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Dairy and Products Annual Report

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Report Highlights:

FAS Moscow forecasts 2014 dairy cow inventories to decrease slightly by 0.6 percent to 8.45 million head due to increased slaughtering of less productive animals and late distribution of government subsidies to dairy producers. The reduction in cow inventories is expected to be compensated by higher per cow milk productivity due to better feed supply in 2014 compared to the previous year. As a result, fluid milk production is expected to remain relatively flat in 2014. Cheese production in 2014 is forecast to grow 1.2 percent due to better utilization of fluid milk while butter production is forecast to decrease 2.4 percent due to a shortage of raw materials. Non-fat dry milk (NFDM) and whole milk powder (WMP) production in 2014 are also forecast to remain flat following a similar trend as in 2013. Imports of all dairy products are expected to grow in 2014 to support domestic consumption needs. Domestic milk production is off slightly in 2013 due to tight feed supplies which resulted in smaller feed rations for productive animals.

General Information:
Production

Continuing genetic improvements in the Russian dairy herd, particularly large purchases of imported high quality heifers, has improved per cow milk productivity at new and modernized dairy establishments over the last several years. However, equipment and agricultural machinery at most Russian dairy farms are outdated, which has led to disruptions in production technologies, slow growth in milk volume, and inconsistent quality. Some large Russian dairy producers still use "old style" production methods, feeding and management technologies and thus, are lagging in the desired volumes and quality levels demanded by Russian consumers. In addition, after Russia joined the World Trade Organization (WTO), subsidies for fuel and fertilizers were canceled. (For more information, please see GAIN report RS1313 at:
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/GOR%20Resolutions%20on%20Distribution%20of%20Agricultural%20Subsidies_Moscow_Russian%20Federation_1-25-2013.pdf

In 2012, a drought in many Russian regions led to lower quality fodder and a 25 percent decline in grain production, which caused high forage prices that lingered on into the first half of 2013. All these factors have made milk production at some agricultural enterprises unprofitable. In addition, large dairy producers can receive subsidies to cover interest rates for previous soft loans. However, subsidy payments are arriving late from the federal budget and, in many cases, in smaller amounts than original loan commitments. Yet, farmers must continue to make regular payments to the banks or face stiff penalties. As a result, it is being reported that many producers now in danger of declaring bankruptcy.

Cow Inventories

FAS Moscow forecasts 2014 dairy cow inventories to decrease slightly by 0.6 percent to 8.45 million head due to increased slaughtering of less productive animals and late distribution of government subsidies to dairy producers. In addition, federal subsidies for the dairy industry decreased following WTO accession, which has negatively affected old and outdated dairy establishments the most. Post expects dairy cow inventories to decrease 1.2 percent in 2013 compared to last year.

Cattle Imports

In an effort to improve the quality of Russia's dairy herd and, thus, to increase fluid milk production, Russia subsidizes the imports of breeding cattle. Total live cattle imports from January-August 2013 totaled 53,433, of which slightly more than half were dairy cattle. This number is significantly lower than during the same period in 2012 (80,227 head) resulting from major delays in subsidy transfer to the Russian buyers. Russia was the second largest market for the U.S. breeding cattle exports (30 percent of total U.S. live cattle exports) after Canada during the first 8 months of 2013. According to USDA export data, the U.S. share in total Russian live cattle imports is about 55 percent from January - August of 2013 (59 percent during the same period in 2012). The Russian government plans to continue to subsidize purchases of imported cattle and it has announced plans to eliminate the 10 percent value added tax (VAT) which apply to cattle.

Fluid Milk Production

Post expects the reduction of cow inventories in 2014 will be offset by higher per cow milk productivity due to better feed supply compared to 2013, which will keep fluid milk production relatively flat. Fluid milk production in 2013 is forecast to decrease 0.6 percent compared to Post's last forecast and by 1.6 percent compared to 2012 due to a reduction of cow inventories and lower per cow milk productivity.

January-July 2013 Fluid Milk Production

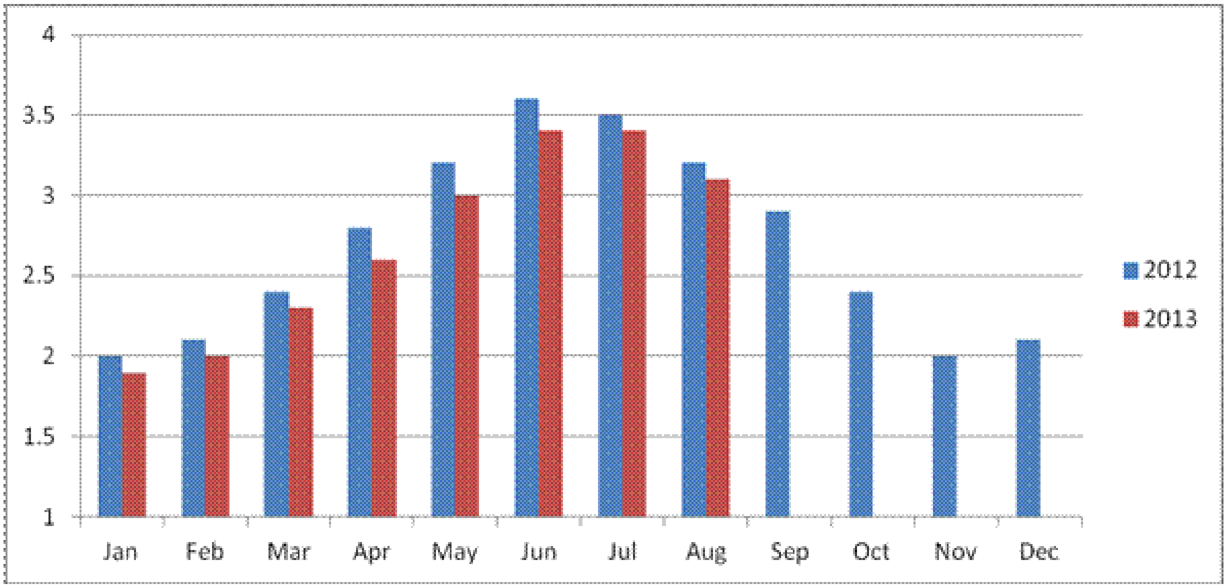
According to the Federal Statistic Service (Rosstat), as of July 31, 2013, dairy cow inventories in Russia decreased 1.7 percent to 9 million head compared to the same period in 2012. The share of dairy cattle in private households decreased due to depopulation in the Russian rural areas. Private household farms raised 46.4 percent of the domestic Russian dairy cattle herd during the first 7 months of 2013 (2012 - 46.9 percent). All registered dairy farms in Russia produced 18.6 million metric tons (MMT) of fluid milk from January - July 2013, down 3.4 percent compared to the same period in 2012. Per cow milk production at agricultural enterprises decreased slightly to 3,003 KG in January –July 2013 from 3,039 kilograms (KG) during the same period in 2012. This has led to a 5.5 percent drop in fluid milk production at agricultural enterprises for the first 7 months in 2013 compared to a 2.2 percent increase during the same period in 2012. The volume of marketed fluid milk decreased 5.8 percent compared to the same period of 2012 due to higher farm gate milk prices which has further complicated the problem of fluid milk supply for Russia's processing industry.

Table 1. Russia: Fluid Milk Production Jan-Jun, Production of Dairy products, 2012-2013, in MT

Production Indicators	2010	2011	2012	January-June		
				2012	2013	Change, percent
All producers	31,847	31,646	31,831	15,915	15,251	-4.2
Marketed milk	18.1	19.2	19.6	8.4	7.9	-5.9
Agricultural enterprises in 1,000 MT	14,313	14,395	14,752	9,032	8,520	-5.7
Marketed milk	13,175	13,266	13,623	N/D	N/D	N/D
Private households	16,050	15,725	15,359	7,421	7,150	-3.6
Private farms	1,484	1,525	1,719	810	859	6.1

Source: Rosstat

Chart 1. Russia: Per Month Milk Production, All Producers, in MMT



Source: Rosstat, Social and Economic Situation in Russia

Table 2. Russia: Fluid Milk Production, Supply and Distribution, 1,000 MT

Dairy, Milk, Fluid Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Cows In Milk	8,600	8,600	8,515	8,500		8,450
Cows Milk Production	31,917	31,917	31,600	31,400		31,400
Total Production	31,917	31,917	31,600	31,400		31,400
Other Imports	320	320	330	330		335
Total Imports	320	320	330	330		335
Total Supply	32,237	32,237	31,930	31,730		31,735
Other Exports	5	5	5	5		5
Total Exports	5	5	5	5		5
Fluid Use Dom. Consum.	11,040	11,040	10,815	10,615		10,640
Factory Use Consum.	18,795	18,795	18,660	18,660		18,690
Feed Use Dom. Consum.	2,397	2,397	2,450	2,450		2,400
Total Dom. Consumption	32,232	32,232	31,925	31,725		31,730
Total Distribution	32,237	32,237	31,930	31,730		31,735

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonline/psdHome.aspx

Production of Dairy Products

Lower prices for compound feed and slightly higher stocks of coarse feed will stabilize fluid milk production in 2014. A reduction in dairy cow inventories and a drop in fluid milk production from January - July 2013 has resulted in a drop in domestic dairy products production at the same time. In conjunction with an overall drop in fluid milk production, such fluctuations add volatility to the domestic dairy industry. Dairies must process large volumes of milk into milk powder in the summer for its utilization during the winter season. According to the "Technical Regulations of the Customs Union "On the Safety of Milk and Dairy Products", approved by Eurasian Economic Commission by its Resolution #67 on October 9, 2013, milk processors have to label fluid milk received from concentrated, condensed milk or milk powder as "reconstituted milk", rather than "milk drinks" as had been allowed in the last Technical Regulation, "On Milk and Dairy Products". Prior to the recent resolution, fluid milk consumers preferred not to purchase "milk drinks". The new term "reconstituted milk" is expected to increase demand for fluid milk in retail and should increase demand for milk powder from dairies. The new resolution was pushed by the Russian government to provide more support to dry milk production factories and, thus, increase available volumes of raw materials for processors.

Cheese Production

FAS Moscow forecasts 2014 cheese production to grow 1.2 percent due to better utilization of fluid milk. Cheese production in 2013 is down 7.7 percent compared to the last forecast due to lower availability of fluid milk for processing compared to 2012. Production of cheese and cheese products has fallen by almost 10 percent during the first six months of 2013 compared to the same period in 2012. However, production of a few cheeses did increase during that same time period: soft cheese -- from 10,500 MT to 10,800 MT, and brined cheeses from 9,600 MT to 10,300 MT. Cheese producers frequently complain that most fluid milk is earmarked for pasteurization. Due to frequent fluid milk shortages in Russia, cheese producers have raised concerns that there is limited fluid milk available for cheese production.

Table 3. Russia: Cheese Production Supply and Distribution, 1,000 MT

Dairy, Cheese Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	12	12	12	12		8
Production	446	446	455	420		425

Other Imports	356	356	360	370		380
Total Imports	356	356	360	370		380
Total Supply	814	814	827	802		813
Other Exports	10	10	10	10		10
Total Exports	10	10	10	10		10
Human Dom. Consumption	792	792	805	784		793
Total Dom. Consumption	792	792	805	784		793
Total Use	802	802	815	794		803
Ending Stocks	12	12	12	8		10
Total Distribution	814	814	827	802		813

NOTE: Official USDA data is available at *http://www.fas.usda.gov/psdonline/psdHome.aspx*

Butter Production

FAS Moscow forecasts 2014 butter production to decrease 2.4 percent due predominantly to a lack of raw materials. The butter production forecast for 2013 fell 2.4 percent compared to the last forecast due to lower than expected availability of fluid milk for processing. Production is also limited by lower consumer demand for butter due to the emergence of a large number of substitute spreads containing vegetable oils, which are gaining market share, and due to vegetable oil “margarines” being labeled and sold as cream butter.

Table 4. Russia: Butter Production Supply and Distribution, 1,000 MT (butter-equivalent)

Dairy, Butter Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	12	12	10	10		10
Production	216	216	210	205		200
Other Imports	117	117	130	135		140
Total Imports	117	117	130	135		140
Total Supply	345	345	350	350		350
Other Exports	2	2	2	2		2
Total Exports	2	2	2	2		2
Domestic Consumption	333	333	338	338		338
Total Use	335	335	340	340		340
Ending Stocks	10	10	10	10		10
Total Distribution	345	345	350	350		350

NOTE: Official USDA data is available at *http://www.fas.usda.gov/psdonline/psdHome.aspx*

Non-Fat Dry Milk (NFDM)

FAS Moscow forecasts 2014 NFDM production to remain flat at 50,000 MT compared to 2013 as a result of flat fluid milk production. Due to growing demand for dairy raw materials from the processing industry, NFDM imports are forecast to grow 9.9 percent in 2014 compared to 2013. NFDM production forecast for 2013 was decreased by 9.1 percent compared to the last forecast due to an unexpected drop in fluid milk availability for processing that was caused by flat dairy cattle inventories.

Table 5. Russia: Non-Fat Dry Milk (NFDM) Production Supply and Distribution, 1,000 MT

Dairy, Milk, Nonfat Dry Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Production	57	57	55	50		50
Other Imports	96	96	100	110		120
Total Imports	96	96	100	110		120
Total Supply	153	153	155	160		170
Human Dom. Consumption	153	153	155	160		170
Total Dom. Consumption	153	153	155	160		170
Total Use	153	153	155	160		170
Total Distribution	153	153	155	160		170

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonline/psdHome.aspx

Whole Milk Powder (WMP)

FAS Moscow forecasts 2014 WMP production to remain flat at 60,000 MT compared to 2013. WMP production forecast for 2013 declined 7.3 percent compared to the last forecast due to drop in fluid milk availability for processing. High feed prices from a lower than expected grain harvest led to lower per cow milk production.

Table 6. Russia: Whole Milk Powder (WMP) Production Supply and Distribution, 1,000 MT

Dairy, Dry Whole Milk Powder Russia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Production	67	67	65	60		60
Other Imports	28	28	30	45		50
Total Imports	28	28	30	45		50
Total Supply	95	95	95	105		110
Other Exports	2	2	2	2		2
Total Exports	2	2	2	2		2
Human Dom. Consumption	93	93	93	103		108
Total Dom. Consumption	93	93	93	103		108

Total Use	95	95	95	105		110
Total Distribution	95	95	95	105		110

NOTE: Official USDA data is available at http://www.fas.usda.gov/psdonline/psdHome.aspx

Trade

In 2013, Russia restricted imports of milk and dairy products from some German, Lithuanian, Spanish and New Zealand exporters because of perceived violations of Russian veterinary and sanitary requirements detected during routine monitoring. To date, these restrictions remain in place. According to media reports, the Russian Veterinary and Phytosanitary Surveillance Service (VPSS) plans to visit New Zealand in February 2014 to audit the Fonterra Company after which a decision will be taken about lifting a ban on New Zealand exports. From time to time, Belarusian and Ukrainian dairy exporters have been restricted from exporting their products to Russia due to reported violations of Russian veterinary and sanitary regulations.

Fluid Milk and Cream Imports

Fluid milk and cream imports in 2014 are forecast to increase 1.5 percent to 335,000 MT in 2014. Russia imported 2.3 percent more fluid milk from January-July 2013 compared to the same period last year. Belarusian exports to Russia were relatively flat during this period and accounted for 165,359 MT, 88.8 percent of the total Russian imported fluid milk and cream. Other major exporters were Finland (5.1 percent) and Estonia (2.3 percent) by volume.

Cheese

Cheese imports are forecast to grow 1.2 percent in 2014. In combination with production growth, this will increase overall supply and consumption by 1.2 percent in 2014 compared to the current year. Due to lower than expected domestic cheese production in 2013, Post increased the import forecast 2.8 percent compared to the previous forecast.

During the first 7 months of 2013, Russia increased cheese imports 8.6 percent (totaling 204,283 MT) compared to the same period in 2012. Major cheese exporters to Russia include Belarus (27.7 percent of total), Ukraine (14.2 percent), and the Netherlands (11.8 percent). German cheese exports dropped 39 percent from January-July 2013 due to trade restrictions put in place by Russian government authorities which helped boost Dutch cheese exports by 50 percent.

Butter

Due to lower domestic production, butter imports are forecast to grow 3.7 percent in 2014 compared to 2013. The butter import forecast was increased 3.8 percent for 2013 compared to the previous year which should compensate for lower overall domestic production in 2013. During the first half of 2013, Russia imported 79,233 MT of butter, up 32.4 percent compared to the same period in 2012. Belarusian butter exports dropped 8.8 percent, while the other countries increased their exports 76 percent. Belarus was still the largest exporter of butter to Russia during the first half of 2013 (35.5 percent of total Russian imports) followed by New Zealand (24.4 percent), the EU (18.2 percent) and Uruguay (6.2 percent).

The Federal Service on Customers' Rights Protection and Human Well-Being Surveillance

(Rospotrebnadzor) strengthened control over Belarusian dairy imports after it announced the detected of "numerous violations of sanitary and epidemiology requirements" by Belarusian dairy exporters (detection of oxytetracycline, mesophilic microorganisms, bacteria and coliforms). The Russian Ministry of Agriculture called for additional measures to be established in order to ensure the safety of dairy products imported from Belarus.

Non-Fat Dry Milk (NFDM)
Due to growing domestic demand, NFDM imports are forecast to grow 9.1 percent in 2014 compared to 2013. The import forecast for 2013 was increased by 10 percent compared to the last forecast based on new import statistics and growing demand by the domestic dairy industry for raw materials due to a deficit in domestic fluid milk.

Whole Milk Powder (WMP)
Due to growing demands for dairy raw materials, WMP imports are forecast to grow 11.1 percent in 2014 compared to 2013 to satisfy the needs of the growing dairy processing industry. The import forecast for 2013 was increased 50 percent compared to the last forecast to satisfy rising demand by the Russian processing industry in response to lower domestic fluid milk production. Russia imported 24,945 MT of WMP from January-July 2013, up 7 percent compared to the same period in 2012. Major exporters include Belarus (96.1 percent) and EU (2.6 percent).

Tariff Rate Quota for Whey
The Council of Eurasian Economic Commission established by Decision #242 of October 29, 2013, a 15,000 MT tariff rate quota for imports of certain types of whey and modified whey, in powder, granules or other solid forms, without added sugar or other sweetening matter, the HS 0404 10 120 1 and 0404 10 160 1).

Consumption

According to the Russian company "PIR Group" --a major player in the HRI sector-- the average Russian consumes around 140 USD worth of dairy products per year. In volumes, this amounts to 69 KG of whole milk products, 2.5 KG of cream butter and 5.9 KG of cheese. There are several market trends taking place with dairy consumption such as demand driven by increasing per capita income, adoption of healthier lifestyles, interest in natural foods, and promotion of functional and new/innovative dairy products. Baby food consumption is growing in part due to a slightly more positive demographic situation in Russia. Baby food products (along with new marketing campaigns) in Russia are diversifying at a fast pace giving parents more choices. Consumption of "kefir" (traditional Russian drink made from fermented milk and kefir grains) is starting to grow due to a growing healthy lifestyles trend in Russia.

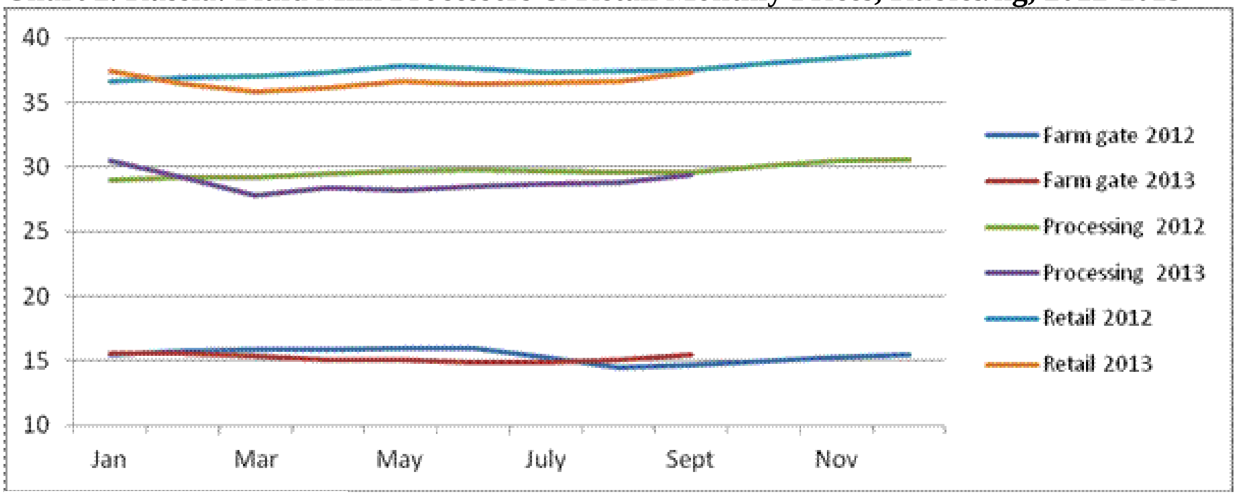
A survey by the PIR Food Company indicated the Russian customers consider the following factors when buying the dairy products:

- good for health -- 43 percent
- taste qualities -- 37 percent
- habit --13 percent
- price -- 8 percent
- convenience -- 4 percent

Prices for Fluid Milk

According to Rosstat, average Russian prices for milk and dairy products in August 2013 increased 8.2 percent on a year-on-year basis. Farm gate prices for fluid milk increased from 14.7 rubles/liter in the beginning of September 2012 to 15.44 rubles/liter in the beginning of September 2013. Market analysts expect further price growth for fluid milk due to competition among milk processors in the near future.

Chart 2. Russia: Fluid Milk Processers & Retail Monthly Prices, Rubles/kg, 2012-2013

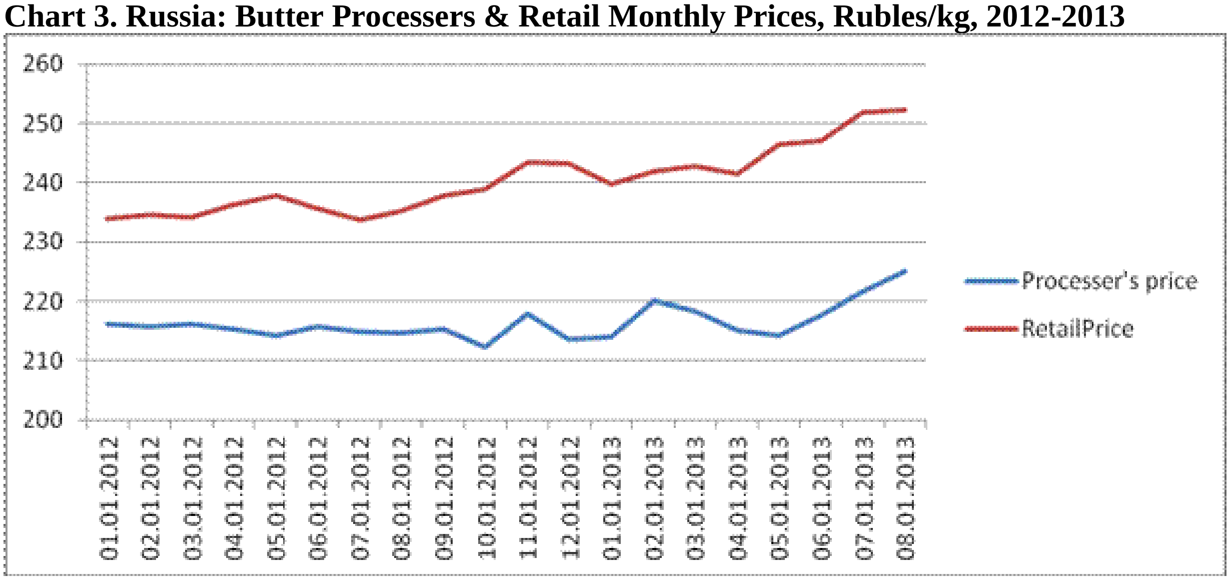


Source: Ministry of Agriculture

Prices for Dairy Products

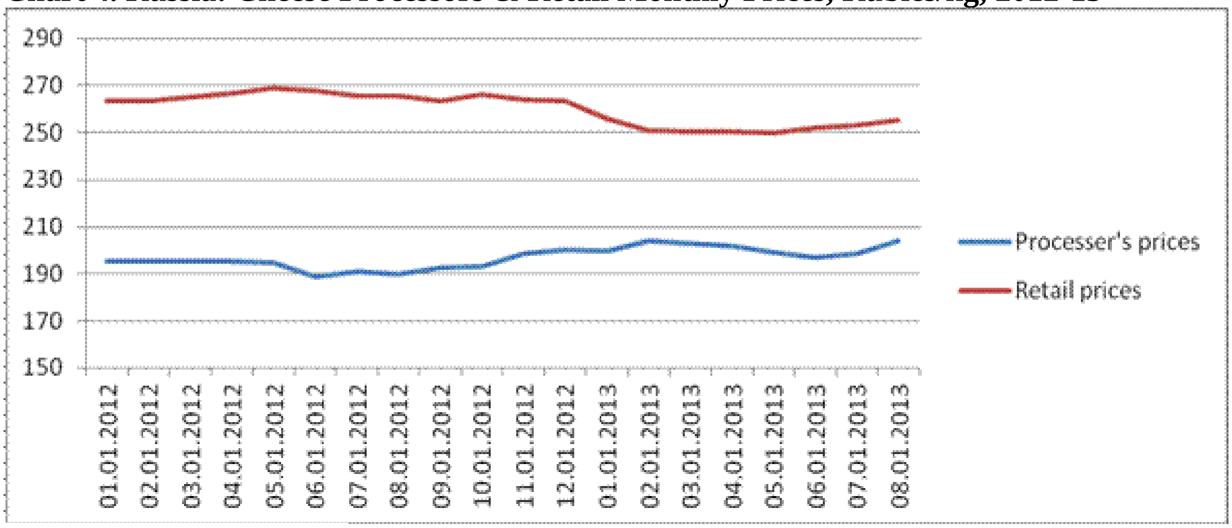
Prices for domestic dairy products are rising due to increasing fluid milk farm gate prices. Imported dairy products have became more expensive due to growing U.S. dollar and Euro exchange rates which led to higher prices for cheese, butter and milk powder from the major exporting countries. According to some market analysts, if prices for fluid milk continue to grow, cheese wholesale prices could reach 200 rubles/kg and retail prices more than 300 rubles/kg by the beginning of 2014.

Chart 3. Russia: Butter Processers & Retail Monthly Prices, Rubles/kg, 2012-2013



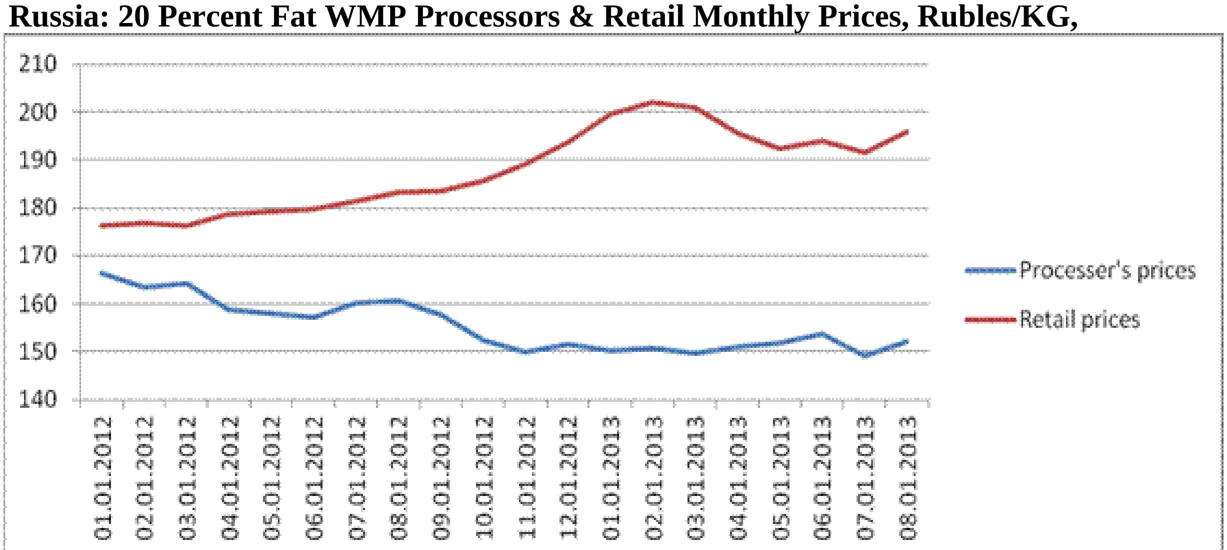
Source: Ministry of Agriculture

Chart 4. Russia: Cheese Processors & Retail Monthly Prices, Rubles/kg, 2012-13



Source: Ministry of Agriculture

Chart 5. Russia: 20 Percent Fat WMP Processors & Retail Monthly Prices, Rubles/KG, 2012-13



Source: Ministry of Agriculture

Policy

Subsidies to Dairy industry

The Ministry of Agriculture reported that 32.7 billion rubles were allocated in total to a variety of support measures for production of milk and dairy products from the federal budget in 2013. Subsidy loans were issued for a maximum loan term of 8 years which may not be sufficient time for dairy enterprises to pay back the loans. The Ministry of Agriculture may be increasing the terms of subsidized loans for the dairy industry from 8 to 15 years. Dairy cattle production subsidies are from several federal programs including:

- "Federal program of agricultural development and regulation of agricultural production, raw materials and food for 2013-2020". This program provides:

  - subsidized loans, beginning in 2013 interest rates on investment credits (over 2 years) for milk producing farmers will be subsidized at 80 percent from the federal budget, and by not less than 20 percent – from the provincial budget.
  - state aid for raising pedigree breeding stock (per head of cattle);
  - purchase of pedigree cattle; and
  - subsidies for a part of insurance premium payments.
- Additionally 3.2 billion rubles are to be allocated to the dairy industry in connection with rising feed prices. (for more details please see Russian government resolution at: http://www.mcx.ru/documents/document/show/22039..htm)
- Decoupled per hectare subsidies. (for more details please see Russian government resolution at : http://www.mcx.ru/documents/document/show/22035..htm)

In addition to these measures, milk producers have advocated to simplify transfer of per liter milk subsidies. According to the Russian Union of Milk Producers (RUMP), there were long delays in the provision of subsidy payments in the first half of 2013. RUMP has called for the lifting of a ban on breeding dairy cattle from the EU which, is prohibited due to Schmallenberg virus.

Production Tables

Table 7. Russia: Fluid Milk Production, 2010-2013

Production Indicators	2010	2011	2012	January-June		
				2012	2013	Change, percent
All producers	31,847	31,646	31,831	15,915	15,251	-4.2
Marketed milk	18.1	19.2	19.6	8.4	7.9	-5.9
Agricultural establishments 1,000 MT	14,313	14,395	14,752	9,032	8,520	-5.7
Marketed milk	13,175	13,266	13,623	N/D	N/D	N/D
Private households,	16,050	15,725	15,359	7,421	7,150	-3.6
Private farms	1,484	1,525	1,719	810	859	6.1

Source: Rosstat

Table 8. Russia: Per Month Milk Production, All Producers, in MMT

	2012	2013
January	2	1.9
February	2.1	2
March	2.4	2.3
April	2.8	2.6
May	3.2	3
June	3.6	3.4
July	3.5	3.4
August	3.2	N/A

September	2.9	N/A
October	2.4	N/A
November	2	N/A
December	2.1	N/A
Total	31.9	N/A

Source: Rosstat

Table 9. Russia: Changes in Retail Prices for Dairy Products in 2013, in Percentage

	As of previous month								August 2013 compared to:		Jan.-Aug. 2013/ Jan.-Aug. 2012
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Dec 2012	Aug 2012	
Food products	1.2	0.6	0.2	0.7	1.0	0.5	-0.2	-0.1	3.0	4.9	6.5
Milk and dairy products	0.5	0.7	0.5	0.3	0.2	0.2	0.8	1.2	4.4	8.2	6.0
Cream Butter	0.6	0.6	0.4	0.3	0.4	0.7	1.1	2.6	6.7	10.3	5.9

Source: Rosstat

Table 10. Russia: Cheese Sales & Forecast of Sales by Type, 2012-2013, in 1000 MT

	2007	2008	2009	2010	2011	2012	2013, forecast
Rennet cheeses	530.1	566.5	569.0	591.8	628.6	644.6	654.6
Fermented cheese	1.9	2.1	2.1	2.3	2.7	2.8	2.7
Cream cheese	150.7	130.8	137.2	137.4	121.7	122.8	131.5
Cheese, total	682.7	699.5	708.3	731.5	753.0	770.3	788.8

Source: PiR Food Company www.pirfood.ru

Table 11. Russia: Structure of the Russian Dairy Market, By Value

Product	**As percent of total**
Cheese	28.2
Fluid milk	22.8
Fermented dairy products	10.4
Cottage cheese	7.4
Milk and cream powder	6.7
Cream butter	6.5
Sour cream	6.4
Yogurt	5.7
Buttermilk	3.4
Cream	1.9
Whey	0.6

Source: PiR Food Company

Table 12. Russia: Annual Per-Cow Milk Production, in KG

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Jan-July	
										2012	2013
All Farms	3,037	3,176	3,356	3,501	3,595	3,737	3,776	3,851	3,898	N/D	N/D
Agricultural establishments	3,065	3,280	3,564	3,758	3,892	4,089	4,189	4,306	4,521	3,039	3,003
Household farms	3,043	3,130	3,249	3,378	3,456	3,513	3,510	3,553	3,489	N/D	N/D
Private farms	2,565	2,607	2,642	2,714	2,746	3,268	3,291	3,360	3,372	N/D	N/D

Source: Rosstat

Table 13. Russia: Per Month Farm Gate, Processing and Retail Milk Prices, in Rubles/liter

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Farm gate	2012	15.45	15.79	15.86	15.9	17.97	15.98	16.27	14.5	14.66	14.96	15.27	15.46
	2013	15.6	15.58	15.38	15.1	15.03	14.86	14.84	15.05	15.44	N/A	N/A	N/A
Processing	2012	29.03	29.15	29.21	29.46	29.67	29.77	29.64	29.6	29.62	30.1	30.44	30.61
	2013	30.48	29.22	27.81	28.38	28.19	28.49	28.7	28.77	29.36	N/A	N/A	N/A
Retail	2012	36.68	36.93	37.02	37.33	37.87	37.6	37.29	37.43	37.57	37.99	38.43	38.81
	2013	37.41	36.48	35.84	36.13	36.68	36.47	36.51	N/A	N/A	N/A	N/A	N/A

Source: Ministry of Agriculture

Table 14. Russia: Butter, Cheese, WMP Processers and Retail Monthly Prices, Rubles/KG, 2012-2013

	Butter		Cheese		WMP 20% Fat	
	Processor	Retail	Processor	Retail	Processor	Retail
01.01. 2012	216.2	233.9	195.3	263.5	166.4	176.3
02.01. 2012	215.8	234.6	195.3	263.3	163.4	176.7

03.01. 2012	216.2	234.2	195.4	264.8	164.1	176.2
04.01. 2012	215.4	236.2	195.5	266.4	158.9	178.7
05.01. 2012	214.2	237.7	194.8	268.8	158.1	179.2
06.01. 2012	215.8	235.6	188.9	267.6	157.2	179.7
07.01. 2012	214.9	233.8	191.1	265.5	160.1	181.3
08.01. 2012	214.8	235.3	189.8	265.5	160.6	183.1
09.01. 2012	215.3	237.9	192.6	263.4	157.8	183.6
10.01. 2012	212.4	238.8	193.2	266.1	152.4	185.6
11.01. 2012	218.0	2435	198 7	263.9	149.9	189,2
12.01. 2012	213.7	243.1	200.4	263.1	151.5	193.7
01.01.2013	214	239.8	199.6	255.7	150.3	199.7
02.01. 2013	220.2	241.9	241	250.9	150.9	202.1
03.01. 2013	218.3	242.7	202.8	250.3	149.8	200.9
04.01. 2013	215.1	241.5	201.9	250.5	151.0	195.6
05.01. 2013	214.3	246.4	199.4	249.9	151.8	192.4
06.01. 2013	217.8	247	196.8	252	153.7	193.9
07.01. 2013	221.6	251.8	198.8	252.9	149.2	191.6
08.01. 2013	224.99	252.24	204.12	254.98	152.05	195.8

Source: Ministry of Agriculture

Trade Tables

Table 15. Russia: Bovine Animals Imports, Live, Calendar Year: 2008 - 2012, Year–To-Date: 07/2012 & 07/2013, Head

Partner Country	Calendar Year					Year To Date		
	2008	2009	2010	2011	2012	07/2012	07/2013	%Change
World	58,352	48,732	37,725	94,468	137,613	70,114	50,261	- 28.32
United States	1,936	9,109	2,487	19,092	74,734	39,687	25,626	- 35.43
Australia	14,867	9,643	10,311	31,979	36,645	18,663	16,466	- 11.77
Denmark	0	0	0	3,128	10,811	4,347	3,462	- 20.36
Hungary	4,540	7,126	6,300	2,288	3,874	2,336	2,433	4.15

Poland	0	0	413	1,313	2,383	724	96	- 86.74
Austria	6,512	1,781	1,191	2,680	2,087	330	0	- 100.00
Canada	13,178	3,739	202	6,763	1,862	1,280	1,179	- 7.89

Source: GTIS

Table 16. Russia: Imports, 0401, Milk And Cream, Not Concentrated Nor Containing Added Sweetening. Calendar Year: 2008 - 2012. Year-To-Date: 07/2012 & 07/2013, in MT

Partner Country	Calendar Year			Year To Date		
	2010	2011	2012	07/2012	07/2013	% Change
World	27,570	27,140	30,985	15,606	20,885	33.83
EU-27	27,482	27,128	30,904	15,574	20,883	34.09
Finland	*8,684*	*13,479*	*15,867*	*8,682*	*9,555*	*10.05*
Estonia	*9,899*	*4,454*	*5,101*	*2,224*	*4,334*	*94.89*
France	*2,045*	*2,534*	*3,105*	*1,543*	*2,190*	*41.93*
Germany	*1,923*	*2,803*	*2,979*	*1,437*	*300*	*- 79.13*
Lithuania	*1,245*	*845*	*1,141*	*251*	*1,371*	*445.95*
Poland	*2,119*	*755*	*1,077*	*628*	*1,709*	*172.01*
Exports from Belarus	162,363	178,503	293,107	166,371	165,359	- 0.61
Total	189,933	205,643	324,092	181,977	186,244	2.3

Source: GTIS

Table 17. Russia: Butter Imports (040510. 040590). Annual Series: 2008 - 2012. Year–To-Date: 07/2012 & 07/2013, in MT

Partner Country	Calendar Year			Year To Date		
	2010	2011	2012	07/2012	07/2013	% Change
World	72,088	73,443	67,994	28,967	51,066	76.29
EU-27	32,846	26,887	22,546	12,549	14,431	15.00
Finland	*1,1910*	*11,715*	*11,069*	*6,799*	*6,392*	*- 6.00*
France	*5,132*	*4,936*	*4,548*	*2,010*	*3,074*	*52.96*
New Zealand	*27,111*	*30,550*	*21,715*	*11,390*	*19,378*	*70.13*
Uruguay	2,033	5,271	12,350	1,700	8,415	395.00
Australia	3,237	3,756	4,348	1,120	4,663	316.28
Argentina	3,044	5,082	6,361	2,038	3,774	85.22
Exports from Belarus	39,730	40,755	49,478	30,873	28,167	- 8.76
Total	111,818	114,198	117,472	59,840	79,233	32.4

Source: GTIS

Table 18. Russia: Cheese Imports (040620, 040630, 040640, 040690), Annual Series: 2008 – 2012, Year–To-Date: 07/2012 & 07/2013, in MT

Partner Country	Calendar Year			Year To Date		
	2010	2011	2012	07/2012	07/2013	% Change
World	264,441	254,769	261,846	136,920	147,760	7.92
EU-27	189,962	178,396	199,406	105,293	114,520	8.76
Ukraine	66,408	68,395	54,918	26,931	29,136	8.19

Germany	*74,857*	*54,235*	*58,114*	*34,204*	*20,863*	*- 39.01*
Netherlands	*24,509*	*29,137*	*34,210*	*16,020*	*24,032*	*50.01*
Lithuania	*22,845*	*26,511*	*28,708*	*14,582*	*17,807*	*22.12*
Finland	*29,507*	*30,936*	*28,526*	*15,990*	*17,,989*	*12.50*
Poland	*13,755*	*11,429*	*20,594*	*10,120*	*13,853*	*36.88*
Argentina	3,011	3,377	2,322	1,442	1,061	- 26.45
New Zealand	2,418	1,730	1,481	1,168	1,123	- 3.00
Exports from Belarus	88,886	88,873	95,404	51,130	56,523	10.55
Total	353,327	343,642	357,250	188,050	204,283	8.6

Source: GTIS

Table 19. Russia: Imports of WMP, (040221. 040229), Annual Series: 2008 – 2012, Year-To-Date: 07/2012 & 07/2013, in MT

Partner Country	Calendar Year			Year To Date		
	2010	2011	2012	07/2012	07/2013	% Change
World	14,736	5,319	2,310	1,099	963	- 12.38
EU-27	6,460	2,811	807	256	669	160.95
Portugal	*304*	*122*	*243*	*46*	*137*	*198.45*
Latvia	*426*	*251*	*108*	*67*	*56*	*- 16.42*
Finland	*501*	*126*	*25*	*12*	*201*	*1575.00*
Argentina	2,614	725	503	0	65	n/a
Ukraine	3,285	456	417	354	0	- 100.00
Australia	201	361	277	182	0	- 100.00
New Zealand	46	342	252	252	78	- 68.91
Exports from Belarus	25,166	14,871	25,005	10,950	23,982	119.00
Total	39,902	20,190	27,315	12,049	24,945	107.1

Source: GTIS

Table 20. Russia: Imports of NFDM, (040210), Annual Series: 2008 – 2012, Year-To-Date: 07/2012 & 07/2013, in MT

Partner Country		Calendar Year		Year To Date		
	2010	2011	2012	07/2012	07/2013	% Change
World	62819	27,179	26,695	14,215	16,404	15.40
EU-27	50,745	19,024	11,797	6,526	10,332	58.31
Finland	*4,357*	*4,711*	*3,180*	*2,320*	*1,133*	*- 51.16*
Germany	*8,741*	*5,914*	*2,747*	*1,309*	*1,164*	*- 11.07*
France	*15,304*	*4,729*	*2,350*	*925*	*2,849*	*207.91*
Poland	*8,574*	*270*	*1,216*	*784*	*2,008*	*155.95*
Belgium	*5,550*	*695*	*362*	*342*	*1,397*	*309.21*
Ukraine	1,498	5,674	10,745	7,023	1,631	- 76.77
Uruguay	0	0	2,000	0	1,700	n/a
Argentina	2,696	504	1,260	0	2,117	n/a

Exports from Belarus	53,507	44,238	69,140	34,906	57,960	66.05
Total	116,326	71,417	95,835	49,121	74,364	51.4

Source: GTIS

For additional information, see:
RS1333 -- Dairy and products Semi-Annual (5/31/2013)
RS1330 -- Updated Customs Union SPS Measure Notified to WTO (5/31/2013)
RS1323 -- Russian Government Discusses Additional Support for Meat and Dairy (5/31/2013)
RS1310 -- Updated Customs Union Veterinary Certificates Notified to WTO (01/03/13)
RS1274 -- Customs Union Publishes Inspection Guidelines for Public Comment (11/21/2012)
RS1269 -- Dairy and Products Annual (11/06/2012)