*BRIEF UNOFFICIAL TRANSLATION*

On August 6, 2017, it has been 3 years since Russia imposed a food embargo on the products from the EU countries, USA and others.

According to the Russian Agriculture Ministry, the import substitution policy has succeeded most in the meat industry. The imports share in pork consumption has decreased by three times and amounted to 8% in 2016, compared to 26% in 2013, poultry meat by 2.5 times or up to 5%. In addition, vegetables import has reduced in 2 times and amounted to 463 thousand tons in 2016,in compared to 866 thousand tons in 2013.

Taking into account that over the last 3 years, the production of domestic greenhouse vegetables has increased by 30%,the growth rates of new gardens by 1.5 times.

How has changed the Top-10 rating list of the products countries-suppliers to Russia

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Pork and cattle meat** | | | | | |
| Top-10 countries - importers in mid 2014 | | | Top-10 countries - importers in mid 2017 | | |
|  | $ mln. | K/tons |  | $mln. | K/tons |
| Brazil | 709,11 | 176,4 | Brazil | 453,34 | 152,07 |
| Belarus | 238,23 | 55,86 | Belarus | 167,04 | 46,61 |
| Canada | 234,32 | 69,51 | Paraguay | 84,12 | 26,06 |
| Paraguay | 207,79 | 49,25 | India | 10,75 | 3,46 |
| Germany | 28,78 | 8,10 | Chile | 10,44 | 3,92 |
| Uruguay | 28,53 | 5,98 | Uruguay | 9,09 | 3,31 |
| USA | 28,51 | 6,61 | Columbia | 7,88 | 2,49 |
| Denmark | 26,86 | 6,78 | Argentina | 6,94 | 2,08 |
| Poland | 23,38 | 6,23 | Serbia | 4,26 | 1,77 |
| Lithuania | 23,33 | 5,32 | Moldova | 2,09 | 0,69 |
| TOTAL: | 1,7 $ bln | 425,4 K/tons | TOTAL: | 757 $mln. | 242,7 K/tons |
|  |  |  |  |  |  |
| **Fish and crustaceans, molluscs** | | | | | |
| Top-10 countries - importers in mid 2014 | | | Top-10 countries - importers in mid 2017 | | |
|  | $ mln. | K/tons |  | $mln. | K/tons |
| Norway | 471,44 | 111,54 | Faeroe Islands | 148,64 | 68,09 |
| China | 131,17 | 38,11 | Chile | 135,04 | 17,73 |
| Chile | 114,70 | 18,51 | China | 95 | 41,82 |
| Iceland | 75,74 | 41,05 | Belarus | 46,44 | 13,67 |
| Canada | 57,26 | 16,14 | Vietnam | 36,20 | 12,24 |
| Belarus | 42,12 | 6,48 | Greenland | 27 | 6,97 |
| USA | 35,06 | 11,78 | India | 20 | 4,97 |
| Vietnam | 34,77 | 11,74 | Argentina | 19,88 | 5,94 |
| India | 31,25 | 4,11 | Ecuador | 17 | 5 |
| Turkey | 27,20 | 4,67 | Turkey | 16,17 | 3,62 |
| TOTAL: | 1,3 $ bln. | 390 K/tons | TOTAL: | 612 $ mln | 204 K/tons |
| **Vegetables** | | | | | |
| Top-10 countries - importers in mid 2014 | | | Top-10 countries - importers in mid 2017 | | |
|  | $ mln. | K/tons |  | $mln. | K/tons |
| Turkey | 466 | 421 | China | 244,73 | 257,09 |
| China | 295,7 | 365 | Egypt | 116,24 | 289,85 |
| Israel | 210 | 255,59 | Israel | 113,49 | 113,83 |
| Egypt | 205,23 | 368 | Azerbaijan | 106 | 126,56 |
| Netherlands | 188,18 | 220,22 | Morocco | 87,34 | 68 |
| Spain | 153,67 | 99,47 | Iran | 73,65 | 73,61 |
| Poland | 122,7 | 158,82 | Belarus | 71,21 | 158,76 |
| Azerbaijan | 84,84 | 103,54 | Turkey | 20,16 | 40,86 |
| Iran | 80,52 | 89,46 | Uzbekistan | 17,62 | 21,41 |
| Belarus | 75,22 | 95,72 | Netherlands | 17,28 | 20,58 |
| TOTAL: | 2,2 $ bln. | 2,5 mln./tons | TOTAL: | 969,5$ mln. | 1,3 mln./tons |
| **Fruits&Nuts** | | | | | |
| Top-10 countries - importers in mid 2014 | | | Top-10 countries - importers in mid 2017 | | |
|  | $ mln. | K/tons |  | $mln. | K/tons |
| Ecuador | 509,44 | 673,66 | Ecuador | 510,59 | 690,43 |
| Turkey | 262,73 | 224,96 | Turkey | 167,82 | 192,67 |
| Poland | 258,19 | 444,75 | Egypt | 125,64 | 222,77 |
| Egypt | 192,21 | 202,59 | Morocco | 104,45 | 112,65 |
| Spain | 181,27 | 119,03 | China | 96,69 | 102,03 |
| Morocco | 176,60 | 180,19 | Serbia | 96,45 | 116,50 |
| USA | 123,06 | 26,71 | Argentina | 73,55 | 74,01 |
| Argentina | 123,05 | 120,21 | Chile | 61,20 | 45,60 |
| Belgium | 114,24 | 98,22 | South Africa | 61 | 52,59 |
| Greece | 103,17 | 59,83 | Moldova | 55,70 | 100,64 |
| TOTAL: | $ 3bln. | 3,1 mln/tons | TOTAL: | 1,7 bln.$ | 2,1 mln./tons |
| **Cheese** |  |  |  |  |  |
| Top-10 countries - importers in mid 2014 | | | Top-10 countries - importers in mid 2017 | | |
|  | $ mln. | K/tons |  | $mln. | K/tons |
| Belarus | 245,50 | 52 | Belarus | 307,49 | 72,46 |
| Netherlands | 94,28 | 18,55 | Argentina | 16,72 | 3,33 |
| Lithuania | 91,72 | 18,49 | Serbia | 10,42 | 3,46 |
| Finland | 89,00 | 18,14 | Switzerland | 6,34 | 0,86 |
| Poland | 76,15 | 14,58 | Uruguay | 6,00 | 1,00 |
| Ukraine | 74,85 | 11,00 | Chile | 3,62 | 0,78 |
| Denmark | 65,77 | 12,13 | Armenia | 2,33 | 1,54 |
| Germany | 62,31 | 11,71 | Kazakhstan | 2,07 | 0,55 |
| Argentina | 34,58 | 7,18 | Brazilia | 1,66 | 0,28 |
| Italy | 30,91 | 4,90 | Iran | 1,00 | 0,27 |
| TOTAL: | $963,4 mln. | 187,3 K/tons | TOTAL: | $359,3 mln. | 84,9 K/tons |
|  |  |  |  |  |  |

Food sanctions have caused a significant impact on the food import volume to Russia from the EU that amounted to €5.6 billion in 2016 against €11.8 billion in 2013. However, the total agricultural exports volume from EU countries grew during this period, achieving in 2016 a record mark of €131 bln.

Despite of assurances in high potential of the Russian agricultural industry, there is a range of products which Russia can not provide itself a necessary volume for production. According to the estimations of Fruitnews portal, in 2016 , imports of fresh fruits decreased by 1.45 million tons (or - 24%) compared to 2013, but the domestic commercial fruit yield grew by only 181 K/tons. Nuts import volume (excluding peanuts) was decreased by 57%, or 43,85 K/tons, but the domestic yield amounts to 300 tons and has insignificant effect on the market volume.

How has changed the level of food products self-sufficiency in Russia (in %)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2014 | 2015 | 2016 | Self-sufficiency level (Required minimum level of the domestic products on the market provided by the Russian food security Doctrine’ |
| Milk and dairy products | 77 | 79,4 | 81,5 | 90 |
| Meat and meat products | 81,9 | 87,2 | 89,7 | 85 |
| Fish products | 79,4 | 80,4 | 83 | 80 |
|  |  |  |  |  |

How have changed domestic food prices for the embargo period from the end of 2013 till June, 2017 in %

Source:Rosstat

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Taking into account that over the last 3 years, the production of domestic greenhouse vegetables has increased by 30%,the growth rates of new gardens by 1.5 times.

According to experts estimations, the food embargo has caused a series of negative consequences for Russian consumers as price increase, changing of food habits, partial illegality of import deliveries, loss of business contacts and ties, but among the essential advantage is that the Russian Government has started to pay its attention to the development problems of the Agroindustrial complex, including farmers' problems, support program developments and investors attraction.