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**Conference on Land Economy and Rural Studies Essentials****PROSPECTS FOR THE DEVELOPMENT OF AGRICULTURAL  
EXPORTS IN RUSSIA**

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**Abstract**

The paper deals with the development of the export potential of the Russian agribusiness. The commodity structure of the main types of exported agricultural products, as well as those imported from foreign countries, is given. The geography of deliveries of domestic food and agricultural raw materials to foreign markets, trends in the development of cooperation in the field of trade relations of Russian enterprises with foreign partners are shown. The statistical indicators of the trade turnover of the Russian Federation with foreign countries and data on the export / import of the main types of food products and agricultural raw materials in the Russian Federation for 2017-2019 are presented. Within the framework of the national project titled "International cooperation and export", an export-oriented policy of advanced regions in the year 2020 is described taking into account the geographical division of agro-industrial production, national interests of agriculture, rational use of production resources and bioclimatic potential of territories. Based on the results of export-oriented activities in 2020, areas for the further development of agro-export are outlined taking into account the provision of import independence for the main types of agricultural products. The main strategic areas have been identified that will ensure the development of the agricultural sector and increase the export of products at a given pace and volume simultaneously. It has been proposed to make significant additions and changes considering a new export policy.

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*Keywords:* Export, food, import, production, raw materials, turnover



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## **1. Introduction**

In accordance with Decree No. 350 of the President of the Russian Federation dated July 21, 2016 titled “On measures to implement the state scientific and technical policy in the interests of agricultural development” (Decree No. 350 of the President, 2021), the federal project titled “Export of agricultural products” (Federal project titled Export of products..., 2021) that is included within the framework of the State Program for the Development of Agriculture and Regulation of the Markets of Agricultural Products, Raw Materials and Food has been developed and is being implemented. The objectives of this project are the priorities of the country's socio-economic policy and national security. The tasks of this project are to increase the volume of exports of domestic products to \$ 45 billion annually by 2025 while reaching growth of 210.6% as compared to 2017 (Petukhov, 2018).

## **2. Problem Statement**

The following problems are among the main issues hindering the growth of Russian agricultural exports: the lack of on-site trade divisions; need for the conformity of products to the requirements of foreign standards and certificates; high shipping costs; logistics; a long term of delivery; a significantly high rate of import customs duties on finished products; insufficient awareness of potential consumers about the advantages of Russian goods that have long traditions and unique formulations and are produced using the most up-to-date technologies when complying with current safety standards, etc. (Borodin & Goncharov, 2018).

## **3. Research Questions**

During the research, information was used from publications of the Ministry of Agriculture of Russia, from journals, from the websites of leading scientific and educational institutions of the Ministry of Education and Science of Russia, and from other organizations, where research results and information on the development of exports of agricultural products, raw materials and food are presented.

The research was carried out using analytical, comparative and information-logical methods for analyzing the initial information.

## **4. Purpose of the Study**

The purpose of the study is the analysis and synthesis of information materials on the development of exports of the agricultural sector and the identification of promising areas.

## **5. Research Methods**

During the research, information was used from publications of the Ministry of Agriculture of Russia, from journals, from the websites of leading scientific and educational institutions of the Ministry of Education and Science of Russia, and from other organizations, where research results and information on the development of exports of agricultural products, raw materials and food are presented.

The research was carried out using analytical, comparative and information-logical methods for analyzing the initial information.

## 6. Findings

The project titled “Main areas for the strategy and sustainable socio-economic development of the agricultural sector of the Russian Federation for the period up to 2030” (On the approval of the Strategy, 2021) contains the main strategic areas that will ensure the development of the agricultural sector and increase the export of products at the same time at a given pace and volume. Russian agricultural exports amounted to \$ 28 billion, including halal products as of the end of 2020 (Voytyuk et al., 2021).

Table 1 presents the statistical indicators of the trade turnover of the Russian Federation with foreign countries (2020 National Report, 2020).

**Table 1.** Commodity structure / imports of the Russian Federation, million US dollars

Structure	2017	2018	Growth rate		2019	Growth rate	
			%	±		%	±
Turnover	50.537.8	55.559	109.9	+5.021.2	55.560	100	+1
Imports	28.937.6	29.757	102.8	+819.4	29.951	100.7	+194
Exports	21.600.2	25.802	119.4	+4.201.8	25.609	99.3	-193
Trade balance	-7.337.4	-3.955	53.9	+33.82.4	-4.342	109.8	-387

According to statistical data, the indicators of trade turnover increased by 9.9%, those of imports increased by 2.8%, and those of exports increased by 19.3% in 2018 as compared to 2017. The trade turnover decreased significantly by 6%, the imports increased by 0.7%, and the exports decreased by 0.7% in 2019 as compared to 2018, which did not correspond to the draft plans to increase production in the given volumes.

Table 2 presents statistical data on the export / import of the main types of food products and agricultural raw materials in the Russian Federation for 2017-2019 (Fomina & Kiseleva, 2020).

The Top 5 main food products and agricultural raw materials in the export structure for 2019 included: cereals (including wheat), although its exports dropped significantly by 28% as compared to 2018; oilseeds (+34.9%); sunflower oil (+ 46.9%); supplies for fresh and frozen fish decreased by 6.6%; sugar (+77.2%).

After a record harvest of oilseeds in 2019, the exports of fat and oil products increased by 31%, the exports of meat and dairy products increased 1.7 times, and the exports food and processing industry products increased by 25% in the first half of 2020.

The Top 5 main food products and agricultural raw materials in the structure of imports of the Russian Federation for 2019 included: oilseeds; meat (including poultry meat); grain crops (although their supplies have significantly decreased as compared to 2018); milk supplies increased by 2.4%; fresh and frozen fish supplies increased by 11.3%.

To achieve the targets for exports until 2030, one will need:

- An increase in the export of grain crops to about 55-60 million metric tons and their production in the amount of at least 150 million metric tons (taking into account the financial support of the industry, the price situation, weather conditions, etc.).

- An increase in the almost 2.7 times growth rate of production of oilseeds (sunflower, rapeseed) taking into account agro-engineering requirements and the expansion of areas; it will increase the export of fat and oil products to \$ 6.2 billion by 2024.

**Table 2.** Export / import of the main types (Top 5) of food products and agricultural raw materials of the Russian Federation for 2017-2019, '000 metric tons

Food products and agricultural raw materials	2017	2018	2019	2019 to 2018 ratio	
				%	±
Exports					
Cereals	43.357.1	54.895.5	39.526.4	72.0	-15.369.5
Oilseeds	1.830.7	1.969.4	2.567.5	134.9	688.0
Sunflower oil	2.326.9	2.109.5	3.098.2	146.9	988.7
Fish, fresh and frozen	1.881.0	1.966.1	1.836.9	93.4	-129.2
Sugar	559.8	387.5	686.8	177.2	299.2
Imports					
Oilseeds	2.556.5	2.521.4	2.338.3	92.7	-183.1
Meat (including poultry)	875.8	634	611.5	96.5	- 22.5
Cereals	746.3	629.5	515.5	81.9	-114
Milk	573.2	427.1	437.3	102.4	10.2
Fish, fresh and frozen	360.5	337.1	375.4	111.3	38.3

The markets for dairy and meat products in this country are one of the most promising in terms of growth in demand and opportunities for import substitution, therefore, the development of these industries will be quite optimistic in the future while adhering to the same indicators (not exceeding the consumption of 2/3 of the current standards for the human diet).

One should also take into account a number of factors affecting the volume of exports: the dynamics of the domestic demand of the population for food products; deepening integration in the CIS, EAEU and other associations; the level of political and economic relations with the partner countries of Russia; other global processes in the food market.

Russian products were positioned in 157 countries. The top major importing countries included China (with a share of 13.9%), Korea, Turkey, Kazakhstan, the Republic of Egypt, Belarus, the Netherlands, and Iran. The top major exporting countries were Belarus, China, Brazil, Germany, Turkey, Ecuador, and Italy (2020 National Report, 2020).

Seventeen foreign countries gained access to 20 types of agricultural products in 2020 (Table 3).

Foreign trade with the CIS countries (the republics of Belarus, Kazakhstan, Armenia, Kyrgyzstan, Uzbekistan, and Moldova) is actively conducted while reaching the volume of trade in agricultural products up to 10%. Among the main tasks of joint cooperation are the following: elimination of trade barriers; phytosanitary and veterinary safety; coordination and unification of national standard test methods for varieties and hybrids of crops, agrochemicals, agricultural machinery and equipment; scientific support and popularization of advanced experience; training of highly qualified personnel in joint projects, practical training.

**Table 3.** Russian agricultural products exported in 2020

Agricultural food	Countries
Pork	Vietnam, Philippines, Singapore, Thailand
Beef	South Korea, Japan, Philippines
Poultry	Saudi Arabia, Singapore, China, Japan, Malaysia, South Korea, India
Edible chicken eggs	Israel, Hong Kong
Fish and seafood	Mexico
Dairy products	Egypt, Japan, Vietnam, Malaysia, Algeria
Powdered milk	China, Saudi Arabia
Corn, barley	Colombia
Oats, rye, rice, barley, sorghum	Indonesia
Artificial drying feed	Japan, China, Saudi Arabia
Feed for unproductive animals and fish	China
Rye flour, millet groats, semolina, willow herb, peas	China

Historically business relations with the Republic of China continue to be built. The trade turnover of the countries amounted to about \$ 5 billion in 2019. Despite the global recession in the world economy due to Covid-19, trade activity increased by 11% thus amounting to about \$ 5 billion in 2020. The most promising market areas are grain legumes, poultry and pork, dairy products, vegetable oils, and fish products (about 40% of finished products). Many extraordinary goods of the country are of interest to Chinese partners. The Ural Federal District became famous as a supplier of chocolate (9 times increase in supplies in 2019); the Sakhalin Region became famous for kelp (increase by 2.8% in 2019); Soyuzmoloko LLC made the first delivery of powder milk whey in 2020; Siberian Academy of Dairy Sciences LLC (a plant with a daily milk capacity of 1,150 metric tons) delivers cheeses, ultra-pasteurized milk and cream, and dry demineralized whey to the PRC; Ulybinskaya poultry farm supplies duck meat; Kudryashovsky meat-packing plant delivers pork; IND-Siberia supplies turkey meat. According to the agreement between the countries, the turnover of agricultural products should amount to about \$ 200 billion by 2024 (Ministry of Agriculture of the Russian Federation, 2021a).

The Ministry of Agriculture of the Russian Federation and Agrarian Development of Vietnam signed a bilateral veterinary certificate of compliance with Vietnamese requirements for dairy products to be exported from Russia by 27 Russian enterprises (Ministry of Agriculture of the Russian Federation, 2021a).

Thanks to the well-coordinated work of the supervisory agencies of Russia and Mongolia, the countries continue their commodity and food supplies. Russia is ready to increase volumes in such key items as grain crops, dairy products, sunflower oil, confectionery, sugar, etc. Russia is a participant in the vaccination of animals in Mongolia while supplying FMD vaccines there. The register of Mongolian enterprises open for imported products records 201 enterprises (including 151 enterprises have the right to supply livestock products) (Ministry of Agriculture of the Russian Federation, 2020a).

Russia and Croatia increased their trade turnover by 22% in 2019, which amounted to \$ 1.2 billion. Relations between the countries are actively developing in the field of energy, a differentiated regime for trading in oil products, banking services, and scientific and technical services in the field of agriculture and education (Ministry of Agriculture of the Russian Federation, 2020a).

Russian-Moldovan cooperation increased trade turnover by 8% in 2019, which amounted to \$ 360 million. Export of Russian goods increased by 20% (to almost \$ 100 million). The main goods of supply are onions, potatoes, and confectionery. Imports from Moldova increased by 4% (amounted to about \$ 254 million) due to fresh fruits (apples, pears, and berries), juices and wine products (2020 National Report, 2020).

The economies of Russia and the Asia-Pacific Economic Cooperation (APEC) account for a fifth of the country's total agricultural trade. Russia increased its supplies by 6% while exceeding \$ 8 billion in 2020 (Ministry of Agriculture of the Russian Federation, 2020b).

In 2020, Russian companies exported \$ 30 million worth of wheat to the Brazilian market (5 times more than in 2019), fish and confectionery products. Work is being actively carried out on the organization of electronic certification and systematization of information systems of the Federal Service for Veterinary and Phytosanitary Supervision and Secretariat for the Protection of Plants and Animals of the Ministry of Agriculture of Brazil (Ministry of Agriculture of the Russian Federation, 2020b).

In 2020, the export of domestic agricultural products to Germany increased by more than 10% (amounted to about \$ 198 million), although the monthly trade turnover was characterized by either negative or positive balance. Special attention is paid to compliance with the requirements of both sides for the certification of seed and planting material. Germany supplies animals (cattle) to Russia, exports seeds, fruits and spores for sowing, cereals, starch, juices and extracts, chocolate, and confectionery products. The main exported Russian goods were products for animal feeding, fish products, confectionery, canned fruits, nuts, etc. (Ministry of Agriculture of the Russian Federation, 2020b).

From the point of view of various areas and specializations in the country's agro-industrial production, when focusing on increasing the export potential, one should take into account the geographical division of agro-industrial production, as well as the national interests of agriculture, rationally use production resources and the bioclimatic potential of the territory, and increase the efficiency of production and marketability of agricultural products on the domestic and foreign markets. One of the main tasks in this area is a more complete consideration of the situation in the territorial-sectoral division of labor, as well as the strategy of the country's spatial development. This means the creation of large-scale specialized sites for the production of certain types of agricultural products, the implementation of rational (within regional) distribution of agricultural products and taking into account the possible development of the food and processing industry and transport links (Ushachev, 2019).

Within the framework of the national project titled "International cooperation and export", many regions began to actively study the issues of export-oriented policy in 2020.

The Krasnodar Territory exported agricultural products worth \$ 2.5 billion to 130 foreign countries. More than 60 enterprises, mainly small and medium-sized businesses, have delivered grain crops, fat and oil and finished products to their foreign partners, and the supply of poultry meat has increased significantly.

The volume of agricultural exports in the Tambov region amounted to about \$ 264 million (2 times more than the planned figure) while ranking second in the rating of exporting regions to countries such as Belarus, Latvia, the Netherlands, Egypt, Israel, Jordan, etc. The key export products are cereals

(amounted to about \$ 100 million), meat and offal (amounted to \$ 43.6 million), sugar and sugar products, sunflower oil, and feed.

The volume of agricultural exports in the Republic of Tatarstan amounted to more than \$ 230 million (amounted to \$ 80 million more by 2019). The main exported product is fat and oil products (70%) to be delivered to the CIS and the Baltic countries, Turkey, Algeria and Egypt; buckwheat to be exported to the CIS countries; feed products to be exported to the Czech Republic, Poland, the Baltic countries, and Greece; barley to be exported to Kazakhstan, Azerbaijan, and Iran; saffron milk-cap (*Lactarius deliciosus*) to be exported to the Republic of Belarus; mustard to be exported to Poland, Czech Republic, Mongolia, and Germany.

The main consumers of agricultural products of the Republic of Bashkortostan are: the Republic of Belarus, the Baltic republics, and Kazakhstan. In total, products worth \$ 135 million were exported with fat and oil products becoming the main commodity. Elevator LLC and Chishminsky MEZ LLC have exported more than 51,000 metric tons of sunflower, linseed, rapeseed meal and mill cake, which is 7,000 metric tons more than in 2019. The waste products are used as a food additive in the manufacture of animal feed.

The export volume of agricultural products of the Yaroslavl region amounted to about \$ 12.5 million. The leading enterprises of the region, such as Atrus LLC, Sobranie LLC, Yaroslavl Broiler JSC, Coffee-Chicory CJSC, have shipped 7,500 metric tons of agricultural products, which is almost 2 times more than in 2019.

Stavropol export accounts for 4% of agricultural products of the entire country. Grains and legumes, poultry and lamb, offal, chocolate, biscuits and other confectionery products are exported to Saudi Arabia. For the first time, 90 heifers of Kalmyk breed have been sent to Armenia for 6.5 million rubles; cattle supplies will continue to Uzbekistan and Kazakhstan, and the Customs Union of the EAEU (Ministry of Agriculture of the Russian Federation, 2021b).

Based on the results of export-oriented products in 2020, for the further development of export potential, it is advisable to consider the main priority areas of strategic planning [12] and propose to make significant amendments and changes having regard to the new export policy and taking into account the target functions to overcome the import dependence on certain types of agricultural products, food and materials and equipment (Ushachev et al., 2018; Decree No. 350, 2016):

- improvement of legislative economic relations,
- development of markets for foreign economic activities,
- institutional transformations in the agribusiness,
- stabilization of the price situation and protection of agricultural producers against significant price fluctuations,
- compensation for a part of the costs of patenting and protecting brands; increasing the recognition of domestically made products in foreign markets,
- subsidizing a part of the costs of transportation and storage of agricultural products,
- overcoming barriers to entry into new markets, including that in terms of technical regulation and certification, increasing the level of process equipment availability and work standards, and geography of supplies and product range,

- transformation of land relations,
  - the rationality of the location of agro-industrial production taking into account the greening of agriculture and adaptation to climate change,
  - transfer of innovations (popularization) of the research sphere and education with the consumer,
- diversification of the rural economy, etc.

## 7. Conclusion

1. Active work is being carried out to develop trade relations in the field of agriculture with the CIS countries, as well as with China, Vietnam, Mongolia, Germany, Brazil and other foreign countries.
2. Grains and legumes, poultry and pork, dairy products, vegetable oils, fish products are among the promising export areas.
3. Further development of the export potential of the agricultural sector should be carried out taking into account changes in export policy and tasks to overcome import dependence on certain types of agricultural products and food.

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