

Russia

Bilateral relations in agriculture



Main Country Indicators 2013

| | Russia | EU28 |
|---|--------------|---------------|
| Total area (km ²) | 17 098 240 | 4 385 992 |
| Population (million) | 143.5 | 506.7 |
| Population density (per km ²) | 8.8 | 120 |
| GDP (current USD) | 2.1 trillion | 17.3 trillion |
| GDP per capita (current USD) | 14 611 | 34 240 |
| GDP growth (% change with previous year) | 1.3 | 0.1 |

Sources: Eurostat, World Bank

Economic importance of agriculture (2011)

| | Russia | EU28 |
|---|-----------|-----------|
| Agricultural land (km ²) | 2 152 500 | 1 878 817 |
| Agricultural land as proportion of land area (%) | 13.1 | 44.3 |
| Arable land as % of land area | 7.4 | 25.6 |
| Permanent cropland (% of land area) | 0.1 | 2.8 |
| Employment in agriculture (% of total employment) | 9.7 ** | 5 * |
| Agriculture, value added (% of GDP) | 3.9 *** | 1.6 * |

Sources: World Bank, * year 2012, ** year 2009, *** year 2013

Trade Statistics

EU28 **exports** of agricultural products to Russia (2013): EUR 11.8 billion

EU28 **imports** of agricultural products from Russia (2013): EUR 1.6 billion

More statistical information

http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/russia-factsheet_en.pdf

Latest update November 2014



Agriculture in Russia

The harshness of the Russian environment is reflected in the small proportion of land that is used for farming. Agricultural land constitutes less than one-sixth of the country's territory, and less than one-tenth of the total land area is arable. About three-fifths of Russian farmland is used to grow crops; the remainder is devoted to pasture and meadow. Overall, agriculture contributes little more than 5% to Russia's gross domestic product (GDP), though the sector employs about one-eighth of the total labour force.

The main product of Russian farming has always been grain, which occupies more than half of the cropland. Wheat is the chief cereal, followed by barley, rye, and oats. More than one-third of the sown area is devoted to fodder crops. The remaining farmland is devoted to industrial crops, such as sunflowers, sugar beets, and flax, and to potatoes and other vegetables.

Variations in relief, soil, and climate produce pronounced regional variations in agriculture. In European Russia the proportion of land devoted to crops increases southward, from virtually none in the North region to about two-thirds in the Central Black Earth region. In West and East Siberia and the Far East, crops are largely confined to the southern fringe. Even in West Siberia, where the cultivated zone is at its widest, crops occupy less than one-tenth of the region's territory, and the proportion falls to negligible levels in East Siberia and the Far East. Cereals occupy more than two-thirds of the cropland in most regions but less than half in the damper Northwest and Central regions, where fodder crops and livestock are more important. The intensity of farming and the yields achieved are generally much higher in the European section than in Siberia. The same is also the case for livestock farming.

In general, the old collective farms and state farms have continued to function in post-Soviet Russia, though they have often been renamed as cooperatives or labour-management firms. Privatized farms have experienced significant obstacles, because many in the agricultural sector treated them as pariahs, and the land that many were allocated was unproductive or inaccessible. Thus, the bulk of the grain continues to be produced by very large agricultural enterprises, particularly those in the Northern Caucasus and in the Volga economic regions.

EU - Russia Relations

Russia is the EU's biggest neighbour and third biggest trading partner, with Russian supplies of oil and gas making up a large percentage of its exports to Europe. The EU is the first trading partner of Russia. It is also the most important investor in Russia. The current basis for cooperation is the [1994 Partnership and Co-operation Agreement \(PCA\)](#). Negotiations on a new EU-Russia Agreement were launched at the [2008](#) but ran into difficulties due to disagreements on the scope of the Trade and Investment Chapter, in particular following the establishment of the trilateral Customs Union between Belarus, Kazakhstan and Russia. The negotiations were suspended in March 2014 as part of the EU sanctions in response to Russia's actions in Ukraine.

The new agreement should provide a more comprehensive framework for EU-Russia relations, reflecting the growth in cooperation since the early 1990s include substantive, legally binding commitments in all areas of the partnership, including political dialogue, freedom, security & justice, economic cooperation, research, education & culture, trade, investment and energy.



Trade between the two economies has showed steep growth rates in the 2000's with an interruption due to the economic crisis in 2009 but it reached record levels in 2013. [Russia joined the World Trade Organisation \(WTO\)](#) on 22 August 2012. However, the trade and cooperation between the EU and Russia have been severely affected by the aftermath of the Ukraine crisis in 2014 and a series of targeted sanctions adopted by the EU to help achieve a de-escalation of the situation. In August 2014, Russia adopted a retaliatory import ban on EU agri-food products (meat, fish, dairy products, fruit and vegetables).

General information about EU-trade with Russia can be found here:

<http://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>