

Russia's Food Policies and Foreign Policy

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Abstract: Russia has experienced an agricultural rebound since 2000 that has its origins in more state intervention and government assistance programs. Ironically, as agricultural production has increased Russia has become more protectionist in its food trade policies, and the pursuit of food security is a central feature of the political vocabulary. In addition, Russia has emerged as a global grain exporter, with plans to expand exports into markets that have traditionally been dominated by the United States.

Keywords: Agriculture, food policy, foreign policy, Medvedev, Obama, Russia, United States

Russia's food policy often falls under the radar of many analysts, and therefore the purpose of this article is to analyze contemporary policy trends, to explain how those policy trends fit with Russia's foreign policy, and to examine how food policy may affect US-Russian relations going forward. The article argues that Russian food policy is an inherent component of the multidimensional challenge to the United States. Specifically, the article demonstrates that Russia's contemporary food policy strategy consists of three overlapping components: (1) an increase in domestic production, facilitated by government financial support programs; (2) the pursuit of "food security" through the limitation of foreign states' access to food markets within Russia; and (3) an increase in Russia's food exports, specifically grain, thereby making Russia a major player in global food trade. These three elements are integrated to form a unified food policy strategy, a fact that augurs for food trade to become an increasingly significant factor in relations between Russia and the US.¹

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An underappreciated aspect of US-Russian relations is the fact that food policy has often occupied an important place in the bilateral relationship. In the 1970s, the “great grain robbery” embarrassed the Nixon administration and infuriated American consumers who ended up subsidizing wheat exports to the USSR.² In the early 1980s, Ronald Reagan banned wheat exports to the USSR in retaliation for its invasion of Afghanistan in December 1979. Despite the export ban by the United States, the Soviet Union remained a large importer of grain, with imports rising from 27.8 million tons in 1980 to 44.2 million tons in 1985.³ During 1986-1990, the USSR averaged 32.2 million tons of imported grain annually, a statistic that represented about 14 percent of total consumption.⁴ In the post-Soviet period, beginning in the mid-1990s, Russia began to use concerns over food sanitation as a pretext for trade protectionism. As a result, bilateral food trade between the US and Russia was punctuated by repeated import bans imposed by Russia on US meat and poultry exports. Following Russia’s worst grain harvest since the 1950s in 1998, the US provided food aid to Russia, which, while well-intended, created resentment among Russian policymakers. Import bans on US poultry and other meat continued during Putin’s presidency—in 2002, 2003, 2004, 2006, and 2008.⁵ After Dmitry Medvedev assumed the presidency, in May 2009 Russia banned imports of all meats from all states in the US in response to the H1N1 outbreak in the United States, even though the flu virus was not spread by raw or processed meat.⁶ Effective in January 2010, Russia imposed a ban on the importation of poultry that was treated with chlorine as a disinfectant, a move that directly affected US poultry exports to Russia and could have negative effects on the relationship, according to US Secretary of Agriculture Tom Vilsack.⁷ Based on the historical and contemporary importance of bilateral relations over food, an analysis of current trends in Russia is warranted.

The analysis of Russia’s food policy intersects with three theoretical issues in the political economy literature. (1) The role of the state in the development of agrarian capitalism—in essence, laissez-faire policies in which government intervention is minimized, versus a state capitalist model in which the state adopts a more active role. (2) A second theoretical issue concerns the factors that affect the openness of foreign trade policy. (3) A third theoretical issue concerns the efficacy of commodity cartels. Here, the question is: What is a cartel, and will Russia will be able to form a grain commodity cartel that will work?

The Foreign Policy Context for Russia’s Food Policy

The assertiveness in Russian foreign policy that analysts have attributed to robust economic growth, higher revenue flows from the sale of oil and gas, and societal stabilization since 2000 has not abated with a change in Russian presidents.⁸ Despite hitting the “reset” button in 2009, Washington and Moscow continue to have fundamentally different views about several key international issues. In an interview about US-Russian relations in March 2010, Foreign Minister Sergei Lavrov stated that “I will not say we are opponents, but we are not friends, either. Under the new administration a new atmosphere in relations between the presidents did indeed appear, and is persisting. I acknowledge that the atmosphere has also improved between the US secretary of state and the Russian foreign minister, it has become more constructive, tending more to foster the search for some kind of generally acceptable solutions. But this is not felt at every level.”⁹ The bilateral relationship has been complicated by the fact that since 2004 domestic political

development in Russia has moved from “partly free” to “not free,” according to Freedom House’s democracy rankings.¹⁰

Following a flurry of cooperation after September 11, 2001, that extended through 2002, the US-Russian relationship has been adrift for several years; at times, it has been characterized by tension and rancor, suspicion, and lack of cooperation on issues that are crucial to international stability.¹¹ The general distrust and tension in the relationship, along with a general rollback in democratization that began under President Vladimir Putin, led some analysts in Washington to speak of a reemerging Cold War.

Although Russia has not attempted to create an alternative institutional structure for international politics or economics, it has challenged US primacy and interests in a variety of ways.¹² A series of Russian moves during the early days of the Medvedev administration created an atmosphere reminiscent of the Cold War. Immediately after President Obama was elected, Russia challenged US missile defense in Europe and threatened to target NATO allies with missiles,¹³ a position that Medvedev later backed away from while continuing to insist that missile defense is linked to strategic arms reduction. Russia floated the idea of building military bases in the Caribbean, and its nuclear subs stopped in Cuba for the first time since the Cuban Missile Crisis in 1962. Although the idea of military bases subsequently was placed on the back burner, Russia has been the arms-supplier of first resort for both Cuba and Venezuela, countries that maintain an antagonistic stance toward the US. In 2009, Russia resumed submarine patrols off the US coast for the first time since the end of the Cold War.

In its border zones Russia continues to insist that it has “special privileged interest,” which essentially means the right to hegemony over Ukraine and Georgia. Consistent political and economic pressure was applied on Ukraine prior to the election of Viktor Yanukovich as president in early 2010, reflected by repeated cutoffs of natural gas in recent years. And in August 2009, Medvedev stated that he would not post a new ambassador to Ukraine until it ceased its “anti-Russian behavior.”¹⁴ In the aftermath of the 2010 election, Yanukovich pledged to balance Ukrainian policy between Russia and the West, which in essence represented a repudiation of the explicitly pro-Western policies pursued by his predecessor.¹⁵ The 2008 military incursion into Georgia, although now understood not to have been initiated by Russia, has been broadly interpreted as a signal to Georgia not to join NATO, and occurred following what was essentially economic warfare between the two nations. For years, a *de facto* ban on travel from Russia to Georgia was in place, and a trade embargo existed on many goods, including Georgian wine.

In recent years, Russia has experienced an agricultural recovery that allows its international food policy to be used as an instrument of foreign policy. International food policy fits well within the country’s “National Security Strategy to 2020” (NSS), which was approved by presidential decree in May 2009, thereby replacing the one that had been in effect since December 1997. The NSS posits Russia as global actor, with the goal to become a top-five economic power and a major international food supplier.¹⁶ It also constitutes a framework for a subset of other security doctrines, including a food-security doctrine that was signed into force by President Medvedev at the end of January 2010; more will be said about this later in this article.

Just as Russia’s foreign policy acquiescence to the West disappeared when Boris Yeltsin left the presidency, gone too are the days of food shortages and massive imports of Western grain. Russia’s agricultural production has rebounded from its low in the 1990s, and

during 2000-2008 the ruble value of agricultural production more than tripled.¹⁷ During the financial crisis in Russia, agriculture was the only sector of the economy to achieve real growth, with the value of production rising over 10 percent in 2008 in comparison to 2007.¹⁸ In 2009, the agricultural sector experienced a growth of 1.2 percent compared to a decline in total GDP of almost 9 percent.¹⁹ Since 2006, the Russian government has poured tens of billions of rubles into the agricultural sector—for commodity price supports, for the construction of rural infrastructure, for the leasing of agricultural machinery and equipment, and for the rebuilding of animal stocks. As stated in the NSS, the explicit intent of government support is to achieve national food security and to reduce dependence on foreign food imports by strengthening domestic producers.²⁰

Food Shortages and Hunger

The inefficiencies of the Soviet planned economy—infamous for long lines, shortages of consumer goods, and poor quality products—reverberated throughout the entire economic system. There were many examples of shortcomings within Soviet collectivized agriculture, although Gale Johnson argued that, “I believe now that the socialized nature of Soviet agriculture is not the major source of difficulties. Many other aspects of Soviet planning, management systems, and pricing are far more important in limiting agriculture’s performance than is its socialized nature.”²¹

For the Soviet consumer, food shortages were primarily a result of the dysfunctional pricing policy adopted by the Communist party. Food price policy was a political decision that was intended for propaganda purposes—in order to make cheap food accessible to all, the government heavily subsidized the price of food. Thus, wholesale prices were lower than farm production costs, and retail prices were lower than wholesale prices.²² The consequence was “excess demand” for food products that were vastly underpriced at the retail level, leading to chronic shortages and long lines in stores. In 1990, retail food subsidies accounted for 56 percent of total agricultural subsidies, a statistic that rose to 80 percent in 1991.²³ As the Soviet planned economy unraveled during Gorbachev’s reforms, the vast system of subsidies became unsustainable and inflation increased rapidly for food goods.²⁴

Although official government statistics painted the picture of steady, albeit slowly, rising per capita consumption during the 1970s and most of the 1980s, toward the end of the 1980s the reality for consumers was chronic shortages, poor quality, poor selection, and even food-rationing beginning in the winter of 1990-91. In spring 1991, Gorbachev charged the KGB to ensure that food was delivered to state food stores and not pilfered en route. To compensate for food shortages, more and more people relied on “personal subsidiary agriculture” (*lichnoe podsobnoe khoziaistvo*), or private plots, as they were commonly called in the Western literature. These plots were “vital to the survival of the peasant family” by providing the bulk of the meat and vegetables consumed in peasant families, and nearly every rural household had a private plot.²⁵ The output from these small plots of land, usually around .25 hectares per household, was estimated at about 25 percent of the value of total production, although output was concentrated in meat, vegetables, and potatoes.²⁶ Smaller, but also “private” (outside the direct control of state planners) were collective fruit or vegetable gardens which represented an important supplementary source of food for urban families. Together, tens of millions of collective and state farm workers, and urban workers and their families were engaged in “private

agriculture” in the 1980s.²⁷ These plots also provided rural households a means for survival during the turbulent 1990s.

The immediate post-Communist government under Boris Yeltsin moved quickly to end the Soviet system of food subsidies to consumers. As a consequence, retail food prices skyrocketed—rising 2,670 percent in 1992, 940 percent in 1993, and 330 percent in 1994.²⁸ At the same time, domestic food production nosedived as farming enterprises saw the array of subsidies to which they had grown accustomed cut drastically. As consumer demand fell due to rising prices, large farming enterprises cut production and reduced their livestock herds in response to falling earnings. Reductions in production were so great that large farms no longer could meet

even diminished domestic demand. By mid-decade, former state and collective farms were producing only 43 percent of their 1990 production level, and production fell to 36 percent in 1998 before starting to rebound.²⁹ In total, agricultural production declined to an estimated 40 percent of its 1990 level before beginning to increase in 1999. In turn, declining domestic food production and decreased purchasing power led to lower per capita consumption and changes in dietary

structure during the 1990s, whereby Russian consumers increased their intake of starches and carbohydrates and reduced their consumption of proteins and fats.³⁰ Conservatives argued that Russian citizens were increasingly malnourished as a result of market reform, and the term “food security” began to creep into the political vocabulary.³¹

Even with reduced demand, domestic production was insufficient to feed the nation, so Russia turned to food imports.³² The dollar value of Russia's food imports rose from about \$2 billion in 1989 (based on an overvalued ruble) to \$5.9 billion in 1993 and to \$13.3 billion in 1997.³³ Although the early 1990s witnessed production declines for grains and processed foods, the animal husbandry sector fared the worst, as livestock herds plummeted in size to levels found in the late 1950s.³⁴ Because consumers turned to cheap alternatives for their protein, in the 1990s Russia became the largest importer of poultry meat in the world. Poultry imports rose from 500,000 tons in 1994 to 1.14 million tons in 1997, with 70 percent coming from the United States.³⁵ US poultry exporters earned in excess of \$1 billion annually from trade with Russia from about mid-decade onward. Other food imports increased as well: during 1994-1997 beef imports increased by a factor of 1.7, pork imports increased by a factor of 1.5, and imports of processed foods increased by a factor of 5.2.³⁶ By the late 1990s, Russian government officials argued that large cities in Russia received 70-80 percent of their meat from foreign imports.³⁷ With low import tariffs and an open trade policy, the dollar value of food imports far exceeded financial support for domestic producers from the Russian government.

Russia's financial collapse and devaluation of the ruble in 1998 coincided with the smallest grain harvest in 40 years in Russia—less than 48 million tons.³⁸ The devaluation of the ruble reduced demand for imported foodstuffs, and with higher priced imports the dollar

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value of food imports declined to \$10.8 billion in 1998 before bottoming out at \$7.4 billion in 2000, when the level once again began to increase.³⁹ As a result of the poor harvest in 1998, Russia turned to the West to avoid starvation in certain regions of the Far East. In November 1998, the US set up a \$1 billion food aid package consisting of \$600 million in humanitarian assistance and a \$400 million line of credit at 2 percent interest for 20 years to purchase additional food. Food aid from the US began to arrive in Russia in March 1999. In November 1998, the European Union had offered a \$480 million package of food aid, including one million tons of wheat and 150,000 tons of beef, for free. The International Red Cross and Canada had also provided an aid package, although not as extensive.⁴⁰ In January 1999, the US donated additional seed for Russia's spring sowing. When Vladimir Putin assumed the presidency in 2000, Russia was still receiving food aid from the West.

Agricultural Recovery Through State Assistance

Flowing from the liberalization and privatization of Communist-era command economies, a variety of "capitalisms" emerged in the post-Communist world.⁴¹ As one author argued, "transition countries have had different starting points and final targets, in a multidimensional space, with a movement neither linear nor uniform, and not even uni-directional nor consistently followed."⁴² In particular, three ideal-type models for organizing the economies of post-Communist states have been identified. The first is a neoliberal, rapid, laissez faire model—shock therapy—that was premised on the establishment of market relations followed by the creation of supporting legal, economic, and political institutions. This approach was used in Poland and the Czech Republic. A second model is the neoclassical gradualist approach, in which supporting institutions are created before economic liberalization is attempted; this more gradualist approach to the development of capitalism was pursued in Hungary and Romania. A third ideal type is the post-Keynesian model, which argues against radical and rapid economic reforms, and instead advocates gradual liberalization and active government intervention.⁴³

Within this variety in capitalist models, Russia started with neoliberalist shock therapy in January 1992, but spring 1992 and thereafter brought a series of government retreats that ended this experiment. The appointment of Viktor Chernomyrdin as Prime Minister in December 1992 officially ended this method, and for the duration of the 1990s Russia's approach was one of state withdrawal from active intervention in the agricultural sector. Starting in 1999 the approach was reversed. The upshot is that Russia's agrarian capitalism since 1999 has been more closely associated with the post-Keynesian model and an active, interventionist role for the state. The significant decline in agricultural production during most of the 1990s precluded both a coherent food policy and retarded significant movement toward agrarian capitalism, as most large farms and rural households were merely trying to survive. The development of genuine agrarian capitalism could only ensue with economic growth, and that started to occur only after 1999—but Russia's pursuit of agrarian capitalism is state-led, not a result of laissez faire policies.

How is the turnabout in strategy explained? The political humiliation of Western food aid in the late 1990s laid the basis for cardinal changes in Russia's food policy. In the latter days of the Yeltsin presidency, a "new course" in agrarian policy was articulated that was premised on a dramatic increase in government support to the agricultural sector.⁴⁴ Thus, the rebound in production and the foundation for agrarian capitalism is grounded in government finan-

TABLE 1. Growth Rate in Value of Agricultural Production by Type of Producer, 2000–2008

Producer	2000	2001	2002	2003	2004	2005	2006	2007	2008
All producers agricultural sector	7.7	7.5	1.5	1.3	3.0	2.3	3.6	3.4	10.8
Large agricultural enterprises	6.5	11.1	1.9	–3.9	4.8	3.1	4.3	4.9	16.0
Private farms	21.5	36.1	16.6	11.4	30.7	10.6	18.0	5.2	27.2
Households	8.0	3.0	0.1	4.2	–0.4	0.7	1.6	2.1	2.2

Notes: Growth expressed as change in value of output from previous year, measured in rubles. Private farms include individual enterprises. *Sources:* *Rossia v tsifrakh* 2005 (Moscow: Rosstat, 2005), 211; *Rossia v tsifrakh* (Moscow: Rosstat, 2006) 223; *Agropromyshlenyi kompleks Rossii v 2005 godu* (Moscow: Rosstat, 2006), 46; *Rossiiskii statisticheskii ezhegodnik* (Moscow: Rosstat, 2008), 437; and *Osnovnyye pokazateli sel'skogo khoz-iaistva v Rossii v 2008 godu* (Moscow: Rosstat, 2009), 5.

TABLE 2. Average Russian Agricultural Production, 1991–2008 (All Categories of Farms)

	1991–95	1996–2000	2001–02	2003–04	2005–06	2007–08
Grains (mil. tons)	87.9	65.2	85.9	72.6	78.4	94.8
Sugar beets (mil. tons)	21.7	14.0	15.1	20.6	26.1	28.9
Sunflower seeds (mil. tons)	3.8	3.8	3.7	5.6	7.8	6.5
Potatoes (mil. tons)	36.8	34.5	33.9	36.3	37.9	28.0
Vegetables (mil. tons)	10.2	11.4	13.1	14.7	15.4	12.2
Meat and poultry (mil. tons, dead weight)	7.5	4.7	4.5	4.9	5.0	5.9
Milk (mil. tons)	45.4	33.6	33.2	32.8	31.3	32.2
Eggs (billion)	40.3	32.8	35.7	36.1	37.4	37.8

Note: Grain totals after cleaning. *Sources:* *Rossiiskii statisticheskii ezhegodnik* (Moscow: Rosstat, 2003, 2007), various pages; *Rossia v tsifrakh* (Moscow: Rosstat, 2009), 245, 248.

cial assistance and supportive policies. The agricultural sector under Yeltsin was starved for resources, but once Vladimir Putin assumed the presidency revitalizing agriculture became a national priority.⁴⁵ Since 2000, Russia has experienced positive sectoral growth for each of the three categories of food producers in every year except 2003, as shown in Table 1.

Due in large part to government financial support and market intervention, volumes of production have increased for most food commodities, as shown in Table 2; and especially impressive have been the gains in yields, shown in Table 3.

The primary reason for Russia's successful rebound in agricultural production may be explained by the fact that government initiatives for financial support have been purposeful, comprehensive, and multidimensional. The policy changes and support programs adopted by the Russian government extended far beyond production subsidies that are commonly used in other countries. Of primary importance among government initiatives in Russia was a program for the financial recovery of large farms, an important

TABLE 3. Agricultural Output Yields, 1992–2008 (All Categories of Farms)

	1992	1995	2000	2002	2006	2007	2008
Grains	18.0	13.1	15.6	19.6	18.9	19.8	23.8
Sugar beets	192	188	188	219	325	292	362
Sunflower seeds	11.6	10.6	9.0	9.7	11.4	11.3	12.3
Potatoes	114	118	105	103	130	129	138
Vegetable	145	148	143	148	173	179	196
Milk	2,247	2,007	2,343	2,808	3,574	4,010	4,226
Eggs	224	212	264	279	302	303	304

Notes: Yield for plant products is centners per hectare; yield for milk is kilograms per cow; yield for eggs is number of eggs per hen. *Source:* *Rossiia v tsifrakh* (Moscow: Rosstat, 2009), 245, 248.

move because large farms produce most of the food used for domestic consumption and export to foreign nations. Paradoxically, during the 1990s large farms saw their debt levels increase substantially, even as they cut production. The Putin government believed that debt-ridden farms would be unable to invest in capital improvements or increase production. In 2002, the government adopted a program in which a large amount of overdue farm debt and penalties were written off or repayments were delayed as part of the financial recovery package. Through 2004, more than R58 billion in debt was restructured and R28 billion of penalties and fines were written off.⁴⁶ The effect was tangible: in succeeding years, the percentage of unprofitable large farms fell from about 89 percent in 1998 to 35 percent by 2004 and then to about 22 percent in 2007.⁴⁷ In addition the agricultural sector showed an aggregate profitability, although the growing of plant products was much more profitable than animal husbandry, and the production of wool, poultry, and beef remained unprofitable.⁴⁸ Other government sponsored support programs were also introduced:

- the creation of a state-owned agricultural bank through which government credits and loans were channeled.
- the adoption of a single unified agricultural tax, that in effect acted like a flat tax.
- the adoption of a price support system for grain crops. In years of good harvests, the government buys surplus grain in order to prevent wholesale prices from dropping too low and threatening farms' solvency. Government purchase of surplus grain has occurred in every year since 2001—except during the drought year of 2003—and was used in 2009 as well. For 2010, the Russian government announced its intention to use grain intervention following the harvest, and in spring 2010 set purchase prices for the different classes of grain.
- an increase in the volume of financial support through investment, the subsidization of interest rates for investment loans, and the extension of subsidized credit.
- direct production subsidies for meat and milk delivered to state-licensed reception agents.
- a state program whereby the government purchases agricultural machinery and pedigree livestock from abroad and then leases these assets directly to large farms or private farmers at subsidized rates.
- a program to protect and restore the fertility of agricultural land.
- state support to subsidize the purchase of mineral fertilizer.

The government's financial support culminated in 2005 when agriculture was made one of four priority sectors in the economy under the auspices of "The National Project"; in 2006, the government introduced a R50 billion development program for agriculture. The goals of this program were to increase livestock herds and production of animal husbandry products; to develop small farming enterprises (personal and household plots, and private farms); to facilitate the creation of various types of rural cooperatives; and to build rural housing in order to retain young agricultural specialists and their families in the countryside, thereby creating sustainable rural communities.⁴⁹ In 2007, this program was renewed and extended to 2008-2012, during which time R551.3 billion will be financed from the federal budget and a total of R1.5 trillion will be allocated from the consolidated budget (regional and federal budgets).⁵⁰ These monetary obligations reflect the priority that policymakers have placed on agricultural development. Even after the 2008 financial crisis hit Russia, President Medvedev and Prime Minister Putin reaffirmed the strategic importance of agriculture and promised to maintain funding. In December 2008, for example, Putin stated that "it is necessary to retain the volumes and terms of credit to the agricultural branch ... As in previous years, we will make agriculture an exception to ease pressure on it."⁵¹ In mid-2009, President Medvedev announced that agriculture was the only sector of the economy that was showing positive growth, and he promised to continue to fund the agricultural recovery.⁵²

Rising Protectionism and Food Security

The active state and Russia's rising protectionism touches upon a second theoretical issue—factors that affect the openness of trade policy. Generally speaking, analysts have identified structural and political factors that affect international trade policy. In terms of structural factors, the size of a country, the size of a country's economy, and its level of development are said to affect trade policy; countries that have developing economies or those with smaller GDP may opt for higher degrees of protectionism in order to protect uncompetitive sectors.⁵³ But this line of argumentation has limitations, as it does not explain trade policies in contemporary Japan and China, both of which are protectionist even though they were the number two and number three economies in the world in terms of nominal GDP in 2009, respectively. Moreover, although protectionism may be commodity specific, the weakness or strength of a sector in the economy is not necessarily a determining factor in openness or protectionism, witnessed by high-growth economies in Taiwan and Korea in the 1980s that chose to protect their farmers.⁵⁴ Therefore, politics do matter—other factors may include regime type, domestic politics and political constellations, and the political orientation and strategies of the ruling political elite.⁵⁵

When Russia's agricultural sector began to rebound after 1999, it adopted the model used by Japan after World War II and by other emerging Asian economies in the 1980s to protect domestic food producers. Thus, even though Prime Minister Putin in March 2010 promised that Russia would not resort to "excessive protectionism," a second element of Russia's food policy strategy since 2000 has been characterized by the limitation of market access for foreign states, and "food security" has become a central component of Russia's political discourse over food trade with other nations.⁵⁶ At the same time, we should note that Russia's protectionism in agricultural trade is not uniform—when Putin was president he indicated that selectively higher tariffs

and import quotas would be levied on food commodities that directly compete with domestic production. Other products that do not constitute a threat to Russian production would not be targeted.

The centrality of food security is reflected in the comment from Duma member Sergei Abel'tsev, who argued that, "the most important strategic question for us in these conditions [financial crisis] is the attainment of food independence for the Russian Federation."⁵⁷ Advocacy for food security routinely emanates from the office of the president; as president, Putin repeatedly stated that the nation must reduce food imports. In June 2009, Medvedev went so far as to declare that high levels of dependence on foreign meat and poultry is "dangerous" because consumer prices can increase rapidly with changes in the ruble-dollar exchange rate.⁵⁸ In January 2010, Minister of Agriculture Elena Skrynnik affirmed that food security is "one of the central and prioritized problems in the system of national security."⁵⁹ In March 2010, she predicted that Russia would achieve "complete self-sufficiency in meat, milk, and sugar...within the next four to five years as the Food Security Doctrine envisions."⁶⁰

Moving from rhetoric to policy, since 2000 Russia has used a variety of strategies for its food trade protectionism, including import bans and embargoes against specific countries. One form of protectionism has been the use of import tariffs to protect domestic producers. The average tariff rate on imported food has almost doubled since 2000, from 10 to 18 percent, which is not especially high by global standards; many developing nations have much higher tariff rates.⁶¹ The main instruments to limit imports have been the introduction of import quotas, and the use of a quota and tariff system used in tandem. Meat (and fish) import quotas were first established in 2001 and are expected to remain in force at least until 2015 for meat and until 2020 for fish products. In 2003, Russia introduced tariff rate quotas (TRQs) to limit imports of beef, pork, and poultry. The quota and tariff system applies lower tariff rates to imports up to the established import quota, and higher tariff rates are applied to imports above the quota. In January 2009 the Russian government made the system more restrictive for poultry and pork, when the poultry quota was reduced and the out-of-quota tariff was raised from 40 to 95 percent. The out-of-quota tariff for pork was raised from 40 to 75 percent.⁶² Despite the fact that meat imports have increased since 2001, they most likely would be much higher without the TRQ system. In December 2009, Putin signed into force new import quotas for beef, pork and poultry for 2010-2012. Those quota limits are shown in Table 4 and placed in context with 2006-2009.

TABLE 4. Russian Import Quotas for Meat Products, 2006–2012 (in thousand tons)

	2006	2007	2008	2009	2010	2011	2012
Beef: fresh or chilled	27.8	28.3	28.9	29.5	30.0	30.0	30.0
Beef: frozen	435	440	445	450	530	530	530
Pork: chilled or frozen	476.1	484.1	493.5	531.9	472.1	472.1	425.1
Poultry: fresh, chilled, or frozen	1,130.8	1,171.2	1,211.6	952	780	600	550

Sources: Allan Mustard, "Russian Federation Trade Policy Monitoring Meat Tariff Rate Quota Decree Issued," GAIN Report no. RS5084, December 13, 2005; "Ob importe goviadiny, svininy i miasa domashnei ptitsy v 2010-2012 godakh," *APK: ekonomika, upravlenie* 1 (2010): 82-83.

The table reflects the fact that during the next three years (2010-2012) the import quota for fresh or chilled beef imports will remain stable, while that for frozen beef will increase about 18 percent to 530 thousand tons compared to 2009. Import quotas for pork will decrease 20 percent by 2012, and quotas for poultry will decline by 43 percent by 2012 (55 percent if the 2009 quota level had not been lowered from 1.2 million tons in December 2008). Not shown, but should be noted, is the fact that each of those aggregate quotas contain a sub-quota on how much the US is allowed to export before facing higher tariff levels.

Even with protectionist measures, the growth in real monetary incomes that resulted from economic growth since 2000 in turn raised consumer demand, and as a consequence the rate of growth in food imports has been faster than the rate of growth in domestic production.⁶³ That is, as incomes grew, consumer preferences shifted from low value food products such as carbohydrates and starches to meat products. Because domestic producers have not been able to meet demand for high value meat products, imports grew. Russian policymakers understand that the root of their food insecurity/food importation “problem” stems from inadequate domestic supply, and therefore the governmental programs described above and in Skrynnik’s predictions about self-sufficiency are significant.

Food security as a political campaign in Russia has gathered steam since 2005, driven in part by the fact that during 2005-2008 the dollar value of food imports into Russia more than doubled, reaching over \$35 billion in 2008.⁶⁴ In November 2008, a “Food Security Doctrine” was drafted and published by the Ministry of Agriculture. A final version of this doctrine was signed into force by presidential decree at the end of January 2010.⁶⁵ Article 1 of this doctrine states that it proceeds from the “National Security Strategy to 2020,” discussed above, and Article 4 states that the doctrine serves as the basis from which future laws will be developed for food security and development of the agroindustrial complex. The doctrine calls for “food independence of the Russian Federation” based upon quantitative and qualitative measures as established by Russian law. Importantly, in Section 2, Article 8, the doctrine establishes quantitative indicators for food supply that domestic production should fulfill. For example, to achieve food security, Russia aims to produce 95 percent of the grain it consumes, 95 percent of its potatoes, 85 percent of its meat and meat products, 80 percent of its fish products, and 90 percent of its milk and milk products.

Russia as a Global Food Supplier

The third theoretical issue raised by Russia’s food policy strategy concerns the creation and efficacy of commodity cartels. Economists agree that a genuine cartel must meet at least six basic characteristics: (1) the ability to divide the market among cartel members by having a quota system; (2) the ability to monitor the quota system to identify violators; (3) the ability to punish cheaters and quota violators; (4) the ability to enforce cartel authority; (5) the ability to support prices and to prevent high prices that lead to substitution and erosion of market control for the cartel; and (6) the ability to capture a large market share to the extent that the cartel controls the market.⁶⁶ One team of authors has argued that OPEC, which is often considered to be among the most successful cartels, does not meet fully the criteria for a cartel as developed in the theoretical literature.⁶⁷ The discussion below of Russian foreign food trade strategy focuses on domestic policies that affect food exports and Russia’s potential to form a grain cartel.

Russian policymakers have made it clear that their goal for Russia is to become a major food exporter. Food security and becoming a global exporter go hand in hand. An increase in domestic production ensures that Russia can meet its own domestic needs without reliance on foreign sources, and at the same time increased production provides surpluses for export. Similar to the importance of Russian energy exports, Russia hopes to carve out an analogous role in helping to meet global demand for food. In March 2010, Minister Skrynnik and Josette Sheeran, Executive Director of the World Food Program (under the auspices of the UN), signed a memorandum of mutual understanding, after which Skrynnik stated that “our cooperation with the World Food Program carries a strategically important character.”⁶⁸ According to Gavin Maguire, a director at a Chicago brokerage, “they [the Russians] are some years away from being considered a massive grain powerhouse. If they did invest significantly in the infrastructure there...we could have something interesting emerge over the next decade or so.”⁶⁹

Despite the long-term nature of Russia’s goal, it is already emerging as an important grain exporter—Russia ranked number three in the world in volume of wheat exports in 2008 and 2009, after the US and Canada.⁷⁰ The vice president of Russia’s Grain Union, Aleksandr Korbut, suggested that during the next five years Russia should “do everything in its power to rank number two in the world in grain exports.”⁷¹ At the June 2009 World Grain Forum held in St. Petersburg, which Russia hosted to reflect its status as a grain exporter, Medvedev stated that Russia intends to expand grain exports to new geographical regions, including Southeast Asia. Statements by Medvedev and Skrynnik at the World Grain Forum reflect Russia’s strategy and outline the domestic initiatives that are underway to achieve its goals. For example, Russia plans to bring into production some 20 million hectares of abandoned farmland in order to increase grain harvests. Medvedev also pointed out that Russia intends to invest in infrastructure that would facilitate grain exports, stating that, “the most important task in the near future is to actively support infrastructure projects. This is the modernization and creation of new storage capacity, development of a system of transportation networks, and development of shipping capacity at sea and river ports.”⁷² Minister Skrynnik seconded Medvedev when she argued that “it is not tolerable to delay...it is necessary to bring words into action through serious investment in infrastructure, creating a strong base for long-term competitiveness of grain from the Black Sea region. We are already working in this direction.” In April 2010, Prime Minister Putin indicated that, “we will develop ports in the Far East, build [grain] elevators, and perfect our tariff policy so that Siberian bread will be present in the Russian and in world food markets.”⁷³

The Russian government’s assistance programs—subsidized fertilizer, subsidized equipment leasing, grain price supports, and state purchases of grain surpluses—have had a demonstrable effect on the grain sector. Russia exported only 594,000 tons of wheat in 2000, which rose to 10.3 million tons in 2005, even as the number of hectares under cultivation continued to decline.⁷⁴ Since 2005, Russia has averaged over 12 million tons of grain exports annually. Grain exports exceeded 17 million tons during the 2007-2008 agricultural year (July 1-June 30); more than 22 million tons during the 2008-2009 agricultural year; and even though the 2009 harvest dropped to 97 million tons in 2009, Skrynnik stated that Russia intends to export 20 million tons during the 2009-2010 agricultural year.⁷⁵ In order to “stimulate” grain exports, the Russian government allocated R5 billion in its 2010 budget, and another R9 billion for protecting and restoring soil fertility.⁷⁶

In addition to introducing domestic economic initiatives to increase grain production and export, Russia has floated the idea of forming a Black Sea grain bloc with Ukraine and Kazakhstan to increase production, manage grain reserves, and develop rail and port capacity. If such a bloc came into being, it would raise the combined share of Russian, Ukrainian, and Kazakh wheat to 30-35 percent of world trade, up from its present 24 percent.⁷⁷ If formed, this bloc would surpass the grain export capacity of the US, which is the world's leading grain exporter, accounting for 20 percent of world trade grain.⁷⁸

Following the June 2009 World Grain Forum, the US warned Russia about creating a global grain cartel. Michael Michener of USDA's Foreign Agricultural Service remarked that, "the Russian idea does look like a cartel. We would even say to Russia: be cautious about it. If it is done in a way that trade is distortive and trade prohibitive, I think it would affect Russia's application to the WTO."⁷⁹

In reality, however, the likelihood of Russia forming a successful grain cartel is remote, for several reasons. First, the criteria for the creation of a successful cartel would be hard to meet—such a cartel would not control at least 65 percent of the world grain market, and importing countries could substitute corn or soybeans even if Russia were able to somehow corner the wheat market (which in any event is unlikely). Second, without a clear hegemon to control the cartel, it is not at all clear that a quota system could be enforced or that violations of country quotas could be punished. Third, a successful cartel would depend upon cooperative relations among the three nations, and even though new Ukrainian President Yanukovich has promised a more balanced foreign policy—in effect moving away from the pro-Western foreign policy of his predecessor—it remains to be seen how Ukrainian-Russian relations will play out in reality. It is entirely possible that future disputes over natural gas prices and deliveries will reemerge and thus affect cooperation in other economic spheres. Thus, the likelihood of an emergent Russian-led grain cartel is low.

Why is Russia's international food trade strategy important? Even if any major change in the structure of world grain trade is likely to come from the Russian side unilaterally and not multilaterally (a cartel), why is that significant? Russia's emergence as a global food supplier is potentially troublesome because of its record of boorish international economic behavior, and not only in energy trade. The list of food products and countries experiencing import bans and embargoes by Russia is long and varied. In just the past 10 years, live animals, including poultry, as well as meat and meat products, were banned from European Union nations (in 2001, 2004, and 2005). US poultry exports were restricted in 2001; banned to various degrees in 2002, 2003, 2004, 2006, 2008, 2009 and 2010; and have been subject to annual import quotas starting in 2003. In addition, horse and reindeer meat were banned from New Mexico, and horseflesh from Texas (2005). Meat imports from Moldova, Ukraine, and Belarus were banned in 2005. French and German poultry was banned in 2006. Polish meat was embargoed over political differences between Moscow and Warsaw in 2006 and 2007. A ban on meat imports from Germany, Italy, the Czech Republic, Romania, and Bulgaria occurred in 2007. Rice from India was likewise banned in 2007. Georgian wine was embargoed even prior to the August 2008 military confrontation between the two countries. After US-Russian relations worsened following the 2008 Georgian crisis, 19 poultry producers in the US were banned from exporting to Russia. Food trade has been politicized even among nations considered friendly to Russia. In June 2009, a "milk war" broke out between Russia and Belarus in which Russia banned imports of milk and milk products over quality concerns. The president of Belarus,

Alexander Lukashenko, alleged that Russia was “blackmailing” Belarus because the latter refused to extend diplomatic recognition to Abkhazia and South Ossetia.⁸⁰ Thus, Russia’s goal to become a major food exporter is likely to have international ramifications if its past behavior as an energy supplier and in food trade is duplicated.

Challenges for the United States

Even without a grain cartel, Russia’s food policy strategy to limit imports and to expand food exports creates two specific policy challenges for the US. The first challenge concerns market access within Russia. The Russian market accounted for 1.3 percent of total US agricultural exports in fiscal year 2007, and 1.6 percent in 2008, with the export of poultry meat comprising the bulk.⁸¹ Access to the Russian domestic food market, therefore, has not been lucrative for the US, even though it does bring \$1-2 billion annually to US producers.⁸² The challenge is that market access is likely to decrease going forward.

The rebound in Russia’s domestic production, coupled with limits on imports, have affected US-Russian bilateral agricultural trade. Since the mid-1990s Russia has been the single largest importer of US poultry meat—Russia alone accounted for 20 percent of US global poultry exports in 2008, and poultry meat comprised 44 percent of the dollar value of US exports to Russia. With restrictions on market access, however, the US share of Russian food imports actually decreased from 10 percent in 2000 to 6 percent in 2008, despite the overall growth in the volume and dollar value of food imports into Russia during this period.⁸³

In an effort to end the periodic and arbitrary import bans imposed on US meat exports to Russia, a food trade agreement between the two countries was reached in September 2003 that “guaranteed” US access to the Russian market and removed 2002 quotas on US poultry exports that almost halved the value of earnings in 2002 compared to 2001.⁸⁴ A bilateral “Meat Agreement” reached in September 2005 established sanitary and health standards, provided rules for the inspection of processing plants, and stipulated sub-quotas for US meat exports to Russia during 2006-2009.⁸⁵ In the first year of the agreement, US exports were allocated about 4 percent of Russia’s total beef quota, 11 percent of the pork quota, and 74 percent of the poultry quota, with the percentages changing slightly in subsequent years.⁸⁶ Reflecting concern over food insecurity and the level of foreign food imports, in late 2008 the Russian government lowered the US poultry import quota for 2009 from 930,000 tons to 750,000 tons while simultaneously raising the pork quota from 50,000 to 100,000 tons.⁸⁷ Going forward, Russia has indicated that it will continue to increase domestic meat production at the same time that it will prioritize the limitation of foreign meat on its domestic market.⁸⁸

The second challenge for the US concerns the fact that Russia’s emergence as a food exporter raises the likelihood that the two countries will compete for export markets. Specifically, Russia’s “ambitious plans” to expand into the Asian market makes that area one of increased competition in the future.⁸⁹ In June 2009, Minister Skrynnik indicated that Russia intends to increase its grain production to 135 million tons and annual grain exports to 40-50 million tons to Southeast Asia, the Middle East, southern Europe, and Africa within the next ten years. At present, the EU is Russia’s main trading partner, accounting for 51 percent of total foreign trade turnover in 2007 and 52 percent in 2008.⁹⁰ Asia is an area of particular interest going forward. In 2008, Asian countries accounted for only 20 percent of Russia’s foreign trade turnover. However, Medvedev, Skrynnik, and Vice

Premier Viktor Zubkov have made it clear that Russia plans to increase its market presence in Asia and to open more export ports in the Russian Far East in order to export Russian wheat, its main food export. At the end of May 2009, Zubkov called the development of export policy a "strategic task for Russia" and specified Pacific Rim countries as a future market for the export of grain and its finished byproducts such as flour and oats.⁹¹ As Russia increases its market share in the Far East, the American hold on the Asian market will be confronted. During 2008-2009, Japan was the largest importer of US wheat in the world; the Philippines was fourth, South Korea was sixth, and Taiwan was eighth. In total, APEC countries constitute the primary export market for US agricultural products, accounting for 67 and 64 percent of the total value of US agricultural exports during 2007 and 2008 fiscal years, respectively.⁹² Russia's intention to increase its presence in the Asian food market is likely, therefore, to directly compete with the economic interests of the US.

Conclusion

The discussion above has indicated that the Russian model as an actor in international food policy has three main characteristics: an active, interventionist state; a protectionist food trade policy; and a growing export capacity, but not necessarily as a cartel member. Emerging from its policy drift of the 1990s, the state-led initiatives reviewed above mean that Russia now has an integrated food policy strategy. Using both budgetary and non-budgetary levers, Russia's domestic and foreign food policies have made the country very influential in the sphere of international food trade for the first time since before the Bolshevik Revolution.

Russia's assertive foreign policy means that competition is expanding in new directions. Russia's reemergence as a food exporter creates challenges for the West in general and for the US in particular. On the one hand, there are new opportunities for global cooperation. When opening the 2009 World Grain Forum, President Medvedev remarked that "resolution of problems in the world grain market is one of the most important tasks connected to food security on our planet" and he suggested that Russia was ready to supply grain to alleviate hunger in some of the poorest regions of the developing world.⁹³ His suggestion is one that the US should attempt to build upon, drawing Russia into the circle of countries that contribute food aid during emergencies. On the other hand, Russia's increased protectionism mirrors its assertive foreign policy, its behavior as an energy supplier, and the politicalization of food trade, all of which create concerns about future cooperation. What can the US do to respond to the economic challenge posed by Russian food policy?

With the US-Russian relationship only starting to emerge from a decade of misunderstandings and differences, it is likely that bilateral food trade will remain underdeveloped in the near to medium term, even after President Obama's "reset" in March 2009. To the extent that bilateral food trade is placed on the policy agenda, the Obama administration has limited leverage over Russia's domestic policy decisions and is unlikely to be able to reverse Russia's protectionist trends. Perhaps the best attainable option is for the US to hold Russia to its agreement regarding health and sanitation standards and to try to protect US access to the Russian food market. But American opportunities are limited and success is far from assured, especially if the broader relationship experiences setbacks over other issues.

Concerning competition over regional food markets, the US has a few more options to choose from—and because the Russian food policy challenge is still developing, the US has

time to act proactively. At present, most US commercial grain trade contracts are for annual deliveries. Therefore, one option is to secure long-term, multiyear delivery agreements with countries in Asia in order to “lock in” demand for American grain. Long-term commitments run some risk in case of drought or significant production declines, but the contracts could be negotiated in such a way as to protect American consumers in such circumstances.

If Russia is able to move into the Asian market due to increased efficiencies—lower production and transportation costs for instance—the US could respond appropriately in its Farm Bill; and if the challenge was severe enough, new Farm Bills could be considered every two years instead of the present four years. On the other hand, if Russia expands its market share in Asia as a result of economic policies and trading behavior not permitted under WTO rules, then the US would first want to try to negotiate the differences, and if that did not work either retaliate or bring a complaint before the Dispute Settlement Body within the WTO (assuming that Russia is eventually admitted). In any case, Russia’s food policies constitute another dimension to its foreign policy and its relations with the United States. As has been shown, Russia’s agricultural recovery and food policy strategy confront US policymakers with new challenges and choices about appropriate responses.

NOTES

1. On Russia’s use of energy as an instrument of foreign policy, see Anita Orban, *Power, Energy, and the New Russian Imperialism* (Westport: Praeger, 2008).

2. See James Trager, *The Great Grain Robbery* (New York: Ballantine Books, 1975).

3. *Narodnoe khoziaistvo SSSR za 70 let* (Moscow: Finansy i statistika, 1987), 643. It should be remembered that a substantial percentage of imported grain was linked to the Communist party’s attempt to increase meat production, and thus corn imports were used as feed for cattle. In part then, the more successful the regime was in increasing meat consumption, the more grain it had to import. See D. Gale Johnson and Karen McConnell Brooks, *Prospects for Soviet Agriculture in the 1980s* (Bloomington: Indiana University Press, 1983), 106.

4. *Narodnoe khoziaistvo SSSR v 1990g* (Moscow: Goskomstat SSSR), 643, 657.

5. Stephen K. Wegren, *Russia’s Food Policies and Globalization* (Lanham, MD: Lexington Books, 2005), chap. 5.

6. That blanket ban was subsequently reduced to 11 states, but was not lifted entirely. By early 2010 pork imports from the US continued to be banned from all except six processing plants in the US. *Johnson’s Russia List*, no. 6, January 11, 2010.

7. *Sel’skaia zhizn’*, January 14-20, 2010, 2. Russia is the largest export market for US poultry. Comments from Vilsack are found in *Johnson’s Russia List*, no. 6, January 11, 2010.

8. On Russian foreign policy assertiveness, see Andrei P. Tsygankov, “Russia’s International Assertiveness: What Does it Mean for the West?” *Problems of Post-Communism* 55, no. 2 (2008): 38-55.

9. *Rossiiskaia gazeta*, March 18, 2010, in *Johnson’s Russia List*, no. 55, March 19, 2010.

10. See www.freedomhouse.org and compare maps of freedom from 2004 and thereafter for Russia.

11. Charles King, “The Five Day War: Managing Moscow After the Georgia Crisis,” *Foreign Affairs* 87, no. 6 (2008): 2-11.

12. Dimitri Simes, “Losing Russia: The Costs of Renewed Confrontation,” *Foreign Affairs* 86, no. 6 (2007): 36-52.

13. *Johnson’s Russia List*, no. 206, November 11, 2008.

14. *Financial Times*, August 12, 2009, 1.

15. *Financial Times*, February 26, 2010, 6. Yanukovich’s Foreign Minister, Mykola Azarov, was born in Russia and is seen as overtly pro-Russian. *Financial Times*, March 12, 2010, 2.

16. For analyses of the NSS, see Marcel de Haas, "Medvedev's Security Policy: A Provisional Assessment," *Russian Analytical Digest* 62 (June 18, 2009): 2-5; and Henning Schroder, "Russia's National Security Strategy to 2020," *ibid.*, 6-10.
17. *Rossia v tsifrakh* (Moscow: Rosstat, 2009), 237.
18. *Osnovnye pokazateli sel'skogo khoziaistva v Rossii v 2008 godu* (Moscow: Rosstat, 2009), 5.
19. "Vystuplenie na 'Pravitel'stvennom chase' in Gosudarstvennoi Dume, 17 Febralia 2010g," www.mcx.ru/news/news/show_print/3816.htm (accessed February 27, 2010).
20. See paragraphs 49-51 in "Strategiia natsional'noi bezopasnosti Rossiiskoi Federatsii do 2020 goda," at www.scrf.gov.ru/documents/99.html (accessed March 30, 2010).
21. Johnson and Brooks, *Prospects for Soviet Agriculture in the 1980s*, 3.
22. V. S. Pavlov, *Radikal'naia reforma tsenoobrazovaniia* (Moscow: Finansy i statistika, 1988), 71-72.
23. World Bank, *Food and Agricultural Policy Reforms in the Former USSR: An Agenda for the Transition* (Washington, DC: The World Bank, 1993), table 8.2, 218.
24. Marshall I. Goldman, *What Went Wrong with Perestroika* (New York: Norton, 1992), chap. 6.
25. Alec Nove, *The Soviet Economic System*, 2nd ed. (London: George Allen and Unwin, 1980), 127.
26. The amount of land allocated for household use depended upon the region, the number of household members, and the labor category of the household. Collective farm families were generally allocated the largest land plot. See Karl-Eugen Wadekin, *The Private Sector in Soviet Agriculture* (Berkeley: University of California Press, 1973), chap. 3; and Lichnoe podsobnoe khoziaistvo naseleniia v 1988 godu (Moscow: Goskomstat, 1989), 69-70. The size of the plot influenced the level of output.
27. Paul R. Gregory and Robert C. Stuart, *Soviet Economic Structure and Performance*, 3rd ed. (New York: Harper and Row, 1986), 272.
28. *Tseny v Rossii* (Moscow: Goskomstat, 1996), 18.
29. *Rossia v tsifrakh* (Moscow: Goskomstat, 2001), 200.
30. See Stephen K. Wegren, "The Russian Food Problem: Domestic and Foreign Consequences," *Problems of Post-Communism* 47, no. 1 (2000): 40.
31. V. Zvolinskii, "Prodoval'stvennoe obespechenie—faktor sotsial'no-politicheskoi stabilizatsii obshchestva," *Ekonomist* 9 (1995): 91; and see the article entitled "Under Threat—Food Security of Russia," *Sel'skaia zhizn'*, March 18, 1995, 1. The latter article is the first time I saw the term "food security" in the mass media.
32. S. Piliev, "Ob obespechenii prodoval'stvennoi dostatochnosti naseleniia Rossii," *Ekonomist* 7 (1998): 27.
33. Wegren, *Russia's Food Policies and Globalization*, 133.
34. *Sel'skoe khoziaistvo v Rossii* (Moscow: Goskomstat, 2000), 66-67.
35. V. V. Doikov, "Rynok miasa i miasoproduktov," *Ekonomika sel'skokhoziaistvennykh i pererabatyvaiushchikh predpriatii* 7 (1999): 7.
36. *Ibid.*
37. A. Gordeev, "Obespechenie prodoval'stvennoi bezopasnosti Rossii—zadacha strategicheskaia," *APK: ekonomika, upravlenie* 8 (1998): 8.
38. *Sel'skoe khoziaistvo v Rossii*, 57.
39. Wegren, *Russia's Food Policies and Globalization*, 133.
40. See Wegren, "The Russian Food Problem: Domestic and Foreign Consequences," 46.
41. David Lane and Martin Myant, eds., *Varieties of Capitalism in Post-Communist Countries* (New York: Palgrave MacMillan, 2007); and Anders Aslund, *How Capitalism Was Built: The Transformation of Central and Eastern Europe, Russia, and Central Asia* (New York: Cambridge University Press, 2007), esp. chap. 2.
42. D. Mario Nuti, "Managing Transition Economies," in Stephen White, Judy Batt, and Paul G. Lewis, eds., *Developments in Central and East European Politics 4th ed.* (Durham: Duke University Press, 2007), 251.

43. John Marangos, *Alternative Political Economy Models of Transition* (New Brunswick: Transaction Publishers, 2008), chaps. 4, 5, 6.
44. V. Semenov, "Novyi kurs agrarnoi politiki," *Ekonomist* 1 (1999): 12-16.
45. See Stephen K. Wegren, "Russian Agrarian Policy Under Putin," *Post-Soviet Geography and Economics* 43, no. 1 (2002): 26-40.
46. Statistic cited in Stephen K. Wegren, "Russian Agriculture During Putin's First Term and Beyond," *Eurasian Geography and Economics* 46, no. 3 (2005): 231.
47. *Rossiiskii statisticheskii ezhegodnik* (Moscow: Rosstat, 2008), 444.
48. *Ibid.*, 445.
49. A. Gordeev, "Sel'skoe khoziaistvo: itogi, problemy, perspektivy," *Ekonomika sel'skokhoziaistvennykh i pererabatyvaiushchikh predpriatii* 3 (2006): 5.
50. Government resolution no. 446, July 14, 2007, entitled "Gosudarstvennaia programma razvitiia sel'skogo khoziaistva i regulirovaniia rynkov sel'skokhoziaistvennoi produktsii, syr'ia i prodovol'stviia na 2008-2012 gody." This document has appeared in several places including a special website for the national project: www.rost.ru/projects/agriculture/agriculture_main.shtml; the website for the Ministry of Agriculture: www.mcx.ru; and in specialized journals: *APK: ekonomika, upravlenie* 10 (2007): 17-20.
51. *Sel'skaia zhizn'*, December 18-24, 2008, 3.
52. *Sel'skaia zhizn'*, June 25-July 1, 2009, 1.
53. See John A. C. Conybeare, *Trade Wars: The Theory and Practice of International Commercial Rivalry* (New York: Columbia University Press, 1987); and Peter J. Katzenstein, *Small States in World Markets: Industrial Policy in Europe* (Ithaca: Cornell University Press, 1985).
54. Kym Anderson and Yujiro Hayami, *The Political Economy of Agricultural Protection* (Sydney: Allen and Unwin, 1986), chap. 1.
55. Non-democratic governments are better able to link directly political goals and strategies to international trade policy. In the case of Soviet-type Communist states, which pursued an autarkic economic strategy, imports and exports were planned and directly reflected the political climate with capitalist states. See Philip J. Funigiello, *American-Soviet Trade in the Cold War* (Chapel Hill: University of North Carolina Press, 1988).
56. ITAR-TASS, March 25, 2010, in *Johnson's Russia List*, no. 59, March 25, 2010.
57. *Sel'skaia zhizn'*, May 5, 2009, 3.
58. *Sel'skaia zhizn'*, June 25-July 1, 2009, 1.
59. E. Skrynnik, "Prodoval'stvennaia bezopasnost'—vazhnaia sostavliaiushchaia sistema natsional'no bezopasnosti Rossii," *APK: ekonomika, upravlenie* 1 (2010): 3.
60. *Johnson's Russia List*, no. 50, March 12, 2010.
61. William Liefert, Olga Liefert, and Matthew Shane, *Russia's Growing Agricultural Imports: Causes and Outlook, Economic Research Report WRS-09-04* (Washington, DC: USDA, May 2009), 12.
62. *Ibid.*, 12.
63. *Ibid.*, 2-3.
64. "Agropromyshlennyi kompleks Rossii v 2008 g. (ekonomicheskii obzor)," *APK: ekonomika, upravlenie* 3 (2009): 75.
65. "Doktrina prodovol'stvennoi bezopasnosti Rossiiskoi Federatsii," www.mcx.ru/documents/document/show_print/12214.19.htm (accessed March 17, 2010).
66. A. F. Alhajji and David Huettner, "OPEC and Other Commodity Cartels: A Comparison," *Energy Policy* 28, no. 15 (2000): 1153.
67. *Ibid.*, 1161-62.
68. "Ministerstvo sel'skogo khoziaistva Rossii i Vsemirnaia prodovol'stvennaia programma OON ob'ediniat usiliia v bor'be s golodom v mire," www.mcx.ru/news/news/show_print/3841.178.htm (accessed April 8, 2010).
69. Amie Ferris-Rotman and Karl Plume, "Russia's Ambitious Food Plan Needs Big Money," in *Johnson's Russia List*, no. 108, June 10, 2009.
70. Russia would rank fourth if the European Union is included. But in terms of individual countries, Russia ranks third.

71. *Sel'skaia zhizn'*, May 28-June 3, 2009, 3.
72. *Sel'skaia zhizn'*, June 18-24, 2009, 3.
73. "V. Putin obeshchal podderzhku zernovoi otrasli Sibiri," *Krest'ianskie vedomosti*, April 13, 2010, www.agronews.ru/NewsPphp?NId=58389 (accessed April 12, 2010).
74. The number of cultivated hectares declined steadily from 1992 through 2006, but starting in 2007 it began to increase. In 2006, Russia had 43.1 million hectares under grain cultivation, which rose to 44.2 million in 2007, 46.7 million in 2008, and 47.5 million in 2009. *Krest'ianskie vedomosti* 3-4 (2010), 8.
75. *Rossiiskaia zemlia* 6 (2009), 2; *Krest'ianskie vedomosti* 5-6 (2010), 2.
76. *Krest'ianskie vedomosti* 7-8 (2010), 2; *Krest'ianskie vedomosti* 5-6 (2010), 2. Of the R9 billion, R4.7 billion was to be used to subsidize the purchase of mineral fertilizer.
77. *Sel'skaia zhizn'*, June 11-17, 2009, 7.
78. Ibid.
79. *Johnson's Russia List*, no. 106, June 8, 2009.
80. *Russkii Newsweek*, June 15-21, 2009, 4.
81. Author's calculations from USDA data, at www.ers.usda.gov/Data/FATUS/monthlysummary.htm (accessed August 4, 2009).
82. It is reasonable to conclude that absent Russia's arbitrary quota limits, both volumes of US agricultural exports and dollar values would undoubtedly be higher as Russia represents a relatively undeveloped food market.
83. Liefert, Liefert, and Shane, *Russia's Growing Agricultural Imports*, 5, 12.
84. *Financial Times*, September 30, 2003, 6.
85. Allan Mustard, "Russian Federation Trade Policy Monitoring Meat Tariff Rate Quota Decree Issued," *GAIN Report*, no. RS5084, December 13, 2005.
86. See Stephen K. Wegren, "Russian Agriculture and the WTO," *Problems of Post-Communism* 54, no. 4 (2007): 50-54.
87. Data from Scott Reynolds, Minister-Counselor for Agricultural Affairs, US Embassy, Moscow, December 18, 2008. The US chicken quota was equal to 78.7 percent of the total import quota; while the pork quota was equal to 18.8 percent of the total quota.
88. Vice Premier Viktor Zubkov has been very explicit that a reduction in imported meat and an increase in domestic meat and pork production are governmental priorities. See for example, *Sel'skaia zhizn'*, June 2, 2009, 1.
89. *Sel'skaia zhizn'*, May 28-June 3, 2009, 3.
90. Author's calculations from Federal Customs Service of Russian Federation database, at www.customs.ru/ru/stats/stats/ (accessed August 14, 2009).
91. *Sel'skaia zhizn'*, May 26, 2009, 1.
92. Author's calculations from USDA database, at www.fas.usda.gov/scripts/w/bico_frm.asp (accessed August 13, 2009).
93. *Sel'skaia zhizn'*, June 9, 2009, 1.