



# **AGROINDUSTRIAL POLICY OF THE EURASIAN ECONOMIC UNION**

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Member of the Board (Minister) for  
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«Our countries have reached a qualitatively new level of mutually beneficial partnership, and we must make every effort to use the opportunities provided to the EAEU, in particular freedom of movement of goods, services, capital and labour, to further the prosperity of our peoples. Our work should be focused on increasing trade and investment flows, strengthening business linkages, and ultimately – achieving a higher level of economic integration. The sphere of agriculture will be the focus of my personal attention, as one of the Armenia’s priorities in economic development in the coming years.»

*The President of the Republic of Armenia*  
**Serzh Sargsyan**



«The Eurasian Economic Union should work for the welfare of its citizens. Conceptual solutions for its efficient functioning have been adopted. Today, it is exceptionally important that each of the Parties maintains a reasonable balance between their national priorities and international obligations. It is undoubtedly important to strengthen existing partnerships in the Eurasian space and further cooperation at all levels of business cooperation, working together towards a specific aim. Cooperation between our countries in the agricultural sector is crucial, since food security is dependent on its implementation. Promising areas of cooperation in the Agroindustrial Complex are livestock, seed production, and fisheries.»

*The President of the Republic of Belarus*  
**Alexander Lukashenko**



«*Food is the most stable currency in the world today. The countries of the Eurasian Economic Union possess a priceless treasure: vast agricultural land and extensive experience in fundamental agricultural science. The variety of climatic zones and fertile soils allow us to be competitive in many agricultural sectors. For further development of the Agroindustrial Complex, it is vital that our countries cooperate in the sphere of mutual investments, establish transboundary joint ventures, build production chains, and provide quality transport and logistics infrastructure.*»

*The President of the Republic of Kazakhstan*  
**Nursultan Nazarbayev**



«*The integration processes offer wide-range opportunities for our country's agricultural, food and processing enterprises. We have very good prospects, but this way will not be easy. We must make every effort in order to rebuild the economy of our country in a very short time and to give a strong impetus to its dynamic development. Kyrgyzstan has great opportunities and huge potential for the development of its agriculture, food and processing industries. We need to use all the experience of farmers and processors, the scientific potential of agricultural researchers so that Kyrgyzstan can become one of the leading exporters of livestock and agricultural production in the region.*»

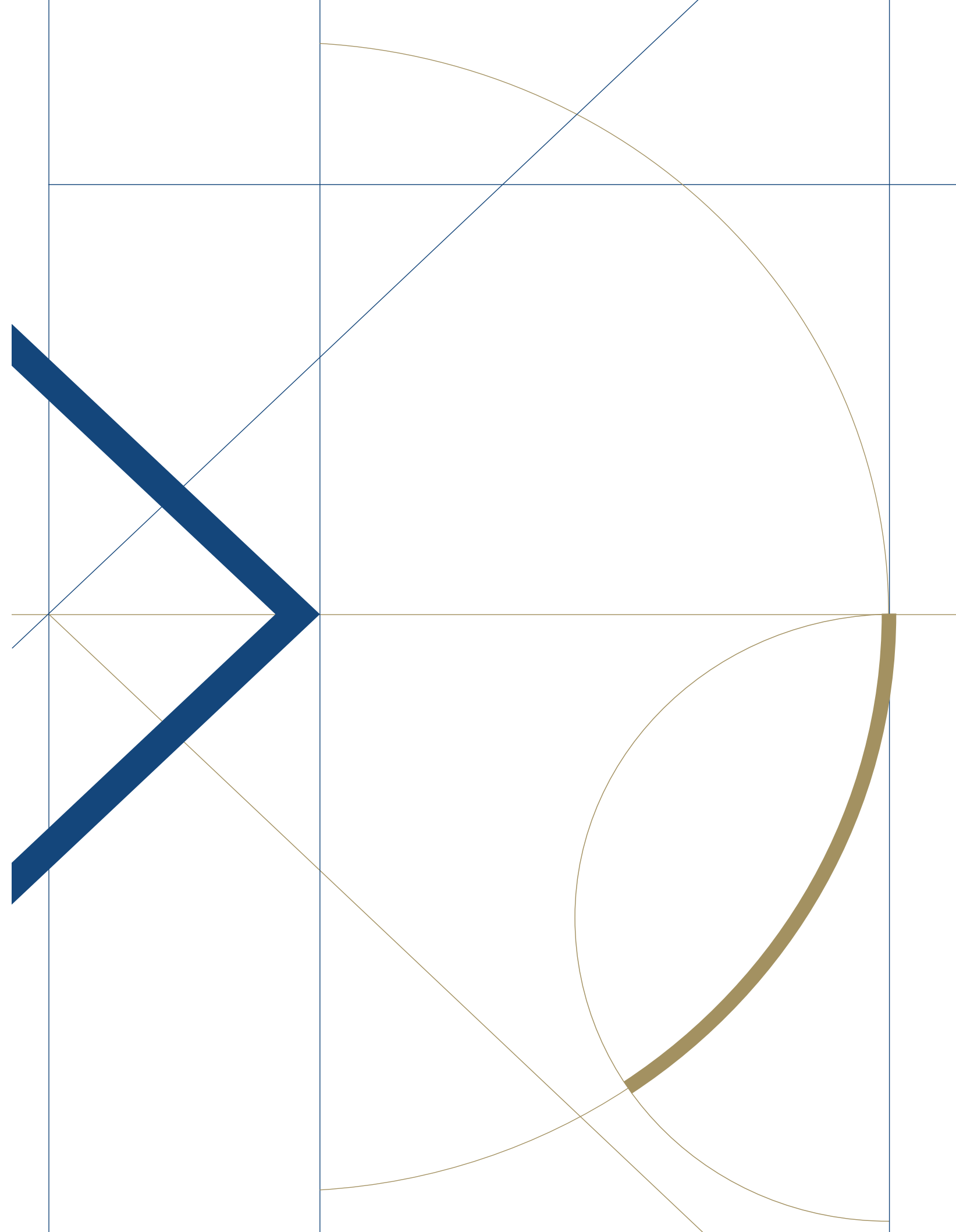
*The President of the Kyrgyz Republic*  
**Almazbek Atambayev**



«*The countries of the Eurasian Economic Union have extensive experience of cooperation in the Agroindustrial Complex. Together we are launching new joint projects, including the assembly of tractors and other agricultural machinery. We are paying particular attention to the production of fertilizers and food.*

*We foresee large reserves in expanding mutual supplies of food. It is hardly logical to import vegetables, fruit, milk, and meat products from distant countries, placing orders with foreign suppliers when our own producers are ready and willing to work and enter a common Eurasian market with products that are not inferior and, in fact, often superior in quality. »*

*The President of the Russian Federation*  
**Vladimir Putin**



## List of abbreviations

<b>ATP</b>	– Agroindustrial Technological Platform
<b>AIC</b>	– Agroindustrial Complex
<b>CES</b>	– Common Economic Space
<b>CIS</b>	– Commonwealth of Independent States
<b>CU</b>	– Customs Union
<b>EAEU</b>	– Eurasian Economic Union
<b>EEC</b>	– Eurasian Economic Commission
<b>EU</b>	– European Union
<b>ISO</b>	– International Organization for Standardization
<b>FAO</b>	– Food and Agriculture Organization of the United Nations
<b>IISEMT</b>	– Integrated Information System of External and Mutual Trade
<b>R&amp;D</b>	– Research and Development
<b>WTO</b>	– World Trade Organization

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«Our primary objective is the successful implementation of the Agreed Agroindustrial Policy in the interests of the population of each Member State and the Eurasian Economic Union as a whole...»

**Dear readers,**

The Agroindustrial Complex is one of the key economic sectors of the Eurasian Economic Union. The EAEU countries possess significant potential for development of the agroindustrial market, provision of food security and sustainable rural development. However, the main indicators of agricultural production show the need to adopt joint measures in order to increase the volume of production of competitive agricultural products, aiming at meeting the needs of the common agricultural market and increasing the export of agricultural goods. The problematic issues inhibiting the production of competitive products are obsolete technical and material resources in some sectors of agriculture and processing industry, and the dependence on the import of high-tech devices for production and resources.

In order to implement these objectives, the Commission has developed the Concept of an Agreed Agroindustrial Policy, which was approved by the Presidents of Belarus, Kazakhstan and Russia on May 29, 2013. The document covers all spheres of the AIC and provides for the acceleration of the modernisation of the agricultural sector, the harmonisation of regulatory mechanisms, and the coordination and monitoring at the international level. The Regulations of the Concept provide the basis for the section concerning the Agroindustrial Complex of the Treaty on the Eurasian Economic Union dated May 29, 2014.

Taking into account the agreements reached to ensure the freedom of movement of goods, including the establishment of unified requirements in product safety, veterinary and phytosanitary control; the bilateral trade of agricultural raw materials and food and the replacement of external supplies by our own competitive products started to grow steadily.

In the context of increasing agricultural market alongside the Commission's active participation, national and regional specialisation is deepening, the mutual transfer of capital is increasing, trans-boundary industrial cooperation is expanding, and the issues of cooperation in high-tech fields are addressing.

It is true that the results achieved in the sphere of the Agroindustrial Complex are not grounds for complacency. Given the availability of land, energy and labour, in the EAEU there are a great number of opportunities for investment and setting up a successful agricultural business.

More importantly, the Treaty on the Union creates additional opportunities for financial support for agricultural production.

In the current environment, the optimal strategy for sustainable development of the AIC must be the reliance on our own strength and resources, the use of the best achievements in science and produc-



tion, stimulation of competitive agricultural production and the development of import-substituting industries.

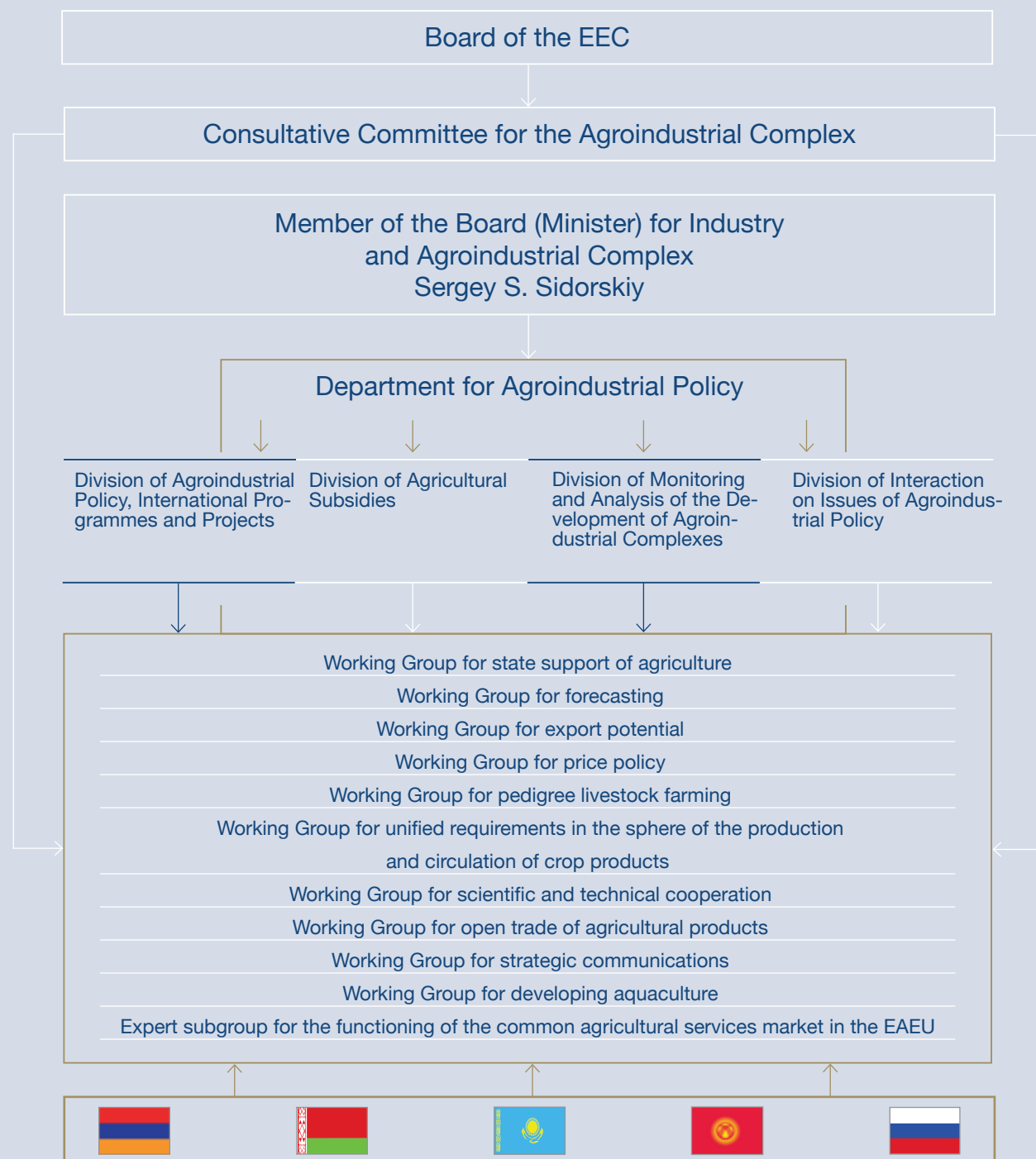
On this basis, the main areas of our work involve the development and implementation of economic mechanisms that stimulate the agroindustrial policy, the gradual harmonisation and unification of legislation, and the provision of equal and non-discriminatory conditions of access to the common agricultural market of the Union.

The contents of this publication make it possible to get an idea of the role of the Union Member States and the EEC in establishing and maintaining the Agreed Agroindustrial Policy in the EAEU. This publication is devoted to the main stages and directions, the status and prospects of the Agroindustrial Complex development in the EAEU; and it is of practical significance to the real economy of the Union Member States.

Kind regards,

**Sergey S. Sidorskiy**  
Member of the Board (Minister) for Industry  
and Agroindustrial Complex  
of the Eurasian Economic Commission

**STRUCTURE OF THE DIRECTION «THE AGROINDUSTRIAL COMPLEX»**



**EAEU BODIES THAT MAKE DECISIONS IN THE AGROINDUSTRIAL COMPLEX**

Supreme Eurasian Economic Council (Heads of State)

Eurasian Intergovernmental Council  
(Heads of Government)

Eurasian Economic Commission  
(the permanent regulatory body of the Union)

Council of the Eurasian Economic Commission (Deputy  
Heads of Government)

Board of the Eurasian Economic Commission (equal  
representation of the Member States) The Chairman of the  
EEC Board, Board Members – Ministers

Member of the Board (Minister) for Industry and  
Agroindustrial Complex

Consultative Committee for the Agroindustrial Complex

## COMMISSION'S WORK IN THE AGROINDUSTRIAL SPHERE

### Department for AGROINDUSTRIAL Policy of the EEC

*Department for AGROINDUSTRIAL Policy of the EEC is a structural subdivision of the Eurasian Economic Commission which carries out its activities in cooperation with other structural subdivisions of the Commission. Within its competence, it cooperates with the relevant executive authorities of the EAEU, international organisations, consultative and advisory bodies established by the Commission, as well as business associations, self-regulatory and public organisations of the EAEU states.*

#### MAIN OBJECTIVES OF DEPARTMENT FOR AGROINDUSTRIAL POLICY ARE:

- implementation of the Commission's functions regarding the Agreed Agroindustrial Policy in the Eurasian Economic Union;
- development of international treaties and other regulatory legal documents regarding the Agroindustrial Complex;
- coordination of the Member States' activities in the implementation of the Agreed Agroindustrial Policy of the EAEU;
- monitoring and comparative legal analysis of the legislation of the Member States in the EAEU agroindustrial policy, including the state support of agriculture;
- monitoring of the AIC of the EAEU Member States and the formation of joint forecasts of the supply and demand for the main agricultural products and the development of the AIC in the Union;
- cooperation with international organisations and foreign countries on agroindustrial policy issues.

#### ORGANISATION OF THE DEPARTMENT INCLUDES THE FOLLOWING DIVISIONS:

- Division of agroindustrial policy, international programmes and projects;
- Division of agricultural subsidies;
- Division of monitoring and analysis of the development of Agroindustrial Complexes;
- Division of Interaction on issues of agroindustrial policy.



## DIVISION OF AGROINDUSTRIAL POLICY, INTERNATIONAL PROGRAMMES AND PROJECTS

### THE MAIN FUNCTIONS:

- development, coordination and implementation of the main directions of the Agreed Agroindustrial Policy by EAEU Member States;
- cooperation with the authorised authorities of the EAEU Member States, the business community and international organisations on the key areas of the Agreed Agroindustrial Policy;
- preparation of proposals regarding the documents developed by the Commission, received proposals for the provisions relating to the Agreed Agroindustrial Policy;
- organisation of consultations between representatives of the Member States of the Eurasian Economic Union on sensitive goods;
- preparation of reviews of the state policy in the sphere of the EAEU AIC;
- preparation of recommendations on coordinated actions aimed at developing the export potential in the sphere of the EAEU AIC;
- coordination of implementation by the EAEU Member States of joint scientific and innovative activities in the sphere of the Agroindustrial Complex, including under the interstate programmes of the Member States.

## DIVISION OF AGRICULTURAL SUBSIDIES

### THE MAIN FUNCTIONS:

- development of proposals, regulations and guidance documents for implementation of the Commission's functions in the sphere of the state support and state regulation of the Agroindustrial Complex;
- monitoring and comparative legal analysis of the legislation of the Member States in the field of state support of agriculture in order to ensure compliance with the obligations within the Eurasian Economic Union;
- cooperation with the authorised authorities of the Member States, representatives of business community and international organisations on the issues of state support and state regulation;
- preparation of reference, analytical and information materials on the issues of state support and state regulation;
- analysis of the notifications of the EAEU Member States on the scope of state support of agriculture;
- assisting in organisation of consultations and negotiations on settlement of the disputes relating to the issues how the Member States of the Eurasian Economic Union meet their obligations in the field of state support of agriculture;
- preparation of reviews of the state support of agriculture in the EAEU;
- preparation of recommendations to improve the efficiency of the state support;
- assisting the Member States with the issues related to calculation of the scope of the state support of agriculture.

## DIVISION FOR MONITORING AND ANALYSIS OF THE DEVELOPMENT OF AGROINDUSTRIAL COMPLEXES

### THE MAIN FUNCTIONS:

- preparation of analytical, information and reference materials, on the status and forecasts of the development of the Agroindustrial Complex and selected commodity markets (grain, meat, milk, sugar) of the EAEU Member States;
- monitoring of the status of the Agroindustrial Complex in the context of the performance indicators of the AIC development in the Member States and the formation of joint forecasts for the EAEU AIC;
- coordination of the activities of the Member States while preparing joint forecasts of supply and demand for the main types of agricultural and food commodities;
- formation of consolidated forecasts of supply and demand for the main types of agricultural and food commodities of the Eurasian Economic Union;
- price monitoring and analysis of the competitiveness of agricultural and food products;
- coordination of the activities of the divisions of Department for Agroindustrial Policy in implementing the common processes within IISEMT.

## DIVISION OF INTERACTION ON ISSUES OF AGROINDUSTRIAL POLICY

### THE MAIN FUNCTIONS:

- coordination of work to strengthen cooperation with foreign countries, international organisations and associations in the field of the AIC;
- organisation and technical support for the Consultative Committee for the AIC;
- coordination of implementation by the Member States of joint scientific and innovative activities in the sphere of the AIC, including implementation of interstate programmes (with structural subdivisions of the Commission);
- interaction with the EAEU Business Council, industry associations and unions of the Member States;
- coordination of work of the Consortia “The Eurasian Technology Platform “Technologies of the food processing industry of the AIC – healthy food” and “The Eurasian Biotechnology Platform” in development and implementation of cooperation projects in the sphere of the AIC;
- preparation of recommendations on the implementation of agreed actions aimed at promoting the exchange of instruments of open agricultural trade.

## CONSULTATIVE COMMITTEE FOR THE AGROINDUSTRIAL COMPLEX

The Consultative Committee for the AIC, which was created in July 2012 with the participation of the Board of the Eurasian Economic Commission, is an efficient tool for solving the issues of integration that the Union faces.

The Consultative Committee is a platform for the development of the Agreed Agroindustrial Policy, discussion of the state support of agriculture, development and implementation of programmes and projects of the Eurasian Economic Union (EAEU) in the sphere of the Agroindustrial Complex.

The main objective of the Committee is holding consultations with representatives of the state authorities and business community of the Union Member States in order to prepare recommendations and proposals in the sphere of the AIC.

The Committee is chaired by the Member of the Board (Minister) for Industry and Agroindustrial Complex of the EEC Sergey Sidorskiy. The Committee consists of the representatives of the relevant authorities of the Union Member States acting in the sphere of the Agroindustrial Complex, at the level of the Deputy Ministers of Agriculture and Economy, as well as the representatives of business community, the heads of the industry associations and unions.



The Consultative Committee includes 10 Working Parties, consisting of the representatives of the authorised bodies and business community, scientific organisations in the sphere of the Agroindustrial Complex. They operate in the following areas:

- “State support of agriculture”;
- “Forecasting”;
- “Price Policy”;
- “Export Potential”;
- “Pedigree Livestock Production”;
- “Unified requirements in the production and circulation of crop products”;
- “Scientific and Technical Cooperation”;
- “Open trade of agricultural products”;
- “Strategic communications”;
- “Developing aquaculture”.

At the sessions of the Consultative Committee, held on a regular basis, the issues of establishment and implementation of the agroindustrial policy of the Union and the EAEU common agricultural market regulation are reviewed.

## STATUS OF THE AGROINDUSTRIAL COMPLEX OF THE MEMBER STATES OF THE EURASIAN ECONOMIC UNION AND ITS ROLE IN FOOD SECURITY

**By the production of wheat, milk and dairy products, the EAEU countries are the 4th largest in the world, by the production of potatoes – 3rd largest in the world; by the production of oats, barley and rye – 2nd largest in the world, by the production of sugar beet and sunflowers – 1st largest in the world.**

The Agroindustrial Complex is one of the key strategic sectors of the economy of the EAEU Member States, ensuring the food security.

The agricultural turnover of the Member States includes about 300 million hectares of land, and the common market consists of 182.1 million consumers.

The average share of agricultural production in the gross domestic product for the last 5 years is: for the Republic of Armenia – 20%, for Kyrgyzstan – 15%, for the Republic of Belarus – 8%, for the Republic of Kazakhstan – 4.5% and the Russian Federation – 3.5%.

**AGRICULTURAL PRODUCTION OF THE CU AND CES MEMBER STATES,  
BILLION US DOLLARS**

Country	2010		2011		2012		2013		2014	
	GP AG	IV %	GP AG	IV %	GP AG	IV %	GP AG	IV %	GP AG	IV %
The Republic of Armenia	1,7	86,4	2,1	113,9	2,1	109,5	2,2	107,1	2,4	107,2
The Kyrgyz Republic	2,5	97,4	3,2	102,0	3,6	101,2	3,5	102,7	3,6	99,4
The Republic of Belarus	12,1	102,5	9,9	106,6	11,6	106,6	11,8	95,8	12,8	103,1
The Republic of Kazakhstan	9,8	88,3	15,6	126,8	13,4	82,2	15,7	111,7	14,0	100,8
The Russian Federation	85,2	88,7	111,1	123,0	107,5	95,2	119,1	105,8	109,8	103,7

IV is the index volume of agricultural production (% compared to the previous year, in real terms)

The agricultural production is steadily increasing.

Over the past five years, the slaughter weight of cattle and poultry directed for processing has increased by 22%. This growth has been achieved by positive trends in the industries with high turnover of resources: indicators in the poultry and pork farming have increased by 45.7% and 21.3% respectively.

**MEAT PRODUCTION IN THE CU AND CES MEMBER STATES IN SLAUGHTER WEIGHT, THOUSAND TONNES**

Country	2010	2011	2012	2013	2014
The Republic of Armenia	70	72	74	83	163
The Kyrgyz Republic	196	199	202	194	201
The Republic of Belarus	971	1 020	1 092	1 172	1 073
The Republic of Kazakhstan	834	838	845	871	899
The Russian Federation	7 167	7 520	8 090	8 544	8 925
<b>The CU and CES</b>	<b>9 238</b>	<b>9 649</b>	<b>10 303</b>	<b>10 864</b>	<b>11 261</b>

The production of grain, vegetables and potatoes is increasing.

In 2014, the gross output of grain reached 130.6 million tons, exceeding the volume of the previous year by 12.4 million tonnes, while exports amounted to about 35 million tonnes, allowing the the CU and CES countries to enter the top three exporters in the world.

The gross output of vegetables and potatoes increased by 8% and 4.3% respectively compared to the level of 2013.

Along with the growth in agricultural production, the mutual trade of agricultural products also increased by 60%, reaching US\$8.0 billion in 2014.

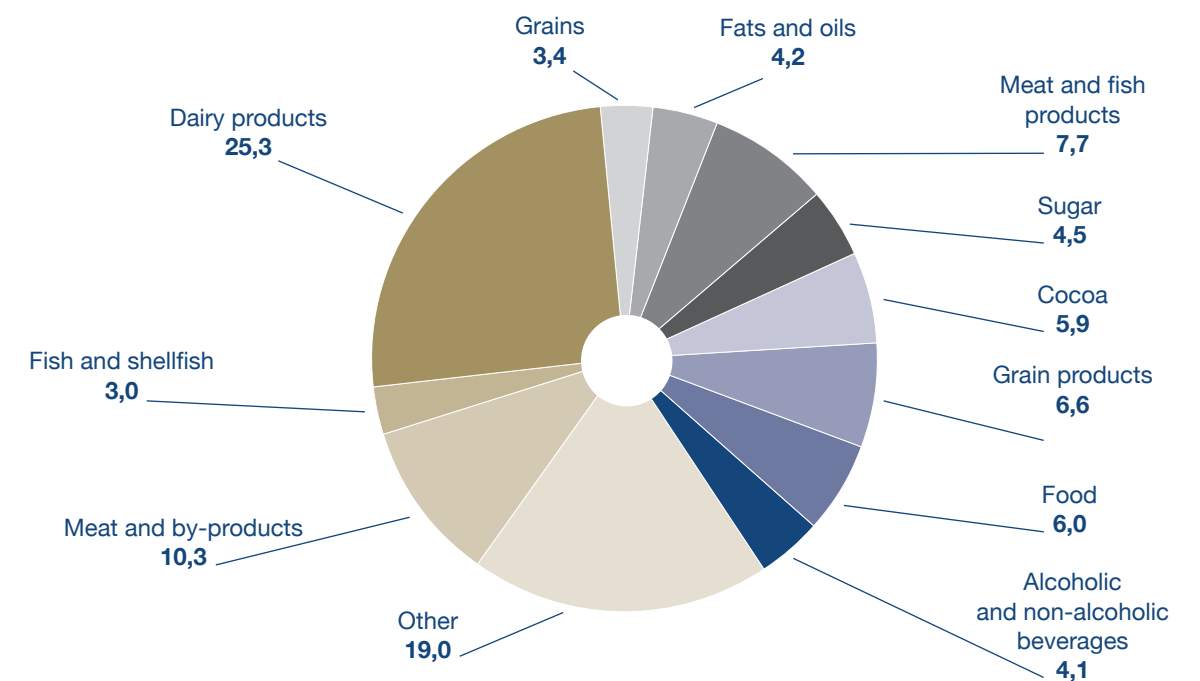
The share of agricultural products in the total volume of mutual trade has risen from 9% in 2010 to 14% in 2014.

**MUTUAL TRADE OF AGRICULTURAL RAW MATERIALS AND FOOD BETWEEN THE CU AND CES MEMBER STATES FOR 2010–2014, MILLION US DOLLARS**

Country	2010	2011	2012	2013	2014
The Republic of Belarus	2 816,7	3 428,1	4 141,0	4 827,8	4 883,2
The Republic of Kazakhstan	100,0	129,1	220,3	497,4	282,0
The Russian Federation	2 048,1	2 281,3	2 672,5	2 896,8	2 844,9
<b>The CU and CES</b>	<b>4 964,8</b>	<b>5 538,5</b>	<b>7 033,8</b>	<b>8 222,0</b>	<b>8 010,1</b>

The basis for mutual trade of food and agricultural raw materials in 2010–2014 was the supplies from the Republic of Belarus. It amounted to 60% of the total volume of mutual trade of food. Over 95% was the supplies to the Russian Federation.

**STRUCTURE OF THE MUTUAL TRADE OF AGRICULTURAL RAW MATERIALS AND FOOD BETWEEN THE CU AND CES MEMBER STATES IN 2014, %**



The main partner of the Republic of Kazakhstan in the mutual trade of agricultural raw materials and food in the EAEU is the Russian Federation (almost 100% of the supply). The Russian Federation's supplies are focused, to a large extent, on the Republic of Kazakhstan – 60%, but, beginning from 2011, the share of supplies to the Republic of Belarus tends to grow.

Mutual trade is dominated by livestock production, sugar, ready-prepared meat and fish products and processed cereal products, which account for about 60% of the total supplies.

Growth of production and mutual trade have enabled a high level of self-sufficiency in some food products to be achieved. These include poultry, pork, vegetables and potatoes. In the coming years, the production of these products may exceed the domestic demand; it will allow creating the potential for export.

**AVERAGE LEVEL OF SELF-SUFFICIENCY IN CERTAIN TYPES OF FOOD IN THE CU AND CES, OVER A FOUR YEAR PERIOD (2011–2014)**

Name of the product	Internal consumption	Production Import	Level	of self-sufficiency %
Meat - Cattle	2 927	2 322	605	79,3
Pork	3 922	3 248	674	82,8
Poultry	4 770	4 200	593	88,1
Cheese and cream cheese	1 737	1 457	293	83,9
Butter	434	349	89	80,3
Potatoes	41 607	40 781	876	98,0
Tomatoes	3 999	3 110	889	77,8
Onions	3 150	2 711	483	86,1
Cabbage	4 414	4 078	336	92,4
Cucumbers	1 902	1 668	234	87,7
Grapes	984	479	506	48,6
Apples, pears	6 011	3 489	2 523	58,0

Meanwhile, the EAEU is the largest importer of agricultural and food products – the rate of imports of this group of products is twice higher than that of exports.

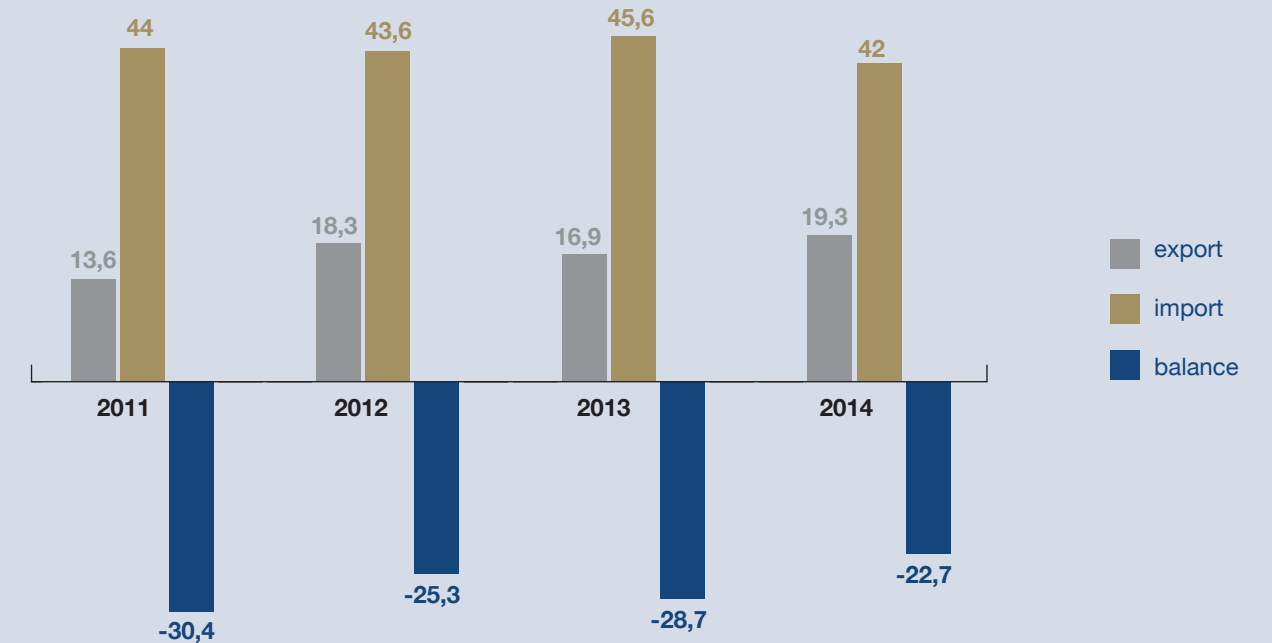
In 2014, the amount of imported agricultural products exceeded US\$42 billion. The Russian imports of agricultural products amounted to 85.5% of the total volume (it is the largest figure among the Union Member States), the Belarus imports – 8.3%, and the Kazakh imports – 6.2%.

Foreign trade of agricultural raw materials and food of the CU and CES Member States for 2011–2014, million US dollars

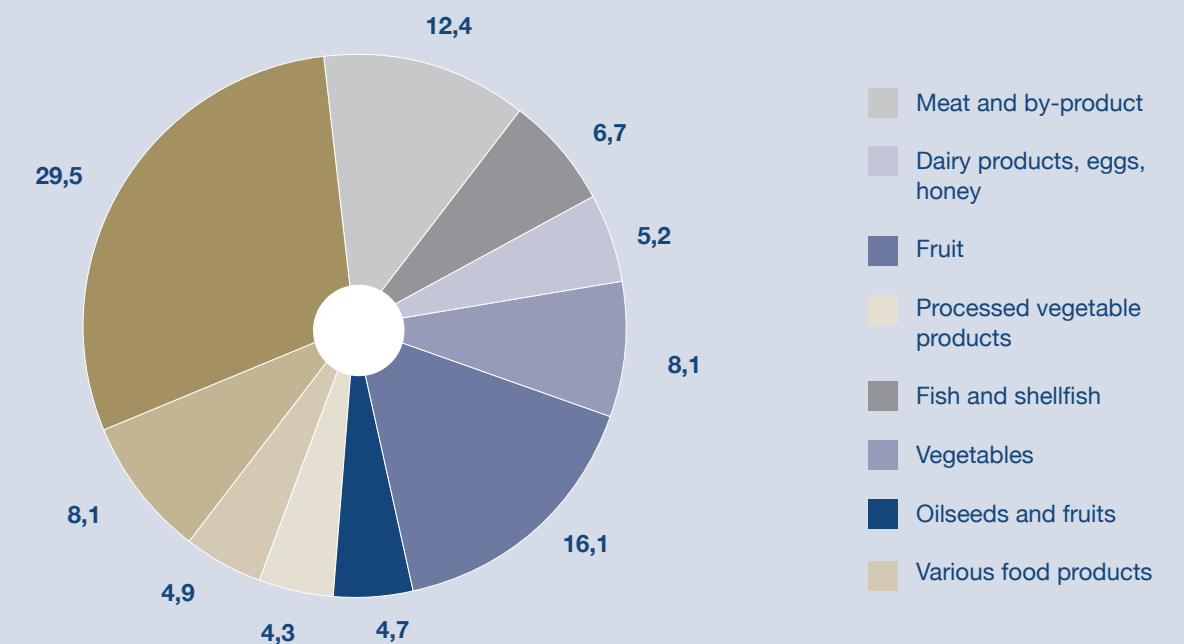
The structure of imports includes about 25% of fruit and vegetables, 12% of different types of meat, 5% of dairy products. In the recent years, the pace of growth of the exports of food and agricultural raw materials of the EAEU countries lagged behind the growth of imports, which resulted in an increase in the negative balance of trade of this commodity group.

However, in 2014 the foreign trade balance remained in a scarce – US\$22.7 billion, but, in comparison with 2013, it increased by 20.7% (by US\$6 billion). The positive trend in the foreign trade as a whole across the CU and CES was formed as a result of an increase in exports by 14.1% (by US\$2.4 billion) to US\$19.3 billion and a decrease in imports by 7.8% (by US\$3.6 billion) to US\$42.0 billion.

**FOREIGN TRADE OF AGRICULTURAL RAW MATERIALS AND FOOD OF THE CU AND CES MEMBER STATES FOR 2011–2014, MILLION US DOLLARS**



**STRUCTURE OF IMPORTS OF AGRICULTURAL RAW MATERIALS AND FOOD OF THE CU AND CES MEMBER STATES IN 2014, %**

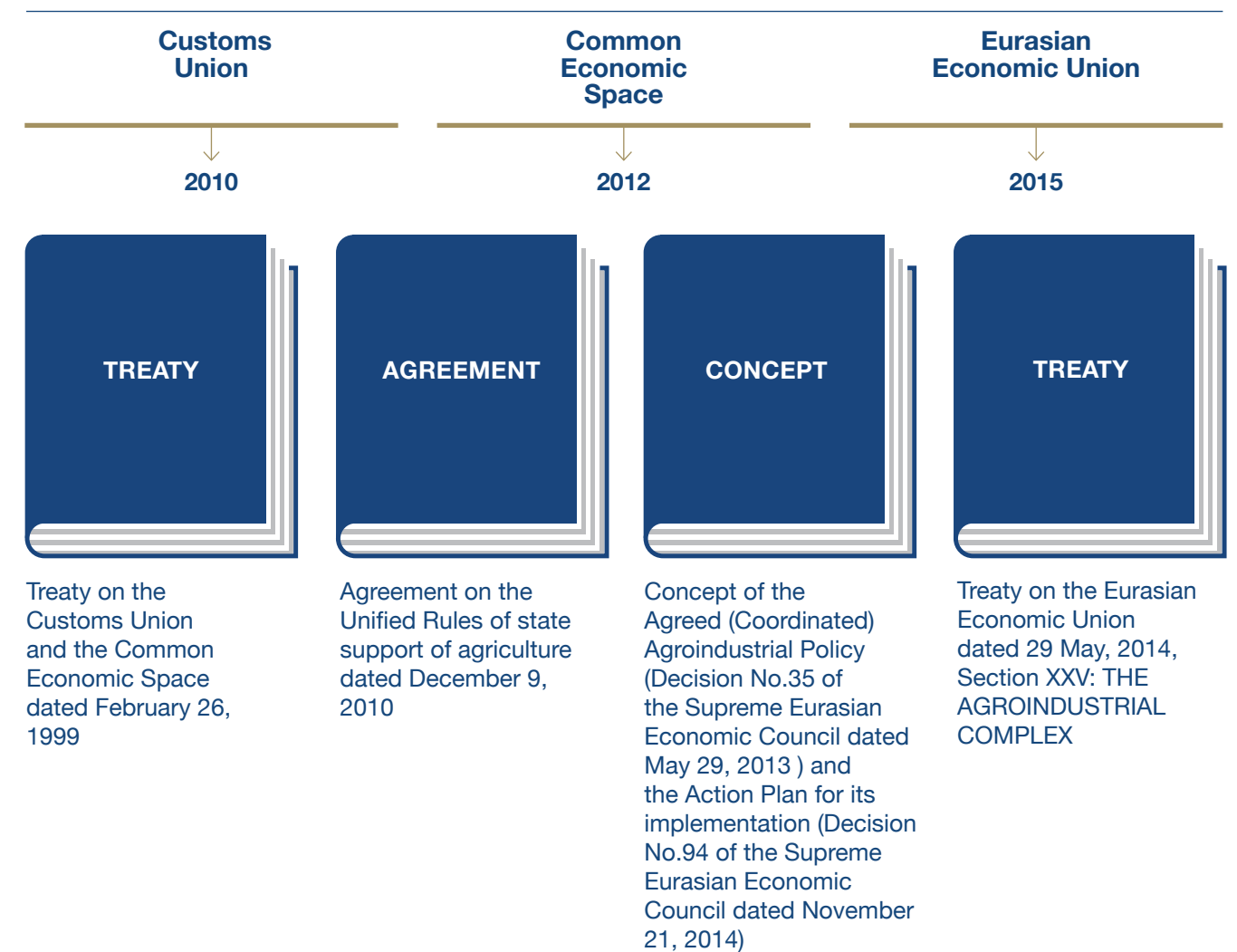




# THE AGREED AGROINDUSTRIAL POLICY OF THE EURASIAN ECONOMIC UNION

## DEVELOPMENT STAGES OF THE EURASIAN INTEGRATION IN THE AGROINDUSTRIAL COMPLEX

Since 2012, the interaction of the countries of the Customs Union (CU) and the Common Economic Space (CES) in the field of agricultural production was regulated by the Agreement on the unified rules for state support of agriculture dated 9 December 2010. This Agreement is aimed at limiting the application of measures of the state support of agriculture that distort the mutual trade between the Parties, i.e. has an impact on a significant, but narrow area of the agriculture policy. Individual mechanisms of coordination and regulation, adopted in the framework of other international treaties of the CU and CES, were used for the agricultural production and agricultural market. At the same time, the existing legal basis did not allow the implementation of a comprehensive policy for development of agriculture and regulation of the common agricultural market and food security.





The in-depth analysis of the national agricultural development programmes of the Member States conducted by the Commission showed that their position does not take into account the increasing level of integration within the Customs Union and the Common Economic Space, and the forecasts of development of the agricultural sector do not fully reflect the potential of the common agricultural market.

In this regard, an important decision was made indicating the need to develop a systematic document defining the main directions of the Agreed Agroindustrial Policy of the Member States of the CU and CES. It was assumed that these directions will be based on the national priorities and include mechanisms aimed at the balanced development of production and agricultural markets, the provision of equal access to the common agricultural market, the intensification of investment, the increase of the efficiency and competitiveness of the agricultural sector and the achievement of food security on this basis.



### Article 36 of the Treaty on the Customs Union and the Common Economic Space dated February 26, 1999

Member States will conduct an Agreed Agricultural Policy, co-finance programmes and projects that ensure the development of production of agricultural and raw materials in accordance with the list agreed by the Parties.

In conducting the common agricultural policy, the Parties shall take into account:

- the necessity to ensure food security of the Member States of the Treaty;
- the specific nature of agricultural activities due to the industrial and social structure of agriculture, as well as the natural features of the Parties;
- the need to improve the structure of agricultural production.

It should be noted that the need for the Agreed Agricultural Policy in the CU was already defined by the Treaty on the Customs Union and the Common Economic Space dated February 26, 1999. However, the mechanisms of its implementation are to be developed.

Since the establishment of the CES in 2012, this work has been put on a systematic basis. The Parties with the participation of the Commission were actively participating in the dialogue and determining the directions and mechanisms of the Agreed Agroindustrial Policy of the CU and the CES.

This work led to logical and significant results; on May 29, 2013 the Presidents of Belarus, Russia and Kazakhstan approved the Concept of the Agreed (Coordinated) Agroindustrial Policy of the Member States of the CU and the CES. The adopted Concept was the first comprehensive industrial document relating to the issues of integration interaction in the history of the Union.

The main Regulations of the Concept were added to the Treaty on the Eurasian Economic Union dated May 29, 2014.

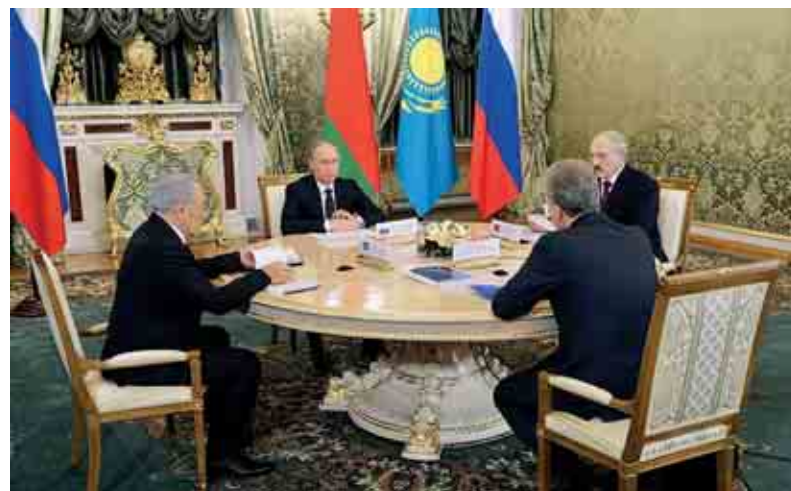
According to the Treaty, the main strategic task of the Commission is to ensure the coordination and mutual harmonisation of national policies on the basis of the directions of the Agreed Agroindustrial Policy of the Union. This work subsequently enables the unified measures of the development of the AIC of the EAEU to be adopted.

## Article 94 of the Treaty on the EAEU

The main objective of the Agreed Agroindustrial Policy shall be the efficient implementation of the resource potential of the EAEU countries for optimisation of the volumes of competitive agricultural and food products, meeting the needs of the common agricultural market, as well as increasing exports.

The implementation of the Agreed Agroindustrial Policy is aimed at solving the following challenges:

- balanced development of the production and markets of agricultural and food products;
- fair competition between constituents of the EAEU countries, including equal access to the common agricultural market;
- standardisation of the requirements related to the circulation of agricultural and food products;
- protection of the interests of producers of the countries of the EAEU in domestic and foreign markets.



## DIRECTIONS OF THE AGREED AGROINDUSTRIAL POLICY

### Article 95 of the Treaty on the EAEU

The treaty defines the following directions of the interstate cooperation and collaboration in the sphere of the AIC:

- forecasting in the AIC;
- state support of agriculture;
- common agricultural market regulation;
- establishment of the unified requirements the sphere of production and circulation of products;
- development of export of agricultural and food products;
- scientific and innovative development of the AIC;
- integrated information support of the AIC.

In addition to the aforementioned, the Treaty stipulates that the Parties shall exchange the development plans (programs) of production of sensitive agricultural products, as well as conduct annual consultations on them. This work enables the Union countries to promptly interact regarding the optimisation of production and mutual supplies, expertise, and taking agreed measures to regulate the major agricultural markets.

The adoption of the Action Plan on the implementation of the Concept of the Agreed (Coordinated) Agroindustrial Policy of the Member States of the CU and CES by the Heads of Governments, at the session of the Supreme Eurasian Economic Council held on November 21, 2014, was essential for the development of the agricultural sector. In accordance with the Action Plan, the decisions and recommendations of the Commission are being developed in order to implement the main directions of integrated cooperation in the sphere of the AIC.

The adopted documents define the vector of development of the regional integration in the AIC in the Eurasian space.

### FORECASTING IN THE AGROINDUSTRIAL COMPLEX

*The forecasts allow us to evaluate the potential of mutual supplies and exports, develop solutions on the use of security mechanisms when importing agricultural products and foodstuff, and governmental regulation measures.*

The establishment of a single system for forecasting the AIC in the EAEU is attributed to the need to ensure the balanced functioning of the internal market based on the predictability of the output of the national AICs.

In this regard, the EAEU is preparing medium-term forecasts of the joint supply and demand, as well as the development of the Agroindustrial Complex. Therefore, the Commission, together with the Member States, developed and adopted a single methodological framework.

Based on the forecast information, which is based on the assessment of prospects of the domestic and foreign markets, decisions of the pin-pointed stimulation of the development of industries, on the application of protective mechanisms in the import of food (for example, the establishment of the tariff quotas) will be developed. This will make it possible to assess the potential of the mutual



supplies of goods of the Union on a regular basis and to optimise the flow of goods and investments, including government support.

According to the preliminary consolidated forecasts for 2016, the EAEU is set to increase its grain exports to 34.6 million tonnes, decrease its imports of meat and meat products to 1.5 million tonnes, and milk and sugar to 5.9 million tonnes and 0.1 million tonnes respectively. Thus, the Union countries are striving to increase production of basic foodstuff, increase the volume of mutual trade and reduce import content.

In addition, the Commission conducts quarterly and annual monitoring and analysis in the following areas:

- production indicators for the AIC on the whole, as well as the major markets of agricultural products and foodstuff (grain, meat and meat products, milk and dairy products, sugar, vegetables, etc.);
- pricing on the food market;
- foreign and mutual trade of the EAEU Member States.

The reports are published on the official website of the Commission in the section entitled to Department of Agroindustrial Policy “Monitoring and Analysis”.

Subsequently, on the basis of the forecasts, a policy aimed at creating conditions for the development of the infrastructure of the EAEU common agricultural market is to be implemented.



## ESTABLISHMENT OF THE COMMON FORECASTING SYSTEM

**1. Forecasts of supply and demand are calculated according to the following list of agricultural and food products**  
(Recommendation No1. of the Board of the EEC dated January 29, 2014):

grains	milk and dairy products
meat and meat products	sugar
beef	vegetable oils
pork	potatoes
lamb	eggs and egg products
poultry	

**2. Building of joint forecasts of the AIC development according to the list of performance indicators**  
(Decision No.2 of the EEC Council dated February 4, 2015 ):

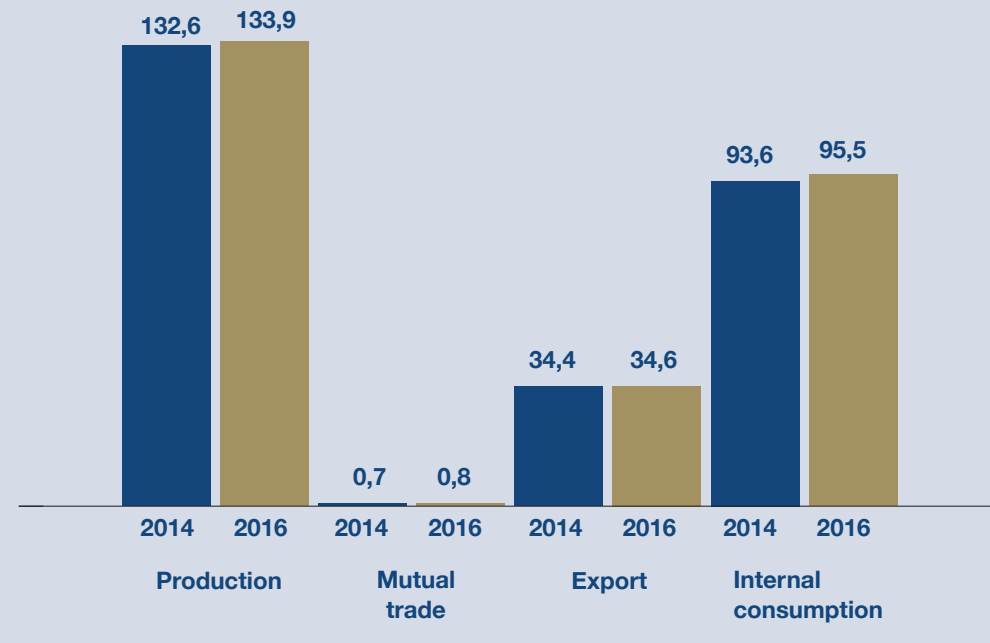
number of people employed in agriculture  
cultivated area  
livestock and poultry number  
import / export, mutual trade etc.

**3. The EAEU Member States calculate the joint forecasts of supply and demand, in line with the calculation methodology of the joint forecasts of supply and demand, and send them to the EEC**  
(Recommendation No.22 of the Board of the EEC dated December 24, 2014).

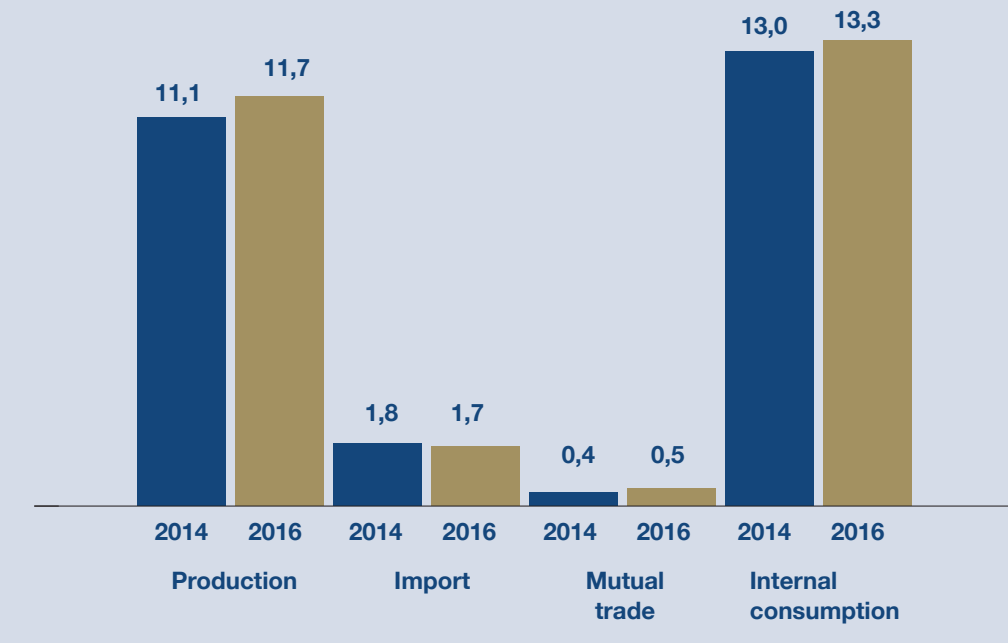
**4. The EEC produces the consolidated forecasts of the AIC development in the EAEU as a whole, as well as the forecasts of supply and demand based on the appropriate calculation methodology**  
(Disposition No.15 of the Board of the EEC dated March 3, 2015).

**CONSOLIDATED FORECASTS OF THE SUPPLY AND DEMAND OF THE EURASIAN  
ECONOMIC UNION FOR CERTAIN AGRICULTURAL PRODUCTS**

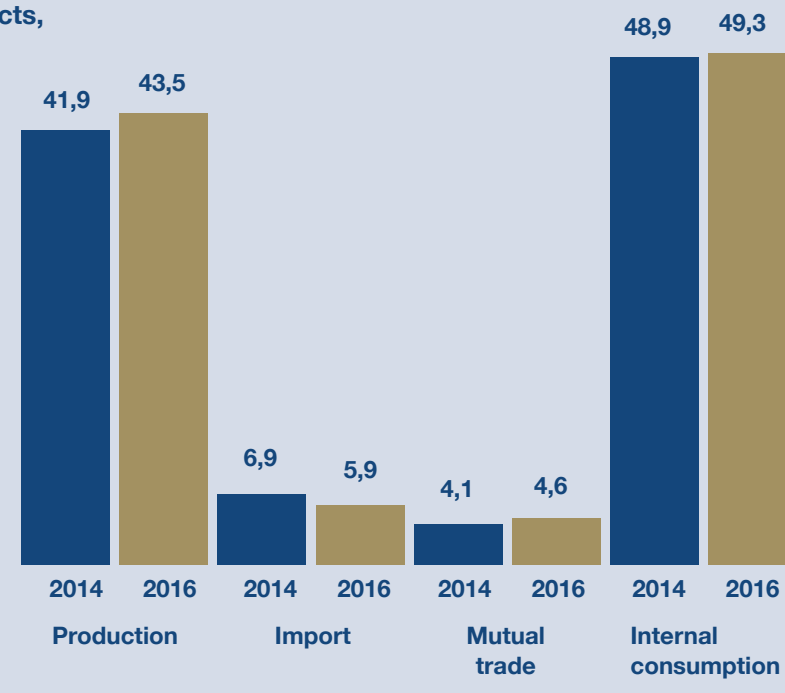
**grains,**  
million tonnes



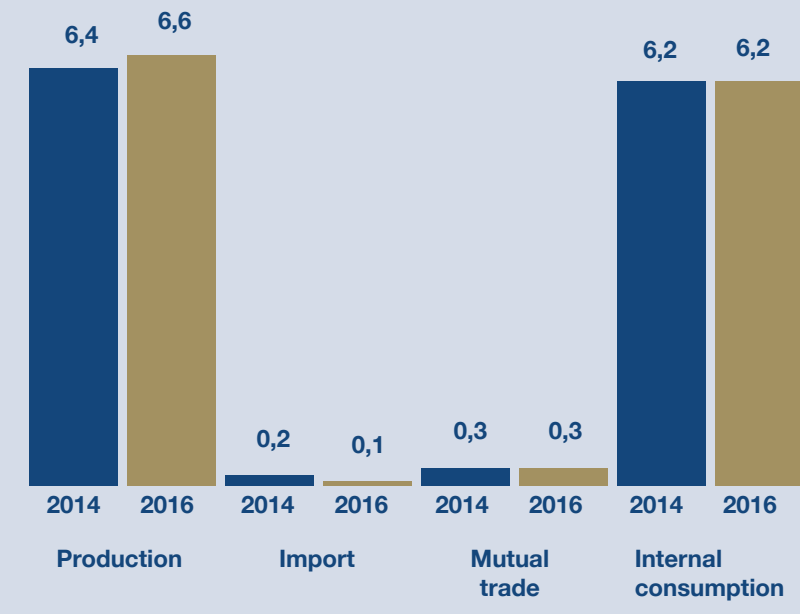
**meat and meat products,**  
million tonnes



**milk and dairy products,**  
million tonnes



**sugar,**  
million tonnes



## STATE SUPPORT OF AGRICULTURE

*Unified rules of the state support of agriculture are necessary to ensure equal competitive conditions for the producers of agricultural products in the EAEU Member States.*

The most significant area of the Agreed Agroindustrial Policy, defined at the stage of establishment of the Customs Union of Belarus, Kazakhstan and Russia, is the creation of rules for granting the state support. The rules were fixed in the Agreement on the Unified Rules of State Support of Agriculture dated December 9, 2010.

It was assumed that the rules laid down in the Agreement limiting and reducing the amount of support, and banning the use of export and import subsidies would enable the conditions of competition in the market of the Union countries to be brought together.

At the time of signing of the Agreement, none of the CU and CES countries were WTO members – an organisation setting obligations in terms of state support of agriculture for its Member States. Given that there is a high competition between agricultural producers in the common agricultural market, and its borders are open, the adverse effects of the subsidized imports from one country to another have been discussed many times at the highest level. Accordingly, the rules were required to regulate these effects.

The adoption of the Agreement and then the Treaty on the EAEU partly solved this problem. The obligations of the Member States relating to the level of state support of agriculture were determined and their liability in case of violation was stipulated.

However, in accordance with the regulations of the Treaty, a new calculation methodology for the permitted level of the state support of agriculture is developing now. Its objective is the unification of approaches of the EAEU Member States to the calculation of agricultural subsidies. According to this methodology, new obligations of the state support of agriculture will be worked out.

## STATE SUPPORT OF AGRICULTURE

### Three types of support measures according to the degree of trade distortion:

- the most distorting - banned
- non-distorting - not limited
- distorting - limited

### Obligations regarding the permitted levels of the state support which distorts the trade:

- for the Republic of Belarus – 10%
- for Armenia, Kazakhstan, Kyrgyzstan and
- Russia – their obligations in the WTO

The Parties coordinated by the EEC are developing a new calculation methodology for the permitted level of the state support measures that distort the trade

New obligations of the EAEU Member States

Annual review of the state support

Development of proposals to increase the effectiveness of the state support of agriculture

In 2013, the level of trade-distorting agricultural support amounted to:

- in the Republic of Belarus – 7.4 %
- in the Republic of Kazakhstan – 2.8 %
- in the Russian Federation – 3.0%



In order to monitor the compliance by Member States to the Agreement and the Treaty, obligations have been established on the provision of notification not only regarding the support given, but also about that which is planned. This allows for the volume of the alleged subsidisation of the agricultural sector to be estimated and thus possibly the plans for the development of agriculture of the Parties to be adjusted.

On the basis of these notifications, the Commission annually prepares the appropriate reviews. For example, in 2013 the level of the state support of agriculture in the Republic of Belarus amounted to 7.4% (US\$2.0 bn), and in the Republic of Kazakhstan – 2.8% (US\$677 mln). The aggregated measurement of support in the Russian Federation is US\$6.9 billion (3.0 %). During the existence of the CU and the CES and for the first year of the existence of the EAEU, there were no violations of the accepted obligations recorded.



The Treaty determines quite strict penalties for violation of obligations. In case of exceeding the permitted amount of the support, the Party must pay compensation to other Members of the Union equal to the amount of the excess; and in the case of using prohibited subsidies – compensation equal to the amount of the subsidy granted.

The Commission monitors the regulatory legal acts of the Union Member States, on a regular basis, for compliance with their obligations. Based on this review, recommendations are made to improve the efficiency of the state support of the agricultural sector.

In order to compare the conditions of the economic activity of the agricultural producers in each EAEU country, the Commission developed a methodology of comparative evaluation of the impact

of the economic activity conditions on the creating of net income of the agricultural producers of the Union countries.

The goal of the methodology is the objective assessment of the level of state support taking into account the different conditions of economic activity. That means that the economic conditions in the agricultural sector can be quite different in different countries.

The preliminary analysis of indicators for 2013 carried out in accordance with the methodology showed that the highest overall level of prices of agricultural products among CU and CES is in the Russian Federation; the highest cost of credit and tax is in the Republic of Belarus; and the lowest level of energy prices is in the Republic of Kazakhstan.

As a result, the volumes and directions of the state support are significantly different in our countries.

For example, for the Republic of Belarus, the level of support in 2013 amounted to 7.4%, and if you calculate this indicator taking into account the levelling of the differences in terms of economic activity, then the end figure is 1.4%. For Russia, these indicators are 3.0% and 3.7% respectively. For Kazakhstan – 2.8% and 6.9%.

The entire set of rules regarding the state support allows creating a more predictable environment for the trade of agricultural products between the Member States; and the limitation and reduction of certain types of support allows facilitating the conditions for the development of competition.





Working meeting of the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy and the Minister of Agriculture of the Russian Federation Nikolay Fedorov.  
July 25, 2012, Moscow (Russian Federation)



Working meeting of the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy and the Minister of Agriculture and food of the Republic of Belarus Leonid Zayats.

June 7, 2013, Minsk (Republic of Belarus)



The conference “The establishment of a common position for the agroindustrial policy within the frameworks of the Customs Union and WTO”.

December 13, 2012, Moscow (Russian Federation)



Scientific-practical seminar «Existing methods of calculating support for the agricultural sector and especially of state support in the countries of the Customs Union.

July 9, 2013, Moscow (Russian Federation)

**IMPACT ON THE NET INCOMES OF AGRICULTURAL PRODUCERS IN THE PROCESS OF APPLYING THE NET-WEIGHTED CONDITIONS OF ECONOMIC ACTIVITY AS CALCULATED BY THE CU AND CES COUNTRIES BASED ON THE DATA FOR 2013, MILLION US DOLLARS**

	The Republic of Belarus	The Republic of Kazakhstan	The Russian Federation
Price	971,5	284,1	-1255,6
Cost of resources	-63,2	-390,6	453,8
Labour resources	-204,2	-684,4	888,6
Tax	238,8	-33,3	-205,5
Cost of credit resources	658,3	-98,8	-559,4
<b>TOTAL impact on the net incomes</b>	↑ 1601	↓ 923	↓ 678

**Potential impact on the level of state support when equalizing the conditions of economic activity.**

	The Republic of Belarus	The Republic of Kazakhstan	The Russian Federation
Actual state support	7,4% US\$2009 mln	2,8% US\$677 mln	3,0% US\$6892 mln.
State support when levelling out the conditions	1,4% US\$408 mln	6,8% US\$1600 mln	3,3% US\$7570 mln

**COMMON AGRICULTURAL MARKET REGULATION**

*Regulation in the sphere of agroindustrial production is aimed at creating conditions for the sustainable development of agriculture, agricultural market stability, food security, support and protection for the agricultural producers of the country.*

Currently, unequal economic conditions continue to exist in the EAEU common agricultural market due to the differences in the system of state regulation of the AIC.

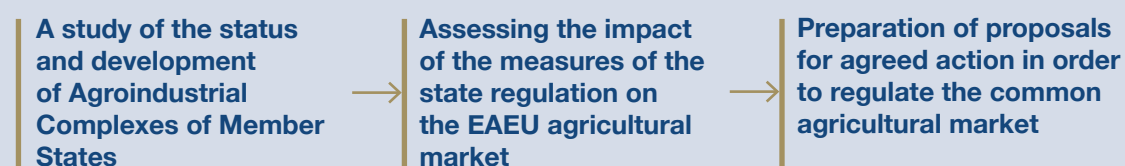
The Agreed Agroindustrial Policy within the Union presupposes synchronisation and coordination of the application of measures of state regulation of the market in order to maintain equal competitive conditions.

The Commission has analysed the laws of the Member States regarding the state regulation in the sphere of taxation, crediting, price regulation, and insurance etc.

The results of this monitoring make it possible to assess the impact of measures of the state regulation on the EAEU agricultural market. In this regard, the Commission commenced preparation of recommendations on agreed actions to be taken by the Member States in order to increase the efficiency of these measures. The implementation of the agreed measures will enable economic conditions to be brought together and create the necessary organisational and legal conditions at the national and inter-state levels for the development of integration processes in the agricultural sector. Given that in order to create equal conditions for mutual trade in the common agricultural market with free access to the market infrastructure and unhindered movement of goods, transparent and

**INCREASING THE EFFICIENCY OF APPLICATION OF THE MEASURES OF THE STATE REGULATION IN THE EAEU AGRICULTURAL MARKET**

Preparation of recommendations on increasing the efficiency of state regulation in the agricultural market



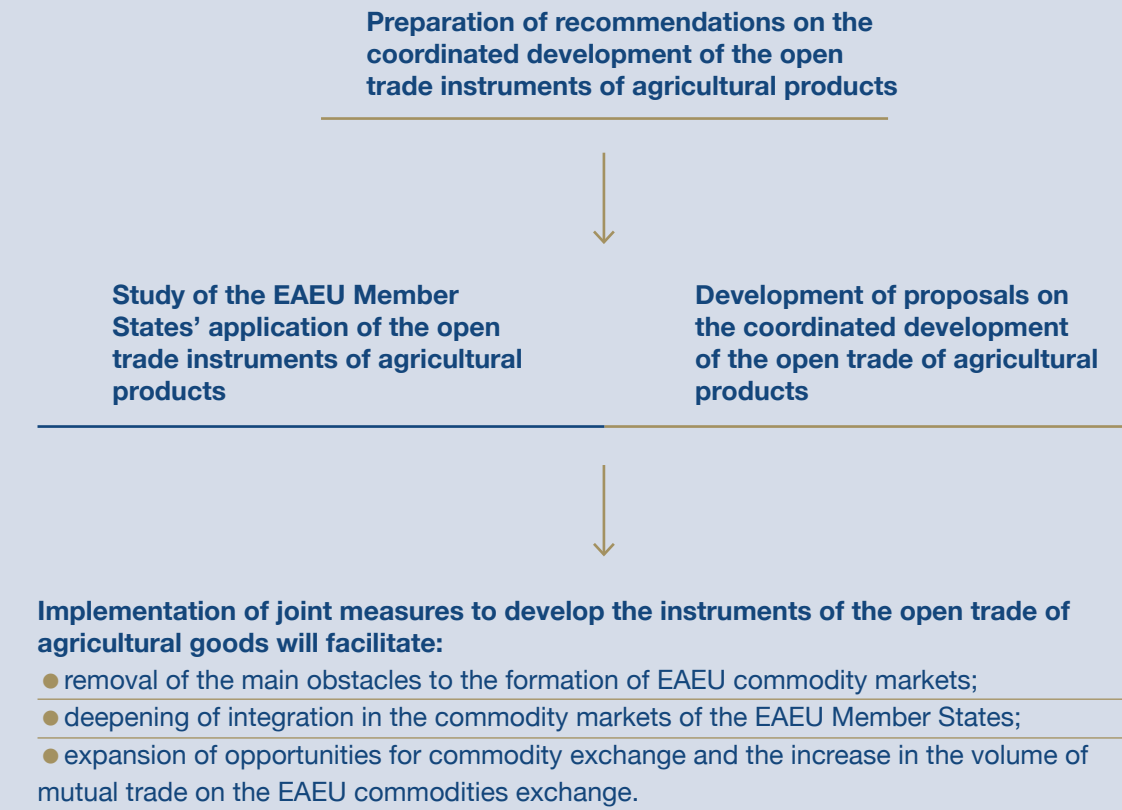
**Implementation of agreed measures on increasing the efficiency of the state regulation in the agricultural market will facilitate:**

- Adoption of mechanisms of interstate cooperation on the creation of the common agricultural market;
- Optimisation of production volumes of competitive agricultural and food production and an increase of agricultural exports;
- Reduction of the cost of agricultural goods;
- Protection of interests of the producers and provision of food security;
- Improvement of the investment climate.



competitive pricing for agricultural commodities, open trading is an efficient instrument. The Commission is working on preparation of the Recommendations on the coordinated development of open trade instruments for agricultural trade in the EAEU Member States.

In order to implement the Joint Action Plan for 2015 within the framework of the Memorandum of Cooperation between the Eurasian Economic Commission and the Eurasian Development Bank dated November 12, 2013 Department of Agroindustrial Policy in conjunction with the Eurasian Development Bank has prepared an analysis of the development of the instruments of open trade of agricultural products. Problematic issues in the sphere of open trade of agricultural goods were an object of discussion at the round table session entitled «Development of open trade of agricultural goods in the Eurasian Economic Union» organized by the Commission in cooperation with the Eurasian Development Bank on February 19, 2015. As a result, possible approaches to establishment and functioning of an organised agricultural market, as well as the development of the transport and logistical infrastructure of the industry, were put together.



The implementation of the joint measures to develop the instruments of open trade of agricultural goods will facilitate:

- the removal of the main obstacles to the formation of EAEU commodity markets;
- deepening of integration in the commodity markets of the EAEU Member States;
- the expansion of opportunities for commodity exchange and the increase in the volume of mutual trade on the EAEU commodities exchanges;
- the establishment of the common open trading platform for circulation of the derivative instruments (futures, options) for agricultural products in order to create open price indicators of the common agricultural market, create a mechanism of hedging price risks and attract additional financial resources to the industry.

### STANDARDISATION OF THE REQUIREMENTS REGARDING THE CIRCULATION OF PRODUCTS

*Standardisation of the requirements in the sphere of the circulation of seeds of agricultural plants and livestock for breeding is a way of creating equal conditions for the economic entities' access to the common agricultural market and the development of mutual trade.*

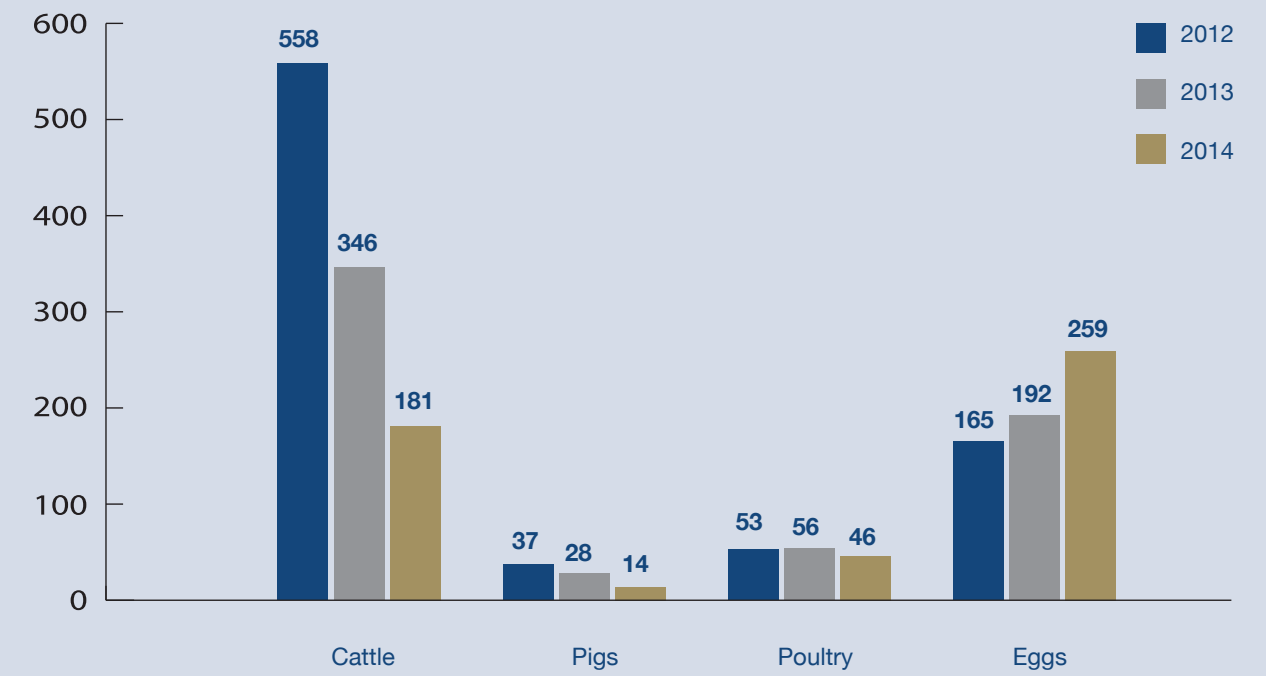
In the course of the Board's work on identifying the barriers and restrictions to mutual trade between the EAEU countries, it was recognised that there is a lack of the standardised requirements for the circulation of seeds of agricultural plants and livestock for breeding. To rectify this, two sectoral agreements of agricultural seed production and livestock for breeding were drafted.

Furthermore, the need to develop these agreements is subject to the high dependence on imports of livestock breeding production and seeds of agricultural plants. For example, for the period from 2012 to 2014 livestock for breeding and the seeds of agricultural plants worth approximately US\$4 bn were imported to the territory of the Union.

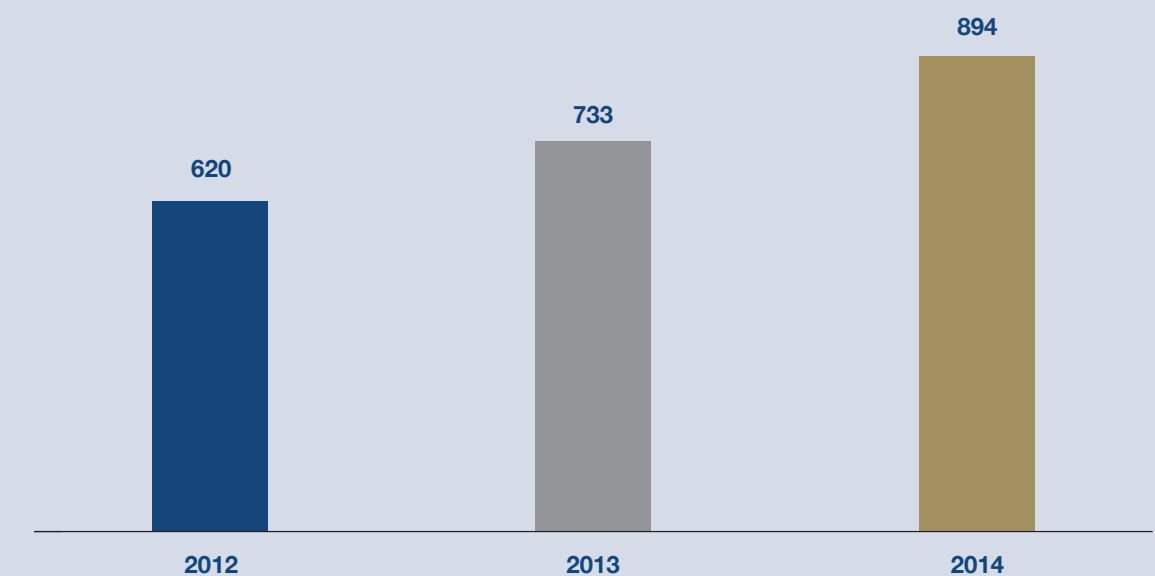
With regard to livestock for breeding the Commission conducted analysis of the regulatory legal framework of the Member States, which revealed the existence of differences in the current breeding requirements imposed in the process of breeding animals. Livestock certificates issued by the authorised bodies of the Member States contain a distinct list of the indicators characterising livestock for breeding. This does not allow assessing objectively the status of livestock for breeding and leads to the possibility of misleading the buyer when trading livestock for breeding, and as a result, creates a barrier to the mutual trade of livestock for breeding. In the course of discussions and working meetings between the representatives of the Union countries, a draft Agreement on livestock for breeding was developed, which regulates the relations regarding the transportation of livestock for breeding between the Member States and is aimed at harmonising the requirements and procedures applicable in the Member States to the breeding of livestock.



### IMPORT OF LIVESTOCK FOR BREEDING TO THE TERRITORY OF THE CU AND CES, MILLION US DOLLARS



### IMPORT OF SEEDS OF AGRICULTURAL PLANTS TO THE TERRITORY OF THE CU AND CES, MILLION US DOLLARS





The adoption of the Agreement provides for mutual recognition of certificates for pedigree livestock for breeding in order to develop mutual trade, will give impetus to the development of a standardised system of evaluation of the value of the pedigree livestock and selection methods for pedigree livestock for breeding, and increase the genetic potential of the animals and correspondingly increase the production volume of competitive livestock production.

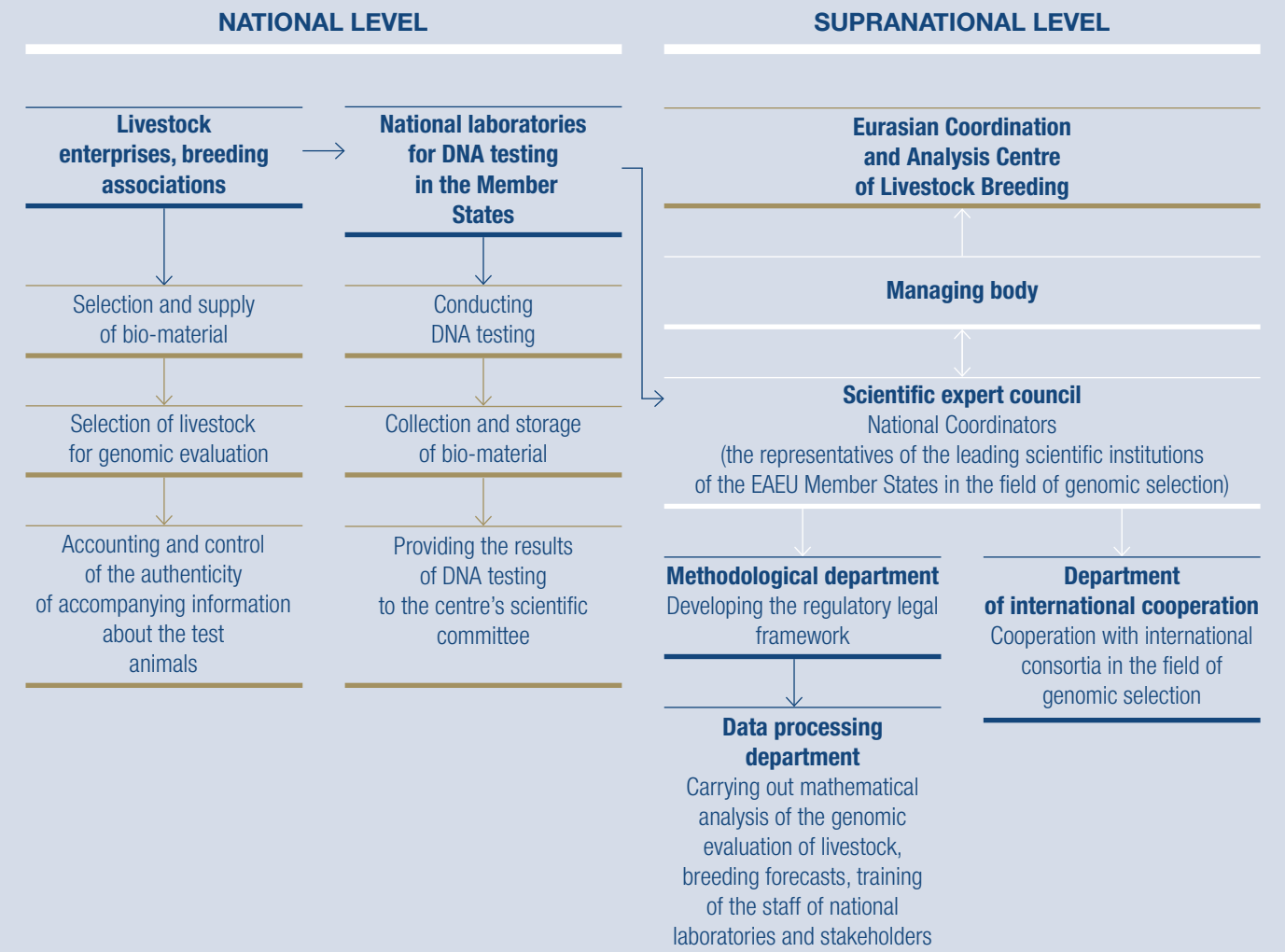
In order to develop and implement innovative technology in the livestock sector of the Member States, it is proposed that the Eurasian Coordination and Analysis Centre of Livestock Breeding be established, which aims at coordinating the specialised scientific institutions for the development of modern management methods in genetic resources in livestock breeding of the Member States. According to the calculations made by the Commission, the introduction of genome analysis methods of animals will facilitate the reduction of purchased imported dairy cattle by 5–7% in the first years and by up to 30% in the long term. In addition, the introduction of the genomic selection system to agricultural production will reduce the annual cost of evaluating stud bulls from US\$30 thousand (using traditional evaluation method) per bull to US\$300 (using genomic selection). As part of the standardisation of the requirements regarding the circulation of livestock production, on 19 May, 2015 the Commission adopted a Recommendation on the harmonisation of national programs and veterinary-sanitary rules for the control, prevention and fight against salmonellosis in poultry of the EAEU Member States. The document was prepared on the basis of the comparative analysis of the regulations of the national programs (draft programs) and veterinary-sanitary rules for control, prevention and fight against salmonellosis in poultry with the regulations of international acts. The Recommendation of the Board was adopted in order to strengthen the safety control of poultry products and prevent salmonellosis in order to increase the possibility of entering the EU market with food-grade chicken eggs.

The EAEU countries attach great importance to the development of breeding and seed production of agricultural plants, and the appropriate programs for their development and state support are in operation. The potential exists for import substitution with national varieties and seeds. However, in assessing the status and development trends of the common seed market, it was discovered that the main barriers in the seed production are the differences in the legislation of the Member States which do not provide for equal conditions of competition between business entities operating in the sphere of breeding and seed production.

Only those varieties of seeds, which are included in the national registry of plant varieties approved for use by the respective administrative-territorial unit are permitted for production, sale and use in the Member States. Thus, in terms of the Union a situation has occurred in which a variety that has passed the state assessment and has been included in the state Registry of one country can not be freely circulated on the territory of another EAEU country without repeated testing and inclusion in the national registry of varieties approved for use. At the same time, in the international practice of the European Union (EU), for example, a Catalogue of Plant Varieties is maintained, formed on the basis of the national catalogues of the Member States. The varieties included in the common catalogue are freely circulated on the territories of EU countries.

In order to implement the basic principles of functioning of the Union and to generate of the common seeds market, the Commission together with the Member States has developed a draft Agreement on circulation of seeds of agricultural plants. For the first time, an international treaty at that level has reflected the idea of a unified policy and cooperation in the sphere of seed production as a part of the Eurasian integration, which includes the development and implementation of the standardised requirements for testing of the varieties and seed production, as well as the mutual recogni-

### INTERACTION SCHEME OF THE EAEU MEMBER STATES WHEN USING GENOMIC SELECTION



tion by the Union Member States of the documents pertaining to the varietal and sowing (planting) quality of the seeds.

For example, the varieties included in the national section of the Single Registry of one State will be able to be freely circulated and marketed in another Member State.



The implementation of this document provides for the creation of a single database of varietal resources of agricultural plants approved for use by way of generation and maintenance of the Single Registry of varieties in the EAEU integrated information system. Furthermore, the Agreement will create equal conditions for access for the economic entities in the common seed market and the free circulation of seeds within the Union owing to the unified requirements for the packaging and labelling of seeds, as well as the mutual recognition by the Member States on their territory of the documents that confirm the varietal and sowing (planting) quality of the seeds issued by authorized organisations of other Member States.

## DEVELOPMENT OF EXPORT OF AGRICULTURAL AND FOOD PRODUCTS

*Increasing exports of agricultural commodities are relevant for every State of our integration association and are one of the objectives of the Agreed Agroindustrial Policy of the Union.*

*In terms of the exports of wheat and barley, the EAEU countries ranked **the 2nd in the world.***

Since the establishment of the CU in 2010, agricultural exports have almost doubled. In 2014, the Union countries exported agricultural and food products of US\$19.3 billion. However, only three groups of products: cereals (42%), fish (14.8%), and fats and oils of animal or vegetable origin (11.6%), constitute the fundamental part of exports (2/3 of the total).

### STRUCTURE OF THE EXPORTS OF AGRICULTURAL AND FOOD PRODUCTION BETWEEN THE CU AND CES MEMBER STATES IN 2014, %

Commodities	Name of the product	Unit weight in exports, %
10	Grains	42,0
03	Fish and shellfish	14,8
15	Fats and oil of animal of vegetable origin	11,6
23	Overall surplus and food industry waste	5,8
24	Tobacco	4,9
11	Flour and cereal products	3,8
12	Oilseeds and fruits	3,1
22	Alcoholic and non-alcoholic beverages	2,7
	Other	11,3
	<b>Other</b>	<b>100,0</b>

The geography of supplies is rather expansive. In 2014, the Union countries exported agricultural products to over 150 countries worldwide. The main consumers of our products are the CIS countries (20.3%), the European Union (14.8%), Turkey (12.6%), Egypt (7.2%), and China (6.3%). Traditionally, the European Union purchases seed cake, fish, grains, and fats and oils; Turkey and Egypt – grain and oil, and China and South Korea – fish from the Union countries.

**MAIN CONSUMERS OF AGRICULTURAL AND FOOD PRODUCTS OF THE CU AND CES MEMBERS STATES IN 2014**

Countries	Cost, million US dollars	Unit weight, %
EU	2 857,0	14,8
Turkey	2 421,3	12,6
Egypt	1 386,7	7,2
China	1 216,8	6,3
The Republic of Korea	1 192,1	6,2
Iran	902,0	4,7
CIS countries	3 902,3	20,3
including		
Azerbaijan	898,1	4,7
Uzbekistan	800,9	4,1
Ukraine	678,7	3,5
Other	5 390,5	27,9
<b>Total</b>	<b>19 268,7</b>	<b>100,0</b>

One of the directions of the Agreed Agroindustrial Policy in the Treaty on the EAEU is the development of exports of agricultural and food products.

In order to improve the competitiveness of products and the efficiency of the sales on the world markets, the EAEU needs to develop and adopt a set of measures and agreed actions for the development and promotion of the export potential and promotion of the Union products to foreign markets. In this regard, the Commission, in conjunction with the Union countries is considering developing and adopting the recommendations of the Board of the Commission on the implementation of agreed actions aimed at developing the export potential in the sphere of the AIC, in particular:

- recommendation on the coordination of sales and marketing policies;
- recommendation for agreed actions of the Member States in developing their export potential;
- recommendation on the agreed export policy for individual commodity items.

Draft Recommendations concerning the coordination of sales and the marketing policy for the export of agricultural and food products are being prepared.

The draft Recommendations stipulate that the Commission prepares the proposals to expand agricultural exports of the goods of the Member States on a regular basis, as well as prepare the Union-wide summary of the measures and mechanisms applied in the Member States to support agricultural exports, and plans to participate in international trade exhibitions, trade fairs and business plans for missions.



The Commission is working on preparation of measures of developing export potential, such as:

- creating of a single information portal to facilitate cooperation between the exporters of agricultural and food products of the Union Member States;
- developing an export trade mark (brand, logo) of agricultural and food products produced in the EAEU;
- creating a joint agency for promotion of agricultural and food products to foreign markets;
- insuring exports and using export credit programs, including the provision of guarantees.

Implementing the agreed measures for the development of exports will strengthen the competitive position of producers of agricultural and food products of the EAEU Member States to third country markets, foster a positive attitude among foreign buyers to the products manufactured in the EAEU, enable informed decisions to be made about the potential prospects in foreign markets.



### SCIENTIFIC AND INNOVATIVE DEVELOPMENT OF THE AGROINDUSTRIAL COMPLEX

*Ensuring the sustainable development of the AIC in the Union and improving the competitiveness of products are largely determined by modernisation and introduction of innovative technologies. In this regard, the cooperation between our countries in science and innovations is vital.*

One of the main problems of developing the AIC in the EAEU countries is the technical and technological backwardness of agriculture in comparison to developed countries, due to the insufficient level of modernisation of agriculture and the processing industry.

In this regard, the Union Member States have identified the scientific and innovative development of the AIC to be one of the directions of the agreed agroindustrial policy.

Currently, the Member States, coordinated by the Commission, have started work on the implementation of joint research and innovation activity in the sphere of the Agroindustrial Complex.

Part of this process is the preparation of the list of promising scientific developments, which are of general interest for furthering the development of the Agroindustrial Complex of the Member States. The list includes 14 scientific areas, including those such as crops, livestock, aquaculture, veterinary medicine, biotechnology and economics.

The overall objective of the scientific and research work in the economic sector is the development of modern approaches for the sustainable development and technological modernisation of the AIC, the strategic development of interstate cooperation in order to ensure food security.

Particularly important elements of this process are the development of the resource-efficient and energy-efficient technology in agriculture and the processing industry (cereals and vegetables), the development and application of the technology for cultivation of agricultural crops in an ecological farming system.

### EAEU MEMBER STATES WILL CARRY OUT JOINT SCIENTIFIC RESEARCH ON THE FOLLOWING TOPICS IN THE SPHERE OF THE AIC:

(Recommendation No.14 of the Board of the EEC dated July 8, 2015)





The direction of the creation of new high-yielding plant varieties is very relevant in crop production in the Union countries. It primarily concerns the development of new varieties of cereals, legumes and feed crops.

In order to ensure phytosanitary safety, the development of technology for the production and application of biological plant protection is of great importance.

The development of new highly efficient pharmaceuticals in veterinary medicine for livestock production, including those based on biologically active substances for the prevention of animal diseases. The development of a single methodology for risk assessment in the field of veterinary medicine, the management thereof based on monitoring the epidemic situation and the factors affecting the introduction and spread of animal diseases is of great importance.

In animal farming, the joint interest is improving the productive and breeding qualities of livestock production. It is assumed that thus it will reduce dependence on the imported breeding material, and bring about the genetic improvement of the productive potential of animals in accordance with the international system of evaluation of livestock for breeding.

For the implementation of joint scientific and technological research, the appropriate procedures for their organisation and financing are being developed, which will specify:

- function of the client-coordinator and customers from the partner countries;
- sources and financing schemes;
- distribution of intellectual property created as a part of R&D etc.

Cooperation in science also includes work on the creation of joint scientific research structures in the Union that carry out researches in sphere of the AIC. Work is currently being carried out on the establishment and functioning of the Eurasian agroindustrial technological platform (ATP) aiming at mutually stimulating innovative development of the national AICs, the development of prospective commercial technologies, high-tech, innovative, and competitive products on the basis of efficient

cooperation between all stakeholders (business, science and the state and non-government organisations) of the Union.

As a part of coordinating the ATP «Technologies of the food processing industry of the AIC – healthy food» and «The Eurasian Biotechnology Platform», mutually beneficial cooperation between the Union countries in the innovation sector is being fostered which will result in joint cooperative projects to develop new technologies and production in order to improve the competitiveness of the AICs of the Member States.

The agreed policy in the sphere of scientific and innovative work will ensure that any duplication of scientific research is avoided, increase the efficiency of the scientific potential of the Member States, as well as the rational use of budgetary resources of the Union Member States.



### INTEGRATED INFORMATION SUPPORT FOR THE AGROINDUSTRIAL COMPLEX

*The establishment of a subsystem of the Agroindustrial Complex will improve the efficiency and quality of management decisions, and ensure the transparency and openness of information management for all interested persons.*

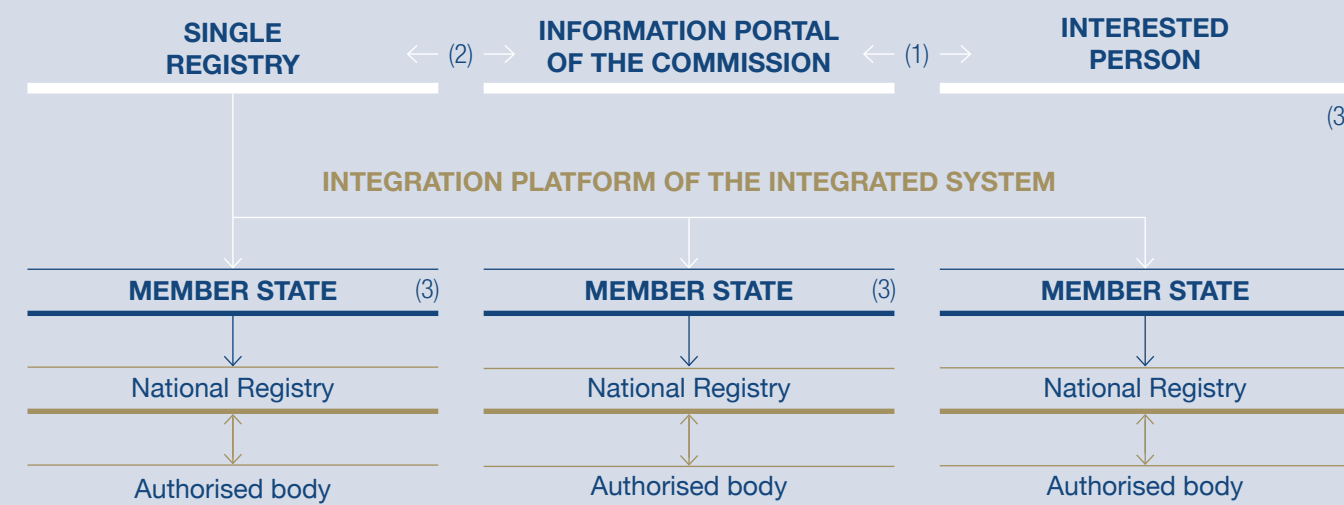
As a part of the integrated information system of foreign and mutual trade of the EAEU, an information subsystem of the AIC of the Member States is in development, which will provide for:

- the development of the forecasts for the AIC of the Eurasian Union;
- the analysis of the efficiency of state support in the sphere of the AIC;
- the monitoring of the status of food security;
- the increased levels of scientific research in shorter time periods;
- the improvement of international, inter-regional, inter-sectoral and intra-industry links;
- the collection, processing and publication of information in the sphere of the AIC of the Union.

As a part of standardisation of the requirements regarding the turnover of agricultural plants, the generation of the Single Registry of the varieties of agricultural plants is under review. The Registry will be established by the Commission on the basis of the information submitted by the authorised bodies of the Member States to the EEC in electronic form using the EAEU integrated information system. Interested persons can familiarise themselves with the information on the Single Registry on the official websites of the authorised bodies and the official EAEU website on the Internet.



### EURASIAN ECONOMIC COMMISSION



(1) The request and provision of information on seed varieties

(2) Publishing of information from the Single Registry on the information portal

(3) Updating the Single Registry

The generation and maintenance of the national parts of the Single Registry of varieties is carried out by way of introducing into its national parts the information about the varieties that have passed tests and were approved for production, sale and use on the territory of a Member State. It also includes the storage, organisation, updating and amendments to this data, providing access to the national parts of the Single Registry of varieties, as well as protection against unauthorized access to the information contained in the national parts of the Single Registry. The creation of the Single Registry within the Union will solve the following problems:

- free circulation of seed varieties listed in the Single Registry of varieties;
- generation of a single information base of agricultural plant varieties indicating the characteristics (features) of the variety, the recommended tolerance zones, information about the original creator and the varieties' patent holders and other criteria;
- standardisation of the requirements of the legislation of the Member States, that establish the procedure for inclusion of varieties in the national registry according to the results of state tests.



**Discussion on the Agreed Agroindustrial Policy of the Customs Union and Common Economic Space, the Consultative Committee for the AIC.**  
 December 11, 2013, Moscow (Russian Federation)





**Joint session of the Boards of the Ministries for Agriculture of Belarus and Russia.**  
 February 26, 2014, Moscow (Russian Federation)



**Working meeting of the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy, the Minister of Agriculture and food of the Republic of Belarus Leonid Zayats, and the Head of the Federal service for veterinary and phytosanitary surveillance of the Russian Federation Sergey Dankvert.**  
 October 1, 2014, Moscow (Russian Federation)



**24-th International specialized exhibition "Belagro-2014".**  
 June 3, 2014, Minsk (Republic of Belarus)



**Working meeting of the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy, the Member of the Board (Minister) of Technical Regulation Valery Koreshkov and the Head of Rosselkhoz nadzor Sergey Dankvert.**  
 December 8, 2014, Moscow (Russian Federation)





Joint round table session of the EEC and the Russian Union of industrialists and entrepreneurs on the competitiveness of agricultural products of the Member States of the Eurasian Economic Union.

July 29, 2015, Moscow (Russian Federation)



X International Conference "Eurasian Economic Integration".

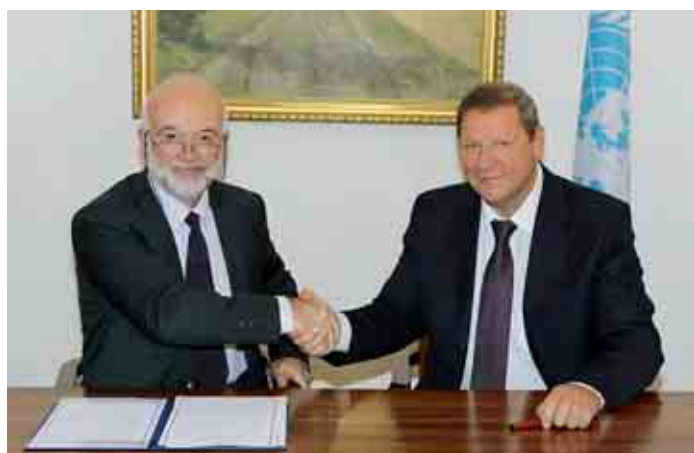
October 29, 2015, Moscow (Russian Federation)

## INTERNATIONAL COOPERATION



The Commission is actively developing cooperation with the Food and Agriculture Organization of the United Nations (hereinafter – FAO), which is the leading international organization in the field of agricultural policy, legislation and efficient national strategies for rural development.

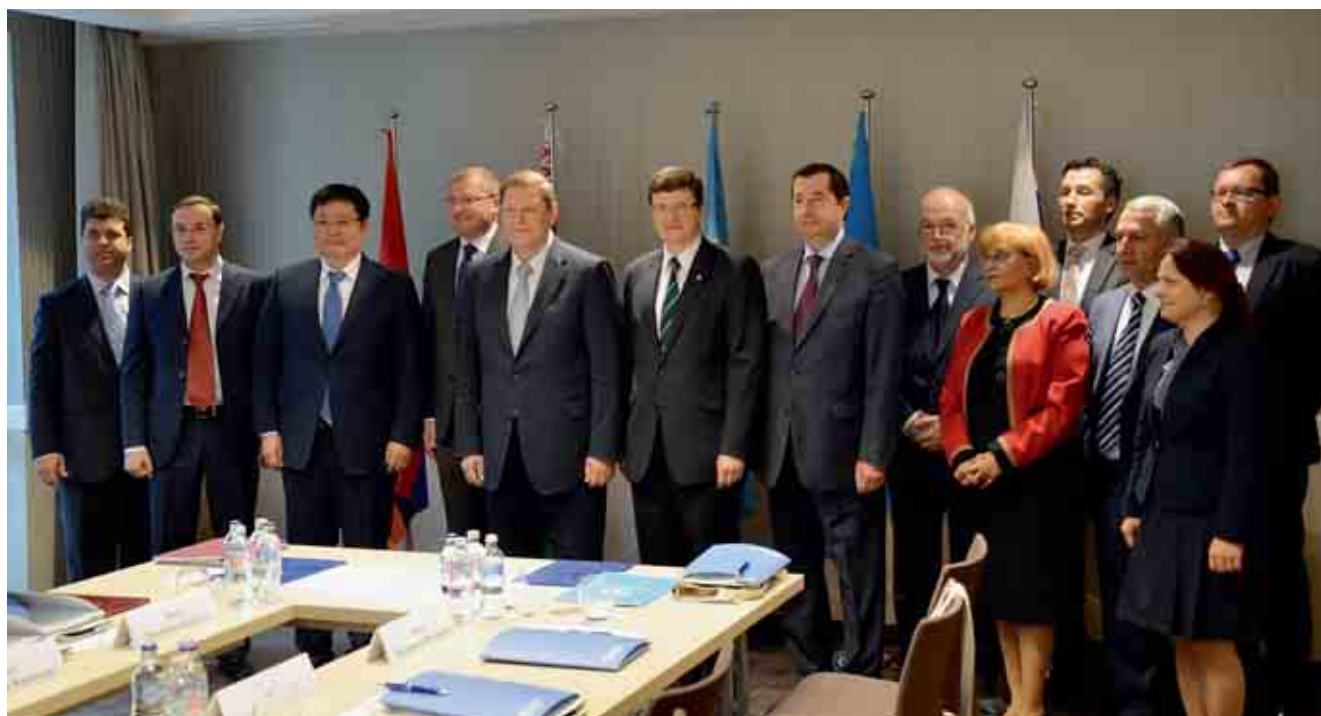
On November 12, 2013 in Budapest (Hungary) a Memorandum of Understanding between the EEC and the FAO was signed. The document sets out the main directions of cooperation for sustainable rural development, ensuring food security, carrying out research on issues regarding the development and efficient functioning of the agricultural and food markets, the provision of sanitary-epidemiological safety, and the veterinary and phytosanitary safety of territories.



The Memorandum includes an Action Plan for cooperation with the FAO in 2015–2018. The plan provides for the joint holding of conferences, seminars, technical consultations with a view to defining a list of potential projects in accordance with the priorities of the joint work of the EEC and the FAO.

Cooperation with the FAO allows us to expand our information base and use the experience accrued, to take part in the development of the global food security policy.

Analysis and synthesis of information materials are being carried out, the international organisations



experience is being studied with the aim of using the best global practices in the work of the Eurasian Economic Union.

The following international seminars have been organised and held in conjunction with the FAO:

- January 23, 2013 “The experience of the European Union in creating a common agricultural market”, Moscow;
- June 26, 2014 “Key principles of establishing national systems for identification and registration of agricultural livestock”, with the participation of the International Organization for Standardization (ISO), Moscow;
- September 25, 2015 “Cooperatives in CIS countries”, Moscow;
- October 21, 2015 “The functioning of the EAEU taking into account the Union’s membership in the WTO”, Yerevan.

The development of practical cooperation with the FAO allows the EEC jointly with the Member States:

- to improve the efficiency of the monitoring of the status of food security and food safety;
- to develop recommendations for improving the efficiency of the EAEU agricultural market;
- to improve the legislative and regulatory framework of the EAEU Member States in the field of seed production and livestock breeding;
- to share knowledge and experience on a regular basis by participating in events and consultative meetings of FAO.

On November 12, 2013 in Budapest during the meeting between the Member of the Board (Minister) for Industry and Agroindustrial Complex of the EEC, Sergey Sidorskiy, and the Minister for Rural Development of Hungary, S ndor Fazekas, an agreement was reached on the establishment of mutually beneficial cooperation in the field of the Agroindustrial Complex and a Memorandum of Understanding between the EEC and the Ministry of Rural Development of Hungary was signed. This Memorandum was adopted by Disposition No.58 of the Board of the EEC on July 8, 2015.



The implementation of the Memorandum will allow for bilateral cooperation between the EAEU countries and Hungary to be expanded to include a multilateral format, and will become the legal basis for relations in which the EEC will serve as the coordinator of cooperation between the Union and Hungary.

Promising directions have been defined as follows: trade of agricultural products, development of cooperation in the sphere of crop and livestock production, intellectual property, and sanitary and phytosanitary measures.

Aiming at strengthening the position and authority of the Eurasian Economic Commission and the Eurasian Economic Union, the Member of the Board (Minister) for Industry

and Agroindustrial Complex, Sergey Sidorskiy and the heads of the Department of Agroindustrial Policy participated in major international events and made working visits to a number of foreign countries during 2012–2015.

For example, in February 2013, the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy headed the delegation of the Commission which made a working visit to New Zealand. During the visit, meetings were held with the Minister for Food Safety of New Zealand, Nicole Laura Kaye, and Minister for Primary Industries of New Zealand, Nathan Guy. Ministers discussed the trends in mutual trade and the priorities of developing cooperation in the field of agriculture.



In October 2014, the Member of the Board (Minister) for Industry and Agroindustrial Complex visited Riga (Latvia) to participate in the international conference “Participation of business organisations in the development of the industrial sector of the economy in modern conditions.” The Minister spoke at the plenary session and delivered a report on the “The Agroindustrial Complex of the Eurasian Economic Union: New Opportunities and Prospects”. As a result of the conference, a resolution was adopted, the Regulations of which are aimed at the development of mutually beneficial economic cooperation between the entrepreneurs of East and West Eurasia.

In June 2015, in Milan (Italy) the Member of the Board (Minister) for Industry and Agroindustrial Complex of the Eurasian Economic Commission, Sergey Sidorskiy delivered a report on the status and prospects for food security in the Eurasian Economic Union at the 2nd World Agricultural Forum entitled “Russia’s role in ensuring global food security.”

The representatives of the Department also actively participated in the international forums, conferences and exhibitions, where the main directions and objectives of the Commission’s work in the agricultural sector as well as possible avenues of cooperation were presented.



In 2013 and 2014, the heads of Department for Agroindustrial Policy took part in the events of the business program of the largest agroindustrial exhibition fair “Green Week”, held annually in Berlin (Germany).

Joint events between the industry organizations of the EAEU Member States and foreign countries were organised. On March 30–31, 2014 in Brno (Czech Republic) in conjunction with the Ministry of Agriculture of the Czech Republic and the Organizing Committee of the Exhibition Centre in Brno, a round table session was held entitled “The Customs Union – the Czech Republic” (cooperation in the agroindustrial sphere).



On June 2–3, 2014 in Warsaw (Poland), with the participation of the Ministry of Agriculture and Rural Development of Poland and the Polish Agricultural Market Agency, a seminar was held entitled “The experience of the development of agriculture and food processing in Poland within the Common Agricultural Policy of the European Union and the prospects for cooperation in the sphere of the Agreed Agroindustrial Policy of the Member States of the Customs Union and the Common Economic Space.”

On June 3, 2015 in Milan (Italy) at the Universal Exhibition “EXPO 2015”, the Commission organised a panel session entitled “Export Potential of the Agroindustrial Complex of the Eurasian Economic Union”.

The progressive development of cooperation of the Commission in multilateral and bilateral formats, the participation of the representatives of the Commission in international forums and conferences on a regular basis promote the establishment of a comprehensive partnership and cooperation in the sphere of the AIC.





**22-nd International specialized exhibition «Belagro-2012».**  
 June 5, 2012, Minsk (Republic of Belarus)



**Working meeting of the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy and the General Director T.Spirings of the New Zealand company «Fonterra».**  
 February 28, 2013, Wellington (New Zealand)



**International exhibition «Green Week».**  
 January 17, 2013, Berlin (Germany)



**Working meeting of the Member of the Board (Minister) for Industry and Agroindustrial Complex Sergey Sidorskiy and the Minister for Rural Development of Hungary, Sandor Fazekas.**  
 November 13, 2013, Budapest (Hungary)





**Joint International seminar of the EEC and FAO on «The European Union's experience in creating a common agricultural market».**  
January 23, 2014, Moscow (Russian Federation)



**The panel session «Export Potential of the Agroindustrial Complex of the Eurasian Economic Union» in the Eurasian Economic Union at the 2nd World Agricultural Forum «Russia's role in ensuring global food security» at the Universal Exhibition «EXPO 2015».**  
June 3, 2015, Milan (Italy)



**VI -th International Forum «Food security».**  
May 22, 2015, Veliky Novgorod (Russian Federation)



**Joint International seminar of the EEC and FAO on «Cooperatives in CIS countries».**  
September 25, 2015, Moscow (Russian Federation)



## PROSPECTIVE DIRECTIONS IN THE SPHERE OF THE AIC IN THE EAEU

The integration processes in the AIC in the EAEU are aimed at the implementation of the relevant Regulations of the Treaty on the EAEU and the Concepts of the Agreed Policy of the Member States in the key industries and sectors of the Agroindustrial Complex, and at creation of an efficient competitive environment and provision of the proper functioning of the common agricultural market. Over the past four years, a lot of work has been put in on the development of the directions and mechanisms of implementing the Agreed Agroindustrial Policy, on elimination of barriers and restrictions in the trade, and on coordination and development of cooperation between the Member States in the Agroindustrial Complex.

Joint work for the development of the interstate cooperation gives tangible results in the agroindustrial sector of the Union. For example, since the establishment of the Common Economic Space, total agricultural output increased in 2014 by 28%, imports decreased by 4.6%, exports and mutual trade of agricultural and food products rose by 42.1% and 37% respectively.

In the upcoming period, the priority tasks of the agroindustrial policy will be to deepen regional integration and organisation of the high-grade import-substituting industries in the fields of livestock breeding, crop production and processing of agricultural products, while taking into account the natural and climatic conditions. It is important to launch competitive products with high added value, aiming at saturating the common market of the Union and entering the markets of third countries. A policy aimed at improving the coordination between the public administration authorities of the EAEU, and the scientific and business communities in the planning, concentration of resources for implementing projects of mutually beneficial cooperation, identifying and removing barriers and creating equal competitive conditions for free circulation of agricultural products is set to be consistently pursued.

The most important directions of the interstate cooperation are:

- the generation of joint forecasts of development of the AIC, and forecasts of supply and demand for primary agricultural products and their use by the Member States in the medium term during the development of the policy and making management decisions;
- the preparation of reviews of public policy in the sphere of the AIC of the EAEU Member States and of the state support of agriculture, including recommendations to improve its efficiency;
- conducting price monitoring and analysis of the competitiveness of agricultural and food products;
- the development of recommendations on coordinated actions aimed at developing the export potential in the sphere of the EAEU AIC;
- the coordination of the Member States in the implementation of joint research and innovation work in the sphere of the AIC;
- the completion of work on adoption of international agreements in the spheres of seed production and livestock breeding, and the development and adoption of documents regarding the development of international Agreements;
- the generation and maintenance of the Single Registry of plant varieties permitted for use on the territories of the EAEU Member States;
- the development of collaboration and cooperation between the EAEU Member States by industry (there are plans to develop a joint program for the development of aquaculture in the EAEU);
- the expansion of unilateral and bilateral cooperation aimed at application of the international legal instruments, and the development of joint measures in the sphere of the AIC.

The further deepening of integration processes in the agroindustrial sphere will facilitate the expansion of the production of competitive products, increase the volume of bilateral trade, access to the markets of third countries, the provision of food security in the Eurasian region and the incorporation of the agricultural sector of the Member States' economies in the global agricultural system.

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