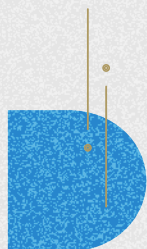


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EURASIAN ECONOMIC
COMMISSION



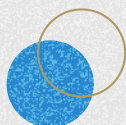
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FACTS AND FIGURES

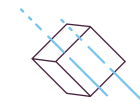


AGRO-INDUSTRIAL UNIT

CONTENTS

- 2 ● Agro-Industrial Complex Development Trends in the Eurasian Economic Union
- 5 ● Agreed Agro-Industrial Policy
- 5 ● 2019–2020 Achievements: Developing Cooperation
- 16 ● State Support for Agriculture
- 18 ● International Cooperation

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AGRO-INDUSTRIAL COMPLEX DEVELOPMENT TRENDS IN THE EURASIAN ECONOMIC UNION

The agricultural turnover of the Union countries contains about 320 mln hectares of land, and the total market is 184.3 mln consumers

The agro-industrial complex is one of the strategic sectors of the economy of the EAEU countries that ensures food security. The agricultural turnover of the Union countries contains about 320 mln hectares of land, and the total market is 184.3 mln consumers.

The EAEU grows a quarter of the global gross harvest of sunflower oil seeds, about 17% of sugar beet and 16% of barley. For wheat, this figure in 2019 exceeded 10%, for potatoes — 7%. In addition, the Union accounts for more than 4% of sugar production and more than 3% of the world's vegetable oil output.

As for the livestock industry, the Union produces 6.4% of the world's production of cow's milk, 4% of poultry meat, 3.5% of beef, 2.4% of pork and 3% of chicken eggs.

Nowadays, the Union is the world's leading exporter of certain commodities. For example, the Union countries have traditionally been among the leading exporters of grains. For wheat, it has the 1st place, for sunflower oil, fish and wheat flour — 2nd place, and for barley — 3rd place.

The EAEU has developed a positive dynamics of agricultural production. Over the last 4 years (2015 to 2019), agricultural production across the Union grew by 11% and amounted to USD 120 bln.

In 2019, the share of agriculture in the total gross domestic product (hereinafter referred to as the GDP) of the Member States amounted to 3.7%. The largest share of agriculture, hunting and forestry in GDP is characteristic of Armenia — 12.0% and Kyrgyzstan — 12.1%. In Belarus, it is 6.8%, Kazakhstan — 4.4%, and in Russia — 3.4%.

The volume of mutual trade has increased. Foreign trade in agricultural products has reached a brand new level. Thus, in 2012, the Union was one of the largest importers

of agricultural goods, having a negative balance of more than USD 25 bln, and by 2019 the balance reached a minimum value of minus USD 5.5 bln.

INDICATORS OF AGRO-INDUSTRIAL COMPLEX DEVELOPMENT OF THE EAEU COUNTRIES

Indicator	2012	2015	2016	2017	2018	2019
Growth rates of gross agricultural production, %	94.7	102.2	104.5	102.9	99.9	103.4
Import, USD bln	43.6	29.0	26.5	30.2	30.5	30.5
Export, USD bln	18.4	16.3	17.0	20.6	25.2	25.0
Balance, USD bln	-25.2	-12.7	-9.5	-9.6	-5.3	-5.5
Mutual trade, USD bln	7.0	7.1	7.1	8.3	8.9	9.6

The economic union format offers each of the five countries a number of general economic advantages, in particular equal access to the common agricultural market, the possibility of creating new jobs in various sectors of agriculture, including through the establishment of joint ventures and an increase in mutual investments.

In 2019, the total volume of mutual trade in agricultural products and food amounted to USD 9.6 bln, an increase of 35.2 % compared to 2015.

In general, in the EAEU, the share of agro-food products in mutual trade amounted to 15.6 % in 2019. At the same time, the largest share of agricultural products in the total volume of goods supplies from the country is observed in Armenia — 57.0 %, and the smallest in Russia — 9.5 %.

The share of countries' mutual trade in agricultural production, as well as in the total trade turnover of agricultural products and food, has been almost continuously increasing from 2015 to 2019. The share of mutual trade in total turnover increased from 13.5% in 2015 to 14.7% in 2019, in production — from 6.6 to 8.0%.

3.7%

share of agriculture in total GDP of the Member States in 2019

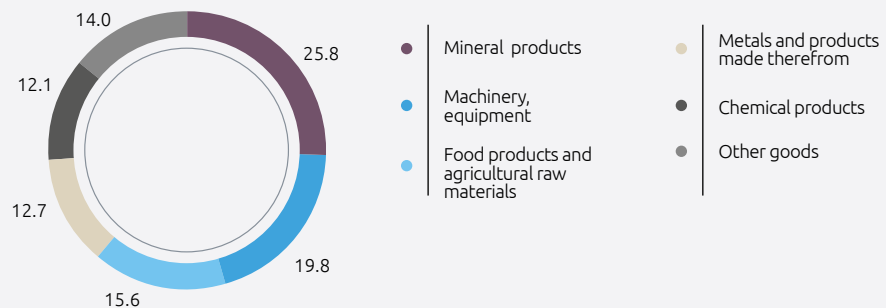


11%

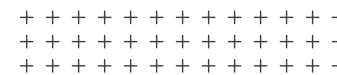
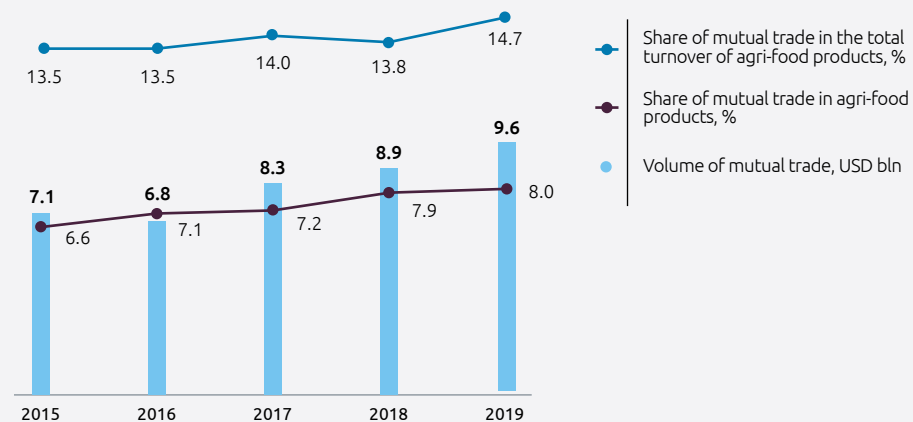
increase in agricultural production for 2015–2019



STRUCTURE OF MUTUAL TRADE OF THE MEMBER STATES IN 2019, %



DYNAMICS OF RELATIVE AND ABSOLUTE INDICATORS OF AGRIFOOD TRADE IN THE EAEU



AGREED AGRO-INDUSTRIAL POLICY

The countries implement a coherent agro-industrial policy aimed at the efficient use of their resource potential. This will optimize the volume of production of competitive agricultural products, meet the needs of the general agricultural market and develop exports.

Embodied the Eurasian integration agenda, a multi-level system has been formed in the agro-industrial sphere, taking into account the interests of the Union partners.

The Commission decisions relate to:

- » balance of the general agricultural market;
- » production of sensitive agricultural goods;
- » increase of efficiency of state support for agriculture;
- » fair competition;
- » joint scientific research;
- » implementation of export potential.



2019–2020 ACHIEVEMENTS: DEVELOPING COOPERATION

Forecasts

All-union forecasts of the development of the agro-industrial complex, as well as Eurasian forecast balances of supply and demand for 17 major agricultural commodities, are prepared and submitted to the EAEU Intergovernmental Council on an annual basis.

In 2019, the Union bodies approved joint forecasts for 2019–2020, in 2020 — for 2020–2021.



According to current forecast balances, in 2021 compared to 2018, the Union's overall agricultural production in USD terms will increase by 12.2%, mutual trade by 15.8%, exports to third countries by 11.5%; import will decrease by 12.2%, resulting in an expected positive balance of foreign trade of USD 1.1 bln.

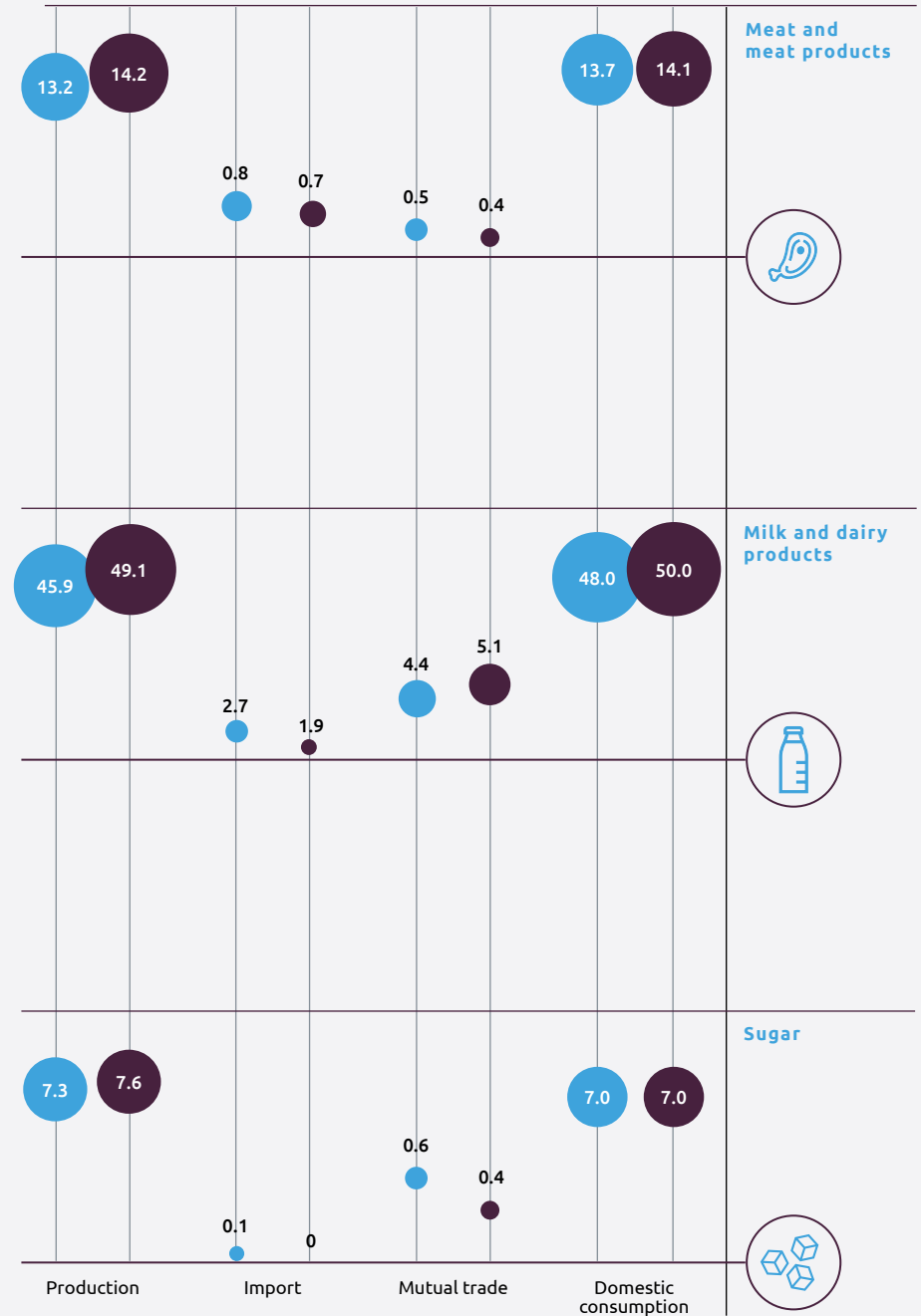
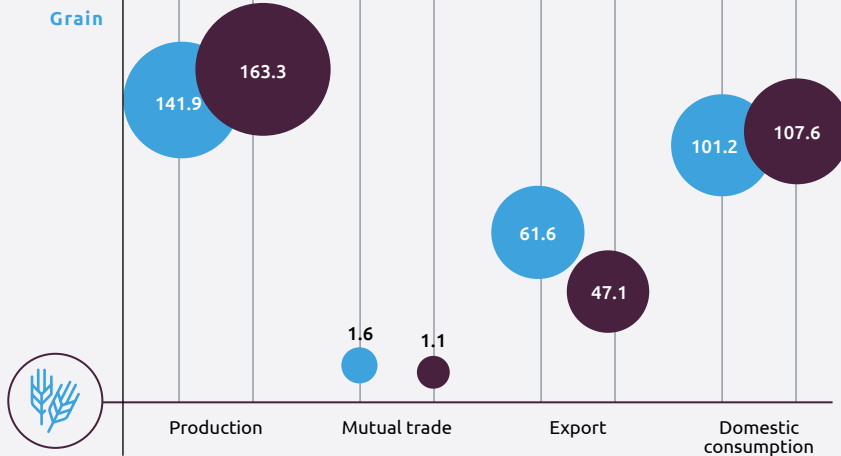
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In addition to short-term forecasting, a methodology was developed for forecasting the economic development of agricultural production and the market for the use of basic agri-food products for the mid-term (5 years) and long-term (10 years) periods (Order No. 70 of the EEC Board dated June 9, 2020).

By using balances in their work, countries can assess the state of food security, see the volume of domestic production and consumption, develop plans to increase production and mutual supplies, and plan investments.

FORECASTS OF DEVELOPMENT OF INDIVIDUAL AGRICULTURAL PRODUCTS AND FOOD MARKETS OF THE EAEU, MLN T

● 2018 ● 2021



At present, through its own production, the Union fully satisfies the internal need for grain, sugar, vegetable oils, chicken eggs and pork

Nowadays, through its own production, the Union fully satisfies the internal need for grain, sugar, vegetable oils, chicken eggs and pork.

In 2021, it is expected to achieve full self-sufficiency for potatoes, for poultry meat the level of self-sufficiency will be 99.7%, for milk — 98%, and for vegetables — 97.5%.

LEVEL OF THE EAEU PROVISION WITH THE MAIN TYPES OF AGRICULTURAL PRODUCTS AND FOOD OF OWN PRODUCTION, %

Products	2018	2019 (current)	2020 (forecast)	2021 (forecast)
Grain	140.2	143.8	147.3	151.8
Meat and meat products, including:	96.7	97.8	99.7	100.6
beef	89.9	90.9	90.7	91.9
pork	99.2	101.8	103.1	104.7
poultry	98.9	99.2	99.1	99.7
Milk and dairy products	95.7	97.1	97.5	98.0
Vegetables and cucurbits	94.8	95.9	97.8	97.5
Potatoes and products of its processing	97.5	98.1	99.4	100.3
Fruits and berries	45.6	43.0	43.5	45.2
Vegetable oils	149.3	168.7	168.2	170.0
Eggs and egg products	101.2	100.9	100.8	100.8
Sugar	104.9	118.8	106.7	107.9
Medium level	92.3	92.4	93.1	93.4

Seed and Livestock Breeding

As part of the development of the uniform requirements for the production and circulation of products, the Commission, together with the parties, prepared two international treaties on the unification of the requirements for seeds and breeding products.

On March 23, 2019, the Agreement on the Circulation of Seeds of Agricultural Plants within the Union dated November 7, 2017 and a number of acts of the Commission for its implementation aimed at ensuring the mutual recognition of the documents containing the information on the varietal and sowing qualities of seeds by

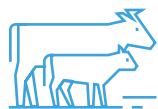
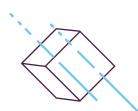
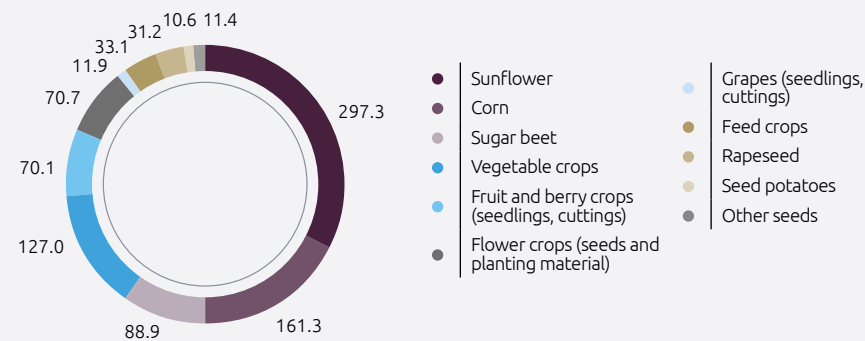
the Union Member States and the formation of the unified register of varieties of agricultural plants admitted (recommended) for use in the territories of the Member States, came into force.

Moreover, in order to ensure the equivalence of seed variety evaluation procedures and results for the mutual recognition of seed quality documents by countries, Decision No. 10 of the Commission Council dated January 30, 2020, was made approving the method of field approbation of cultivated crops (plantings) of agricultural plants and the method of crop ground control to be uniformly used in the Member States as from January 1, 2021.

The final document for the Agreement implementation will be a list of measures aimed at harmonizing the legislation of the Member States in the testing of varieties and seed production, to be approved by the Supreme Eurasian Economic Council. Analysis of the seeds and planting material market shows a broad prospect to the development of seed production in the Member States and subsequent growth of mutual trade, the current volumes of which are still many times inferior to the import of such goods from third countries.

On October 25, 2019, the EAEU Inter-Governmental Council signed the Agreement on measures aimed at unification of selecting and stock breeding of life-stock animals within the Union. For further development of cattle breeding selection, the Regulation on Molecular Genetic Examination of Breeding Products of the Member States was adopted (Decision No. 74 of the EEC Board dated June 2, 2020).

IMPORT STRUCTURE OF SEEDS AND PLANTING MATERIAL IN 2019, USD MLN



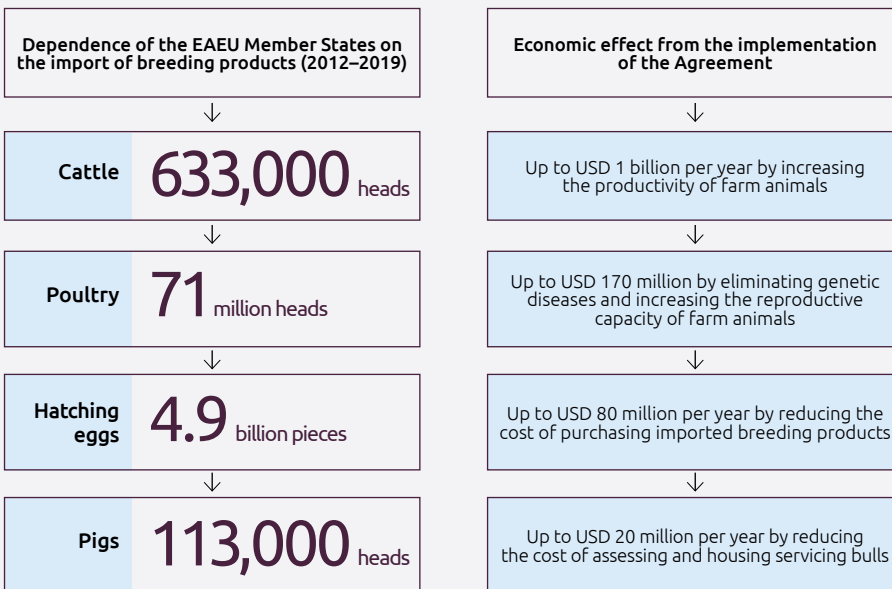
USD
1.3
BLN

may be the annual total economic effect from the implementation of the international treaty in the field of livestock breeding

Unification of the requirements applicable within the market for breeding products will create the grounds for removing the existing restrictions on trade in such products and bring the livestock breeding of the EAEU Member States to a qualitatively new level by using the unified approaches in breeding, advanced statistical processing systems and digital technologies in assessing breeding animals and introducing genomic analysis.

Annually, the total economic effect from the implementation of the international treaty in the field of livestock breeding may be about USD 1.3 billion.

On October 25, 2019, the Heads of the Governments of the EAEU Member States signed **the Agreement on the Measures Aimed at Unifying the Selection and Breeding of Farm Animals within the EAEU**



Sensitive Agricultural Products

In order to develop the cooperation on sensitive agricultural products, comprehensive reviews were prepared and the consultations with the representatives of countries and business communities were held. Then the relevant proposals for the sustainable development of production and increasing competitiveness were made.

Sensitive goods are defined as various agricultural goods, whose production and mutual trade are of social and economic importance for the sustainable development of the agro-industrial complex, as well as the rural areas of the Union Member States.

In 2018, the Recommendations of the Commission's Board "On the Development of the Cooperation in the Production of Fat and Oil Products and Poultry Meat" were adopted; in 2019 — "On the Development of the Cooperation in the Production of Cattle Meat and Dairy Products" and "On the Development of Vegetable Growing, Fruit Growing and Pig Breeding".

Implementation of the prepared recommendations makes it possible to develop the cooperative relations between the subjects of the Union Member States, ensure mutually beneficial interaction of the Union Member States and the implementation of production and export potential, as well as reduce the dependence on imported goods and means of production.



SENSITIVE AGRICULTURAL PRODUCTS IN THE EAEU

Agricultural goods, whose production and mutual trade are of social and economic importance for the sustainable development of the agro-industrial complex, as well as the rural areas of the Union Member States

Exchange of national plans (programs) in order to develop the production of each sensitive product

Comprehensive analysis of all markets for sensitive agricultural products, including provision with resources, production capacity, import intensity, etc.

Consultations on sensitive agricultural products

Development of various proposals and recommendations for the development of production, mutual supplies, deepening of specialization

List of sensitive agricultural products

(Decision of the EEC Council No. 66 dated February 12, 2016)

1. Meat and meat products
2. Milk and dairy products
3. Vegetables, fruits, melons and products of their processing
4. Rice
5. Vegetable oilseeds and products of their processing
6. Sugar
7. Tobacco
8. Cotton

Aquaculture

As part of the sectoral cooperation development, Recommendations of the Commission's Board No. 8 "On the Development of the Cooperation Between the EAEU Member States in the Field of Aquaculture" dated April 21, 2020 were developed and adopted. The document is aimed at ensuring the sustainable development of the aquaculture sector and the use of the mechanisms of interstate interaction for regulating the common agricultural market in such areas as provision with resources, production and development of the aquaculture product market, scientific and innovative cooperation, improvement of the regulatory and methodological framework, and information support.

The implementation of the proposed measures for the development of the cooperation between the Union Member States will increase the provision of the population with a wide range of aquaculture products, reduce the industry's dependence on the import of resources and means of production, and will also contribute to the balanced development of the aquaculture market.

EAEU Agro-Industry Development Map

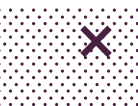
On July 17, 2020, the Eurasian Intergovernmental Council approved the development of the EAEU Agro-Industry Development Map. It will include large investment and innovation projects that are significant for the development of the Union's agro-industrial complex.

The Agro-Industry of the Union map will consist of three sections. First of all, these are large investment and innovative projects in the field of the agro-industrial complex implemented and scheduled for implementation in the Member States. Also, these are areas where it is reasonable to implement investment and innovation projects for the provision of the agro-industrial complex with different resources and import substitution. Moreover, it is planned to add agricultural products and resources, which are mostly imported within the Union market, to the map.

The first section of the map will include all major projects helping to fill the common agricultural market with various products produced in the Member States, which will be typically worth over USD 10 million, cooperative projects involving interstate interaction and mutual supplies of raw materials or finished products, projects aimed at the development and implementation of innovative technological solutions in the agro-industrial complex with the participation of two or more States of the Union.



The Agro-Industry of the Union map will be a comprehensive document aimed at the effective use of the capabilities of all partners in the Union



The information on all implemented projects will allow the EAEU partners, when preparing national development plans and investment programs, to prevent duplication of production, while considering various trends in the development of the common agricultural market as well as provision with goods.

The areas, in which it is reasonable to implement projects, involve the formation of cooperative production chains within the Union in order to develop import-substituting industries, improve the provision of the industry with different resources and effectively use the measures of state support for agriculture.

The relevant map will be posted on the official website of the EAEU and updated (if necessary) according to the proposals of the parties.

Thus, the Agro-Industry of the Union map will be a comprehensive document aimed at the effective use of the capabilities of all partners in the Union, implementation of import-substituting and integration potential in organizing the system for the sustainable development of the agro-industrial complex and the common agricultural market.

Circulation of Organic Agricultural Products

Since 2020, the special legislation in the field of production and circulation of organic agricultural products has been adopted and entered into force on the territory of the Union States. Differences in the approaches to the regulation of this market may lead to some obstacles to the free circulation of organic products produced in the Member States. In this regard, the Commission is developing the roadmap ensuring the preparation of an international treaty aimed at harmonizing (unifying) the state regulation in this area sufficient for the free circulation of organic products without the need for manufacturers to reassess the conformity of organic agricultural production in the EAEU States.

It is planned to approve the roadmap and prepare the international treaty.



Since 2020, the special legislation in the field of production and circulation of organic agricultural products has been adopted and entered into force on the territory of the Union countries



>>> **Export Potential**

In 2019, the States of the Union exported record volumes of agricultural goods worth

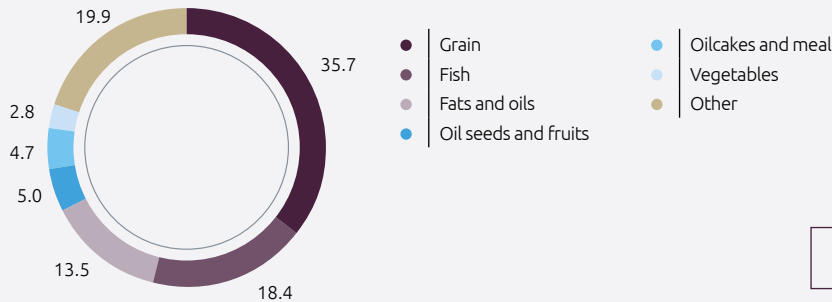
USD 25 billion

Increasing the export of agricultural products and foodstuffs to third countries is an urgent task for each Member State.

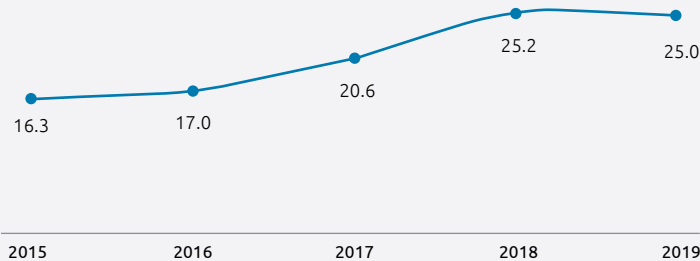
In 2019, the Union countries exported record volumes of agricultural goods worth USD 25 billion, 52.4% higher than in 2015.

As part of implementation of the agreed agro-industrial policy, the Commission together with the EAEU Member States is working on the implementation of coordinated actions aimed at developing the export potential in the agro-industrial complex.

EXPORT STRUCTURE OF AGRICULTURAL AND FOOD PRODUCTS IN 2019, %



DYNAMICS OF EXPORT OF AGRICULTURAL AND FOOD PRODUCTS IN 2015–2019, USD BLN



In order to coordinate the activities of the Member States on the development of exports, the Commission on an ongoing basis analyzes the existing needs of the main trade partners of the Union and identifies promising export positions.

In addition, the Commission analyzes the conditions for access of agricultural products to the markets of third countries for the formation of agreed negotiating positions by the Parties when concluding agreements on free trade areas.

The agreed measures for the development of exports make it possible to strengthen the competitive position of producers of agricultural products and foodstuffs of the Member States in the markets of third countries, to form a positive attitude of foreign buyers to the products produced in the EAEU, to coordinate actions to develop promising markets.

Circulation of Warehouse Certificates for Agricultural Products

In order to establish conditions for the development of electronic trade in agricultural goods, work continues on the Draft Agreement on the rules for the issuance, circulation and redemption within the EAEU of warehouse certificates for agricultural products — uncertified non-issue securities confirming the right of their holders to receive agricultural products in the quantity and quality determined when issuing this paper, and granting the right to demand the performance of obligations secured by the pledge.

Within the framework of the Draft Agreement, uniform approaches to the circulation and redemption of warehouse certificates were established; requirements for the system of ensuring the fulfillment of obligations under warehouse certificates, a standard public storage agreement, granting a warehouse the right to issue warehouse certificates; the directions of ensuring state control in this area, the mandatory information contained in the warehouse certificates, and the list of information posted on the Internet concerning the functioning of the national system of circulation of warehouse certificates were determined.

The agreement is aimed at ensuring mutual recognition of warehouse certificates for agricultural products. At the same time, countries independently determine the types of products for which such certificates will be issued.



Registers of warehouse certificates to be formed in the Union countries are marketplaces by their functional purpose. This brings the possibility of purchasing agricultural products without direct contact between the seller and the buyer, thus making the search for potential counterparties easier. This is especially important in the context of territorial remoteness of the Member States' business entities.

In 2020, the Draft Agreement is planned to be sent to the Member States for internal coordination.

STATE SUPPORT FOR AGRICULTURE

The report on monitoring in 2019 was approved at the meeting of the Commission's Board on April 7, 2020 and sent to the governments of the Member States for use in work



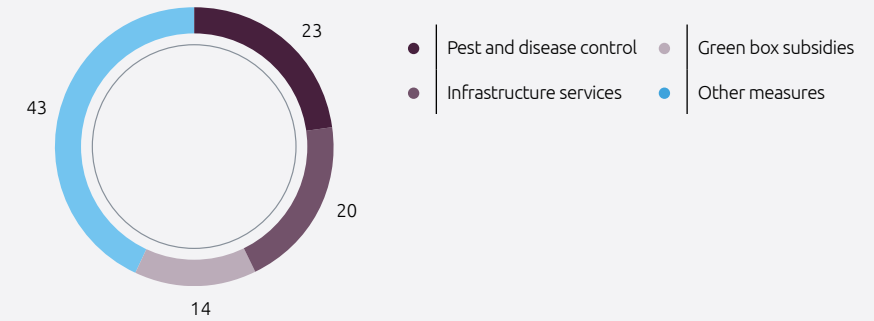
To implement the provisions of the Treaty, monitoring and comparative legal analysis of the Member States' legislation in the field of state support for agriculture is carried out for its compliance with obligations within the EAEU — the use of "import-substituting" subsidies (which provision is due to the acquisition/use of exclusively domestic goods) and "export" subsidies (the provision of which is conditional on the export of agricultural products to the Member States). So, at the end of 2019, more than 100 regulatory legal acts were analyzed, in accordance with which agricultural subsidies are provided in the Member States, and expert consultations were held on the Commission's site related to specific legislative norms. The report on monitoring in 2019 was approved at the meeting of the Commission's Board on April 7, 2020 and sent to the governments of the Member States for use in work.

Based on the notifications submitted by authorized bodies of the Member States, the Review of State Support for Agriculture of the Member States in 2017–2019 was prepared and approved at the meeting of the Commission's Board on December 3, 2019, containing information on the implementation by the Parties of obligations in the field of state support for agriculture in 2017, adjustments in the mechanisms for granting certain subsidies in 2019, as well as the Commission's proposals to improve the efficiency of support rendered to the industry.

The analysis of the volume of state support for agriculture of the Member States shows the proper fulfillment by the Parties of their obligations in the field of state support for agriculture and the existing potential for increasing subsidies to the industry.

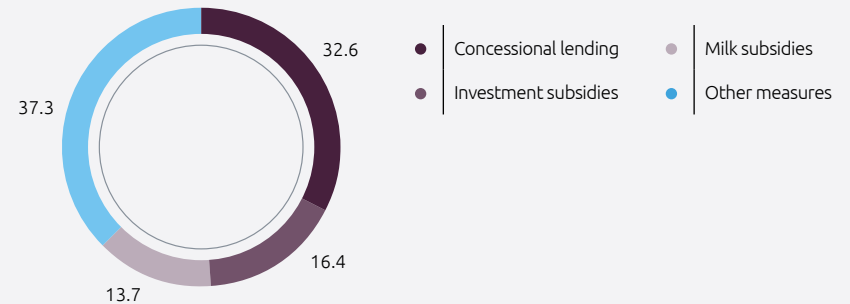
STRUCTURE OF THE EAEU MEMBER STATES' GREEN BOX*, %

*Excluding data for the Republic of Belarus.



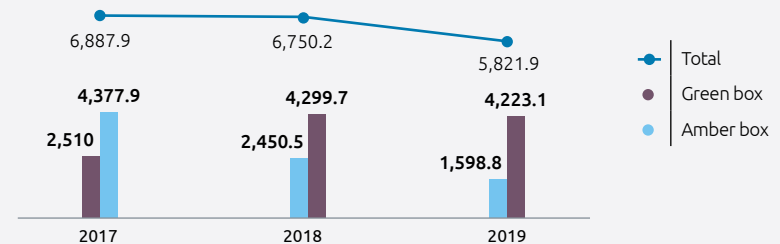
STRUCTURE OF THE EAEU MEMBER STATES' AMBER BOX*, %

*Excluding data for the Republic of Belarus.



STATE SUPPORT FOR AGRICULTURE IN THE EAEU MEMBER STATES IN 2017–2019, USD MILLION*

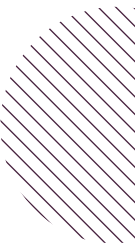
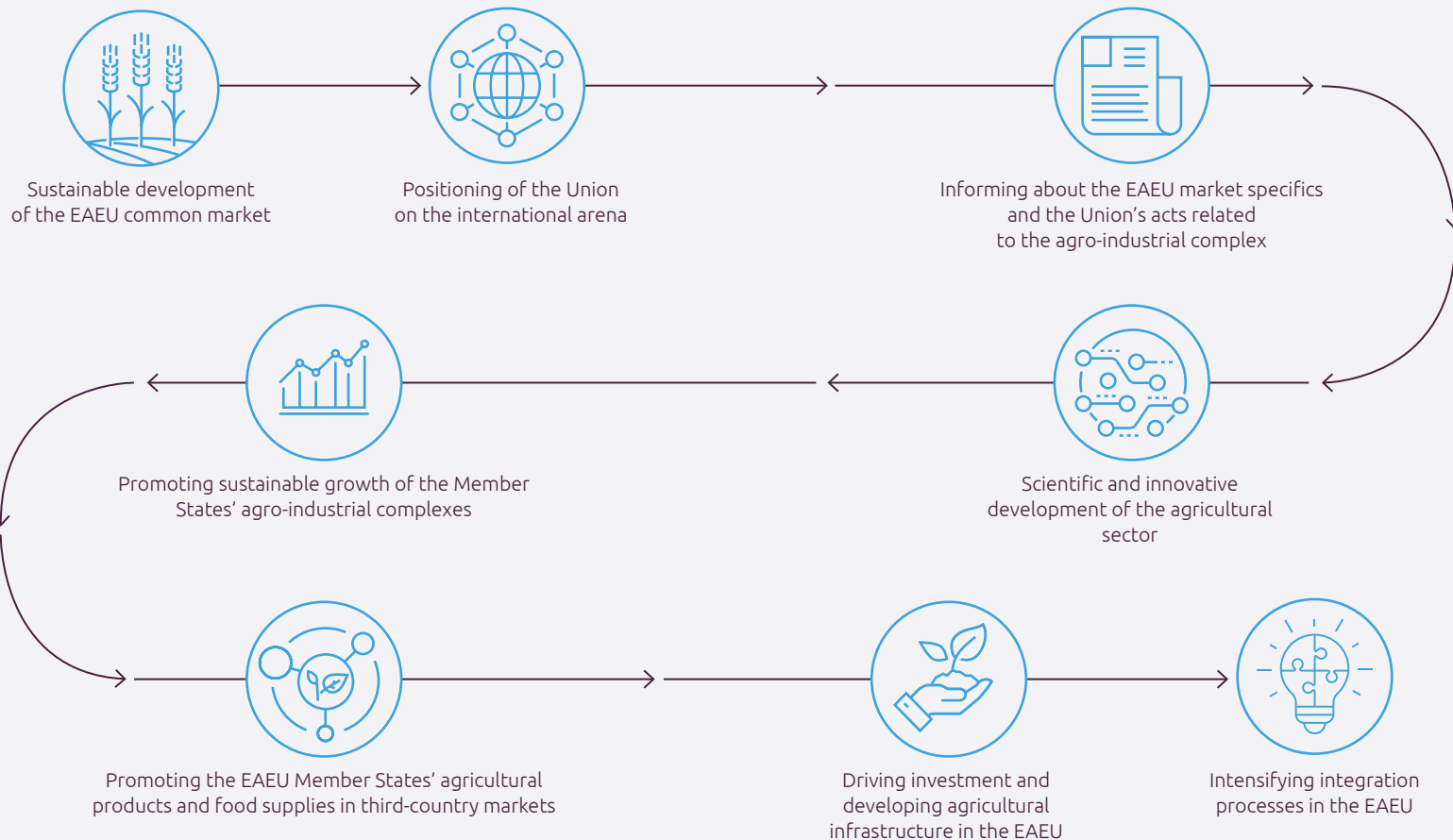
*Excluding data for the Republic of Belarus due to ongoing negotiations on its accession to the WTO.




INTERNATIONAL COOPERATION

The Industrial Policy Department cooperates with representatives of governments and business circles of third countries, international organizations, integration associations and trade and economic partners of the EAEU.

GOALS OF INTERNATIONAL COOPERATION IN AGRICULTURE



Cooperation projects

 In our cooperation with the **FAO** (the UN Food and Agriculture Organization), the focus is on the targeted support provided to the EAEU countries in order to address issues of food safety and security, sustainable development of the common agricultural market and dangerous animal diseases.


Currently, the cooperation is regulated by the Protocol on Extension of the Application Period of the Memorandum of Understanding between the Eurasian Economic Commission and the FAO dated November 8, 2018 as well as the 2019–2023 Action Plan between the EEC and the FAO, approved by Disposition No. 90 of the EEC Board dated May 21, 2019.

As for the seed sector development, the FAO helps call in experts of the International Union for the Protection of New Varieties of Plants, Organization for Economic Cooperation and Development and the International Seed Testing Association to assist with the preparation of proposals and recommendations for improvement of the EAEU Member States' legislation in the field of testing plant varieties and seeds on the basis of international requirements, as well as training on the methods of analysis to determine genemodified seeds.

 In cooperation with the **IFSO** (Islamic Food Security Organization), at the meeting between Alexander Subbotin, Member of the Board – Minister in charge of Industry and Agriculture, and Erlan Baidalet, Director General of the Islamic Food Security Organization, that took place on October 3, 2019 in Moscow, the parties agreed on mutually beneficial cooperation in the field of agro-industrial complex between the EEC and the IFSO.

For the purpose of its implementation, a Draft Memorandum of Understanding was drawn up between the Commission and the IFSO, providing for cooperation in the following areas:

- » promoting sustainable agricultural development, mitigation of climate change in agriculture, and the use of natural resources, including land and water;
- » balanced development of the industry and agricultural markets, etc.

 In cooperation with the **ISO** (International Sugar Organization), at the meeting between Alexander Subbotin, Member of the Board – Minister in charge of Industry and Agriculture, and José Orive, Executive Director of the ISO, the parties agreed on mutually beneficial cooperation in the field of sugar and sugar-containing products and on signing of a memorandum between the EEC and the ISO.

The memorandum will build bridges between businesses worldwide and intensify the EEC's international cooperation in terms of sugar and sugar-containing products.

The EEC and ISO's work will include sharing the best practices in the market of sugar and sugar-containing products and related industries, organizing joint consultations, workshops, round tables and other activities, as well as disclosing statistical data, short- and long-term forecasts, sugar market analysis, joint reports and analytical reviews.

 In cooperation with the **IGC** (International Grains Council), at the meeting between Alexander Subbotin, Member of the Board – Minister in charge of Industry and Agriculture, and Arnaud Petit, Executive Director of the IGC, that took place on December 13, 2019, the parties agreed on mutually beneficial cooperation in the field of international trade in grain and preparation of a Draft Memorandum of Interaction between the Commission and the IGC. The document will build bridges between businesses worldwide and intensify international cooperation between the Commission and the IGC in terms of international trade in grain, exchange of experience in the area of short- and long-term forecasts of supply of and demand for grain crops and the information about national agricultural policies and their impact on the world market of grain and products of its primary processing, preparation of joint reports and analytical reviews, as well as organization of joint consultations, workshops, conferences and other events.

 Cooperation with the **Ministry of Agriculture, Livestock and Fisheries of the Argentine Republic** is carried out in terms of assessment and management of risks for the safety of food products, mutual supplies of agricultural products as well as genetics and selection of livestock. The cooperation is based on the Memorandum of Understanding between the Eurasian



Economic Commission and Argentina Government Secretariat on Cooperation in the Field of Agro-Industrial Complex signed on August 1, 2019 in Buenos Aires.

Cooperation with the **Ministry of Agriculture of the Republic of Hungary** mainly covers the exchange of achievements in agricultural production and high-end cropping developments and technologies.



Eurasian Economic Union FACTS AND FIGURES

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