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EL FUTURO DE LA ALIMENTACIÓN Y RETOS DE LA AGRICULTURA PARA EL SIGLO XXI:

Debates sobre quién, cómo y con qué implicaciones sociales, económicas y ecológicas alimentará el mundo.

THE FUTURE OF FOOD AND CHALLENGES FOR AGRICULTURE IN THE 21st CENTURY:

Debates about who, how and with what social, economic and ecological implications we will feed the world.

ELIKADURAREN ETORKIZUNA ETA NEKAZARITZAREN ERRONKAK XXI. MENDERAKO:

Mundua nork, nola eta zer-nolako inplikazio sozial, ekonomiko eta ekologikorekin elikatuko duen izango da eztabaidagaia

Food Security in Russia: Official and grass-roots interpretations

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Paper # 88

Apirila – Abril – April
24, 25, 26
2017


elikadura²¹

NAZIOARTEKO HIZKETALDIA
COLOQUIO INTERNACIONAL
INTERNATIONAL COLLOQUIUM

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Irina Trotsuk

Russian political establishment define food security primarily (though not exclusively) by the percentage of food that is imported and monetary expenditures on food imports, i.e. official discourse places obvious national security overtones in the food security interpretations. Therefore, the Russian leaders' use of the 'food security' concept differs greatly from common international usage that refers mainly to having enough to eat, while the Russian government considers the terms 'food security' and 'self-sufficiency' (being dependent upon food imports) to be synonymous, and, thus, defines food import policy through the prism of national interest. Food import policies combine government assistance for domestic production with restricting market access for selected imported foods so as to achieve food security as a prerequisite of national security.

Undoubtedly, the Russian political leadership's narrow definition of food security is not the only one present in the official discourse in the broadest sense of the term. Many Russian scientists emphasize that food security is a complex notion that points to soil and climatic conditions, social and economic differentiation between regions and among food producers, quality of life for urban and rural dwellers, the absence of a clear state strategy for overcoming the negative consequences of WTO membership, extreme land concentration by large farms, the leasing of 12 million hectares of agricultural land to foreigners, the full or partial control by foreigners over agricultural production and the food market in Russia (with the state support)¹. This is rather a paradox that the Russian political leadership expresses deep concern over imported food but not about foreign controlled agroholdings and foreign owned retail food networks.

The situation with food security (and protectionism) became even more complicated after August 2014, when Russia's food embargo was announced as expression of the country's inalienable right to protect its national security². This made Russia (at least declaratively) more protectionist than when it joined the WTO and more protectionist on average than other countries in the G20 group of major economies (especially after in 2013 Russia adopted more protectionist measures)³. In 2014, the government introduced 413 discriminatory trade measures, followed by another 478 in 2015⁴.

On the one hand, concerns over import levels that began to appear in the mid-1990s seemed reasonable for Russia's food imports exceeded the value of domestic production. However, the concerns were expressed rather over malnutrition and vitamin deficiencies that affected the health of Russian citizens, i.e. resembled the traditional definition of food security. The 2000-2008 period

¹ Altukhov A. (2016). *Vozmozhnye riski i ugrozy natsional'noi prodovol'stvennoi bezopasnosti i nezavisimosti. APK: ekonomika, upravlenie*; 5 (5-7).

² Lavrov S. *Otvetye Rossiiskie sanktsii ne protivorechat normam VTO*. August 26, 2014 // www.agronews.ru; Russia's Food Import Restrictions in Line with WTO Obligations – Putin. August 14, 2014 // <http://en.ria.ru>.

³ Russia Leads the World in Protectionist Trade Measures, Study Says. *The Moscow Times*, January 11, 2014 // www.themoscowtimes.com.

⁴ Evenett S.J., Fritz J. *The Tide Turns? Trade, Protectionism, and Slowing Global Growth: The 18th Global Trade Alert Report*. L.: CEPR Press, 2015.

witnessed an active state and a significant rebound in agricultural production⁵, and anxiety over the level of food imports reappeared in 2007-2009 financial crisis though Russian agricultural production had rebounded and the 2008 harvest reached the post-Soviet high level. At the same time the increase in global food prices set off alarm in Russia, and in 2009 former President Dmitry Medvedev argued that high levels of dependence on foreign meat and poultry were “dangerous” because Russian consumers were exposed to global (meaning high) market prices, which made food less accessible for Russian consumers⁶ (especially under a drop in real incomes and high food inflation up to 17% in 2007 and 2008, which was higher than the general inflation rate⁷).

As expenditures on food imports grew food security was included in the National Security Strategy adopted in May 2009. Paragraphs 49-51 explicitly state that dependence on foreign food should be reduced and domestic production increased to achieve economic independence and to strengthen the economic prowess of domestic producers⁸. However, it were not just expenditures on food imports that drove concern over food security for in 2000-2008 demand for food and personal incomes rose faster than domestic food production and so Russia’s food imports grew in volume and in dollar value⁹. By 2008, Russia had become the second largest food importer in the world among emerging market economies, trailing only China (for instance, imports accounted for 35% of personal consumption in 2008¹⁰).

In 2010, former President Medvedev issued a decree that introduced a national Food Security Doctrine that specified goals for the percentage of different food commodities that should be produced domestically¹¹ to ensure “food independence of the Russian Federation”. The doctrine states that Russia aims to produce 95% of the grain it consumes, 95% of potatoes, 85% of meat and meat products, 80% of fish products, and 90% of milk and milk products. The revision of the food security doctrine in July 2015 to respond to “hostile actions by a series of nations in their relations toward Russia”¹² lead to the raised percentage of domestic production and to the emphasis on import substitution¹³. However, even with a decline in food imports in recent years, Russia still spends more on food imports than it makes on food exports¹⁴. Nevertheless, the Ministry of Agriculture insists that food security could be achieved before 2020¹⁵, and minister Tkachev believes that increases in domestic production could eliminate the need for food imports in ten years¹⁶.

Thus, Russia’s political leaders have a different understanding of food security than traditional usage, which refers primarily to access, availability, and nutritional aspects of food. However, according to both the conventional definition

⁵ *Rossia v tsifrakh 2009*. M.: Rosstat, 2009.

⁶ *Agrarnoe proizvodstvo ne padaet, a rastet. Sel’skaia zhizn’*, June 25-July 1, 2009.

⁷ *Tseny v Rossii 2010*. M.: Rosstat, 2010.

⁸ The National Security Strategy to 2020 // www.scrf.gov.ru/documents/99.html.

⁹ Liefert W., Liefert O., Shane M. *Russia’s Growing Agricultural Imports: Causes and Outlook*. ERS Report WRS 09-04. Washington: The Economic Research Service, US Department of Agriculture, 2009.

¹⁰ *Osnovnye pokazateli sel’skogo khoziaistva v Rossii v 2008*. M.: Rosstat, 2008.

¹¹ Doktrina prodovol’stvennoi bezopasnosti Rossiiskoi Federatsii // www.mcx.ru.

¹² Minsel’khoz predlagaet vvesti novye kategorii v Doktrinu prodbezopasnosti // www.mcx.ru.

¹³ Minsel’khoz nameren sokratit’ sroki dostizheniia prodovol’stvennoi bezopasnosti Rossii // www.agronews.ru
Minsel’khoz uzhestochil usloviia doktriny prodovol’stvennoi bezopasnosti Rossii // www.agronews.ru.

¹⁴ Shankar S. *Russia Arms Exports Crossed \$15B in 2015, Moscow Plans Similar Sales for 2016* // <http://www.ibtimes.com/russia-arms-exports-crossed-15b-2015-moscow-plans-similar-sales-2016-2243843>.

¹⁵ *Prodbezopasnost’ Rossii budet obespechena ran’she 2020 goda* // www.mcx.ru.

¹⁶ Agriculture Minister: *Russian Food Will Squeeze out Imports in 10 Years* // www.themoscowtimes.com.

of food security and the Russian political leadership discourse, the vast majority of the Russian population is not food insecure in terms of food (supply), access to food (price), and utilization of food (nutrition). The vast majority of Russians have adequate access to sufficient food and consumption exceeds 2,100 calories per day. Nevertheless, the Russian government interpret food trade and food security in general in terms of national security and declares the country as food insecure based on food imports, i.e. “food insecurity” reflects not just food availability and access, but also political efforts to use fears about food insecurity to bolster national security, to further state interests and increase support for the regime.

It must be noted that since 2000 the Russian government has used various strategies for food trade protectionism starting from tariff and non-tariff methods and import bans against specific states to limit market access for foreign countries, and ending with a broader food embargo since 2014. It should also be mentioned that trade protectionism benefits large and medium agriculture enterprises, agrohholdings and agribusiness, large-scale private farmers, and food processors and not small business or household producers who lack access to markets. The key strategies for food trade protectionism seem to be: (a) import bans – before 2014 they were commodity specific and temporary, while since 2014 Russia has applied a food embargo against nations that are sanctioning it referring to embargo as “countersanctions” with rather political than economic aims¹⁷. Russia’s food embargo includes beef, pork, fruit and vegetables, poultry, fish, cheese, milk and dairy products from the European Union, United States, Australia, Canada and Norway (Minister Tkachev advocates for a five-year extension of the food embargo from 2017¹⁸).

Russian leaders declare that the food embargo has been a positive and together with the policy of import substitution allowed the domestic agriculture to strengthen by protecting producers (especially of poultry and pork from Western competition, which has lower feed and production costs) and by substituting domestic beef for cheaper imports, at the same time reaping higher grain yields that led to a rise in exports. For instance, Medvedev said that selection and quality of Russian food products had improved, and that “Russia has successfully won back its status as a large supplier on the world food market”¹⁹, mentioned that import substitution was helping the agricultural sector maintain its positive growth rate²⁰, and emphasized that domestic food products had become not only of much better quality but also more affordable for “every citizen of our country can personally evaluate the results of successes of agriculture when he buys food products; people see that the policy of import substitution really carries results”²¹.

Undoubtedly, macro-level consequences from Russia’s food embargo and import substitution seem to be impressing though contradictory. First, the agro-industrial sector has benefitted from the embargo and the concomitant policy of import substitution for countersanctions benefitted domestic food producers, food processors, manufacturers and retail food chains (the latter experienced a sharp

¹⁷ Ukaz o primenenií ot del’nykh spetsial’nykh ekonomicheskikh mer v tselia obespecheniia bezopasnosti Rossiiskoi Federatsii (August 6, 2014) // www.kremlin.ru ; Wegren S. (2014) Russia’s Food Embargo. *Russian Analytical Digest*; 157 (8-12); O merakh po realizatsii Ukaza Prezidenta Rossiiskoi Federatsii ot 6 Avgusta 2014 no. 560 // <http://government.ru> ; V. Putin podpisal ukaz o prodlenii zashchitnykh mer // www.agronews.ru.

¹⁸ Tkachev khotel by prodleniia embargo eshche let na piat’ // <http://www.vedomosti.ru/business/news/2016/09/25/658370-tkachev-embargo>.

¹⁹ Pravitel’s tvo ne budet ekonomit’ na agrariakh pri podgotovke biudzheta na 2017 god // www.agronews.ru.

²⁰ Medvedev: Mery po importozameshcheniiu v sel’skom khoziaistve pozvolili sokhranit’ tempy rosta // www.agronews.ru.

²¹ Evstigneeva A. Medvedev zaiavil ob uspekhe importozameshcheniia v sel’skom khoziaistve // agroinvestor.ru.

rise in earnings as their profit margins rose from the sale of more domestic products).

Second, there are black markets for banned food products that are brought to Russia through Belarus, the Baltic states, and Kazakhstan (for instance, Belarus, a landlocked country with no domestic fishing industry, became famous for its exports of seafood to Russia). The government issued a number of decrees to seize and to destruct the contraband food anywhere it was seized²² (the TV news showed the destruction of several tons of contraband food crushed by bulldozers; Rossel'khoznadzor announced that from August 2015 to August 2016 it destroyed more than 7,500 tons of food, of which 7,282 tons were plant products²³; by October 2016 a total of 8,105 tons of food had been seized, of which 7,959 were destroyed²⁴).

Third, there is a serious drop in the value and volume of food imports, and members of the EU are most heavily affected by Russia's food embargo and import substitution²⁵. While EU members lost market share in Russia, others countries gained (Pakistan, Brazil, Serbia, Egypt, Chile, Ecuador, Mexico, Colombia, Uruguay, Paraguay, Argentina, Peru, and Turkey increased their food exports to Russia due to the certification of new companies as importers to Russia and introduction of a fast track procedure for certification).

The results of the food embargo are contradictory at the 'grassroot' level too. For instance, on the one hand, Russian producers of cheese became so protected by the state food embargo, that strongly support it, demand its prolongation for eternity, rapidly increase the production and cooperate to get a better access on the domestic market not dealing with the retail networks to avoid huge trading margins. On the other hand, the costs of the domestic cheese production are so high, that the price of the cheapest Russian cheese (of a good quality) is at least twice-thrice the price of the previously imported cheeses often of a much better quality. Thus, such cheeses are affordable only for reach urban dwellers while people with modest incomes share recipes of home-made cheeses via thematic web-sites.

Despite the fact that Western reports emphasized the negative impacts of the food embargo on Russian consumers (higher prices, less selection, lower quality), the food ban, the quest for food security (self-sufficiency), and import substitution are widely supported by the Russian population despite their obvious negative impacts on the food practices. The surveys conducted by the Center for Agrarian Studies (Moscow) in a number of Russian regions in 2015 and the national phone survey conducted in 2016 show that the grass-roots interpretations combine elements of the traditional and politicized definitions of food security. On the one hand, the Russian population feels insecure when considers food prices and one's abilities to buy food products of good quality and in sufficient amount. On the other hand, the Russian population supports the food anti-sanctions and food embargo imposed by the government, although the embargo combined with a dramatic decline in the value of the ruble led to lower levels of imports for fresh and frozen meat, poultry, fish, and dairy. This support is primarily due to the fact, that the

²² Ob otdel'nykh spetsial'nykh ekonomicheskikh merakh primeniayemykh v tseliakh obespecheniia bezopasnosti Rossiiskoi Federatsii // www.kremlin.ru; Postanovlenie ot 31 liulia 2015 g. no. 774 // www.government.ru.

²³ Pravitel'stvo prodliilo srok unichtozheniia sanktsionnykh produktov do kontsa 2017 goda // <http://graniru.org/Politics/Russia/m.253719.html>.

²⁴ Rossel'khoznadzor otchitalsia ob unichtohennykh sanktsionnykh produktakh s 19 Sentiabria po 3 Oktiabria // <http://www.rosbalt.ru/russia/2016/10/03/1555217.html>.

²⁵ Szczepanski M. Briefing: Economic Impact on the EU of Sanctions Over Ukrainian Conflict // [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/569020/EPRS_BRI\(2015\)569020_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/569020/EPRS_BRI(2015)569020_EN.pdf).

Western sanctions and Russia's retaliatory food embargo spawned additional emphasis on self-sufficiency and import substitution. Thus, the Kremlin's narrative on food security aligns with popular sentiments (in the presentation at the conference the relevant data will be presented). Moreover, the food embargo and countersanctions are supported by the rise of "food nationalism" – Russian consumers prefer domestic food products over foreign, and the government strongly supports popular beliefs that Russian food is of better quality and free from harmful ingredients used in the West.

In a 2015 survey the Levada Center found that 91% of Russian consumers prefer domestic food products to imported food taking quality and price into consideration²⁶; 81% prefer Russian brands for meat, 75% – for vegetables, 57% – for fruits, 55% – for juice, and 40% – for fish and fish products²⁷. The reason is that domestic food products are considered to be "ecologically clean", i.e. do not have (or have less than imported food) artificial additives, food coloring, preservatives, artificial smell, antibiotics and hormones in meat and are not genetically modified²⁸. To measure such food nationalism, we asked respondents in our 2015 and 2016 surveys if two food products are equal in price and quality but one is Russian and the other foreign, which would you buy? In 2015 survey almost 94% of urban respondents said they would buy the Russian product; in 2016 survey, 90% of urban respondents would buy the Russian product, as would 95% of rural residents (all-Russian indicator is 88%).



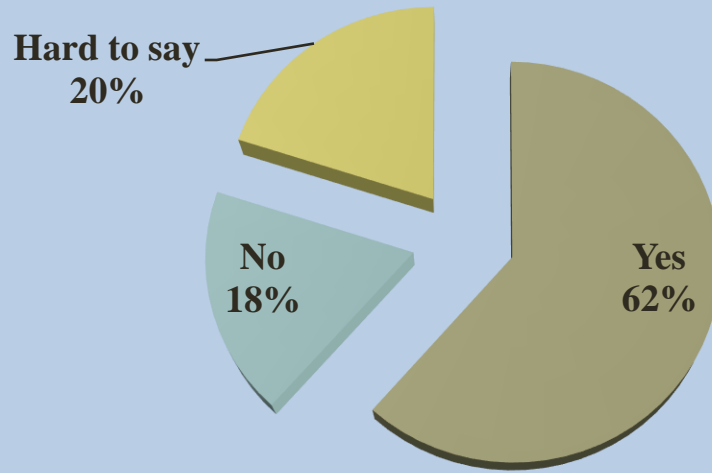
In 2015, 73% believed that Russia should not import foreign food. In the 2016 survey, support dropped somewhat from 2015, but still was strong – overall, 62% of respondents felt that food countersanctions should be state policy.

²⁶ Otechestvennye vs. importnye tovary (September 8, 2015) // www.levada.ru.

²⁷ Kulistikova T. (2016) Agrokholdingi na polkakh: o brendirovanii sel'khozproduksii // www.agroinvestor.ru.

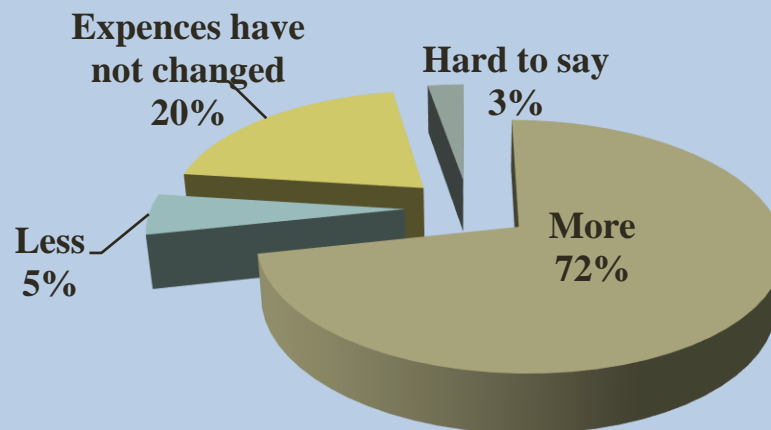
²⁸ Rossiiane predpochitaiut svezhie i natural'nye produkty – opros // www.mcx.ru ; Rossiiane gotovy pereplachivat' za edu bez GMO i krasitelei // www.agronews.ru.

In your opinion, should Russia impose food sanctions/antisanctions? (2016)

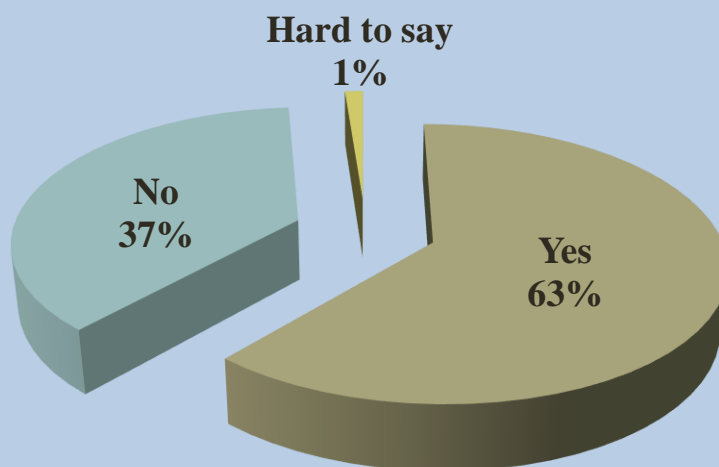


At the same time Russians admit that their life conditions worsened, and 37% spent 30%-50% of their family budget on food, while 26% – more than a half.

Compared to 2015, this year do you spend more money on food, less or your expenses have not changed?



**Due to a rise in prices
do you limit yourself in buying food products?**



Thus, these are evidences of domestic food insecurity due to the household poverty (in 2014 an estimated 18 million Russians lived in poverty and were food insecure). Poverty is disproportionately high in rural areas, but poor urban households are even more food insecure because they often do not operate a private plot to support one's food consumption.

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