

# Medium-term prospects for major agricultural commodities 2017-2026

## Russian Federation

### Highlights

- Strong production growth is expected for meat and grains, particularly poultry, oilseeds and wheat.
- The Russian diet is characterised by a high level of livestock product consumption. In the coming decade, sugar will be the fastest growing source of calories.
- Exceptionally strong export growth of vegetable oil is expected in view of strong production growth combined with the relatively flat level of domestic consumption.
- High stock levels have led to a temporary waiver of wheat export duty until July 2018.

### Overview

The *OECD-FAO Agricultural Outlook* foresees that overall production growth in the Russian Federation will lead to higher exports of agricultural commodities, decreasing the current negative trade balance. Food demand will continue to grow, particularly for sugar, vegetable oil, and protein from animal origins. Sugar and vegetable oil will remain important elements of the national diet. The Russian Federation will remain an important exporter of grains, vegetable oil and protein meal. Imports are expected to decrease the most for meats, but increase significantly for dairy products. The *Outlook* assumes the current policy framework will not change over the next decade. It is assumed that the current ban on agro-food imports from the European Union, the United States, Canada, Australia, Norway, and several other countries will be lifted at the end of 2017.

#### Macroeconomic assumptions

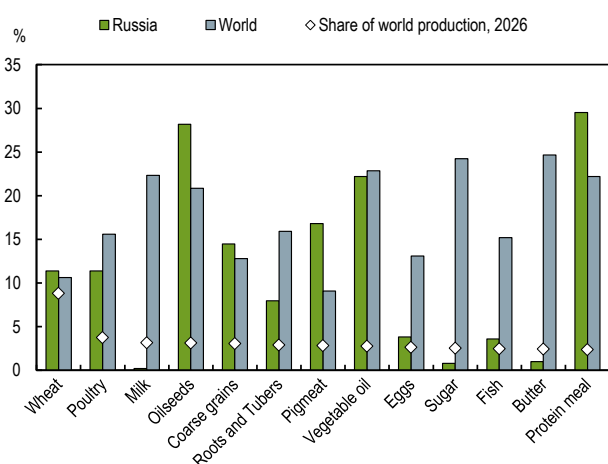
- Population is projected to decrease at an annual rate of -0.2%, from 143 million in 2014-16 to 141 million in 2026.
- Annual inflation is expected to average around 4% in the coming decade.
- The Russian ruble is projected to depreciate by 1.3% in nominal terms compared to the USD, to RUB/USD 68.4 in 2026.
- GDP is projected to grow at 1.4% per year.

#### Policy assumptions

- It is assumed that import bans from specific countries will be revoked at the end of 2017.

### Production

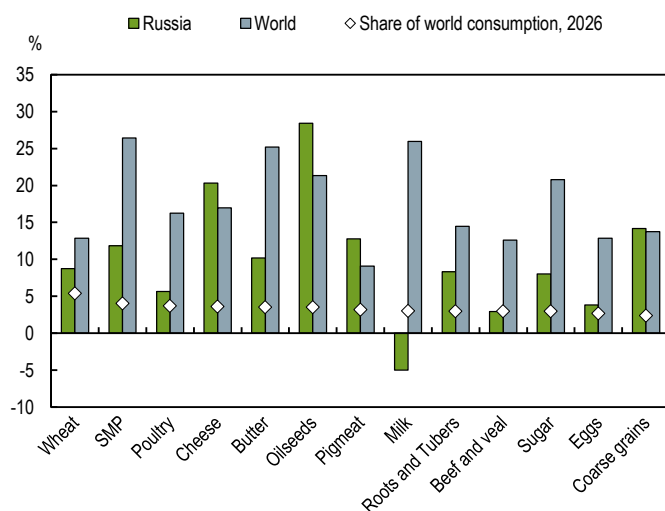
**Production: Percentage change 2026 compared to 2014-16 average**



- The Russian Federation is an important producer of grains and meats, both of which are expected to increase over the coming decade.
- The production of **wheat** is expected to increase by 11% over the medium term and that of **coarse grains**, mostly **maize** and **barley**, by 13%. The production of **cereals** is increasing at a rate slightly above average global growth, driven by a combination of higher yields and larger harvest area.
- **Oilseeds** production, mostly **sunflower** seeds, is expected to increase by 28% over the projection period, which is close to 10% above the global average. This should lead to significant increases in **vegetable oil** and **protein meal** production, by 22% and 30% respectively.
- Growth in **poultry** production is expected to be 11% over the coming decade, slightly below the expected global growth of 16%. It is expected that by the end of the outlook period the Russian Federation will produce sufficient poultry to supply the domestic market. **Pigmeat** production will increase by 17%, significantly above the expected global average.
- **Milk** production is expected to remain stable over the coming decade and that of other dairy products will increase modestly, e.g. **butter** production is set to increase by an expected 1%.

## Consumption

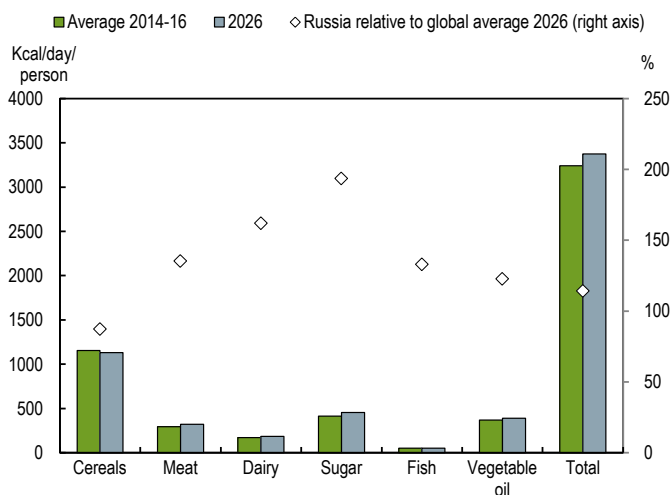
**Consumption: Percentage change 2026 compared to 2014-16 average**



- Strong growth in demand is expected for **oilseeds** (+28%) in line with strong production growth.
- It is expected that the consumption of **coarse grains** in the Russian Federation will increase due to greater demand for **maize**. This increase is expected to grow in line with the global average of 14%.
- **Milk** consumption is expected to decline by -5% while that of other dairy products is expected to increase: **cheese** (+20%), **skim milk powder** (SMP) (+12%) and **butter** (+10%).
- Consumption of **beef and veal** (+3%) and **poultry** (+6%) will lag behind the global average, but strong growth is expected for **pigmeat** (+13%).
- Growth in consumption is expected for **sugar** and **roots and tubers** (+8%).

## Caloric and protein intake

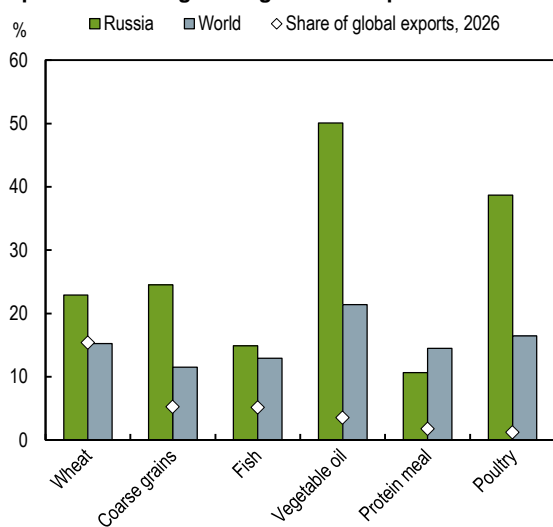
**Projections of caloric intake per capita by commodity, 2026 compared to 2014-16 average**



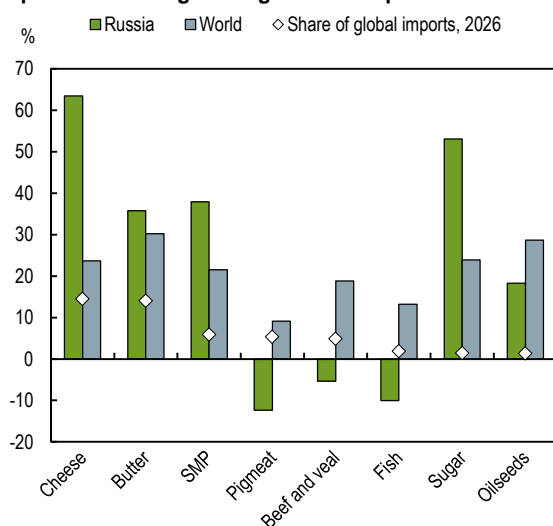
- Overall **calorie intake** in the Russian Federation is expected to increase by 4% to 3 373 kcal/day/person in 2026, which is above the expected global average.
- **Cereals** will dominate as a source of calories, but the expected rate of 1 130 kcal/day/person in 2026 is 2% lower than the current level and 15% below the expected global average.
- Calorie intake through **meat** consumption is expected to increase by 10% to 35% in 2026, above the global average. Calorie intake from **fish** will remain stable, but will be only one-third of the global average.
- **Sugar** is the fastest-growing source of calories and is expected to increase by 10% over the outlook period. In 2026, the calorie intake of Russians from sugar is expected to be nearly twice the global average.
- Protein intake (not shown) is expected to increase by 3% to 124 grams/day/person, 28% above the expected global average in 2026. A high contribution will come from **sugar** and **livestock** products, and a lower contribution from **vegetable oil**.

## Trade

### Exports: Percentage change 2026 compared to 2014-16 average



### Imports: Percentage change 2026 compared to 2014-16 average



- The Russian Federation is a major importer of **dairy products**; imports are expected to increase by 63% for cheese, 38% for SMP, and 36% for butter over the outlook period.
- However, imports of **animal protein** are expected to decrease significantly as domestic production increases.
- Imports are also expected to decrease for **pigmeat** (-12%), **beef and veal** (-5%), and **fish** (-10%) by 2026.
- Export growth will outpace global trade growth for cereals (**maize, barley, and wheat**) as domestic production increases.
- Exports of other coarse grains are expected to increase by 25% and those of wheat by 23%.
- The highest growth rate is expected for exports of **vegetable oil**, which are projected to increase by 50% as a result of strong production growth and a relatively flat growth in domestic consumption.
- The Russian Federation will begin exporting poultry meat over the outlook period.

## Policy and market uncertainties

- In June 2016, the Russian Federation extended the ban on agro-food imports from the European Union, the United States, Canada, Australia, Norway and several other countries to 31 December 2017. Initially introduced on 7 August 2014 for a period of one year, the ban has since been extended to include Albania, Montenegro, Iceland and Lichtenstein. With the current high stock levels of wheat, the Russian Federation has granted a temporary waiver of the wheat export duty (between 23 September 2016 and 1 July 2018).
- An extension of the current import ban on agricultural commodities or an early reintroduction of the export duty could impact trade projections over the outlook period.

## Further reading

OECD/FAO (2017), *OECD-FAO Agricultural Outlook 2017-2026*, OECD Publishing, Paris.

[http://dx.doi.org/10.1787/agr\\_outlook-2017-en](http://dx.doi.org/10.1787/agr_outlook-2017-en).

OECD-FAO Agricultural Outlook: [www.agri-outlook.org](http://www.agri-outlook.org)

Methodology of the Aglink-Cosimo Model: [www.agri-outlook.org/abouttheoutlook/Aglink-Cosimo-model-documentation-2015.pdf](http://www.agri-outlook.org/abouttheoutlook/Aglink-Cosimo-model-documentation-2015.pdf)

Policy information for these country notes is drawn from the *OECD Agricultural Policy Monitoring and Evaluation*: <http://oe.cd/pse>

For more information about the *Agricultural Outlook*, contact us at [TAD.contact@oecd.org](mailto:TAD.contact@oecd.org)

## Russian Federation: Selected commodity projections

			Average	Growth <sup>2</sup>			
			2014-16est.	2021	2026	2007-16	2017-26
<b>Wheat</b>	Area harvested	kha	26 112	27 347	27 605	0.00	0.18
	Production	kt	64 899	69 494	72 272	2.11	0.78
	Consumption	kt	40 276	41 829	43 797	0.24	0.94
	Per capita consumption <sup>1</sup>	kg/cap	100.6	99.2	98.8	-0.18	-0.12
	Exports	kt	23 873	28 431	29 344	9.11	0.72
	Imports	kt	402	833	877	2127	109
<b>Maize</b>	Area harvested	kha	2 726	3 091	3 162	7.07	0.68
	Production	kt	12 868	15 329	16 646	17.04	190
	Consumption	kt	8 573	9 636	10 526	10.97	174
	Per capita consumption <sup>1</sup>	kg/cap	13	14	15	4.30	0.98
	Exports	kt	4 249	5 772	6 207	55.61	2.09
	Imports	kt	83	99	99	-14.30	-0.19
<b>Other coarse grains</b>	Area harvested	kha	14 244	14 598	14 531	-1.00	0.14
	Production	kt	26 704	28 161	28 656	-0.46	0.63
	Consumption	kt	21 999	24 390	24 377	-1.72	0.42
	Per capita consumption <sup>1</sup>	kg/cap	14.4	12.4	11.7	-1.84	-0.45
	Exports	kt	4 377	3 932	4 536	9.42	2.68
	Imports	kt	100	159	250	-2.30	10.11
<b>Soybean</b>	Area harvested	kha	2 243	2 529	2 728	14.62	145
	Production	kt	2 769	3 330	3 700	18.88	2.04
	Consumption	kt	4 453	5 393	6 047	20.52	2.74
	Exports	kt	463	255	200	93.60	-10.34
	Imports	kt	2 114	2 314	2 544	28.17	2.04
<b>Other oilseeds</b>	Area harvested	kha	7 699	8 408	8 801	2.19	0.93
	Production	kt	10 817	12 588	13 714	6.84	1.73
	Consumption	kt	10 866	12 532	13 624	7.10	1.68
	Exports	kt	140	178	194	-1.10	2.57
	Imports	kt	125	122	105	2.94	-2.70
<b>Protein meals</b>	Production	kt	6 965	8 169	9 022	9.14	2.22
	Consumption	kt	5 746	6 953	7 875	6.39	2.73
	Exports	kt	1625	1747	1798	10.44	0.74
	Imports	kt	401	526	647	-7.40	4.20
<b>Vegetable oils</b>	Production	kt	4 913	5 597	6 003	8.89	139
	Consumption	kt	3 703	3 845	3 844	2.90	0.17
	Per capita consumption <sup>1</sup>	kg/cap	25.8	27.0	27.3	2.87	0.37
	Exports	kt	2 161	2 803	3 243	20.98	2.83
	Imports	kt	1018	1051	1084	0.71	0.83
<b>Beef and veal</b>	Cow inventory	000 hd	33 035	31 412	33 188	-1.15	0.81
	Production	kt (cwe)	1 602	1 570	1 698	-1.13	128
	Consumption	kt (cwe)	2 177	2 105	2 240	-2.96	101
	Per capita consumption <sup>1</sup>	kg/cap	10.6	10.3	11.1	-2.99	121
	Exports	kt (cwe)	47	46	46	4.48	0.00
	Imports	kt (cwe)	622	581	588	-6.77	0.19
<b>Pigmeat</b>	Production	kt (cwe)	3 074	3 490	3 590	5.96	0.77
	Consumption	kt (cwe)	3 560	3 970	4 015	2.23	0.48
	Per capita consumption <sup>1</sup>	kg/cap	19.4	21.7	22.2	2.20	0.69
	Exports	kt (cwe)	4	5	5	52.94	0.00
	Imports	kt (cwe)	491	484	430	-9.30	-15.8
<b>Poultry</b>	Production	kt (rtc)	4 391	4 717	4 890	10.24	0.74
	Consumption	kt (rtc)	4 573	4 751	4 831	4.47	0.38
	Per capita consumption <sup>1</sup>	kg/cap	28.1	29.3	30.2	4.44	0.59
	Exports	kt (rtc)	126	166	175	71.40	100
	Imports	kt (rtc)	308	201	116	-17.30	-7.92
<b>Milk</b>	Cow inventory	000 hd	8 338	7 790	7 444	-1.30	-0.89
	Production	kt	30 456	30 263	30 515	-0.81	0.16
<b>Butter</b>	Production	kt	323	324	326	-1.92	0.23
	Consumption	kt	434	448	478	-0.80	135
	Per capita consumption <sup>1</sup>	kg	3.0	3.1	3.4	-0.83	156
	Exports	kt	6	6	6	154	0.00
	Imports	kt	116	130	158	4.03	4.07
<b>Cheese</b>	Production	kt	568	574	588	3.31	0.29
	Consumption	kt	774	853	931	132	187
	Per capita consumption <sup>1</sup>	kg/cap	5.4	6.0	6.6	129	2.08
	Exports	kt	41	51	61	12.08	4.09
	Imports	kt	247	329	405	-171	5.10

1. Per capita consumption expressed in retail weight. Carcass weight to retail weight conversion factor of 0.7 for beef and veal, 0.78 for pigmeat and 0.88 for both sheep meat and poultry meat.

2. Least squares growth rate.