

RUSSIA: ESTIMATES OF SUPPORT TO AGRICULTURE

Contact person: Olga Melyukhina

Email: Olga.Melyukhina@oecd.org

Tel : 33 (01) 45 24 95 61

Fax : 33 (0)1 44 30 61 01

DEFINITIONS AND SOURCES

Table 1. Agricultural Support Estimates / Total Transfers contains country Total Support Estimate (TSE) and derived indicators, which cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programmes applied in the country. For the Producer Support Estimate (PSE) and Consumer Support Estimate (CSE), each policy measure is classified according to implementation criteria, which include: the *transfer basis* of support (output, input, area/animal numbers/receipts/income, and non-commodity criteria); whether support is based on *current or non-current basis*; whether *production is required or not* to receive payment. Each policy measure is also assigned several “labels” indicating additional implementation criteria. “MPS commodities”, which vary across countries, are those for which the market price support is explicitly calculated in Tables 4.1 – 4.10.

Table 2. Breakdown of PSE by Commodity and Other Transfers provides a breakdown of the total PSE into four categories reflecting the flexibility given to farmers regarding which commodity to produce within the various policy measures. These categories are: Single Commodity Transfers (SCT); Group Commodity Transfers (GCT); All Commodity Transfers (ACT); and Other Transfers to Producers (OTP). All data sets in Table 2 come from Tables 1 and 3.1 – 3.11 where definitions are included.

Tables 3.1 – 3.11 Producer Single Commodity Transfers contain producer SCT by commodity, which are calculated for Russia for the following commodities: wheat, maize, other grains (barley, rye and oats), oilseeds (sunflower), sugar, milk, beef and veal, pigmeat, poultry meat, and eggs (Tables 3.1-3.10) provided that the value of production of that commodity exceeds 1% of the total value of production. In addition, SCT for “other commodities” is also calculated (Table 3.11), which covers transfers *to single commodities other than MPS commodities*. All data sets in the calculation of producer SCT by commodity come from Tables 1 and 4.1-4.11 where definitions are included.

Tables 4.1 – 4.10 contain **Market Price Support (MPS)** and **Consumer Single Commodity Transfers** (consumer SCT) by commodity, calculated for the same set of commodities as **Tables 3.1 to 3.10**. Definitions are provided only for basic data sets from which all the other data sets in this table are derived.

Definitions of the indicators, criteria for classification of policy transfers included in support estimation, and methods of calculation are contained in the PSE Manual (*OECD’s Producer Support*

Estimate and Related indicators of Agricultural Support: Concepts, Calculations, Interpretation and Use [<http://www.oecd.org/tad/support/psecse>].

TABLE 1: RUSSIA: Total Support Estimate

Definitions:

I. Total value of production (at farm gate): Total agricultural production valued at farm gate prices, i.e. value (at farm gate) of all agricultural commodities produced in the country [1].

I.1. Of which share of MPS commodities (%): Share of commodities for which MPS is explicitly calculated (in Tables 4.1-4-10) in the total value of agricultural production.

II. Total value of consumption (at farm gate): Consumption of all commodities domestically produced valued at farm gate prices, and estimated by increasing the value of consumption (at farm gate) of the MPS commodities according to their share in the total value of agricultural production [(II.1) / (I.1) x 100].

II.1. Of which MPS commodities: Sum of the value of consumption (at farm gate prices) of the MPS commodities as indicated in Tables 4.1-4.10.

III.1 Producer Support Estimate (PSE): Associated with total agricultural production, i.e. for all commodities domestically produced [Sum of A to G; when negative, the amounts represent an implicit or explicit tax on producers].

A. Support based on commodity output

A.1. Market Price Support: On quantities domestically produced (excluding for on-farm feed use -- *Excess Feed Cost*) of all agricultural commodities, estimated by increasing the MPS for the MPS commodities according to their share in the total value of agricultural production [(Σ MPS for MPS commodities listed in the rows below) / (I.1) x 100].

A.2. Payments based on output

Per tonne payments for marketed livestock products (since 1992) – provided for milk, beef and veal, pigs, poultry, eggs, sheep and lamb, pond fish, and miscellaneous livestock products.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCTs for milk, beef and veal, pigs, poultry, eggs products; payments for other livestock products are included in SCT for “other commodities”.

Co-financed from federal and regional budgets.

Per tonne payment for marketed wool (since 1992).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCT for “other commodities”.

Co-financed from federal and regional budgets.

Per tonne payment for marketed flax and hemp (since 1993).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCT for “other commodities”.

Co-financed from federal and regional budgets.

Non-specified per tonne payments for crop products provided from regional budgets (2005).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in SCTs for wheat, maize, other grains, oilseeds, sugar and other crops.
Financed from regional budgets.

Payments based on output discontinued or effective only during the period of planned economy

Per tonne subsidy for grain delivered to state stocks under the Federal Law On Grain (1993-1994).
Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in SCT for “other commodities”.
Financed from federal budget.

Per tonne subsidy for marketed potatoes (1996-2003).
Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in SCT for “other commodities”.
Financed from federal and regional budgets.

Per tonne subsidy for marketed soybeans (1995-2000).
Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in SCT for “other commodities”.
Financed from federal and regional budgets.

Premium for heavy-weight marketed livestock (1986-87).
Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in SCT for “other commodities”.
Financed from federal budget.

B. Payments based on input use

B.1. Based on variable input use

Energy and fuel subsidies

Diesel fuel subsidy (from 2006) – partial compensation of cost of diesel fuel.
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all crops.
Co-financed from federal and regional budgets.

Fertiliser and chemicals subsidies

Fertiliser and agricultural chemicals subsidy (since 1993) – partial compensation of cost of mineral fertilisers and agricultural chemicals; starting from 2005, this subsidy applies only to agricultural chemicals and is provided as part the federal programme “Enhancement of Soil Fertility and Rehabilitation of Agro-landscapes as Russia’s National Heritage”.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all crops.
Co-financed from federal and regional budgets.

Subsidy for purchase of herbicides and seed treatment chemicals (2005) – partial compensation of cost of herbicides and chemicals for seed treatment.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all crops.
Co-financed from federal and regional budgets.

Specific variable input subsidies for crop production

Elite seed subsidy (since 1993) – partial compensation of cost of purchased elite seeds, such as seeds of hybrid maize, fibre crops, permanent grass, potatoes, oilseeds, sugar beet, flax, vegetables and melons and other crops.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in GCT for all crops.

Co-financed from federal and regional budgets

Subsidy for sugar beet production (2005) – partial compensation of unspecified variable input costs to sugar beet producers.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCT for sugar beet.

Co-financed from federal and regional budgets

Subsidies for purchase of inputs for hops, cotton, leguminous crops and tobacco (2005).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCT for “other commodities”.

Co-financed from federal and regional budgets.

Subsidy for sowing works (2005) – partial compensation of unspecified input costs (e.g. fuel, fertiliser and seeds) for spring sowing in 2005.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in GCT for all crops.

Co-financed from federal and regional budgets.

Seed subsidy (1994-96 and 2001-07) – for 1994-96: partial compensation of cost of seeds for sowing; for 2002-07: subsidies for seeds to disadvantaged areas – partial compensation of costs of seeds for agricultural producers in the north and mountain areas.

Production limits: NO; Variable payment rates: NO; Input constraints: NO

Payments are included in GCT for other crops.

Co-financed from federal and regional budgets.

Specific variable input subsidies for livestock production

Reindeer breeding subsidy (since 2001) – partial compensation of variable input costs to deer breeding farms in the North regions.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCT for “other commodities”.

Co-financed from federal and regional budgets.

Apiculture, sericulture and fur animal breeding subsidies (2005) – partial compensation of variable input costs in apiculture, sericulture and fur animal breeding.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in SCT for “other commodities”.

Co-financed from federal and regional budgets.

Short-term credit subsidies

Interest rate subsidy: general programme (since 1992) – partial budgetary compensation of interest rates on short-term agricultural loans provided by banks to agricultural producers; the compensation is set at two thirds of the Central Bank of Russia refinancing rate (effective at the date of conclusion of the credit

contract); the borrower is to cover the difference between the bank lending rate and the government-subsidised part of the interest.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in ACT.

Co-financed from federal and regional budgets (until 2003, this subsidy was financed from the federal budget, and starting from 2004 – from regional budgets, which receive federal subventions for that purpose).

Interest rate subsidy: small producers (since 2006) – partial budgetary compensation of interest rates on short-term agricultural loans provided by banks to smallholder producers; the compensation is set at 95% of the Central Bank of Russia refinancing rate (effective at the date of conclusion of the credit contract); this subsidy is financed by the regional governments, which receive federal subventions for that purpose, but are obliged to top-up the federal part at no less than the remaining 5% the Central Bank of Russia refinancing rate from their own budgetary funds. The borrower is to cover the difference between the bank lending rate and the government-subsidised part of the interest.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in ACT.

Co-financed from federal and regional budgets.

Regional interest rate subsidies (2001-04) – implicit transfer arising from reduced interest rate on loans provided from regional budgets for sowing, including purchase of fuel, seeds and other inputs; transfer is calculated as the difference between the average market interest rate for short-term credit and the preferential rate (equal to two thirds of the Central Bank of Russia refinancing rate), multiplied by the estimated outstanding credit in a given year.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in GCT for all crops.

Estimated implicit transfer.

Debt restructuring

Implicit transfer to producers arising from restructuring of overdue debt on state directed agricultural loans issued in 1992-1994 (a restructuring scheme implemented over the period of 1992-2002) – implicit transfer is estimated as the sum of the: (i) reduction in interest rate payments on restructured debt, estimated as the difference between the average market interest rate on short-term credit and the preferential rate set according to the conditions of the restructuring, multiplied by the estimated outstanding debt in a given year; (ii) written off part of the main debt, written off penalties and overdue interest.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in ACT.

Estimated implicit transfer.

Insurance subsidies

Crop insurance subsidy (since 1993) – 50% compensation of insurance premium payments for producers who have crop insurance contracts with government-listed insurance companies.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in GCT for all crops.

Co-financed from federal and regional budgets.

Non-specified variable input subsidies

Non-specified variable input subsidies for the crop sector (since 2005).
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all crops.
Financed from regional budgets.

Non-specified variable input subsidies for the livestock sector (since 2005).
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all livestock.
Financed from regional budgets.

Other non-specified variable input subsidies for the livestock sector paid from regional budgets (2002 and 2005).
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all livestock.
Financed from regional budgets.

Non-specified variable input subsidies to all products (2002 and 2005).
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.
Financed from regional budgets.

Variable input subsidies discontinued or effective only during the period of planned economy

Energy subsidy for greenhouses (1992-2004) – partial compensation of cost of natural gas and stove fuel, and electricity used in greenhouses.
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for vegetables.
Co-financed from federal and regional budgets.

Electricity price subsidy (1986-2003) – implicit subsidy arising from regulation of electricity prices, whereby prices charged to agricultural producers were set below those charged to industrial users. The total amount of subsidy is calculated as the difference between the electricity prices per kilowatt/hour charged to industrial and to agricultural users and multiplied by the amount of kilowatt/hours of electricity consumed by agricultural producers in a given year. Starting from 2003, this subsidy is not calculated, as electricity prices for agricultural and industrial producers were aligned.
Production limits: NO; Variable payment rates: YES; Input constraints: NO.
Payments are included in ACT.
Implicitly calculated transfer.

Ad hoc fuel subsidy (1992-1993) – partial compensation of cost of fuel (gasoline and diesel fuel) and motor lubricants.
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.
Financed from federal budget.

Price difference for fertilisers (up to 1989) – budgetary transfers to fertiliser plants to compensate the difference between fertiliser prices charged to agricultural producers and “normative” manufacturer prices, the former being set below the manufacturer prices.
Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all crops.

Mixed feed subsidy (1994-2004) – partial compensation of cost of feeds purchased by large feedlots.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all livestock.
Co-financed from federal and regional budgets.

Ad hoc compensation for input price increase in 1991 (1992)

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.
Financed from federal budget.

B.2. Based on fixed capital formation

Payments for soil improvement (since 1996) – partial compensation of costs incurred in soil improvement works; from 2002 provided as part the federal programme “Enhancement of Soil Fertility and Rehabilitation of Agro-landscapes as Russia’s National Heritage”.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.
Co-financed from federal and regional budgets.

Payments for return of non-utilised agricultural land into cultivation (2005) – partial compensation of variable costs incurred in soils re-cultivation works.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.
Co-financed from federal and regional budgets.

Improvement of irrigated lands (from 2006) – partial compensation of costs incurred in reconstruction and renewal of irrigation systems, drainage systems, construction of soil-saving hydraulic structures.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in SCT for all crops.
Co-financed from federal and regional budgets.

Public capital grants for construction and re-construction of production structures on farms (agricultural organisations) (since 1986).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.
Co-financed from federal and regional budgets.

Interest rate subsidy: general programme (since 2005) – partial budgetary compensation of interest rates on medium and long-term agricultural loans provided by banks to agricultural producers; the compensation is set at two thirds of the Central Bank of Russia refinancing rate (effective at the date of conclusion of the credit contract); this subsidy is financed by regional governments, which receive federal subventions for that purpose, but are required to top-up the federal part from their own budgetary funds at no less than the remaining one third of the Central Bank of Russia refinancing rate. The borrower is to cover the difference between the bank lending rate and the government-subsidised part of the interest.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.
Payments are included in ACT.
Co-financed from federal and regional budgets.

Interest rate subsidy: small producers (since 2006) – partial budgetary compensation of interest rates on medium and long-term agricultural loans provided by banks to smallholder producers; it is set at 95% of the Central Bank of Russia refinancing rate (effective at the date of conclusion of the credit contract); this subsidy is financed by the regional governments, which receive federal subventions for that purpose, but

are required to top-up the federal part at no less than the remaining 5% the Central Bank of Russia refinancing rate from their own budgetary funds. The borrower is to cover the difference between the bank lending rate and the government-subsidised part of the interest.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in ACT.

Co-financed from federal and regional budgets.

Restructuring of overdue debt on federal taxes (since 1992) – implicit transfer to producers arising from restructuring of overdue debt on federal taxes and contributions to State Pension and Social Security Systems carried out in 1998, 2001, 2002 and 2004. The implicit transfer is estimated as the sum of the: (i) transfer arising from reduced interest rate on restructured debt, estimated as the difference between the average market interest rate on short-term credit and the preferential interest rate set according to the conditions of the restructuring, multiplied by the estimated outstanding restructured debt in a given year; (ii) written off part of the main debt, written off penalties and overdue interest.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in ACT.

Estimated implicit transfer.

Machinery and livestock leasing subsidy (since 1994) – transfer arising from reduced leasing rate for machinery under the “State Machinery Leasing Programme”, since 2006 the leasing subsidy is also provided for pedigree livestock. This transfer is estimated as the difference between the average market interest rate and leasing rates charged by the state *RosAgroLeasing* company, multiplied by the estimated value of outstanding leasing credit.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Payments are included in ACT.

Estimated implicit transfer.

Subsidy for purchase of new machinery, equipment and other components of progressive technologies (2005).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in ACT.

Co-financed from federal and regional budgets.

Public capital grants for construction and reconstruction of poultry and pig complexes (2003);

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in GCT for poultry and pigmeat.

Co-financed from federal and regional budgets.

Fixed input subsidies discontinued or effective only during the period of planned economy

Fundamental land improvement (up to 1997) - partial compensation of costs incurred in various works on land improvement.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in ACT.

Financed from federal budget.

Preferential investment loans for setting-up private family farms (1991-1995).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in ACT.

Co-financed from federal and regional budgets.

Ad hoc machinery and equipment subsidy (1992) – *ad hoc* price subsidy for purchase of new machinery and equipment to agricultural producers who deliver to state purchasing agencies in excess of the obligatory targets.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.

Price difference for agricultural machinery and equipment (up to 1989) - budgetary transfers to manufacturers of agricultural machinery and equipment to compensate for the difference between prices charged to agricultural producers and “normative” manufacturer prices, the former being set below the manufacturer prices.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in ACT.

B.3. Based on use of on-farm services

Feed and seed transportation subsidy (since 1993) – partial compensation of cost of transporting feed and seeds to farms located in areas affected by natural disasters.

Production limits: NO; Variable payment rates: YES; Input constraints: NO.
Payments are included in ACT.
Co-financed from federal and regional budgets.

Anti-epizootic services (since 1986) – full or partial compensation of anti-epizootic services on farms, such as examinations, vaccinations and other activities;

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payments are included in GCT for all livestock.
Co-financed from federal and regional budgets.

C. Payments based on current area planted/animal numbers/receipts/income – production required

Compensation for damage from natural disasters: (since 2004): full or partial compensation of crop losses of agricultural producers affected by natural calamities.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payment eligibility: Area
Payments are included in GCT for all crops.
Co-financed from federal and regional budgets.

Maintenance of permanent crop plantations (since 2003) – per hectare payment for maintenance of permanent crop plantations.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payment eligibility: Area
Payments are included in GCT for other crops.
Co-financed from federal and regional budgets.

Establishment of permanent crop plantations (2005) – per hectare payment for establishment of permanent crop plantations.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.
Payment eligibility: Area
Payments are included in GCT for other crops.
Co-financed from federal and regional budgets.

Pedigree subsidy (since 1993) – includes the following components: (i) partial compensation of cost of purchased breeder animals, breeder eggs and chicks; (ii) fixed subsidy per head of high-productive

pedigree animal kept on farms; (iii) fixed-rate compensation to breeder farms and artificial insemination stations per dose of semen sold.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payment eligibility: Animal head

Payments are included in GCT for all livestock.

Co-financed from federal and regional budgets.

Ad hoc, discontinued payments or payments effective only during the period of planned economy

Rural aviation subsidy (1993-1994) – compensation of cost of services of rural aviation per hectare of plantings treated.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payment eligibility: Area

Payments are included in GCT for all crops.

Financed from regional budgets.

Regional transportation subsidies to agricultural producers (2005).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in ACT.

Financed from regional budgets.

Regional subsidies for artificial insemination (2005).

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payment eligibility: Animal head

Payments are included in GCT for all livestock.

Financed from regional budgets.

Ad hoc payment to unprofitable farms to compensate for general increase in administered prices in 1991.

Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payment eligibility: Income

Payments are included in GCT for all crops.

Financed from regional budgets.

D. Payments based on non-current area planted/animal numbers/receipts/income – production required

E. Payments based on non-current area planted/animal numbers/ receipts/income – production not required

F. Payments based on non-commodity criteria

F.1. Long-term resource retirement

F.2. Specific non-commodity output

F.3. Other non-commodity criteria

G. Miscellaneous payments

Non-specified budgetary disbursement to agricultural producers (1986-2007).

Non-specified budgetary disbursement to agricultural producers from regional budgets (2000-04).

III.2 Percentage PSE [$100 \times (\text{III.1}) / ((\text{I}) + (\text{Sum of A2 to G}))$]

III.3 Producer NPC: For all agricultural commodities the producer NPC is estimated as a weighted average of the producer NPC calculated for the individual MPS commodities and shown in Table 4. For each commodity Producer NPC = [domestic price received by producers (at the farm gate) + unit payments based on output] / border price (also at the farm gate).

III.4 Producer NAC [$1 / (100 - (\text{III.2})) \times 100$]

IV. General Services Support Estimate (GSSE): total budgetary expenditure to support general services provided to agriculture [Sum of H to N].

H. Research and development

Public financing of agricultural research institutes and the Russian Agricultural Academy

I. Agricultural schools

Public financing of agricultural education and training institutions.

J. Inspection services

Public financing for the Federal Veterinary and Phytosanitary Inspection Service and affiliated network.

Formation of Federal Reserve of Veterinary Medicines.

Public financing for the Seed, Plant Protection and Land Inspection.

Formation of Federal Reserve of Crop Protection Chemicals.

Formation of Federal Seed Reserve.

Public financing for the Federal Grain Inspection (up to 2004); in 2005 the functions of the Grain Inspection were assumed by the Federal Veterinary and Phytosanitary Inspection Service.

K. Infrastructure

Public capital grants for agricultural and rural infrastructure (since 1986).

Public financing of environmental land conservation works in rural areas (since 2001).

Federal Programme "Improvement of Soil Fertility" (from 2001) – financing of general land amelioration works.

Federal Programme "Improvement of Soil Fertility" (from 2001) – non-specified investments.

Federal Programme "Improvement of Soil Fertility" (from 2001) – other non-specified expenditures.

Development and maintenance of the National Land Cadastre (since 1997).

Federal Program of Social Development of Rural Areas (from 2003) – development of rural electricity network.

Federal Program of Social Development of Rural Areas (from 2003) – development of rural water supply systems.

Federal Program of Social Development of Rural Areas (from 2003) - development of rural natural gas supply systems.

Federal Program of Social Development of Rural Areas (from 2003) - development of rural water supply systems.

Federal Program of Social Development of Rural Areas (from 2003) – development of telecommunication systems.

Federal Program of Social Development of Rural Areas (from 2003) – development of rural roads.

Public investments in construction of grain port terminals (2003).

Central rural water supply systems and hydro-control structure in Tikhovo (2002-04)

Land re-registration assistance (2005) – partial compensation of costs involved in official re-registration of real estate rights, including land rights, according to the Land Code adopted in 2003; assistance provided by regional administrations.

Payments discontinued or effective only during the period of planned economy

Expenditures related to land use and management (up to 1991).

Operational expenses of State Land Committee (1991-97).

Financing general works related to land improvement (up to 2000).

Repair and maintenance of common infrastructure (up to 2000).

Grants for setting up private family farms (from federal and local budgets) (1991-2000).

Subsidies to agricultural waste disposal plants.

L. Marketing and promotion

Support for development of supply and marketing cooperatives for family farmers; publications on agricultural co-operation; and miscellaneous expenditures related to family farming (1991-97).

Organisation of agricultural fairs, exhibitions, conferences and training (from 2005).

Improvement of agricultural marketing (2005).

Promotion of agricultural products, including creation of trade marks, registration and advertising (2005).

Development of information services (since 2005).

M. Public stockholding

Formation and maintenance of Grain Reserve Fund (since 2001) – regional emergency grain reserves.

Maintenance of state agro-food reserves (since 2005).

N. Miscellaneous

Transfer from the federal budget to Federal Company *RosAgroLeasing* for purchase of machinery and capitalisation (2006-07).

Transfer from the federal budget to *RosSelkhozBank* for capitalisation (2006-07).

Non-specified expenditures for financing agencies subordinated to the federal Ministry of Agriculture (from 1986).

Non-specified budgetary allocations for general services from federal and regional budgets (1997-2000).

Formation of Federal Reserve of Machinery Spare Parts and Other Agricultural Inputs (1998-2000).

V.1 Consumer Support Estimate (CSE): Associated with agricultural production, i.e. for the quantities of commodities domestically produced, excluding the quantities used on-farm as feed -- excess feed cost. [Sum of O to R; when negative, the amounts represent an implicit tax on consumers].

O. Transfers to producers from consumers: Associated with market price support on all domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production $[(O.1) / (I.1) \times 100]$.

O.1. Of which MPS commodities: Sum of the values of transfers from consumers to producers associated with market price support for the MPS commodities as calculated in Tables 4.1 to 4.10.

P. Other transfers from consumers: Transfers to the budget associated with market price support on the quantities imported of domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production $[(P.1) / (I.1) \times 100]$.

P.1. Of which MPS commodities: Sum of the transfers to the budget associated with market price support on the quantities imported of the MPS commodities as calculated in Tables 4.1 to 4.10.

Q. Transfers to consumers from taxpayers

Q.1. Commodity specific transfers to consumers: Sum of commodity specific transfers from taxpayers to consumers (farm gate level) from Tables 4.4, 4.5 and 4.6, including:

Price difference compensation to oilseed processors (1986-1991) – direct budgetary payments to oilseed processors to compensate for the difference between administered prices paid by processors to oilseed producers and lower administered prices received by processors for processed oil.

Price difference compensation to sugar beet processors (1986-1991) – direct budgetary payments to sugar processors to compensate for the difference between administered prices paid by sugar plants to sugar beet producers and lower administered prices received by processors for processed sugar.

Price difference compensation to milk processors (1986-1991) – direct budgetary payments to milk processors to compensate for the difference between administered prices paid by processors to milk producers and lower administered prices received by processors for processed dairy products.

Q.2. Non-commodity specific transfers to consumers: Sum of non-commodity specific transfers from taxpayers to consumers, including:

Price difference compensation to processors (1986-1991) – direct budgetary payments to processors to compensate for the difference between administered prices paid by processors to agricultural producers and lower administered prices received by processors; the compensation was provided for livestock commodities, grains, sugar beet, oilseeds and potatoes.

Price difference compensation to retailers (1986-1991) - direct budgetary payments to retailers to compensate for the difference between administered prices paid to food processors and lower administered prices set for retail consumers; the compensation was applied to principal foodstuffs.

Food price subsidies (1992-1994) – direct payments to processors and retailers to subsidise consumer food prices; in 1992 applied to meat, milk, bread and bakery products, in 1993-1994 – to milk, bread and bakery products.

R. Excess Feed Cost: Associated with market price support on quantities of domestically produced crops and used on-farm as feed as calculated (Sum of *Excess Feed Cost* in the MPS Tables 4.1, 4.2, 4.3.1, 4.3.2, 4.3.3).

V.2 Percentage CSE $[100 \times (V.1) / ((II) + (Q))]$

V.3 Consumer NPC: For all agricultural commodities the consumer NPC is estimated as a weighted average of the consumer NPC calculated for the individual MPS commodities and shown in Table 2. For each commodity consumer NPC = domestic price paid by consumers (at the farm gate)/ border price (also at the farm gate).

V.4 Consumer NAC $[(1 / (100 - (V.2)) \times 100]$

VI. Total Support Estimate $[(III.1) + (IV) + (Q)]$ and $[(S) + (T) - (U)]$

S. Transfers from consumers $[(O)+(P)]$

T. Transfers from taxpayers $[(III.1)-(O)+(IV)+(Q)]$

U. Budget revenues $[(P)]$

TABLE 2. RUSSIA: Breakdown of PSE by commodity specificity and other transfers

All data sets in Table 2 to come from Tables 1 and 3.1 to 3.11 where definitions are included.

Definitions:

I. Producer Single Commodity Transfers (producer SCT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm level, arising from policy measures directly linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the payment. This includes policies where payments are specified on a per-commodity basis [Sum of SCTs for individual commodities from Tables 3.1-3.11].

Percentage producer SCT: is the commodity SCT expressed as a share of gross farm receipts for the specific commodities (including support in the denominator). This indicator can be expressed for the total SCT (Table 2), or for a specific commodity (Table 3.1 to 3.11).

$$\%SCT = 100 * SCT / (\text{Value of production}_{COM} + A.2_{COM} + B_{COM} + C_{COM} + D_{COM})$$

$$\text{Share in Total PSE (\%): } SCT_{SHARE} = 100 * SCT / PSE$$

II. Group commodity transfers (GCT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures whose payments are made on the basis that one or more of a designated list of commodities is produced. That is, a producer may produce from a set of allowable commodities and receive a transfer that does not vary with respect to this decision [GCT = B_{GROUP} + C_{GROUP} + D_{GROUP}].

$$\text{Share in Total PSE (\%): } GCT_{SHARE} = 100 * GCT / PSE$$

Transfers to specific groups of commodities: the GCT indicator is calculated for Russia for the following groups of commodities: all crops, other crops, all livestock, poultry and pigmeat, and vegetables.

III. All commodity transfers (ACT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice [ACT = C_{ALL} + B_{ALL} + D_{ALL}].

$$\text{Share in Total PSE (\%): } ACT_{SHARE} = 100 * ACT / PSE$$

IV. Other Transfers to Producers (OTP): the annual monetary value of gross transfers made under policies that do not fall in the above three cases (SCT, GCT, ACT). That is, payments that do not require any commodity production at all. [OTP = E + F + G]

$$\text{Share in Total PSE (\%): } OTP_{SHARE} = 100 * OTP / PSE$$

$$\text{V. Total PSE: } PSE = A + B + C + D + E + F + G = SCT + GCT + ACT + OTP$$

$$\text{Percentage PSE: } \%PSE = 100 * PSE / (\text{Total Value of Production at farm gate} + A.2. + B + C + D + E + F + G)$$

TABLE 3. RUSSIA : Producer Single Commodity Transfers (by commodity)

Tables 3.1 to 3.11, provide information on Producer Single Commodity Transfers (PSCT) for the following commodities: wheat, maize, other grains, sunflower, sugar beet, milk, beef, pigmeat, poultry, eggs and “other commodities”. All data sets in the calculation SCT by commodity come from Tables 1 and 4.1 – 4.10 where definitions are included.

Definitions:

I. Level of production: Data from respective commodity Tables 4.1 – 4.10 (Market Price Support tables)

II. Value of production (at farm gate): Data for respective commodity Tables 4.1 – 4.10 (Market Price Support tables)

III. Producer Single Commodity Transfers: Sum of transfers to respective single commodity in categories A, B, C and D.

A. Support based on commodity output

A1. Market Price Support [Data for respective commodity from Table 4]

A2. Payments based on output

Payments based on output (A.2) provided to respective single commodity [Data from Table 1]

B. Payments based on input use, single commodity [B.1_{COM} + B.2_{COM} + B.3_{COM}]

B1. Based on variable input use

Payments based on variable input use (B.1_{COM}) provided to respective single commodity [Data from Table 1].

B2. Based on Fixed capital formation

Payments based on fixed capital formation (B.2_{COM}) provided to respective single commodity [Data from Table 1].

B3. Based on on-farm services

Payments based on on-farm services (B.3_{COM}) provided to respective single commodity [Data from Table 1].

C. Payments based on current A/An/R/I, production required, single commodity

Payments based on current A/An/R/I (C_{COM}) provided to respective single commodity [Data from Table 1].

D. Payments based on non-current A/An/R/I, production required, single commodity

Payments based on non-current A/An/R/I, production required (D_{COM}) provided to respective single commodity [Data from Table 1].

IV. Percentage producer SCT : %SCT = 100*(III) / ((II) + (A.2) + (B_{COM}) + (C_{COM}) + (D_{COM}))

TABLE 4. RUSSIA : Market Price Support and Consumer Single Commodity Transfers

Tables 4.1 to 4.11, contain calculation of the Market Price Support (MPS) and Consumer Single Commodity Transfers (consumer SCT) for the following commodities: wheat, maize, other grains, sunflower, sugar beet, milk, beef, pigmeat, poultry, eggs and “other commodities”. The data sets used in calculation of the MPS and consumer SCT by commodity are described below.

Definitions:

I. Level of production

Wheat, maize, other grains (rye, barley, oats) and oilseeds: Total domestic production [1].

Sugar: Total usable production of white sugar obtained from domestically produced sugar beet; calculated by multiplying the volume of sugar beet domestically produced by the sugar extraction rate from sugar beet [1].

Milk: Total production of milk from dairy cows, goats, sheep and horse [1].

Beef and veal: Gross indigenous production, expressed in carcass weight (excluding sub-products of I and II category) by multiplying the quantity produced in live weight by a ratio corresponding to specific year and varying between 0.50 and 0.45 in 1986-2007 [1].

Pigmeat: Gross indigenous production, expressed in carcass weight (excluding sub-products of I and II category) by multiplying the quantity produced in live weight by a ratio corresponding to specific year and varying between 0.83 and 0.69 in 1986-2007 [1].

Poultry meat: Gross indigenous production, expressed in carcass weight (excluding sub-products of I and II category) by multiplying the quantity produced in live weight by a ratio corresponding to specific year and varying between 0.75 and 0.67 in 1986-2007 [1].

Eggs: Total usable production of eggs in shell reported in million pieces expressed in units of weight, assuming a weight of one egg equal to 56 g [1].

II. Producer prices (at farm gate)

Wheat, maize, other grains (rye, barley, oats) and oilseeds (sunflower): Annual average of farm gate prices received by producers of all types (agricultural enterprises, family farms and household producers), and through all marketing channels, all qualities [1].

Sugar: Annual average of sugar beet prices at farm gate received by producers of all types (agricultural enterprises, family farms and household producers) through all marketing channels, converted into white sugar equivalent by dividing sugar beet price by the sugar extraction ratio from sugar beet [1].

Milk: Annual average of farm gate prices of cow milk received by producers of all types (agricultural enterprises, family farms and household producers) through all marketing channels [1].

Beef and Veal: annual average of farm gate prices of live animals received by producers of all types (agricultural organisations, family type farms and households) through all marketing channels, expressed in carcass weight equivalent [1].

Pigmeat: annual average of farm gate prices of live pigs received by producers of all types (agricultural organisations, family type farms and households) through all marketing channels, expressed in carcass weight equivalent [1].

Poultry: annual average of farm gate prices of live chickens received by producers of all types (agricultural organisations, family type farms and households) through all marketing channels, expressed in carcass weight equivalent [1].

Eggs: annual average of farm gate prices of fresh eggs for consumption received by producers of all types (agricultural organisations, family type farms and households) through all marketing channels; prices reported per one thousand pieces are converted into per tonne equivalent assuming a weight of one egg equal to 56 g [1].

III. Value of production (at farm gate) [(I)*(II)]

IV. Level of consumption (at farm gate)

Wheat, maize, other grains (rye, barley, oats) and oilseeds (sunflower): Total domestic use (total production, plus net trade, plus change in stocks) [3].

White sugar: Total domestic use expressed in white sugar equivalent (total production, plus net trade, plus change in stocks) [1].

Milk: Total domestic use (total production, plus net trade, plus change in stocks) of cow milk, milk equivalent excluding milk used on farm as feed [1].

Beef and veal, pigmeat and poultry: Total domestic use (total production, plus net trade, plus change in stocks), expressed in carcass weight [2].

Eggs: Total domestic use (total production, plus net trade, plus change in stocks) [1].

V. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

VI. Value of consumption (at farm gate) [(IV)*(V)]

VII. Reference prices

Wheat: for 1986-2000 – EU export price of standard quality wheat (FCW 2) to specified zones, f.o.b. Rouen, calendar year [4], plus international freight [6], net of domestic handling and transportation costs [10, 11]; for 2001-07 – average f.o.b. unit value of Russian exports of wheat (NCM 100190) to all destinations [7, 8], minus Russian domestic handling and transportation costs [10, 11].

Maize: for 1986-2004 – EU import price of USA Yellow Corn No. 3, c.i.f. Rotterdam, calendar year, extrapolated using the US Gulf No. 3 Yellow f.o.b. since 2002 [4], plus international freight [6], minus Russian domestic handling and transportation costs [10, 11]; for 2005-07 – average c.i.f. unit value of Russian imports of maize (NCM 100590) from all destinations [7, 8], plus average cost of handling and transportation to Russian wholesale markets [10, 11].

Rye: for 1986-1999 and 2007 – average unit value of German rye exports outside the European Union [5], plus international freight [6], net of domestic handling and transportation costs [10, 11]; for 2000-06 –

f.o.b. export unit values of German milling rye [5], plus international transport cost [6], plus average cost of handling and transportation to Russian wholesale markets [10, 11].

Barley: for 1986-1999 – EU export price, f.o.b. French (Rouen), calendar year [4], plus international freight [6], minus domestic handling and transportation costs [10, 11]; for 2000-07 – average unit value of Russian exports of barley (NCM 100300) to all destinations [7, 8], minus Russian domestic handling and transportation costs [10, 11].

Oats: for 1986-2004 – EU import price, c.i.f. Rotterdam and f.o.b. Sweden price from 1995 onwards, calendar year [4], plus international freight [6], net of Russian domestic handling and transportation costs [10, 11]; for 2005-07 – average f.o.b. unit value of Russian exports of oats (NCM 100400) to all destinations [7, 8], minus Russian domestic handling and transportation costs [10, 11].

Oilseeds (sunflower): average f.o.b. unit value of Russian exports of sunflower seeds (NCM 120600) [7, 8], minus Russian domestic handling and transportation costs [10, 11].

Sugar beet/ white sugar: for 1986-1995 – prices of white sugar, Paris, contract No. 2, European ports in bags of 50 kg, calendar year; net of Russian domestic processing, handling and transportation costs [9, 10, 11]; for 1996-2007 average unit value of Russian imports of refined sugar (NCM 170199) from all destinations [7, 8], minus Russian domestic processing, handling and transportation costs [9, 10, 11].

Milk (reference price): for 1986-2000 – New Zealand farm gate price of milk (NZP), calendar year, actual fat content (a %), adjusted for Russian fat content (b%), $NZP * (b\% / a\%)$. The reference price is New Zealand farm gate price adjusted for Russian fat content plus transport cost for butter and skimmed-milk powder in milk equivalent (56 kg and 82 kg per tonne of milk, respectively) from New Zealand to Europe [4]; for 2001-07 – border prices of butter and SMP converted into a milk equivalent border price, using technical coefficients minus processing margin, calendar year. The border price of butter is the average c.i.f. unit value of Russian imports of butter (NCM 040500) [7], the border price of SMP is the average c.i.f. unit value of Russian imports of skimmed milk powder (NCM 040210) [7].

Beef and Veal: for 1986-1999 – average unit value of EU exports in extra-EU trade of meat of bovine animal, fresh and chilled (code 0111, SITC, Rev. 3), in carcass weight equivalent, calendar year [4], net of domestic processing, handling and transportation costs [9, 10, 11]; for 2000-07 – weighted average of c.i.f. unit value of Russian imports of (i) bovine carcasses fresh and chilled (NCM 020110) and (ii) bovine carcasses and half carcasses, frozen (NCM 020210) [7, 8], with weights being the shares of the two types of meat in total domestic meat processing [1], plus average cost of handling and transportation to Russian wholesale markets, minus Russian domestic processing costs [9, 10, 11].

Pigmeat: for 1986-1999 – average unit value of EU exports in extra-EU trade of meat of swine, fresh, chilled or frozen (Code 0122, SITC Rev3), less exports to Japan, in carcass weight equivalent, calendar year [4], net of Russian domestic processing, handling and transportation costs [9, 10, 11]; for 2000-07 – weighted average of unit value of Russian imports of (i) swine carcasses and half carcasses, fresh or chilled (NCM 020311) and (ii) swine carcasses and half carcasses, frozen (NCM 020321) [7, 8], with weights being the shares of the two types of meat in total domestic meat processing [1], plus average cost of handling and transportation to Russian wholesale markets, minus Russian domestic processing costs [9, 10, 11].

Poultrymeat: for 1986-1999 – average unit value of EU exports in extra-EU trade of 65% and 70% chickens, fresh, chilled or frozen since 1989 (weighted average of CN 02071190 and CN 02071290 of external trade statistics), before 1989 – frozen (NIMEXE Code 020203), in carcass weight equivalent, calendar year [4], calendar year, net of handling and transportation costs [9, 10, 11]; for 2000-07 –

weighted average of unit value of Russian imports of (i) Poultry, domestic, whole, fresh or chilled (NCM 020710) and (ii) Fowls, domestic, whole, frozen (NCM 020721) [7, 8], with weights being the shares of the two types of meat in total domestic meat processing [1], minus Russian handling and transportation costs [9, 10, 11].

Eggs: for 1986-2007 – average unit value of EU exports in extra-EU trade of poultry eggs in shell, fresh or preserved, other than eggs for hatching (NIMEXE Code 040514 and since 1988 CN 04070030 of external trade statistics), calendar year [4], minus Russian handling and transportation costs [9, 10, 11].

Sources:

[1] Federal Service for State Statistics of the Russian Federation (FSSS).

[2] FAOSTAT.

[3] USDA Economics and Statistics System: The Foreign Agricultural Service's Production, Supply and Distribution (PS&D).

[4] OECD PSE/CSE database for the European Union, 2006.

[5] EUROSTAT COMEXT database.

[6] International Grains Council (IGC).

[7] UN COMTRADE database.

[8] Statistics of the Customs Committee of the Russian Federation.

[9] *Prices in Russia*, FSSS, Moscow, various editions.

[10] *Annual Reports on railway transportation costs*, Russian Research Institute for Railway Transport.

[11] Russian railway tariffs database (www.rtarif.ru).