surface area is relatively unimpressive—the size of Belgium—but it is the world's deepest lake. Baikal gets deeper with every earthquake, and in several million years it will become a new ocean. It contains a fifth of the world's fresh water.

Lake Baikal forms a tectonic divide. In the west is the pre-Baikal Upland. In the east is Transbaikalia, which merges in the southeast with the Yablonovyy Range. Swinging arclike first eastward and then northward along the coast of the Sea of Okhotsk are the Stanovoy, Dzhugdzhur, and Kolyma ranges. The Anadyr', Koryak, and Kamchatka ranges compose the Chukchi and Kamchatka peninsulas. The latter is one of the Earth's most volcanically active regions. This is also true of the Kuril Islands. In the southeast the Amur River is flanked in the north by the Bureya Range and in the south by the Sikhote-Alin'. Deep in the interior along the eastern bank of the Lena is the Verkhoyansk Range, which links with the Cherskiy Range.

In *eastern Siberia* lowlands are dispersed. The Central Siberian Lowland divides the same-named upland from the hilly Taymyr Peninsula. The Lena River creates the Central Yakut Lowland in its middle course near Yakutsk. Likewise the Kolyma Lowland is the product of the Kolyma River's winding course. Along the Amur is the fertile Zeya-Bureya Plain, and along the Ussuri River, a right-bank tributary of the Amur, is the Ussuri Lowland.

Of its 100,000 rivers, Russia contains five of the world's longest. The Volga is the longest river in Europe. It flows southward but into the world's largest "lake," the landlocked, saltwater Caspian Sea. The other four are in Asia: Ob'-Irtys, Amur, Lena, and Yenisey. All but the Amur flow northward into the Arctic Ocean.

The Land of Lakes is in Karelia south to the Valday Hills. Here Pleistocene glaciers left thousands of bodies of water as they receded. The largest of these are Lake Ladoga and Lake Onega.

Narrow lakes are located behind barrages (dams) on the Don, Volga, and Kama. In Siberia similar man-made lakes are located on the upper Yenisey and the Angara, where the Bratsk Reservoir is among the world's largest.

Climate

Several basic factors determine the climates of the Russian Federation. The country's vast size and compact shape produce a dominance of continental regimes. Its northerly latitude ensures that these are cold continental regimes. The great mountain barriers to the south and east prevent the ingress of ameliorating influences from the Indian and Pacific oceans, but the absence of relief barriers on the western and northern sides leaves the country open to Atlantic and Arctic influences.

In effect there are only two seasons, winter and summer; spring and autumn are brief periods of rapid change from one extreme to the other. Great ranges of temperature are typical. In winter temperatures get colder both from south to north and from west to east. Summers can be quite hot and humid, even in Siberia.

Russia also has low annual precipitation that almost everywhere averages less than 20 inches and peaks in summer—usually in July or August. The continental interiors are the driest areas.

Climate, soils, vegetation, and animal life are closely interrelated, and variations among these within Russia form a series of broad latitudinal environmental belts. From north to south the East European Plain is clad sequentially in tundra, coniferous forest (taiga), mixed forest, broadleaf forest, grassland (steppe), and semidesert (fringing the Caspian Sea) as the changes in vegetation reflect the changes in climate.

Siberia supports a similar sequence but lacks the mixed forest. Most of Siberia is taiga. In the mountain zones of the south and east the pattern is more complex because altitude rather than latitude is the dominant factor, and there are striking changes over relatively short distances. Soils vary from rich, black loams in the steppe to very acidic podzols in the taiga to bog types in the tundra and Siberian swamps.



RUSSIAN AGRICULTURAL SECTOR

Overview

The Russian agricultural sector is struggling to rebuild as it transforms itself from a command economy to a more market-oriented system. Following the break-up of the Soviet Union in 1991, large State farms had to contend with the sudden loss of heavy government subsidies. Problems with the country's economy coupled with substantial price disparity for agricultural produce, the lack of financing and inefficiency resulted in many bankruptcies among agricultural enterprises.

Livestock inventories declined, pulling down demand for feed grains, and the area planted to grains dropped by 25% in less than ten years. The use of mineral fertiliser and other costly inputs plummeted, driving yields downward. Most farms could no longer afford to purchase new machinery and other capital investments.

After about ten years of decline, Russian agriculture began to show signs of modest improvement. The transition to a more market-oriented system has introduced the element of fiscal responsibility, which has resulted in increased efficiency as farmers try to maintain productivity while struggling with resource constraints.

Today the Russian agricultural sector produces 5.5% of the country's GDP but remains heavily subsidised. State subsidies to farmers outnumber the taxes that are received from them. In 2002 direct subsidies totalled 5.5 billion RUR (\$183 million).

The total area of land available for cultivation in Russia is 220.9 million hectares, which is 12.9% of the total area of the country. Meanwhile in 2002 only 194.6 million hectares (or 88%) were used. The usage of agricultural land is constantly declining.

The area of plough land is 118.4 million hectares and half of it is uniquely fertile black earth. However, the majority of Russia's territory is in the so-called "risky farming zone", where harvesting capacity very much depends on weather conditions.

The sector employs 7.7 million people (or 12% of the total workforce). In reality, the number of agricultural workers is much higher, considering that tens of millions of Russian families have household plots and vegetable gardens. Women make up 37% of the sector's workforce. Agricultural workers are among the

oldest - the number of senior citizens in this sector exceeds any other. And the number of young people, working in the industry, is constantly declining.

The cost of fixed assets in the sector is 1.2 trillion RUR (\$40 billion), which is 4.4% of the total cost of all fixed assets in the Russian economy. The majority of the assets has been in use far longer than their capacities and needs to be replaced. The degree of depreciation in large and medium-sized agricultural organisations is 49%. The worst affected are agricultural equipment and transportation vehicles.

Major trends in Russia's agriculture

In recent years there have been many positive signs and improvements in the state of agriculture. Several factors have contributed to that:

- The overall situation in the country has changed for the better.
- Federal government has named agriculture as one of the strategic sectors of the Russian economy. A lot of state subsidies have recently been funnelled into agriculture. Most of the funds went towards reimbursement of interest rates on leasing and credit schemes.
- A more even parity between the price of agricultural produce and the price for means of production.
- Increased buying power of the population stimulated demand for agricultural produce. Agricultural produce is now in very high demand therefore the pricing is much fairer.
- Crop and plant growing were the key drivers of Russia's agriculture in the last years. Livestock agriculture was lagging behind due to traditional weakness of the industry and strong import competition.
- The 1st stage of land reform has been completed. About 95% of land in Russia has been evaluated. Redistribution of land increased share of households in the total from 2.8% in 1990 to 3.4% in 2003, farmers from 6.9% in 1990 to 9.3% in 2003.
- Big business started coming to agriculture after realising its high potential. Large vertically integrated food processing complexes as well as oil and gas companies are increasingly investing in the sector.
- Russia has regained the status of a grain exporter. Now it is not only meeting in full the nation's own needs, but also allowing some for exports.
- Private sector now plays key role in Russia's agriculture. Its market share grew from 26.3% in 1990 to 62.1% in 2003. Still, households account for the most of agricultural output while farmers hold only 4.2%. (See Table 1: Breakdown of Russia's Agricultural Output, Appendix).
- BUT low technological level and lack of machinery seriously undermine agricultural growth.
- Most new machinery is obtained through leasing arrangements funded by the federal government and local administrations. Since few farms are able to offer sufficient collateral to secure large, long-term loans, the purchase of agricultural machinery and grain-storage facilities is difficult.

Structure of the industry

There are 3 major types of agricultural producers in the country (See Table 2: Output of Main Agricultural Products, Appendix):

- *Agricultural enterprises* are former state and collective farms, which were reorganised into joint stock companies and co-operatives. There are about 25,000 enterprises. Most of them still have old management and have not been restructured. Half of them are insolvent. Few have managed to get rid of their debts and become profitable. This category dominates production of most agricultural commodities in Russia, including over 81% of grains and 74% of sunflower seed. They tend to be big, with an average size of nearly 5,000 hectares, and are larger in the spring wheat region than in European Russia.
- *Private farms* tend to be much smaller, with an average size of about 70 hectares, but they account for a growing percentage of Russia's commodity production. There are 264,000 farm enterprises in the sector. In total they produce about 4% of Russian agricultural produce. In 2004, private farms accounted for 17% of Russia's total grain production, over 24% of sunflower seed, and 10.3% of sugar beets.
- *Private household plots*, with a maximum size of 2 hectares, make up only 6.1% of the total area of Russia's farmland. But they produce over half of all agricultural production: 92% of the country's potatoes, 89% of the fruits, and 80% of the vegetables, either for personal consumption or for sale at local markets. Over 16 million Russian families have private household plots, another 14.6 million families have gardens and 4.4 million families have vegetable gardens.

Russian crop production and its major regions

The harshness of the Russian environment is reflected in the small proportion of land that is used for farming. Agricultural land constitutes less than one-sixth of the republic's territory. Of the country's nearly 200 million hectares of agricultural land, roughly 120 million is planted to row crops (chiefly grains, annual or perennial forages, sunflowers, potatoes, and vegetables) or temporarily fallow. The remainder is devoted to permanent meadow or pasture.

The main product of Russian farming has always been grain, which occupies considerably more than half of the cropland. Wheat is the chief cereal, followed by barley, rye, and oats. More than one-third of the sown area is devoted to fodder crops—sown grasses, clovers, root crops, and, in the southern districts, corn. The remaining farmland is devoted to industrial crops, such as sunflowers, sugar beets, and flax, and to potatoes and other vegetables. (See *Table 3: Areas Under Agricultural Crops, Appendix*)

Russia's main agricultural region extends from the Central district in European Russia to western Siberia. There are pronounced regional variations in response to the variations in relief, soil, and climate.

In the European section of Russia the proportion of land devoted to crops increases southward, from virtually none in the North to about two-thirds in the Central Black Earth region.

In Siberia and the Far East, crops are largely confined to the southern fringe. Even in West Siberia, where the cultivated zone is at its widest, crops occupy less than one-tenth of the region's territory, this proportion falling to negligible levels in East Siberia and the Far East.

Cereals occupy more than two-thirds of the cropland in most regions but less than half in the damper Northwest and Central regions, where fodder crops are more important. The intensity of farming and the yields achieved are generally much higher in the European section than in Siberia.

Sweet corn, rice, and grapes are grown in the North Caucasus. Elsewhere corn is raised strictly as livestock silage and fodder. Millet and melons are grown along the lower Volga River. Sunflowers are widespread.

Rye and oats growing is concentrated in the mixed forest zones, western Siberia, and on the outskirts of cities, where vegetables are also cultivated. Potatoes and flax are grown northwest of Moscow. Apples, pears, and hemp are grown mainly south of the capital. Crops are irrigated along the lower Volga and in the North Caucasus.

Major trends in Russia's plant cultivation

- Gross harvest for main crops in Russia evidenced a sound growth in 2003 with exception of grain harvest. (See *Table 4: Gross Harvest for main crops, Appendix*)
- In 2001-2003 production of sunflower, flax fibre and sugar beet evidenced the biggest increase in Russia. Output of potato surged by 6% only against 1996-2000 average.
- In 2003 crop yields fell only in grain production, down 9.4% against 2002. In 2003 production of potatoes showed second biggest increase (after flax fibre) in crop yield (up 12.4%). (See *Table 5: Crop Yield, Appendix*)
- There is an evident specialisation on production of key products in Russia's plant growing among producers' groups. Agricultural enterprises and farmers focus on production of grain, sugar beet and sunflower. Households focus on production of potatoes and vegetables. (See *Table 6: Breakdown of Russia's Plant Growing Output, Appendix*).
- Since 1992 total area under agricultural crops has been considerably decreased for all types of farms: from 114 million hectares in 1992 to 78 million hectares in 2004. Total area under potatoes has also decreased from 3.4 million hectares in 1992 to 3.1 million hectares in 2004. (See *Table 3, Appendix*).
- Wheat remains the key grain type in Russia (See *Table 7: Breakdown of Russian grain production, Appendix*)
- The most profitable agricultural product to grow in Russia is sunflower as its profitability reaches 80%.
- Russia primarily uses domestic seeds, and imported seeds continue to play a minor role in the sector.

- However, imported seeds are becoming more common in the production of sugar beets, sunflower seeds, potato, vegetables and horticultural crops.
- The total value of planting seeds imports in 2004/05 increased to \$110.2 million from \$88.5 million in the previous year.
- Exports of planting seeds are very small and usually are not reflected in official customs data.
- Limited use of certified planting seed is impeding a significant and sustained increase in the crop yield. Majority of Russian farmers use "common" planting seeds, saved from the previous year's harvest.

RUSSIAN POTATO MARKET

Production

- Potato is considered to be the principle of Russian cuisine and the most popular vegetable in Russia.
- Russia used to be the largest potato producer in the world. Now Russia is second only after China, despite the fact that it produces potatoes mainly in the risky farming zones and very ineffectively with low yields.
- For the last decade, the total area used for potato growing, has been decreased and now amounts for about 3.15 million hectares. Most of it belongs to household farms. (See Table 8: *Areas Under Agricultural Crops, Appendix*).
- In 2004 all types of Russian farms produced 35.9 million tonnes of potato, which is about 250 kg per person. This is considerably less than in 1992, when they produced over 38 million tonnes. However, they have slightly increased potato yields from 114 in 1992 to 115 centners per hectare of harvested area (See Table 9: *Gross Harvest and Yields of Main Agricultural Crops, Appendix*).
- Household farms are the main potato producers in the country. They have increased their production of potatoes from 29.9 million tonnes in 1992 to 33 million tonnes in 2004. They account for 92.8% of the total potato output. (See Table 10: *Output of Main Agricultural Products by Households farms, Appendix*).
- Private peasant farms have also increased their production of potatoes from 307 thousand tonnes in 1992 to 722 thousand tonnes in 2004. They account for 2% of the total potato output. (See Table 11: *Output of Main Agricultural Products by Private Farms, Appendix*).
- Large agricultural organisations, namely productive co-operatives, joint stock companies, state enterprises, subsidiary farms of industrial, transport and other organisations, scientific-research and other institutions, have reduced their sowing areas for potato 3 times from 1.4 million hectares in 1992 to 0.3 million hectares in 2004. They have also decreased production of potatoes from 8.1 million tonnes in 1992 to 2.2 million tonnes in 2004. They account for about 5% of the total output. (See Table 12: *Main Indicators of Production Activity of Agricultural Organisations, Appendix*).
- Russia has the largest numbers of product loss during different stages of potato cultivation, production, harvesting, transportation and storage. This attributes to a number of factors: increased usage of nitrogen fertilisers, countrywide environmental degradation, production of potato types with low storage qualities, etc.
- The quality of potatoes is one of the main problems in the sector. 40% of potatoes, delivered to supermarkets, are rejected because of their very poor quality.

Principal potato-growing regions of Russia

- The Central Federal District has the largest potato sowing area and it is the largest production region with over 11 million tonnes a year.
- Siberia produces 6.3 million tonnes, South region - 3.3 million, the Urals - 3.2 million, NorthWest - 2.2 million tonnes per year.
- The average potato production cost amounts for 2.8 RUR. It is lower in Siberia (2.2 RUR) and higher in southern regions (4.6 RUR).

Consumption

- Russia consumes about 110 kg per person per year.
- Annually Russian population consumes
 - 17 million tonnes of potatoes for food,
 - 7 million tonnes for forage,
 - 9 million tonnes for seeds and
 - 50 thousand tonnes for processing into starch.

Potato varieties grown in Russia

- The Russian State Register for selection achievements, allowed for usage, contains over 200 potato varieties. About 67% of them were selected in Russia or other CIS countries and 33% were selected in other foreign countries.
- As for maturing rate, these varieties subdivide into 34% premature ripening, 27% middle-early, 19% mid ripening, 16% middle-late, and 4% ripening varieties.
- Earlier table varieties of potatoes were most popular, and now the most popular varieties are those, that are suitable for processing.
- The varieties grown in Russia are:

Varieties	Variety Rights	Maturity	Colour of skin	Flesh colour	Use
Agria	1985	Second Early	Yellow	Yellow	Table. Processing. French fries
Aksamit	1994	First Early	Light-yellow, buff	White	Table
Aladin	2003	Medium late, main crop	Deep-red	Light-yellow-white	Table
Almaz	1997	Early			Table
Alyans	1995	Early			Table
Amorosa	2001	Second early	Red	Yellow	
Anar			Red	White	Table
Ania	1994	Medium late, maincrop		Light-yellow, buff	Table
Anosta	1975	Early	Yellow	Light-yellow, buff	Processing. Dried products
Argos	1994	Second Early	White	Light-yellow, buff	Table
Ariadna	1975	Medium late, maincrop	Yellow	Light-yellow-white	Table
Arielle	2002				
Arina	1977	Second Early	Yellow	Yellow	
Arkadia	1992	Medium late, maincrop		Light-yellow-white	Table. Processing. French fries. Dried products. Crisps
Artemis	2000				

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Aspia	1995	Medium late, maincrop	White with pink eyes	White	Table
Asterix	1991	Medium late, maincrop	Red	Light-yellow, buff	Table
Astra 1983			Light-yellow, buff		Table
Atlantic	1976	Second Early	Yellow	White	Table. Processing. Dried products. Crisps
Belokamenskiy	1993	Medium late, maincrop			Table
Belorusskiy 3	1989	Late	White	White	Processing. Starch
Belousowskiy	1994	Medium late, maincrop	White	White	Table. Processing. Dried products. Starch
Beloyarskiy ranniy	1990	Early			Table
Bezhitskiy	1993	Second Early	Light pink	White	Table
Bimonda	1990	Second Early	Red	Light-yellow, buff	Table
Bronitskiy	1989	Second Early			Table
Bryanskaya nowinka	1998	Second Early			Table. Processing. Starch
Bryanskiy ranniy	1992	Early	White	White	Table
Dakota Red	1883	Medium late, maincrop	Red	White	Table
Dalnevostochnaya roza		Medium late, maincrop	Light-yellow-white	Light-yellow, buff	Table
Delica	1981	First Early	Yellow	Yellow	Table
Desnitsa	1995	Early			Table
Desiree	1962	Medium late, maincrop	Red	Light-yellow, buff	Table
Detskoelskiy	1959	Second Early	Light-red, pink	White	Table
Dobro	1987	Early	Yellow	White	Table
Dolinni	1984	Medium late, maincrop	Ochre	Light-yellow-white	Table
Domodedovskij	1979	Early	Yellow	Light-yellow, buff	
Donskoi		Early	Yellow	Light-yellow, buff	Table. Processing. French fries
Druzhba	1957	Early	Yellow	White	Table
Druzhnyi	1971	Early	Yellow	White	Table
Dymok	1995	Second Early			Table
Effekt	1995	Second Early			Table. Processing. French fries. Dried products. Crisps
Ekaterininski	1965	Late	Red	White	Table
Elizaweta	1996	Second Early			Table
Energiya	1990	Early			Table
Enisei		Early	Red	Yellow	
Epron	1939	Early	Yellow	White	Table. Processing
Ermak					Table

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Ermak uluchshennyi	1978	Second Early	Red	White	Table
Ewgiriya	1994	Medium late, maincrop			Table
Export	1925	Late	Yellow	White	
Fabula	1996	Medium late, maincrop	Light-yellow-white	Light-yellow, buff	Table
Falenskiy	1954	Early	Light-ochre	White	Table
Fambo	1986	Early	Yellow	Light-yellow, buff	Table. Processing. Crisps
Fasan	1997	Medium late, main crop	Yellow	Light-yellow, buff	Table
Filatowskiy	1981	Late	Ochre	White	Table
Fontane	2002	Second early	Yellow	Yellow	Processing. French fries. Crisps
Fresco	1982	Early	Yellow	Light-yellow, buff	Table. Processing. French fries. Starch. Crisps
Gart	1990	Early	White	White	Table
Gatchinskiy	1969	Second Early	Light-ochre	White	Table
Gibridnyi WK 1	1998	Medium late, maincrop			Table
Golubizna	1993	Medium late, maincrop	White	White	Table. Processing. Dried Products. Starch
Gomouralskiy	1984	Second Early			Table
Granat (BY)	1940	Late	Red	Light-yellow-white	
Hermes	1972	Second Early	Yellow	Yellow	Table. Processing. Dried Products. Starch. Crisps
Impala	1989	First Early	Yellow	Yellow	Table
Innovator	2001	Second early	Yellow	Light-yellow, buff	Table. Processing. Crisps
Iskra	1965	Early	Light-ochre	White	Table
Istok	1969	Medium late, maincrop	White	Yellow	Table
Istrinskiy	1971	Medium late, maincrop	Light-ochre	White	Table. Processing. Starch
Izora	1989	Early			Table
Izstades		Second Early	Yellow	Yellow	Table. Processing
Jubiley Zhukova		Second Early	White	White	Table
Kabardinskiy	1972	Medium late, maincrop	Red	Light-yellow-white	Table
Karlana	1988	Early	Yellow	Light-yellow, buff	Table. Processing. Starch. Crisps
Kaskad Poleskiy	1966	Early	Ochre	Light-yellow, buff	Table
Khibinskiy ranniy	1967	Early			Table
Kolpashewskiy	1966	Second Early	Red	White	Table

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Krasnopol'skiy	1979	Medium late, maincrop	Light-red, pink	Light-yellow-white	Table
Krasnopol'skiy ranniy	1994	Early			Table
Kristall	1980	Medium late, maincrop	Ochre	Light-yellow, buff	Table. Processing. Starch
Lady Claire	1999	Early	Yellow	Light-yellow, buff	Table
Lady Olympia	1999	Early	Yellow	Light-yellow, buff	Table
Laimdota	1958	Second Early	Ochre	White	Table
Lasunok	1988	Medium late, maincrop	Yellow	Light-yellow, buff	Table. Processing. Starch
Latona	1994	Early	Yellow	Light-yellow, buff	Table. Processing
Lina	1998	Second Early			Table
Lorkh	1931	Medium late, maincrop	Ochre	White	Table. Processing. French fries. Dried Products. Starch. Crisps
Loshitskiy	1962	Medium late, maincrop	Light-yellow, buff	Light-yellow, buff	Table. Processing. Starch
Lukyanowskiy	1991	Second Early	White	Light-yellow-white	Table. Processing. Dried products
Lwowyanka	1982	Second Early	Ochre	Light-yellow-white	Table. Processing. Starch
Lybid	1993	Second Early	White	White	Table. Processing
Lyubimets	1958	Second Early	Ochre	White	Table. Processing. Crisps
Malakhit	1990	Second Early			Table. Processing. Starch
Malinovka		Medium late, maincrop	Red	White	Table. Processing. Crisps
Marfona	1977	Second Early	Yellow	Light-yellow, buff	Table
Maris Bard	1972	First Early	White	White	Table. Processing. French fries
Marlen	1999	Second early	Yellow	Light-yellow, buff	Table. Processing. Starch. Crisps
Monalisa	1979	Early	Light-yellow, buff	Light-yellow, buff	Table
Moskworetsiy	1997	Second Early			Table. Processing. Starch
Mostowskiy	1986	Early	Ochre	White	Table
Naroch	1986	Late	White	White	
Narymka	1989	Second Early			Table
Narymski Rannii		Early	Red	White	
Newskiy	1982	Second Early	Ochre	White	Table
Nezabudka	1981	Early	Yellow	Light-yellow-white	Table
Nida	1982	Medium late, maincrop	Light-yellow, buff	Light-yellow, buff	Table

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Nikulinskiy	1966	Medium late, maincrop	White	White	Table. Processing. Dried products
Nowousmanskiy	1982	Early			Table
Ogonyok	1969	Second Early	White	White	Table
Osen	1996	Second Early	White	Light-yellow-white	Table. Processing. Dried products
Palma (D)	1972	Second Early	Yellow	Yellow	Table
Panda	1986	Late	Yellow	Yellow	Processing. Starch. Crisps
Pensenskaya skorospelka	1963	Early			Table
Peterburgskiy	1996	Second Early			Table
Picasso	1992	Medium late, maincrop	Yellow	Light-yellow, buff	Table
Pioner	1968	Second Early	Ochre	White	Table
Pirol	2000	Second early	Yellow	Light-yellow, buff	Table. Processing. Starch. Crisps
Platina	1994	Second Early	Light-yellow-white	Light-yellow, buff	Table
Polot	1983				
Poswit	1992	Early	White	White	Table
Powirowets	1975	Early	Ochre	White	Table
Pri 12	1992				Table
Pribrezhenyi	1987	Second Early			Table
Priekulskiy ranniy	1953	Early	Ochre	White	Table
Prigozhiy 2	1981	Early	White	Light-yellow, buff	Table
Priobskiy	1972	Early	Ochre	White	Table
Priprezhnyi	1997				
Prolisok	1991	Early	Yellow	Light-yellow, buff	Table
Pushkinets	1993	Early			Table
Radomyshskiy	1985	Second Early			Table
Raguda Polesja	1981	Medium late, maincrop	Red	White	Table
Ramenskiy	1980	Medium late, maincrop	Ochre	White	Table. Processing. Crisps
Red Scarlet	2000			Red	
Redstar	1996	Second early	Red	Light-yellow, buff	Table. Processing. Crisps
Reserw	1984	Second Early	Ochre	White	Table
Resurs	1993	Second Early	White	White	Table
Romano	1978	Second Early	Light-red, pink	Light-yellow-white	Table
Romula	2002	Second Early	Yellow	Light-yellow, buff	Table. Processing. Dried products. Crisps

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Rosara	1990	First Early	Red	Yellow	Table
Rozhdestwenskiy	1993	Second Early			Table
Rumyanka	1995	Early	White	Light-yellow-white	
Samanta (UA)	1991	Second Early	Light-red, pink	White	Table
Santana	1992	Second Early	Yellow	Light-yellow-white	Table. Processing. French fries
Sante	1987	Second early	Yellow	Light-yellow, buff	Table. Processing. Starch
Saturna	1964	Medium late, maincrop	Yellow	Light-yellow, buff	Table. Processing. Dried products. Crisps
Sedow	1953	Early	Ochre	White	Table
Sentyabr	1998	Second Early			Table
Shuirminskiy 2	1991				
Shurminskiy 2	1991	Second Early			Table. Processing
Sinewa	1998	Medium late, maincrop			Table
Skoroplodny		First Early	White	White	Table
Sokolykiy	1998	Second Early			Table
Sosnovskiy	1981	Early	Red	White	
Sotka	1977	Medium late, maincrop	Ochre	White	Table. Processing. Starch
Stolowyi 19	1964	Medium late, maincrop	Ochre	White	Table
Sulew	1962	Medium late, maincrop	Ochre	White	Table. Processing. Starch
Swetlyachok	1984	Early	Light-red, pink	White	Table
Switanok Kiewskiy	1987	Second Early	Light-red, pink	Light-yellow, buff	Table. Processing. Starch
Talowskiy 110	1969	Early	Red	White	Table
Temp	1966	Late	White	Light-yellow, buff	Table. Processing
Tomich	1998	Second Early			Table
Tulunskiy	1950	Second Early			Table
Tulunskiy ranniy	1990	Early			Table
Turbo	1990	Second Early	Yellow	Light-yellow, buff	Table
Udacha	1994	Early	White	Light-yellow-white	Table
Ukama	1976	First Early	Yellow	Light-yellow, buff	Table
Ukrainskiy Rozowyi	1989	Second Early	Light-red, pink	Light-yellow, buff	Table. Processing
Ulyanowskiy	1943	Early	Ochre	White	Table
Uralskiy ranniy	1977	Early	Yellow	White	Table
Utenok	1998	Early			Table
Valor	1993	Medium late, maincrop	White	Yellow	Table

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Velox	1994	First Early	Yellow	Light-yellow, buff	Table, Processing, French fries
Verchovina					
Vesna (RUS)	1978	Early	Red	White	
Victoria (NL)	1999	Second Early	Yellow	Yellow	Table, Processing, French fries
Vineta (D 1994)	1994	Early	Yellow	Light-yellow, buff	Table. Processing
Vjatka	1980	Early	Yellow	Light-yellow-white	Table
Vladikavkazskiy	1996				
Volzhanin	1950	Second Early	Yellow	White	
Vorotinskiy ranniy	1978	Early	Yellow	White	Table
Warmas	1968	Early	Ochre	White	Table
Weras	1993	Medium late, maincrop	Light-ochre	Light-yellow-white	Table. Processing. Starch
Wesna	1978	Early	Light-red, pink	White	Table
Wesna belaya	1994	Early			Table
Westnik	1997	Second Early	White	White	Table. Processing. french fries Dried products. Starch. Crisps
Wityaz	1989	Late			Table. Processing
Wladikawkazskiy	1996	Second Early			Table. Processing
Wolzhanin	1950	Second Early	Ochre	White	Table
Wolzhskiy	1961	Early	Red	White	Table
Worotynskiy ranniy	1976	Early	Ochre	White	Table
Wyatka	1980	Early	Ochre	Light-yellow-white	Table
Yanga	1997	Second Early			Table. Processing
Yawar	1994	Early	Light-yellow, buff	Light-yellow, buff	Table
Yubileynyi Osetii	1980	Second Early			Table
Zaworowskiy	1993	Second Early			Table
Zhukovskiy ranniy	1993	First Early	Light-red, pink	White	Table
Zile	1993	Medium late, maincrop			Table
Zow	1989	Early	White	White	Table

RUSSIAN SEED POTATO MARKET

Production

There is no official data on planting seed production, availability, or distribution by kind of seed or region.

Major characteristics

- In 2005, Russia harvested 37.5 million tonnes of potato, up 4.3% from last year. Production is primarily concentrated on private plots and specialised farms.
- The average yield increased by 6% from 2004 to 12.2 tonnes per harvested hectare. Yields increased over the last 3 years, and the increase is due to both better management of potato production on farms, and due to improved seeds.
- Still most of the seed potatoes at individual plots of land are saved from the previous year and the quality of these seeds deteriorates from year to year.
- However, commercial potato production is growing because processing companies (potato chips, potatoes for French fries, etc.) increase contracting with farms to ensure a steady supply of needed raw materials. These companies provide better quality seed stock.
- The farmers also increased seed purchases from Russian seed companies.
- Official data on domestic seed potato production is not available, but experts report slow recovery of potato seeds research, commercialisation, and marketing.
- Seed quality continues to improve, as there is greater availability of quality seeds, increased investment by vertically integrated farms and companies and increased investments in research and distribution of potato seeds.
- Responding to the demand for better resistant to pests and disease seeds, and after a long research project, the State Commission of the Russian Federation on Variety Testing and Protection of Selection Achievements has registered two GMO potato varieties (Russel, Burbank). Testing took several years and was conducted in co-ordination with the Inter-Agency Commission on Bio-Engineering of the Russian Federation.
- Along with the transfer of functions of the Russian State Plant Quarantine to the Federal Service for Veterinary and Phytosanitary Surveillance, phytosanitary restrictions on seed imports strengthened, and this factor also curbs imports of seed potatoes. Imports of small cargoes from new sources are allowed only for research and breeding purposes.
- Russian importers are most interested in varieties that are tolerant of cold conditions, produce high yields and can mature quickly in Russia's short growing season.

Imports

- Russia primarily uses domestic seeds, and imported seeds continue to play a minor role in the sector.
- However, imported seeds are becoming more common and their quality continues to improve.
- In 2004/05, seed potato imports decreased 3.5% to 5,797 tonnes. (See Table 13: Imports of Planting Seeds, Appendix).
- The number of countries that exported seed potatoes to Russia declined from 11 countries in 2002/03 to 9 countries in 2003/04, and to 6 countries in 2004/05. (See Table 14: Imports of Seed Potato, Appendix). Seed potato imports are forecast to decrease to 5,500 tonnes in 2005/06, although the number of exporting countries will probably remain stable.
- Potato seeds are imported mainly from the Netherlands, Finland, UK (Scotland), and Germany.

Major sources for and varieties of imported seed potatoes

The following foreign seed potato producers are represented in Russia with their products:

- *Agrico* (Holland): Agria, Aladin, Amoroza, Ariella, Artimis, Condor, Fontane, Fresco, Impala, Kosmos, Marlen, Picasso, Roco, Romano, Sante,
- *Norika* (Germany): Adretta, Albatros, Caroline, Fazan, Karatop, Karlena, Liu, Pirol, Valiza
- *Solana* (Germany): Rosara, Zekura, Arosa, Felox, Panda
- *Sadokas* (Finland): Timo, Velox, Rikea, Victoria, Asterix, Redstar, Rosamunda, Saturn, Nevsky

STATE REGULATIONS

Background on Food Safety

The quality and safety for all food products produced, imported, and sold in the Russian Federation are controlled by a set of sanitary epidemiological rules and regulations entitled "Hygienic Requirements for the Safety and Nutrition of Foodstuffs" (hereinafter referred to as "SanPiN-01"). SanPiN-01 was updated and prepared by the Russian Ministry of Health and the Nutrition Institute of the Russian Academy of Medical Sciences, and came into force on September 1, 2002.

SanPiN-01 governs the activities of all persons and legal entities involved in manufacturing, importing, and distributing foodstuffs, and also for those entities that provide retail and public food catering services. SanPiN-01 also establishes hygienic requirements for the substances and materials that come into contact with foodstuffs. The legal status of SanPiN-01 gives the Federal Service for Surveillance in the Sphere of Protection of Consumer Rights and Well-Being of People (Rospotrebnadzor) of the Ministry of Health and Social Development the right to withdraw from trade products that do not meet official requirements.

Other agencies have a role in regulating food safety for domestically produced products and imports. The Federal Veterinary and Phytosanitary Service controls meat and meat products, and has recently been given control of plant product (grains, oilseeds, and others) inspection after the State Grain Inspection Service was abolished.

In addition to the consolidation and control of food safety issues mentioned above, the Russian Government, in some cases through contractors, is developing new regulations in accordance with the General Law on Technical Regulations of 2003. Regulators are attempting to move away from strict, detailed government standards to the concept of producer responsibility for food safety. However, drafting and approval of these regulations are proceeding slowly, and the adoption dates are not yet known.

Organic products, though not legally defined under Russian law, are gaining attention, and regulations are being developed for their production and trade. The Federation Council and private interest groups have been working together to develop legislation as recently as May 2005.

Certificate of Conformity

Pursuant to the RF State Customs Committee Decree of October 1st 2000, most products imported to Russia require GOST R Certification to assure compliance with existing safety, technical, and quality standards. Certification can be mandatory or voluntary.

GOST R Conformity Certificate is a document, confirming correspondence of goods to the standards set in Russian Federation. Conformity Certificate can be issued ONLY if other certificates required for that specific commodity type are already available – Hygienic Certificate, Veterinary Certificate, Fire Safety Certificate and other that are applicable. In such case, the Conformity Certificate shall include reference numbers of all of these supporting certificates as applicable.

This is mandatory for most imported goods and should be received from an organisation authorised by Gosstandart (the centralised regulating agency for standards and certification). It must be obtained by the exporter from organisations authorised by Gosstandart such as Rostest Moscow:

There are two ways to certify the product:

- *One time certificate*. This type of certificate acts only once for the goods listed in the contract.
- *Long period certificate (from 1 to 3 years)*. This certification procedure includes a company visit. The cost of certification depends of the type of work, complication of the machine, presence of CE certificate etc.

In the UK the division of SGS Group (Societe Generale de Surveillance) is an organisation which authorised by Gosstandart may issue a certificate of conformity.

They also may act as an agent to liaison with Russian organisation on the behalf of the UK company. They are able to issue certificates of conformity to the exporter subject to verification. Verification may include an audit, testing and inspection by SGS accredited facilities. The Certificate normally travels with the goods. It is presented to the Russian customs at the point of entry, and should be available on demand by the authorities as evidence of certification. Goods without a valid certificate of conformity can be impounded, thus incurring demurrage and storage charges.

Depending on type of material/goods/products and available international certificates, the process of certification takes in general about one week. Different centres for certification might have different abilities to certify products according to their laboratories and personnel qualifications. To work as a certification agency, the organisation must have appropriate accreditation and license. All certificates have the same format on all territory of Russia. A certificate issued by any agency is valid anywhere in the country.

Not all goods require a Certificate of conformity; some are exempt. But even if the product to be imported is not subject to mandatory certification, an importer should present a Reference Letter, which proves that this product type does not require mandatory certification. Usually such letters can be obtained via the same certification agencies that do other types of certification – they will send an application to the corresponding authorised organisation in Moscow.

By providing voluntary product certification a manufacturer has an opportunity to receive independent confirmation of qualitative and technical advantages of the product for a buyer. Voluntary certification is used when the exporter would like to have a certificate for their goods for marketing purposes, to have advantages over competitors, etc.

According to regulations on import of the goods subject to mandatory certification, the following products can be accepted without presenting certificates of conformity:

- Used equipment
- Spare parts for previously certified product that have been imported into Russia
- Product samples to be imported for certification testing.
- Product imported by individuals, not for industrial or commercial use
- Products for official use of foreign representative offices, international intergovernmental organisations and their personnel.

Number of certification scheme	Description
№ 2, 7	«for a specific contract» - used for the goods imported during certain period, usually for a year or two (scheme # 2), or in the quantity, specified in the contract (scheme #7);
№ 3, 3 a	This Certificate is called “for serial manufacturing” or “for the manufacturer” (is issued for the period of one to three years, depending on goods, results of tests and other factors)

The scheme is chosen by the certifying agency based on available documents.

Number of certification scheme	Documents needed
№ 2, 7	Certifying imported products Company registration certificate, tax inspectorate registration certificate; Contract for shipment; Invoice or specification to the contract; consignment note Manufacturer’s certificate Passport (operating instructions), with technical characteristics (compulsory – photo, outward appearance); In some cases label for the goods is necessary (for cosmetics, electronic equipment, etc.); Sanitary-epidemiological certificate; Documents, received earlier – protocols, certificates ; Official details of the applicant, including Director name; Full address of the manufacturer

- № 3, 3 a
- Certifying imported products (in case if imported represents foreign manufacturer on the Russian market)
 - Range of goods manufactured by the company, including models (catalogues, advertising brochures and other) ;
 - Technical descriptions and typical parameters (compulsory – photo, outward appearance);
 - Passport (operating instructions), with technical characteristics.
 - In some cases label for the goods is necessary (for cosmetics);
 - Manufacturer's certificate (ISO);
 - Power of attorney from the manufacturer, with the original stamp;
 - Official details of the applicant, including Director name;
 - Full address of the manufacturer ;
 - Sanitary-epidemiological certificate;
 - Documents, received earlier – protocols, certificates ;
 - Document, confirming the applicant's legal status.

IMPORTANT NOTE: Certifying body should receive copies of documents, stamped by the applicant's seal and translated into Russian.

Hygienic Certificate

The sanepidnadzor Hygiene Conclusion Certificate (Hygiene Certificate) is a document that proves that a specific product, activity or technical conditions meet hygienic norms and sanitary regulations.

Hygiene Conclusion is permission issued by Sanepidnadzor for manufacture or importation of the goods in conformity with applicable Russian standards. It confirms that the product is safe for public health under specified conditions. It is required to obtain a Hygiene Certificate for the product, which may exert a negative influence on public health at manufacture, storage, transportation, use and utilisation.

The Hygiene Conclusion is issued by Sanepidnadzor designated agencies at the stage of import contract negotiations.

A Hygiene Certificate is issued on the base of a safety certificate, which is issued by a competent authority in the exporting country and in the result of product assessment carried out in Russia (Ministry of Health Order No. 325 issued August 15, 2001; Supplement Order of the Ministry of Health No. 84 issued March 18, 2002).

There are three types of Hygiene Certificate:

- For the product;
- For the activities (manufacture, trade, catering, etc.)
- For technical specifications.

Certificate validity duration varies from 1 month to 5 years from the time of importation. The validity duration depends on a type of product, manufacture conditions and provided supporting documentation.

Hygienic (sanitary-epidemiological) Assessment of Products is required:

- For the goods imported into the Russian Federation;
- When previously issued certificate expires.

Procedure for hygienic assessment of products includes:

- Acceptance and registration of an application for hygienic assessment of products.
- Evaluation of the scope of examination necessary.
- Conclusion of a contract for performing assessment.
- Providing a full documentation review.
- Carrying out laboratory and instrumental examination and testing.
- Decision-making based on the outcome of the product's assessment.
- Issue of a Hygiene Conclusion and its entry into the Sanepidnadzor Register of Hygiene Conclusions for products that have passed hygienic assessment.

Documents required for hygienic assessment of products

- Document, confirming the applicant's legal status (registration certificate, tax registration).
- Safety certificate obtained in manufacturer's country.
- Technical description of the product, service conditions; other normative and technical documents available for the product and conditions of use.
- Delivery contract or its major details.
- Certificate of Origin.
- Test reports (if available).
- Product samples, in quantity required for hygienic assessment.
- The manufacturer's (supplier's) documents must be submitted to Hygienic authorities in Russian and should be duly certified.

This information will be presented to Sanepidemnadzor which will make a decision on the number and type of certificates required and the number and types of tests (if necessary) and, therefore, the number and quantity of samples required.

Phytosanitary Certificate

The major document for importing quarantineable goods is *Import Quarantine Permit*, issued by the State Inspectorate on Plants Quarantine of the Russian Federation, and in case of importation of smaller shipments – by its local subdivisions and the Phytosanitary Certificate, issued by the plant quarantine service of the exporting country.

In order to avoid problems while importing, especially if importing quarantine-related products, it is highly recommended to start certification process well in advance of shipping the goods, possibly at the concluding stages of contract negotiations. It is advised to refer to the customs broker in the region where you are going import to and initiate the process of preparing all the necessary paperwork for Customs. It is better if the demands, stated in the Import Quarantine Permit, are separately included into the contract. The application letter is sent to the State Inspectorate on Plants Quarantine of Russian Federation, the letter should be presented on the Consignee Company's letterhead, duly signed and stamped. Import Quarantine Permit is issued for the consignee, which registered its activities in Russian Federation. Without Import Quarantine Permit and only with the Phytosanitary or Quarantine certificate cargo is accepted from CIS countries only (except Ukraine).

The application letter for *Import Quarantine Permit* should contain the following data:

- Type of goods planned to be imported and quantity;
- Exporting country. If the goods are imported via third country, country of origin should be specified;
- Border points of crossing the State border;
- Place of storage (address of the warehouse) or the regions of Russia, where sales are planned;
- If seeds or (and) planting stock is imported, the address of the farm should be specified (region, district). This needs agreement from the State Inspectorate on Plant Quarantine of those regions, where the seeds/planting stock will be sold or planted.

Also, if seeds and/or planting stock is imported, the application letter should be accompanied by the extract from the State Registry of Selection Achievements, allowed for use in Russian Federation – this abstract is issued by the State Committee on Testing and Guard of Selection Achievements. The Application Letter for Import Quarantine Permit should be signed by the State Inspectorate for the Plant Quarantine of the specific region or city where the goods are to be imported. If a private entrepreneur or organisation is applying for such a permit for the first time, Rosgosquarantine should also receive the copies of registration documents. Import Quarantine Permit is issued for a period of 3 months.

The policy and responsibilities over seed testing and registration have not yet been fully defined. In 2005, the functions of seed inspection were finally assigned to the Federal Service for Veterinary and Phytosanitary Surveillance (VPSS), and the appropriate structures in this Service started functioning by the end of 2005, without evident facilitation of the process of inspection and examination. However, in the course of administrative reform in 2004-2005, the remainder of administrative functions, such as seeds testing and registration, was given to the Agency for Agriculture that was liquidated in Autumn 2005. The originally prescribed authorities of this Agency are in the process of transfer to the Ministry of Agriculture. Still, the

legal production and marketing of seeds in Russia are allowed only if the seeds (varieties, hybrids, etc.) are tested in Russia and are included in the federal register.

As for seed breeding, in 2006, researchers will be able to use federal subsidies for breeders of elite seeds. In 2006, the federal fund for support of seed breeding will be 80 million RUR (approximately \$2.9 million), paying 6,000 RUR (\$214) subsidies per 1 tonne of elite seeds.

Licensing

There have been two types of licensing in the Russian seed industry, and sometimes misunderstanding the difference between the two causes problems.

The first is licensing the use of created varieties and hybrids. This licence is based on the agreement between the patent owner (breeder, breeding institution or variety originator) and the person (or agency) to whom this patent owner gives the right to use the selection achievement. This licence is given by the GOSCOMISSIA and protects the patent rights.

The second type of licensing covers production and distribution (realisation) of seeds. Until November 2002 licensing of production and distribution of seeds covered both foundation seeds (elite) and registered and certified seeds (reproduction seeds).

This licence was given by the Ministry of Agriculture of the Russian Federation for production and distribution of the foundation, registered and certified seeds on the territory of the Russian Federation, and by the executive authorities of oblasts, krays and republics of the Russian Federation for production and distribution of registered and certified seeds within these territories.

For this second license, the authorities require that the applicant have all necessary means for seed production, including seed production professionals, equipment, machines, etc. This type of licensing procedure is very complicated; too many officials are involved in this process without clear responsibilities for the final quality of seeds. However, due to the efforts of seed producers and traders, licensing of production and distribution of lower-than-Foundation seeds was excluded from the list of activities subject for licensing (Federal Law "On Licensing of Different Types of Activities" of August 8, 2001). However, starting January 1, 2002 all retailers (including seed retailers) need to be certified for retail operations. This certification is conducted by the Ministry of Economy and Trade of the Russian Federation.

Along with restoration of federal subsidies for seed breeding and seed supply to the farmers, government and quasi government structures are active in the state support of seed breeding, seed production and seed distribution: State Seed Inspectorate of the Russian Federation, State Commission of the Russian Federation on Variety Testing and Protection of Selection Achievements, and "Sortsemovosh".

These federal agencies have their regional and field services. Along with these institutions, which have always regulated the seed market, a number of new enterprises, state organisations authorised to conduct commercial activity, were created recently at the federal and regional levels. These are Government enterprises for grain seeds, oilseeds seeds, fodder crops seeds and grasses.

Additionally, the enterprise "Plodopitomnik for orchard plants" was restored. One of the recent developments is the creation of an information-analytical system for the management of seed industry (IASMC).

Decision of Classification

Under the new rules, a Decision on Classification is also needed, to confirm the type of imported goods. This is issued by Customs, and can be obtained from regional customs agencies, such as the State Customs Committee of the Russian Federation. The exporter has to supply detailed information about the goods to be imported. Each Decision is valid for a year.

GOST

GOST is a Russian standards organisation (an analogue of BSI). Its certification is not obligatory for the Customs, but may be requested by Gosgortekhnadzor or by distributors/end-users. There are several ways to get GOST certification or information about the Russian standards. They are as follows:

a) Interstandart (affiliated with Gosstandart) provides translation of Russian standards into English. They do not certify, only sell texts.

b) In early 2002 BSI signed an agreement with Gosstandart and is considered as an approved agency certification agency in the UK for GOSSTANDART - BSI (BSI Product Services).

c) a Swedish company RUSTEK AB, which has an office in the UK. They are involved in Certification of industrial goods exported to Russia. The company claims working with a St Petersburg based Russian Certification Company Test-St Petersburg. It might be interesting for you to speak with them.

Labelling

SanPiN-01 does not prescribe a labelling format (how required label information is presented to the consumer) for food products, but does require the provision of information about nutrition value and food safety. This requirement on nutritional value is included in SanPiN-01's "reference" attachment, which contains comparisons with international norms and data on testing methods.

Though the specific format is not regulated, an exporter must provide Russian language labelling of each product package (the box or bag) to sell any food product into the Russian Federation. An importer can apply labels to each package after arrival in Russia. However, this approach is less desirable, as it must be done in the customs warehouse, delaying the clearance process and increasing storage costs.

There is an exception to the mandatory package labelling requirements for small packages. The law states that if these packages are not large enough to include all required text, part of the information can be printed on a list enclosed with each unit of the product. Exporters should check with their Russian importers to make sure that labelling complies with current law.

All products sold in Russia are required to contain relevant information about the product in Russian language. It is also recommended that bulk shipments also include basic information in Russian.

Outer containers should bear the consignee's mark and port mark and should be numbered in a way that corresponds to the packing list unless the contents can be otherwise readily identified. The contract number must be shown on the outside of containers.

A list of the specific information that must be on the label:

- Name of the product
- Type, grade or category of the product
- Name, country, address of producer, packer, exporter and importer of the product
- Weight (net and gross) or volume of the product
- Nutritional quality of the product
- Ingredients
- Date of processing
- Storage conditions
- Shelf-life of the product
- Conformity stamp (RST) and certification code

GOST standards can be found at the Library for GOSTs or All-Russian Standardisation Fund, or purchased at the specialised store on GOSTs located in Moscow.

In an attachment, SanPiN-01 lays out nutritional value requirements for 17 aggregated groups of processed meat, poultry, and dairy and fish products. Nutritional value is not determined in SanPiN-01 for grain and grain products, vegetables, fruits and products, or for sugar and confectionery products. However very detailed criteria for the nutritional value of fruit and vegetable juices are included, in part due to the public/private sector co-operation on development of standards. SanPiN-01 provides separately detailed hygiene and nutritious value requirements for baby food, food for school children, and for diet food products. Energy value parameters are excluded from labelling requirements.

The Russian Federation Committee on Standards and Metrology has published voluntary food labelling standards (GOST R 51074) for Russia, while maintaining regulations regarding mandatory labelling standards (as noted in GAIN Report RS4040). These new standards were developed at a time of significant government re-evaluation of voluntary and mandatory standards and how these relate to the World Trade Organisation's Agreement on Technical Barriers to Trade. While there was clearly a need to revise the existing food labelling requirements, publishing voluntary standards is confusing because the technical regulations that may become their base have not yet been drafted.

It is not yet clear if the new technical regulations will compliment or borrow from the GOST R 51074 requirements. Comments by Russian ministries involved in health, food safety, and technical regulation suggest that the final mandatory standards will be fewer and broader so as to ensure public safety with a minimum number of requirements. According to sources, most large Russian food producers and large exporters to Russia plan to implement the voluntary standards to avoid possible seizure of products due to non-compliance with government regulations.

The GOST R51074 standard applies to domestic and imported food products in consumer packaging, sold in the Russian Federation in wholesale and retail trade, supplied to restaurants, schools, child care and medical facilities, as well as to other establishments that provide direct services to consumers. The standard sets forth general requirements to consumer information on such food products.

The requirements for consumer-packaged food apply if they do not contradict the requirements of the present standard.

Packaging and Container Regulations

Packaging and containers for shipping, storing and handling food products are required to comply with the basic food safety requirements stipulated in SanPiN-01. Currently packaging requirements for food products in Russia are regulated by 169 "GOST" (State Standards) standards for different types of packaging. According to SanPiN-01, packaging should preserve food product quality and safety through each stage of trade. For some products, eg. grains, packaging shall also meet specific phytosanitary requirements that mandate that grain and products imported into the Russian Federation in packages shall have new air-permeable packaging, per order #681 issued by the Ministry of Agriculture on September 3, 2002.

Packaging specifications are an inseparable part of every trade contract. Before the contract for food shipment is concluded, the importer should investigate and advise the exporter what the specific requirements are for each food product. Consumer packaging (for example, paper and carton boxes, plastic or polymer bags, bottles and cans) that comes into direct contact with food products should be certified. Certification for containers, pallets and other packaging that are not directly in contact with food products is not required.

Some food products are sensitive to air, water, and steam. Therefore, one of the most important requirements for packaging materials is gas, steam, water, fat, and aroma permeability. For instance, when packaging chilled meat it is necessary to maintain low steam permeability (to avoid moisture loss) together with specific gas permeability so meat colour will be preserved. Material for vacuum packaging should have a minimum level of gas permeability. Goods should be securely packed, taking into account the nature of the goods, means of transport and likely climatic conditions.

The required level of sanitary and hygienic characteristics must be maintained when choosing food products packaging. Sanitary and hygienic requirements are confirmed with a sanitary certificate for the packaging material. The sanitary hygienic requirements for packaging materials include:

- The packaging material is not made up of highly toxic substances that have cumulative characteristics (carcinogenic, mutation, allergenic etc.)
- The packaging material does not change organoleptic and physiological characteristics of food products and also does not excrete harmful substances in a quantity exceeding allowances.

Import requirements/Customs tariffs

Import duties for the majority of planting seeds is 5%.

HCC	Product	Import duty
07011000	Potato, for sowing	5%

VAT of 18% is applied to all agricultural produce.

USEFUL CONTACTS

Government, Administrative and Research Organisations

Russian Ministry of Agriculture

T: + 7 495 207 8000

T: + 7 495 207 8362

E: info@gov.mcx.ru

W: www.mcx.ru

A: 107139, Russia, Moscow, Orlikov per., 1/11

The RF Ministry of agriculture designs state policy and state regulation in the sphere of agribusiness.

Federal Service for Technical Regulation and Metrology of the RF Ministry of Industry and Energy

T: + 7 495 230 1320, 237 5468

F: + 7 495 237 6231

A: Russia, Moscow, Leninsky prospect, 9

It is the national body for conducting surveillance and testing for conformity with state standards. This Federal Service is the result of transformation of Gosstandart into two institutions as part of administrative reform. The second institution is the Department of Technical Regulation in the Ministry of Industry and Energy, which develops standards and technical regulations.

Federal Service for Surveillance in the Sphere of Protection of Consumer Rights and Well-Being of People (Rospotrebnadzor)

T: + 7 495 973 2748 / 2666 / 1803 / 2674

F: + 7 495 200 0212, 258 4497

A: Russia, Moscow, Vadkovskiy per. 18/20

Certification Centre

T: + 7 495 973 1571 / 1976 / 2710

This Service is responsible for surveillance in the areas of nutrition and food safety.

Federal Service for Veterinary and Phytosanitary Surveillance (VPSS)

T: + 7 495 975 4347

F: + 7 495 207 5111

A: 107139 Russia, Moscow, Orlikov per., 1/11

It is responsible for plant and animal health issues.

State Customs Committee of the Russian Federation

T: + 7 495 449 8771

F: + 7 495 975 4823

Legal Department

T: + 7 495 262 73 52

A: 107842 Moscow, Komsomolskaya Ploshchad, 1a

GOSTSORTCOMISSIA, RF State Commission on Testing and Protection of Selection Achievements

T: + 7 495 208 6037, 975 3182, 204 4919, 207 8626

F: + 7 495 207 8626

E: gossort@gossort.com, statecommission@mtu-net.ru

W: www.gossort.com

A: 103139 Russia, Moscow, Orlikov per., 1/11

Gostsortcomissia admits bids for issuing a patent and for providing access permit for usage for a selected sort. It also carries out tests and examinations, keeps the state register for protected selection developments and the state register for selection developments, which are approved for usage. It also issues patents and

copyright certificates, registers licences for working with seeds of selected sorts, publishes official data in regard to sorts usage and protection, etc.

There is All Russian Centre for evaluating quality of cultivated crops' sorts in Moscow. There are also 61 inspections, 29 stations, 639 branches and 10 regional laboratories in Russian regions, which are aimed to evaluate quality of crop.

Russian Academy of Agricultural Sciences

T: + 7 495 124 7931

A: 117218, Russia, Moscow, ul. Krzhizhanovskogo, 15, building 2

The Academy consists of 209 scientific organisations, including 196 scientific research institutes and 12 testing stations. It also has 293 testing and production farms and experimental fields, 34 experimental and production plants.

It conducts research in the sphere of land economy and land relations, crop farming and crop science, plant protection, land, water and wood improvement and melioration, animal husbandry, veterinary medicine, agricultural production storage and processing, etc.

It has branches in Russian regions: Siberia, NorthWest, NorthEast and Far East.

All-Russian State Research Institute for Potato Farming (VNIKKH) named after A.G. Lorkh (Potato Growing Institute)

T: + 7 495 557 1011 / 5001, ext 472, 557 1322 / 4421

F: + 7 495 557 1011

M: + 7 926 374 6734, + 7 903 216 5164

E: vniihx@korenevo.ru, vniihx@rol.ru

W: www.korenevo.ru

A: 140052 Russia, Moscow region, Luberetsky rayon, Korenevo settlement, Lorkh St., 23

It is the largest Russian scientific and technical centre on potato farming problems. It was formed in 1919 on the base of Korenevo potato plant breeding station. Its major task is potato sorts selection.

The institute has created over 160 potato varieties, and over 62 of them are included in the State Register and 38 of them got patents. Most well-known are Bryansky Ranny, Zhukovsky Ranny, Udacha, Pogarsky, Ilyinsky, Korona, Reserve, Effect, Jubelee Zhukova, Aspia, Bronnitsky, Golubizna, Resourse, Lorkh, Malinovka, Nikulinsky.

The institute designs technologies for potato cultivation and harvesting for different soils and climate conditions, as well as systems and methods for potato protection from diseases and pests. It conducts scientific work on potato seeds. It also conducts tests on land and potato quality, introduces new technologies for potato farming, etc.

All-Russian State Research Institute for Control, Standardisation and Certification of Veterinary Preparations under the Ministry of Agriculture of the Russian Federation

T: + 7 495 253 1491 / 1468 / 1472, 256 0381

F: + 7 495 253 1491 / 1468

E: vgnki-vet@mtu-net.ru

A: 123022, Russia, Moscow, Zvenigorodskoye shosse, 5

The Institute was established in 1931. Its principal functions include: control over medicines used in animal husbandry and veterinary medicine and science on the territory of Russia; support for the all-Russian collection of micro-organisms used in making and controlling medicinal preparations for veterinary uses, as well as research aimed at raising the quality of veterinary preparations.

VGNKI is a large centre for assessing the quality of veterinary preparations and fodders, and feeds, the Centre of the International Epizootic Bureau for Diagnosis and Control of Animal Diseases in the countries of Eastern Europe, Central Asia and Transcaucasia; it heads the Russian system for certification of veterinary preparations. The Institute's personnel includes 21 Doctors, 94 Candidates of Sciences, 10 Merited Scientific Workers and 14 Merited Veterinarians of the Russian Federation. VGNKI scientists are the authors of many veterinary preparations in no way inferior to foreign analogues and, not infrequently, more efficacious. The Institute's achievements have earned its specialists three USSR State Prizes, two State Prizes of the Russian Federation, eight prizes of the Council of Ministers of the USSR and three prizes of the Government of the Russian Federation.

Its strong research & production base and skilled personnel enable VGNKI to successfully solve a whole set of the questions connected with veterinary well-being of our country.

All-Russian State Research Institute for Vegetable Crop Selection and Seed Breeding (VNISSOK)

T: + 7 495 599 2442

F: + 7 495 599 2277

E: mail@vniissok.ru, vniissok@mail.ru

W: www.vniissok.ru

A: 143080 Russia, Moscow region, Odintsovsky rayon, Lesnoy Gorodok settlement

It is the oldest Russian selection organisation. It creates highly effective vegetable crop sorts and crossbreeds. It also works out new ways to create initial selection material for vegetable plants, using modern environmental, genetic, physiological, immune, molecular and biotech methods, environmental friendly technologies and technical devices for seed production and vegetable crops production.

It offers a wide range of seeds and vegetable planting materials, provides technical support and consulting services, etc.

All-Russian Scientific Research Institute for Certification (VNIIS)

Mr. Boris KRUTOV

Head of Section

T: + 7 495 253 3580

F: + 7 495 253 3360

A: Russia, Moscow, Elektricheskiy per., 3

It issues Certificates of Conformity.

Moscow State Inspection for Quality Control of Agricultural and Food Products

T: + 7 495 254 4060

F: + 7 495 254 4060

E: mosgik@mail.ru

A: 123056 Russia, Moscow, ul. Zoologicheskaya, 30, building 2

The Moscow State Inspection for Quality Control (MSIQC) founded in 1923, is concerned with expert examination of agricultural and food products; it exercises control over the quality and safety of foodstuffs produced and / or sold in Moscow.

MSIQC provides aid in development of production specifications for contracts for the purchase of farm products and foodstuffs.

Organisation specialists go to the country's regions and abroad for selection of products and their preparation for shipment. MSIQC provides consultations to enterprises of all forms of ownership on matters of organisation and conduct of production processes.

Russian State Committee on Sanitary and Epidemiological Surveillance (Goskomsanepidnadzor)

Department of Health

T: + 7 495 287 3141 / 3707 / 1809

F: + 7 495 287 0620

A: 129629 Moscow, Grafsky Pereulok, 4/9

Information and Consultancy Centre of Moscow Customs Department

Mr. Vadim I. GOSTYUKHIN

Director

T: + 7 495 267 3827

F: + 7 495 267 4261

A: Moscow, ul. Kazakova, 18

It gives some preliminary advice on customs issues.

Certification and Standardisation Bodies

Interstandard

Mr. Vladlen Pavlovich KIRILLOV

T: +7 495 236 5449

F: +7 495 236 5449

E: ykirillov@gost.ru

W: www.gost.ru

A: 119991 Moscow, B-49, GSP-1, Leninskiy prospect, 9, office 504

Russian Testing and Certification Centre (ROSTEST-Moskva)

Moscow office

Mr. Lev Arnoldovich ZLATKOVICH

First Deputy General Director

T: + 7 495 129 3200 / 2500 / 1911

F: + 7 495 124 9966 / 9996

A: 117418 Russia, Moscow, Nakhimovsky prospect, 31

St. Petersburg office

T: + 7 812 251 3950

F: + 7 812 251 4108

A: 198103, St. Petersburg, Kurliandskaya Street, 31

E: info@rostest.ru

W: www.rostest.ru

It provides a full range of quality control and inspection facilities in Russia.

SGS UK Ltd

The GOST Helpdesk

T: + 44 (0) 1276 697 891 / 890

F: + 44 (0) 1276 697 888

E: gbqtssgs@sgs.com

W: www.sgs.co.uk/globaltrading/gost

A: 217-221 London Road, Camberley, Surrey, GU15 3EY

SGS has an office in Moscow providing same services for companies as in the UK.

SGS East Ltd

Ms. Tatiana APATOVSKAYA

Marketing MGR

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T: + 7 495 775 4455, + 7 501 401 1562

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W: www.gost.sgs.com

A: 115114 Moscow, Letnikovskaya Ulitsa, 10/1

BSI (BSI Product Services)

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T: + 44 (0) 1442 278 607

F: + 44 (0) 1442 278 630

W: www.bsi-global.com

A: Maylands Avenue, Hemel Hempsted, Hertfordshire HP2 4SQ, United Kingdom

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Mr. Trevor BOTTOMLEY

T: + 44 (0) 1582 715 579

F: + 44 (0) 1582 715 579

E: trevor@rustek.net

Rustek AB (Sweden)

Mr. Carl AHLGREN

T: + 46 (0) 8 661 0307

F: + 46 (0) 8 661 2368

E: info@rustek.net

Professional Associations

RoNSA, Russian National Seed Breeding Association

T: + 7 495 681 2916

F: + 7 495 688 8970

A: 101485 Russia, Moscow, ul. Seleznevskaya, 11-A, building 2

It is a non-commercial organisation. It unites and co-ordinates activities of organisations, companies and associations, working in the sphere of seeds and plants selection, production and distribution. It has over 160 members and it represents their interests in international organisations, including FIS and ASSONSEL.

Semkartofel, Association of seed potato companies

T: + 7 495 299 9661

F: + 7 495 299 9661

A: 103050 Russia, Moscow, Degtyarny per, 6

Souzkartofel, National Union of Potato Producers and Processors, Non-commercial Organisation

T: + 7 495 700 1187

F: + 7 495 700 1187

E: souzpotato@yande.ru

A: 127006 Russia, Moscow, ul. Sadovaya-Triumfalnaya, 10/1, room 506

The Union's major activities include: co-ordination of its members business activities, lobbying and protection of their interests and rights, support in finding business partners and equipment suppliers, development of foreign economic relations, information support, assistance in preparing and implementing projects and programs, participation in legislation preparation, organisation of conferences, seminars and training, organisation of business trips abroad.

Other

Mosnarbank Ltd

Mr. Ilya LOMAKIN

Chairman

T: + 7 095 792 5000

F: + 7 095 755 5990

A: Building 5, 12/2, 1st Troitsky Pereulok, Moscow 129090 Russian Federation

NCM Credit Insurance Ltd.

T: + 44 (0) 800 21 21 31

F: + 44 (0) 1222 824 003

A: 3 Harbour Drive, Capital Waterside, Cardiff CF1 6TZ

Trade Indemnity plc

T: + 44 171 739 4311

F: + 44 171 729 7682

A: 1 Canada Square, London E14 5DZ

TRADE FAIRS

AGRICULTURAL EQUIPMENT AND MACHINERY, permanent exhibition

Dates: 1 January – 31 December 2006

Venue: Moscow, All-Russian Exhibition Centre, pavilion 37

Organiser: APK VVTs

T: + 7 495 969 5776

F: + 7 495 748 3774

Industries: Agriculture, Food industry

It is dedicated to agricultural equipment and machinery of all types and applications.

SEEDS, exhibition - fair

Dates: 10 January - 31 December 2006

Venue: Moscow, VVTS, pavilion 7

Organisers: GAO BBTS

T: + 7 495 748 3770

F: + 7 495 748 3770

It is dedicated to seeds, planting materials, garden instruments and tools, plants protection devices.

WORLD FOOD, international exhibition

Dates: 26 - 31 September 2006

Venue: Moscow, Expocentr

T: + 7 495 255 3799 / 3946

F: + 7 495 205 7210

W: www.expocentr.ru

Industries: Agriculture, Food & Drinks, Retail

RUSSIAN AGRO-INDUSTRIAL WEEK, 8th Russian exhibition on agribusiness

Dates: 6 – 10 October 2006

Venue: Moscow, All-Russian Exhibition Centre, pavilions 69, 57, 20, 33, 37, 38, 55, 70

Organiser: GAO VVTs

T: + 7 495 544 3411

F: + 7 495 544 3413

Organiser: Agricultural Sector of VVTS

T: + 7 495 748 3759 / 72 / 73 / 74 / 75

F: + 7 495 748 3770

E: info@apkvvc.ru

W: www.apkvvc.ru

Industries: Agriculture, Food industry, Retail

It is dedicated to agricultural equipment and machinery, crop production, cattle breeding, vet devices, forage, agricultural chemicals and means for plant protection, food products and raw materials for their production, etc. It consists of a number of exhibitions: Golden autumn, Agrotek-Osen, Agrochimexpo, Rosplemexpo, Veterinary & Foodstuff.

AGROPRODMASH, 11th international exhibition on machinery and equipment for agro-industrial complex

Dates: 9 – 13 October 2006

Venue: Moscow, Expocentr

Organiser: Moscow, Expocentr

T: + 7 495 255 3799 / 3946, 259 8511 / 3376 / 1553, 256 0019

F: + 7 495 205 7210

W: www.agroprodmash-expo.ru, www.expocentr.ru

Industries: Agriculture, Food industry, Retail

It covers the following issues:

- Equipment for processing, packaging, transportation and storage for dairy, meat, fish, grain, flour, bread, confectionery, oil and butter products, vegetables and fruits, canned goods, starch, sugar, tobacco products, alcohol and soft drinks, tea and coffee;
- Packaging equipment and materials;
- Equipment for infant food manufacturing
- Refrigeratory, freezing and compressor equipment
- Measure and weight equipment
- Milling, pasta making, bread making and confectionery equipment
- Equipment for food retail and catering facilities, food stores and depots;
- Stock for all types of retail, catering facilities and fast food
- Interior, equipment, accessories, lighting, sanitary equipment, houseware for cafes, restaurants, bars and fast food facilities;
- AgroSupermarket: refrigerating machines, displays, ready made food products, related products;
- Environmentally safe technologies in agribusiness

FOOD SAFETY. PRESERVED FOOD, international specialised exhibition

Dates: 8 – 11 November 2006

Venue: Moscow, Expocentr

T: + 7 495 255 3799 / 3946

F: + 7 495 205 7210

W: www.expocentr.ru

Industries: Agriculture, Food industry, Environment

GARDENER AND FARMER, 8th specialised exhibition

Dates: 6 - 10 October 2006
Venue: Moscow, VVTS, pavilion 58
Organisers: Orgtekhcentr Interopttorg
T: + 7 495 156 1615
F: + 7 495 708 2974

This exhibition is held within the framework of Russian Agroindustrial exhibition Golden Autumn. It covers the following issues: small agricultural machinery, garden tools and equipment, electrical equipment, construction equipment and tools, home and farm gardening and plant growing (seeds, transplants), fertilisers and plant protection devices, green houses, shielding materials, garden furniture, transport devices, fire places, filters and pumps, power stations, garden décor, garden consumer goods, etc.

RUSSIAN FOOD SUMMIT, 1st international exhibition

Dates: 21 - 24 November 2006
Venue: Moscow, Crocus Expo
Organisers: Crocus Expo

This exhibition is aimed to provide an overview for recent tendencies in the sphere of food products production and sale. It will attract companies, working in agribusiness, machine building industry, food processing industry, as well as food wholesale and retail, catering, etc.

Its major issues include: meat, fish, dairy products, confectionery, bread, grocery, snacks, infant food, health food, fruits, vegetables, tea and coffee, canned products, frozen products, food processing and packaging equipment.

GRAINS / FEED-STUFFS / VETERINARY, 13th international specialised trade fair

Dates: 6 – 9 February 2007
Venue: Moscow, All-Russian Exhibition Centre, pavilion 57
Organiser: Marketing centre "Expokhleb"
T: + 7 495 755 5035 / 5038
F: + 7 495 755 6769, 974 0061
Industries: Agriculture, Food industry

Its major topics:

- Agricultural chemistry, agricultural mechanisms
- Technology and equipment for grain raising, collecting, transporting, storing and processing
- Mineral fertilisers and means of plant protection
- Raw products, technologies and equipment for bakery production: flour, grains, feed-stuffs
- Elevators and granaries
- Mills, feed-stuff and groats mills
- Raw products, technologies and equipment for feed-stuff, feed-stuff for agricultural and domestic animals, birds, fishes
- Veterinary specimens, tools and services
- Packaging equipment and materials

PRODEXPO, 14th international exhibition for foodstuffs and food raw materials

Dates: 12 – 16 February 2007
Venue: Moscow, Expocentr, pavilion 1, the 3rd floor, conference rooms 1A, 1B, 1C
Organiser: Expocentr
T: + 7 495 255 3799 / 3946, 205 7210
W: www.prod-expo.ru
Industries: Agriculture, Food processing

It covers the following topics

- Frozen food production. Ice cream production

- Preserves production
- Dairy products, butter, oils, cheeses
- Alcoholic beverage industry. Beer, non-alcoholic industry. Water, juices
- Merchandising. Profit without expenses
- Fish and seafood
- Meat and meat products
- Skilful techniques for active sales
- Control systems
- Tea, coffee
- Storage logistics
- Confectionery and bakery products
- Grocers production (pasta, grains, nuts, snack goods, spicery, flavourings)
- Oils and fat industry
- Fruits and vegetables
- Competition control
- Training technologies for sale managers
- Management for poorly motivated personnel. Employees are the best investment.

POTATOES, vegetables and fruits, 7th specialised exhibition

Dates: TBC

Venue: Moscow, the All-Russian Exhibition Centre (VVC), pavilion 57

Organiser: Agricultural Sector of VVTS

T: + 7 495 748 3759 / 72 / 73 / 74 / 75

F: + 7 495 748 3770

E: info@apkvvc.ru

W: www.apkvvc.ru

Olga Dmitriyevna KHMELNITSKAYA

Project Head

T / F: + 7 495 544 3501, 748 3770 ext.111, 108

E: olga@apkvvc.ru

Industries: Agriculture, Food industry

The POTATOES. VEGETABLES AND FRUITS exhibition features world trends in industry development, Russian and foreign innovative technologies and equipment for fruit and vegetable production and processing, latest scientific developments, industry equipment, best samples of agricultural and food products, including vegetables and fruits in unprocessed form, dry fruits, nuts, spices, bio-products, as well as culture seeds. It shows the entire chain, from selection, seed breeding, production, storage, and processing to sales of potato and horticultural products.

It also introduces modern achievements in selection and seed breeding, advanced technologies for growing, warehousing, storage, transportation and further processing.

It is an ideal trade space for concluding profitable contracts for the delivery of horticultural products and potatoes in Russia's regions, including Moscow.

ROSPRODMASH, 16th specialised exhibition

Dates: TBC

Venue: Moscow, All-Russian Exhibition Centre, pavilion 57

Organiser: Scientific research centre Agrosystemmash

T / F: + 7 495 259 8511

Industries: Agriculture, Food industry

Its major topics: new technologies and equipment for processing industries, agribusiness, retail and catering, refrigerating and packaging equipment, small size agricultural machinery for farms and dachas.

AGROTECH VESNA (Agricultural Machinery), including Zootechmash (Machinery for animal breeding), Agroselmash (Agricultural machinery for farms), Agrospectstekhnika (Specialised Agricultural machinery), 5th specialised exhibition

Dates: TBC

Venue: Moscow, All-Russian Exhibition Centre, pavilion 57

Organiser: APK VVTS

T: + 7 495 748 3774

F: + 7 495 748 3770

Industries: Agriculture, Food industry

It is dedicated to agricultural machinery and equipment for all spheres of agribusiness.

DACHA, KITCHEN GARDEN, ORCHARD, 11th international specialised trade fair

Dates: TBC

Venue: Moscow, All-Russian Exhibition Centre, pavilion 20

Organiser: Orgtechcentre Interoptogr

T: + 7 495 156 1615, 708 2345

F: + 7 495 156 1618, 708 2974

Industries: Agriculture, Construction

It is dedicated to equipment, accessories and devices for gardening, a wide range of seeds for flowers and plants.

BLOOMING GARDEN. FRUITFUL GARDEN, 5th specialised exhibition-fair on planting material, seeds, horticultural sundry and tools.

Dates: TBC

Venue: Moscow, Exhibition hall Crocus Expo

Organiser: Crocus International

Industries: Agriculture, Construction

It covers the following topics:

- Planting stock: fruit, decorative trees and bushes
- Exotic planting stock, adapted to Moscow region environment
- Seeds and vegetable sprouts, seeds and flowers bulbs
- Planting soil, devices for deratisation
- Hayseed, sport and decorative turfgrasses
- Fertilisation, plant food and its protection
- Garden supplies and gardening tools
- Monoblocks, cultivators, grass-cutters, gasoline and electric tools
- Metallic structures, arches, plant houses, covering material
- Systems for artificial irrigation and watering
- Literature for gardeners and truck-farmers
- Experimental models and garden houses' drawings, cottages, backyard buildings, bath-houses, garages, arbours and other
- Reflection basins, fountains, small forms for country house
- Insurance companies
- Ceramics, plastic houseware, bungalow furniture, fireplaces, heating stoves
- Water treatment systems, electric power supply, heating systems, light fittings
- Farms, bee culture products, honey
- Shower cabins

FAZENDA / AUTUMN, 14th specialised exhibition-fair

Dates: TBC

Venue: Football hall / riding hall of TSKA, beyond the Airport passenger terminal; Leningradsky prospect, 39

Organiser: Capitel S, Stand Service

Industries: Agriculture, Food industry, Construction

This exhibition covers the following issues: seeds, planting stock and other seed piece; alightning, opaque materials; means for plant protection, fertilisation, subsoil for sprout; plants in bough-pots and ceramics; tools, mini-machinery and equipment for garden and household plots; dishware, houseware, household detergents; landscape design of the household plots; green houses; cottages, garden lodges and its heating systems; wells, baths, saunas, swimming pools, shower cabin/cabinet; countrified and garden furniture, leisure time items; dress and footwear for work and leisure; cosmetics based on natural ingredients; herbal drugs; books and specialised publications.

ROSAGRO, 7th international specialised exhibition on agribusiness

Dates: TBC

Venue: Moscow, All-Russian Exhibition Centre, pavilion 20

Organiser: Agroexposervice

T: + 7 495 787 7221

F: + 7 495 787 7221

Industries: Agriculture, Food industry

It covers the following issues: modern agribusiness technologies, agricultural equipment, food products, equipment for food processing and catering industries, mechanical aids for farms, measuring equipment, retail and refrigerating equipment and materials, packaging, fodder cropping, gardening, fertilisers, chemical agents, etc.

PUBLICATIONS

- Agrarny Expert (Agrarian Expert), magazine: www.agropressa.ru
- Agricultural Business and Food Industry, bulletin: www.agropress.ru
- Agrobusiness, magazine: www.agro-business.ru
- AgroPortal: www.agro.ru
- Agropromyshlenny portal Rossii (Russian Agro-industrial portal): www.agroportal.ru
- Agrorynok (Agricultural market), magazine: www.zzr.ru
- Food Report, magazine: + 7 495 105 7503
- Kartoffel i Ovoschi (Potato and Vegetables), magazine: T: + 7 495 912 6395
- Krestyanskye Vedomosti (Peasants' News), media-group: www.agronews.ru
- Nastoyaschy Khozyain (Real Farmer): www.rusogorod.ru
- Novy Sadovod i Fermer (New Garder and Farmer), magazine: www.sadfarm.ru
- Pischevaya Promyshlennost (Food Industry), publishing house: www.foodprom.ru
- Pomoschnik Sadovoda (Garderner's assistant), newspaper: T: + 7 495 257 4112
- Prodindustria (Foodstuff industry), magazine: www.prodindustry.ru
- Selskaya Nov (Rural Virgin soil), publishing house: www.selnov.ru
- Selskokhozyaistvenny Optovik (Agricultural Wholesaler), magazine: www.optovik.ru

KEY METHODS OF DOING BUSINESS

In 'Doing business' locally, it is important to take account of the following local business factors:

Finding a reliable partner

To succeed in Russia it is important to choose a business partner carefully. Among the most favourable candidates for sales and co-operation could be:

- Russian firms with good domestic cash flow
- Russian enterprises exporting for hard currency
- Russian federal government and regional governments in resource-rich areas
- Development projects financed by western sources

There are still quite a lot of Russian enterprises that lack capital and experience poor cash flow. Therefore it is recommended to establish a payment and performance record prior to granting exclusive representation rights and/or credit terms to a newly appointed Russian business partner.

Face-to-face relationship building is quite important. Most of the Russian companies now have e-mail, but they will expect to do business face-to-face and may not respond to written proposals in the due time. Visiting the market is vital in order to forge personal links with the Russian companies. The best time for a visit would be during trade exhibitions.

Importance of Proper Advisors

Russian commercial regulations are contained in thousands of presidential, governmental and ministerial decrees. Quite often these decrees and laws overlap or conflict. Therefore, it is highly recommended for exporters to seek advice from local legal and consulting firms while establishing their business in Russia (especially when attempting to register a representative office or a joint-stock venture).

Also as registration and certification procedures involve direct personal contact with respective Russian government entities as well as substantial time and paperwork, UK companies are recommended to effectuate both procedures either through an accredited representative office in Russia or through a hired Russian or foreign agent or distributor. UK companies are also recommended to use services of consultants specialising in preparing documentation for registration.

Methods of payment

Cash in advance or confirmed letter of credit is the most common payment arrangement for new Russian customers. Although terms may be relaxed as the relationship develops. Experienced hands advise that the payments process should be agreed by exporter and customer right the start.

However, by agreeing to cash in advance the company puts itself in a disadvantaged position compared to long-established foreign competitors who already provide delayed payment arrangements.

Confirmed letters of credit may be replaced by cheaper open account trading in the light of a deepening relationship with a customer. Export newcomers to the market should consult their bank or export credit insurers for advice. Letters of credit may be issued by Russian banks, but exporters will find it difficult to find an UK bank willing to confirm one. One UK bank, which may be willing to do so, however, is Mosnarbank.

Credit and Credit Insurance

Credit is scarce in Russia. Notwithstanding this, many importers prefer to pay for goods on 30 or 60-day terms. This might be considered once an exporter has established a good relationship with a Russian company.

Short-term export credit insurance is available from NCM Credit Insurance and Trade Indemnity.

Whatever methods are used, companies should investigate all the options before agreeing to a sale.

Recommendations

Having established initial contact the company should follow up with a field trip and arrange personal meetings with potential partners.

If the company chooses to work with dealers and distributors, it is recommended to support dealers in promoting the products, providing them with brochures and technical specifications preferably in Russian language. Working with end-users will most likely involve technical support in Russian language, although international companies can accept English as a working language.

Previous experience has shown that Russian importers are quite often hesitant to react positively to offers from British companies due to the following:

- Initial offers do not contain any technical and financial information.
- General perception of British products is that they are "too expensive"
- British companies are not very flexible as far as communication in the local language is concerned. British companies insist on using English as a working language, which does not compare well with German, Italian, Swedish and other exporters.

Should your company choose to start operations in the Russian market it is recommended that the following be considered:

- Initial offers should be more detailed
- The company should choose its pricing policy carefully, or consider additional non-financial methods of competition at the initial stage of entering the market
- The company should consider communication and providing technical materials in Russian language.

In general the contacts rarely speak English, although some can manage correspondence in English. Overall, it is highly recommended that UK companies both translate their promotional materials and, when in Russia, hire an interpreter.

OTHER ISSUES

Some relevant political and technical considerations

- Recognised as a “market economy” by US and European Union, Russia has made strides with its accession to the World Trade Organisation
- As part of the WTO accession process, Russia is moving towards international standards
- Sanitary and Phytosanitary issues, when they are resolved, grow trade
- In 2005 the Russian government designated agriculture one of four priorities for national development, and appropriated funds for implementing programs under this initiative. The agriculture project is currently referred to as “Agroindustrial Complex Development”. It features three major thrusts and is broken into specific program areas:
 - *Accelerated livestock development* is to be accomplished in part through expansion of access to credit, coupled with reduction of import tariffs on machinery and equipment used in the meat and dairy sectors
 - *Smallholder development* is to be promoted through founding input supply and marketing co-operatives in rural villages; capacity expansion to process products from private plots and private farms; rural credit co-operatives expansion; a land mortgage system creation to support rural credit; interest rate buydown subsidies.
 - *Provision of rural housing* for young specialists working in rural areas and particularly for those engaged in production agriculture.
- In December 2002, President Putin signed extensive amendments to the Russian Federation’s Law on Trademarks, Service Marks and Labelling of Origin of Goods. According to statements made at that time, the amendments are designed to accelerate Russia’s integration into the global economy and its admission to the WTO. The Law is said to ensure better protection of well-known trademarks, broadly defines “counterfeit” for the first time, and also provides for physical destruction of seized counterfeit goods. The law also implements mechanisms to counter bad faith registrations of Intellectual Property (IP) objects and trademark infringements.
- According to seed breeders, farmers have increased the use of patented seed varieties and hybrids that allow them to increase yields. However, despite existing patent laws, farmers reportedly do not usually pay the required royalties and the selection centres do not have enough money to pay for legal action to recoup the losses.

Transport issues

Roads and Road Network

- The current length of road network is a little under 900 thousand km. Only 84% of them are paved and the rest do not allow all-seasons transit, leaving almost 40,000 communities frequently isolated.
- Major corridors, such as those between Moscow, the European borders, and the Black Sea and Caspian Sea regions are rather congested and insufficiently safe; if the situation does not improve rapidly, they become barriers to further economic and social development of the regions they serve.
- The RF Government earmarked over 2000 billion RUR (\$63 billion) for the new Federal Transport Program to modernise Russian transport system. The main objectives of the program are
 - for the period 2002-2005: maintaining the functioning of the public road network and new construction only in the most overloaded nodes of the network; and
 - for the period of 2006-2010: accelerating the road maintenance activities to decrease the share of roads in need of urgent repair, and construction of the main traffic arteries connecting Russia with international transit system.

Railways

- The Russian economy is more rail-dependent than any other large country in the world. It is the second largest in network size, third in ton-km, fourth in passenger-km, second highest in traffic density and second in average length of freight movement. But whereas a decade ago long-distance road transport had a negligible share of the market, it now accounts for up to 20 percent of the total freight market. There is an urgent need to restructure the rail system to reflect the changed structure of demand for rail transport.

Ports and water transport

- After the fall of the USSR, Russia retained only 41 of its previous 92 seaports, and a substantial proportion of its international trade still goes through the "lost" ports. Russia's remaining seaports have suffered from lack of investment and modernisation but some of this is also attributable to a railway tariff policy that made it less costly to transport freight to foreign ports than to Russian ports.

Airports and air transport

- There are only 15 large airports in this country (with 700-800 thousand passengers a year) and the remaining 400 are of medium and small size (300-600 thousand passengers a year). Russia has been experiencing growth in air traffic numbers. Airports are desperate for reconstruction and construction.
- The priority of the Russian aviation industry is to increase airports and air carriers, The Federal Air Transport Agency prepared a program of airport development, which will spotlight the creation of 8-10 hubs technologically and organisationally linked to 30-40 regional airports. At the same time, airlines would be increased. As of now, 15 large air carriers account for 88% of traffic in Russia, and the other 180 companies are too small to rival them. The agency intends to attain these objectives by enlarging and unifying air carriers.

Other points to consider

- Russia a potentially huge market – 143 million consumers
- High world prices for oil & natural gas, increase in sovereign credit ratings, stability in political situation cause overall economic development and consumer spending boom. Such dramatic growth is beginning to spread beyond Moscow and St. Petersburg to the regions
- World's 4th largest growing economy with 6 years of consecutive growth. GDP increased by 6.8 percent to \$570 billion in 2004.
- Per capita GDP reached almost \$4,000 in 2004. With 9% growth rate in 2004, real disposable incomes continue to outpace GDP growth
- Incomes in October 2005 were 24.5% higher than in October 2004. According to experts, average wage in 2005 is \$1,200 for Moscow middle income buyers, \$400 for other regions' buyers
- Continuous growth of prices for energy resources and railway transportation;
- Fast growing retail market. Retail sales grew 12% in 2004 to \$198.3 billion dollars of which \$80 billion was in food products. 44% of products sold through retail are imported products. Moscow consumers continue to spend 70% of their incomes on consumer goods, the highest ratio in Europe. Modern retail formats are going into regions increasing total demand for quality products
- Consumers became less financially restrained and continue to shift towards better-quality products, growing middle-class
- Fast food service and restaurants develop at incredible rate demanding new products and of better quality
- Government bureaucracy and corruption
- Economic vulnerability, dependence on oil and mineral extraction for most wealth
- Non-tariff barriers hold trade below potential
- Limited acceptance of biotechnology
- Russia's food processing industry keeps growing very quickly, with an annual increase of 15-20 percent.

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- Russian food processors more and more must meet international quality standards. They pay more attention to quality of ingredients they use.
- Russian food processing companies continue to expand and modernise their production facilities. This explains their demand for high quality ingredients.
- Local food industry has become one of the most dynamic sectors of the Russian economy, with an average increase of 15-20 percent per year.
- Irregular payments and mutual debts between suppliers of raw materials, processors and food traders; and unreasonably high credit fees.
- Cash-in-advance system of payment is still a common trade practice in Russia, eliminating credit risks and expenses from letter of credit.

The British Potato Council commissioned this report from UKTI. There is an accompanying report on the Russian Economy. If you would like a copy of the Economy report, please contact Suzanne Willers, Seed and Export Supply Chain Executive, British Potato Council on 01865 782264 or email swillers@potato.org.uk

The information in this report was supplied by Svetlana Filatova, Senior Trade and Investment Advisor, British Embassy, Moscow. + 7 495 956 7214, svetlana.filatova@fco.gov.uk.



APPENDICES

Table 1: Breakdown of Russia's Agricultural Output by producers

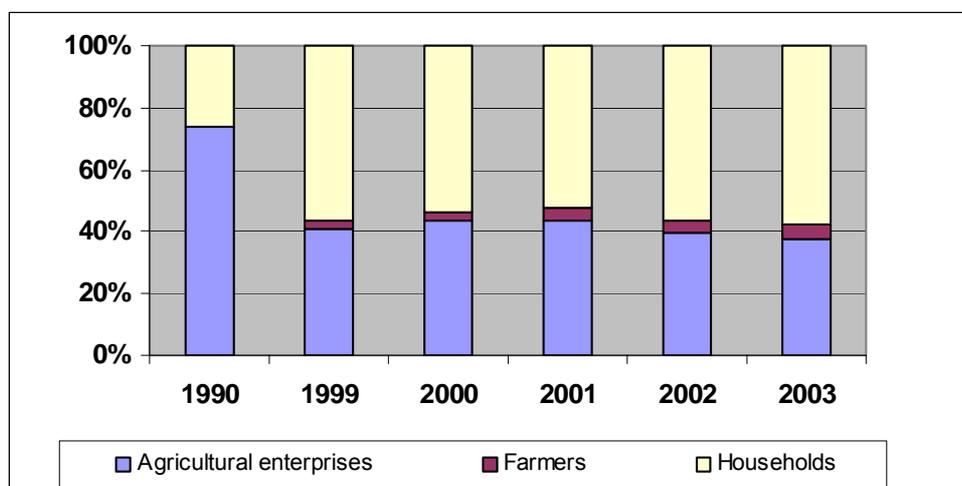


Table 2: Output of Main Agricultural Products by Types of Farms (percentage as related to the farms of all types)

	Agricultural organisations			Household farms			Private (peasant) farms ¹		
	2000	2003	2004	2000	2003	2004	2000	2003	2004
Grains (weight after processing)	90.7	84.1	81.2	0.9	1.5	1.4	8.4	14.4	17.4
Sugar beet (factory)	94.4	88.8	88.6	0.7	1.1	1.1	4.9	10.1	10.3
Sunflower seeds	84.4	76.9	74.4	1.4	1.3	1.1	14.2	21.8	24.5
Potatoes	6.5	5.6	6.2	92.4	92.8	91.8	1.1	1.6	2.0
Vegetables	19.9	16.6	14.9	77.9	80.1	80.2	2.2	3.3	4.9
Cattle and poultry for slaughter (slaughter weight)	40.3	44.3	45.1	57.9	53.6	52.5	1.8	2.1	2.4
Milk	47.3	46.1	45.0	50.9	51.4	52.2	1.8	2.5	2.8
Eggs	70.9	73.0	72.8	28.7	26.5	26.7	0.4	0.5	0.5
Wool (physical weight)	37.5	31.8	...	57.1	57.3	...	5.4	10.9	...

Table 3: Areas Under Agricultural Crops (farms of all types; thousand hectares)

	1992	1995	2000	2001	2002	2003	2004
Total area under agricultural crops	114591	102540	85419	84753	84578	79596	78785
<i>Grains</i>	61939	54705	45636	47241	47474	42195	43745
including:							
<i>winter crops</i>	19191	11895	11991	12793	14595	10249	11413
out of them:							
wheat	10799	8194	7926	8525	10113	7412	8977
rye	7574	3233	3531	3621	3804	2340	1888
barley	818	468	533	648	677	497	547
<i>spring crops</i>	42748	42810	33645	34447	32879	31946	32332
out of them:							
wheat	13485	15715	15278	15240	15549	14774	15052
maize (for grain)	810	643	813	684	625	730	918
barley	13746	14242	8644	9479	9602	9668	9433
oats	8540	7928	4518	4869	4269	3735	3569
millet	1875	698	1588	1214	581	830	1028
buckwheat	1709	1604	1577	1594	836	735	940
rice	265	171	175	154	149	156	133
cereals and pulses	2266	1784	922	1076	1214	1275	1224
<i>Industrial crops</i>	5891	6476	6454	5400	5802	7454	6852
of which:							
flax-fibre	327	177	108	127	111	118	112
sugar beet (factory)	1439	1085	806	773	809	924	851
<i>oil crops</i>	3921	5149	5485	4448	4838	6337	5813
out of them:							
sunflower	2889	4127	4629	3821	4117	5337	4848
soybean	645	487	421	417	476	586	571
<i>Potatoes, vegetables and melons</i>	4287	4303	4243	4213	4217	4214	4132
of which:							
potatoes	3404	3409	3252	3240	3232	3194	3150
vegetables (without transplantation)	682	758	833	831	835	867	847
<i>Forage crops</i>	42474	37056	29086	27899	27086	25733	24056
of which:							
perennial grass	18813	19518	18184	17945	17100	16540	15933
annual grass	11210	9350	5981	5701	6365	6098	5545
maize for forage and green feed	9535	6147	3670	3164	2710	2258	1868
forage roots (including forage sugar beat)	495	243	165	160	149	130	125
Bare fallow land	13026	17383	18042	17483	16311	16334	16010

Table 4: Gross Harvest for main crops in Russia

Indicator	1996-2000 (average)	2001	2002	2003	2003 / 2002	2003 / 1996- 2000
Gross grain harvest, million tonnes	65.2	85.2	86.6	67.2	77.60%	103.07%
Gross industrial sugar beet harvest, million tonnes	14	14.6	15.7	19.3	122.90%	137.86%
Gross sunflower harvest, million tonnes	3.3	2.7	3.7	4.9	132.40%	148.48%
Gross flax fibre harvest, thousand tonnes	38	58	38	55	144.70%	144.74%
Gross potato harvest, million tonnes	34.5	35	32.9	36.6	111.20%	106.09%
Gross vegetable harvest, million tonnes	11.4	13.3	13	14.8	113.80%	129.82%

Table 5: Crop Yield in Russia in 1996-2003, tonnes per harvested hectare

Indicator	1996-2000 (average)	2001	2002	2003	2003 / 2002	2003 / 1996- 2000
Grain	15.1	19.4	19.6	17.8	90.60%	117.90%
Sugar beet	177	199	219	227	103.40%	128.20%
Sunflower	8.5	7.8	9.7	10	103.00%	117.60%
Flax fibre	4	5	4.7	6.6	139.30%	165.00%
Potato	105	109	103	116	112.40%	110.50%
Vegetables	146	155	152	169	111.40%	115.80%

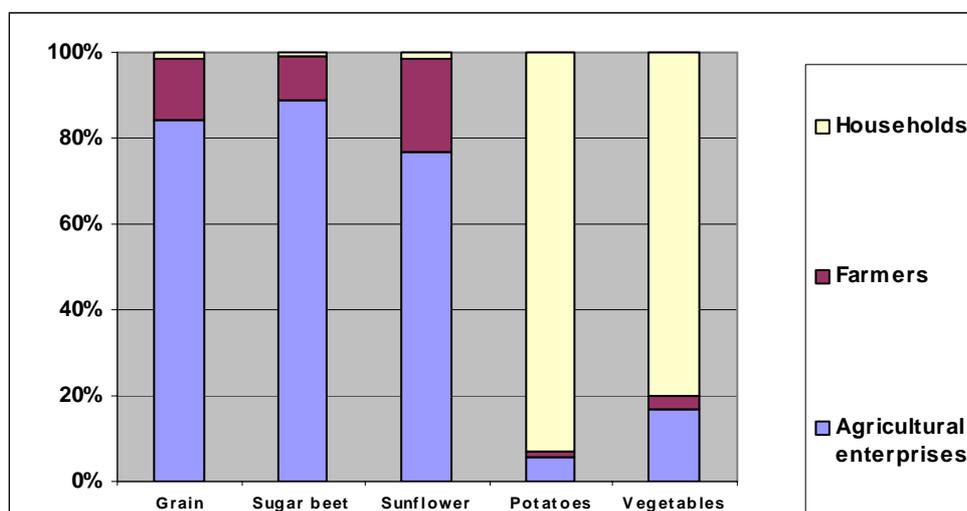
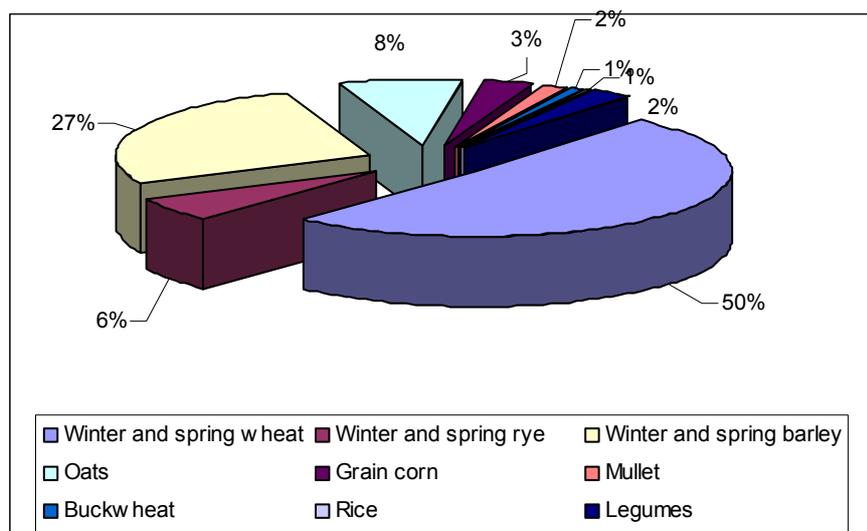
Table 6: Breakdown of Russia's Plant Growing Output by Producers in 2003

Table 7: Breakdown of Russian grain production by types of grain in 2003**Table 8: Areas Under Agricultural Crops by Types of Farms in 2004 (million hectares)**

	Total area under agricultural crops	of which			
		grain crops	industrial crops	potatoes, vegetables and melons crops	forage crops
All types of farms	78.8	43.7	6.9	4.1	24.1
of which:					
agricultural organisations	62.9	35.4	5.2	0.3	22.0
households farms	5.0	0.5	0.1	3.6	0.8
private (peasant) farms	10.9	7.8	1.6	0.2	1.3

Table 9: Gross Harvest and Yields of Main Agricultural Crops (farms of all types)

	1992	1995	2000	2001	2002	2003	2004
Gross harvest, million. tonnes							
Grains (weight after processing)	106.9	63.4	65.5	85.2	86.6	67.2	78.1
Sugar beet (factory)	25.5	19.1	14.1	14.6	15.7	19.4	21.8
sunflower	3.1	4.2	3.9	2.7	3.7	4.9	4.8
soybean, thousand. tonnes	505	290	342	350	423	393	555
Flax-fibre, thousand. tonnes	78	69	51	58	38	55	58
Potatoes	38.3	39.9	34.0	35.0	32.9	36.7	35.9
Vegetables	10.0	11.3	12.5	13.3	13.0	14.8	14.6
Fruit, berries and grapes	3.4	2.5	3.4	3.1	3.6	3.5	3.9
Yields, centners per hectare of harvested area							
Grains (weight after processing)	18.0	13.1	15.6	19.4	19.6	17.8	18.8
Sugar beet (factory)	192	188	188	199	219	227	277
Sunflower	11.6	10.6	9.0	7.8	9.7	10.0	10.2
Soya	8.5	7.5	10.1	9.4	11.7	9.8	10.0
Flax-fibre	3.1	4.4	5.5	5.0	4.7	6.6	5.8
Potatoes	114	118	105	109	103	116	115
Vegetables	145	148	146	155	152	168	167

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Table 10: Output of Main Agricultural Products by Households farms (million. tonnes)

	1992	1995	2000	2001	2002	2003	2004	
							Million tonnes	% of the total output
Potatoes	29.9	35.9	31.4	32.4	30.6	34.1	33.0	92.8
Vegetables	5.5	8.3	9.7	10.6	10.6	11.8	11.5	80.1
Fruit and berries, thousand tonnes	2.0	1.7	2.7	2.4	3.0	2.5	3.2	81.1
Cattle and poultry for slaughter (slaughter weight)	2.9	2.8	2.6	2.5	2.6	2.6	2.6	52.5
Milk	14.8	16.3	16.4	16.8	16.8	17.2	16.7	52.2
Eggs, billion. pieces	11.2	10.2	9.8	9.9	9.7	9.7	9.5	26.7
Wool (physical weight), thousand tonnes	57.5	39.8	23.0	23.7	25.7	25.6

Table 11: Output of Main Agricultural Products by Private (Peasant) farms (thousand. tonnes)

	1992	1995	2000	2001	2002	2003	2004	
							Thousand Tonnes	% of the total output
Grains (weight after processing)	2232	3001	5506	9364	10571	9687	13623	17.4
Sugar beet (factory)	512	669	687	824	1111	1963	2252	10.3
Sunflower seeds	180	519	556	434	734	1061	1174	24.5
Potatoes	307	363	365	411	440	590	722	2.0
Vegetables	78	148	273	307	334	492	709	4.9
Cattle and poultry for slaughter (slaughter weight)	56	88	80	86	91	106	116	2.4
Milk	248	576	568	617	701	821	894	2.8
Eggs, million. pieces	24	129	139	162	208	168	174	0.5
Wool (physical weight)	1.4	4.2	2.2	2.4	3.3	4.9

Table 12: Main Indicators of Production Activity of Agricultural Organisations

	1992	1995	2000	2001	2002	2003	2004
<i>Sowing areas, million hectares</i>	108.7	93.0	74.2	72.1	70.8	65.0	62.8
of which:							
grains	60.0	50.9	40.7	41.0	40.5	35.2	35.4
industrial crops	5.6	5.6	5.4	4.3	4.5	5.7	5.1
potatoes, vegetables and melons	1.4	0.7	0.4	0.4	0.4	0.3	0.3
forage crops	41.7	35.8	27.7	26.4	25.4	23.8	22.0
Cattle (at the end of year), million head							
<i>Production, million tonnes:</i>							
grains (weight after processing)	104.1	59.8	59.4	75.1	75.2	56.5	63.4
sugar beet (factory)	25.0	18.3	13.3	13.6	14.4	17.2	19.4
sunflower seeds	2.9	3.6	3.3	2.2	2.9	3.7	3.6
flax fibre, thousand tonnes	76.4	66.6	48.4	54.9	36.1	52.8	54.2
potatoes	8.1	3.7	2.2	2.2	1.9	2.1	2.2
vegetables	4.5	2.8	2.5	2.4	2.1	2.4	2.2
cattle and poultry for slaughter (slaughter weight)	5.3	2.9	1.8	1.8	2.0	2.2	2.2
milk	32.2	22.4	15.3	15.5	16.0	15.4	14.4
eggs, billion. pieces	31.7	23.5	24.1	25.1	26.4	26.7	26.0
wool (physical weight), thousand tonnes	119.7	48.9	15.1	14.2	13.6	14.2	...

Table 13: Imports of Planting Seeds (tonnes)

		2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006, forecast
07011000	Potato, for sowing	9,615	6,008	5,797	5,500
07131010	Peas, for sowing	234	469	809	900
07031011	Onion, Sets	7,075	7,524	9,034	9,000
07133310	Beans, for sowing	10	15	22	25
10019091	Wheat and meslin seed	16,877	67,306	56,271	55,000
10030010	Barley, for sowing	3,132	1,870	3,873	4,500
100510	Corn for sowing, not sweet corn	4,959	7,095	9,163	10,500
12010010	Soybeans, for sowing	221	161	413	420
12040010	Flax, for sowing	17	0	19	0
12051010		128	126	132	130
12059000	Rape or colza seeds, for sowing				
12060010	Sunflowerseeds, for sowing	2,684	3,386	6,127	7,000
1209	Seed, fruits and spores, for sowing	4,324	5,584	7,468	
120930	Herbaceous plants, seeds	37	47	50	50
120991	Vegetable seeds, except red beet and peas	499	720	2,044	2,200
120999	Seeds of other Herbaceous plants and forest trees 1209	239	488	1,051	1,000

Table 14: Imports of Seed Potato (HS Number 0701 10)

Country	2002 - 2003		2003 - 2004		2004 - 2005	
	Kilograms	\$	Kilograms	\$	Kilograms	Thousand \$
The World	9,615,375	4,949,000	6,008,165	3,414,000	5,796,767	2,823,000
Netherlands	5,088,185	2,755,000	3,412,900	2,033,000	3,873,577	1,810,000
United Kingdom	316,100	160,000	281,100	179,000	661,400	258,000
Finland	931,690	477,000	475,610	300,000	592,490	390,000
Germany	2,599,900	1,282,000	1,445,800	712,000	574,900	300,000
Poland	355,000	128,000	159,400	95,000	79,400	56,000
France	-	-	35,080	16,000	15,000	10,000
Other	324,500	147,000	198,275	79,000	0	0

Table 15: Distribution of Agricultural Land by Land Users (million. hectares)

Years	Land used by land users engaged in agricultural production	of which lands of				
		agricultural organisations	Private (peasant) farms	privately used by citizens	out of them	
					Private household farms	Collective and individual gardens and kitchen gardens
Total agricultural land						
1992	210.6	180.1	6.5	8.5	6.4	1.7
1995	209.6	171.2	10.4	9.9	5.3	1.9
1998	195.2	163.5	13.0	10.5	5.9	1.5
1999	197.6	161.8	13.5	11.9	5.6	1.5
2000	197.0	157.6	14.5	11.0	5.7	1.6
2001	195.9	154.1	15.9	10.9	6.0	1.6
2002	194.6	150.4	17.0	11.8	6.4	1.5
2003	193.8	147.5	17.8	12.7	6.5	1.5
Arable land						
1992	130.0	119.2	4.7	3.9	3.3	0.6
1995	127.6	113.2	7.5	4.5	3.4	0.6
1998	121.6	105.7	9.8	4.4	3.7	0.5
1999	120.9	104.0	10.4	4.9	3.9	0.5
2000	119.7	101.6	11.2	5.8	4.1	0.5
2001	119.1	99.2	12.4	6.3	4.3	0.5
2002	118.4	97.0	13.2	6.8	4.4	0.4
2003	117.5	94.9	13.7	7.4	4.5	0.4
Forage crops land						
1992	78.3	60.0	1.8	3.3	2.8	-
1995	78.6	56.4	2.8	3.9	1.7	-
1998	69.7	55.3	3.1	4.8	2.0	0.0
1999	72.6	55.3	3.1	5.7	1.5	0.0
2000	72.6	53.1	3.2	3.8	1.4	0.0
2001	72.2	52.0	3.4	3.2	1.4	0.0
2002	71.6	50.5	3.7	3.4	1.7	0.0
2003	71.5	49.7	4.0	3.7	1.7	0.0

Table 16: Structure of Agricultural Output by Types of Farms (in actual prices; percentage of the total)

	1992	1995	2000	2001	2002	2003	2004
All types of farms	100	100	100	100	100	100	100
of which:							
agricultural organisations	67.1	50.2	43.4	43.9	39.8	39.7	43.1
household farms	31.8	47.9	53.6	52.4	56.5	55.8	51.0
private (peasant) farms	1.1	1.9	3.0	3.7	3.7	4.5	5.9

Table 17: Land Used by Population (the end of year)

	1992	1995	2000	2001	2002	2003
Household private farms						
Number of families, million.	19.3	16.3	16.0	16.0	15.9	16.0
Land area:						
total, thousand. hectares	6826	5810	6243	6545	6914	7014
In average for one family, hectares	0.35	0.36	0.39	0.41	0.43	0.44
Collective and individual gardens						
Number of families, million.	13.5	15.0	14.9	14.6	14.6	14.5
Land area:						
total, thousand. hectares	1083	1242	1265	1263	1260	1259
In average for one family, hectares	0.08	0.08	0.09	0.09	0.09	0.09
Collective and individual kitchen gardens						
Number of families, million.	7.9	7.4	5.1	4.7	4.4	4.3
Land area:						
total, thousand. hectares	601	603	469	458	420	408
In average for one family, hectares	0.08	0.08	0.09	0.10	0.10	0.10