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KHUTOR ZHELEZNY (Krasnodar Territory). Nov 24 (Interfax) - Russia has favorable conditions for the development of agriculture, Prime Minister Dmitry Medvedev said.

"The situation right now is really unique with our well-known decisions aimed at developing agriculture creating, I would say, especially favorable conditions, including import substitution," - the prime minister said at a meeting with the governor of Krasnodar territory, Alexander Tkachev.

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The governor said that there has been a record volume of grain in the year in Kuban at 13 **million** tonnes. "For us, of course, this is a great victory and it indicates that we have potential and we do not plan to stop there," he said.

Kuban is well able to feed the country and reduce expenses and make grain production profitable enough, he said.

"The fact that the profit margin today is around 100% really enables are domestic Kuban producers to replenish their working assets, to increase salaries and the tax base and to create prerequisites for new production," Tkachev said.

The profit margin for production of all types of products, including meat and poultry, has increased, he said. The profit margin for pork production is now around 30%-40%, compared to a zero profit margin just two years ago.

The PM said there are still problems with regard breeding technologies and this will be discussed.

Russia banned imports of meat and **dairy** products, vegetables and fruit from the United States, Canada, the EU, Norway and Australia on August 7 because of the sanctions these countries imposed against Russia due to the events in Ukraine. The Russian Agriculture Minister estimated that the industry an additional 636 **billion** rubles in 2015-2020 for the import substitution program.

Food security in crops

Medvedev said Russia has achieved national food security levels for most crops.

"For most crop positions we have already achieved or even exceeded food security doctrine indicators," Medvedev said at a meeting of the presidential council on modernizing the economy in Krasnodar territory.

"We have said plenty of times that Russia can feed itself, and considering its colossal reserves of water, arable land and other resources, take its place among the leading agricultural countries," he said.

The grain harvest this year will be around 104 **million** tonnes, the PM said.

"One of the urgent tasks is to increase substitution supplies for those segments, which were opened by countries whose governments, in essence, preferred the logic of political escalation against the interests of their own producers."

"Russian producers have a particular responsibility to provide quality goods in the necessary volume. And this is largely linked with the use of new technology," the PM said.

Innovative projects in agriculture

The Russian government plans to spend 5.32 **billion** rubles on innovative projects in Agriculture to 2020, Agriculture Minister Nikolai Fyodorov said at a meeting in Krasnodar territory Monday.

Grants will be allocated on a tender basis with the condition that there be co-financing from **business**. The share of federal budget funding will be 60% and extra-budgetary funding - 40%, he said. The projects will have three-year terms.

Russia plans to use an investment loan and project financing mechanism to commercialize achievements in plant breeding, seed production and livestock breeding. This is contained in the new version of the government agriculture development program.

The country is currently working on establishing 148 seed production and plant breeding centers in all regions taking into account their crop specializations. Subsidies from the federal budget to compensate direct spending will reach 20% and from regional budgets - 5%. "This will make full use of the potential of varieties and hybrids, increase crop yield to 30%-40% and ensure import substitution on the seed market," the minister said.

"In livestock farming we plan to set up at least three breeding and genetic centers for **dairy** cattle, at least four in poultry farming, including for turkeys and ducks, and at least five in pig farming," he said, adding that this would ensure import substitution of 80%-85%.

MOSCOW. Nov 20 (Interfax) - Russia's grain reserves totaled 42.9 **million** tonnes on November 1, 18.5% or 6.7 **million** tonnes more than on the same date last year, the Federal State Statistics Service (Rosstat) said.

Grain inventories at agricultural organizations, increased by 14.7% or 3.6 **million** tonnes to 28.3 **million** tonnes. Stocks at storage and processing enterprises rose by 26.7% or 3.1 **million** tonnes to 14.6 **million** tonnes.

Reserves of grain at storage and processing enterprises contained 9.755 **million** tonnes of wheat, which is 25.5% more year-on-year. Of this, 7.086 **million** tonnes were food wheat, which is 22.2% more.

Rye stocks amounted to 759,000 tonnes on November 1, down 0.7% in comparison with the same day of last year. Of this, 620,000 (9.8% more) were for food.

Barley stocks rose to 2.382 **million** tonnes from 1.505 **million** tonnes on November 1, 2013. There were 33,000 tonnes of millet (compared with 22,000 tonnes on November 1, 2013), 161,000 tonnes of rice (110,000 tonnes), 1.132 **million** tonnes of corn (1.029 **million** tonnes), and 180,000 tonnes of oats (166,000 tonnes) and other grain crops - 121,000 tonnes (108,000 tonnes).

Kyiv, November 25 (Interfax-Ukraine) - The condition of winter grain crops in Ukraine was evaluated as good and satisfactory on 82% of fields or on 5.8 **million** hectares, the Agricultural Policy and Food Ministry has reported.

According to the ministry's report, 18% of the sprouted crops on 1.3 **million** hectares were weak and thinned.

The ministry said that crops did not sprout on 857,500 hectares (11% of fields). The largest amount of such fields is in Odesa, Mykolaiv, Kirovohrad and Luhansk regions.

ASTANA. Nov 20 (Interfax) - As at November 20, 18.4 **million** tonnes of crops were harvested in Kazakhstan, down 11.1% compared with the same date last year (20.7 **million** tonnes), Agriculture Ministry has said in a statement.

Crops were gathered from 14.6 **million** hectares, or 97.2% of the total harvest area compared with last year's 15.6 **million** hectares (98.6% of the total area).

The average yield dropped to 12.6 centners per hectare from 13.3 centners per hectare in 2013.

Earlier Kazakhstan's Minister of Agriculture Asylzhan Mamytbekov forecast 17.6 **million** tonnes of grain in net weight this year.

In 2013, Kazakhstan harvested 20 **million** tonnes of crops in gross weight and 18.2 **million** tonnes in net weight.

KOSTANAI. Nov 20 (Interfax) - Sarykol Astyk LLP has put into operation a grain elevator in the Kostanai Region, Bulat Karbanov, head of the entrepreneurship department at the Sarykol District Administration, told Interfax-Kazakhstan.

MOSCOW. Nov 26 (Interfax) - The Federal Environmental, Technological and Atomic Oversight Service (Rostekhnadzor) plans to announce the preliminary results of its investigation into the reasons for the disaster at the Solikamsk-2 mine of Russian potash giant Uralkali at the end of December, the deputy head of the watchdog's Western Ural division, Stanislav Matsov told Interfax.

"Four research organizations are now working. We're conducting our own investigation, but without science we can't provide results," Matsov said.

The general director of the Mining Institute of the Ural Department of the Russian Academy of Sciences, Alexander Baryakh told Interfax that additional forms of monitoring, such as drilling of hydrogeological monitoring wells, would be organized soon in the area of the mine hit by flooding.

He said the sinkhole that has formed east of the mine measured 50 by 60 meters as of November 24, but there was virtually no reported inflow of water.

A source familiar with the situation told Interfax that Uralkali plans to soon draft a plan to backfill potentially dangerous parts of the mine and submit it to Rostekhnadzor for approval.

He said that in order to accelerate backfilling of cavities Uralkali might partially resume mining at the mine to obtain tailings that are used as material for backfilling.

Another source said that various backfilling options are being considered and a final decision has not been made yet. The first option is dry backfilling, which would require resuming mining. However, the ore would not be raised to the surface for processing. Uralkali CEO Dmitry Osipov said earlier that the western part of the underground SKRU-2 mining complex might be launched in order to begin backfilling potentially dangerous areas.

The second option is hydraulic filling, which would use salt tailings. A combination of these two options is also possible, the source said.

The chairman of the Perm Territory government, Gennady Tushnolobov said earlier that SKRU-2 is about 70% backfilled. "Although there are very many empty workings, this mine has always been worked intensively," he said.

Tushnolobov also said that at the neighboring SKRU-1 mine, backfilling "under the city was carried out 100% in 2005."

In production of potash fertilizer, up to 70% of mined rock does not contain useful materials. Tailings are either taken to the tailings dump or used for backfilling mine cavities.

The Solikamsk-2 mine, which accounts for 18% of Uralkali's output, had to stop production and employees had to be evacuated on November 18 after a sharp increase in the inflow of brine. The Perm Territory's Emergency Ministry reported a 20-30-meter sinkhole in the vicinity of the mine. There was also a risk the adjacent Solikamsk-1 mine, separated from Solikamsk-2 by a concrete bulkhead, might be flooded. By Thursday morning, the brine inflow had subsided more than 80% to 1,000 cubic meters per hour and two-thirds of the mine was brine-free, Tushnolobov told reporters at the time. The sinkhole was getting larger, but was not expected to be more than 50-60 meters.

Viktor Basagrin, the Perm territory's governor, told reporters on November 24 that the situation the mine had changed considerably. "On Wednesday we were discussing one situation, but now the situation has altered considerably - there's practically no inflow," he said.

MOSCOW. Nov 24 (Interfax) - PhosAgro will have capex of \$437 million in 2015 and \$479 million in 2016-2017, according to company materials.

Overall investments in the company's Cherepovets site will total \$1.072 billion, \$441 million of which the company has already raised. "In January 2014, the group signed a \$440.6 million loan agreement with the Japan Bank for International Cooperation (JBIC) and a group of banks consisting of Bank of Tokyo-Mitsubishi (BTMU), Citibank Japan and Mizuho Bank. The proceeds from the loan are being used to fund construction of a new 760,000 tonnes/year ammonia plant at PhosAgro-Cherepovets," the company said in a statement.

PhosAgro is planning for 2014 capex to be at the level of 2013 - 16-17 billion rubles.

Thanks to its investment program, PhosAgro is expecting production to increase 25% by 2020 to 8.1 **million** tonnes.

The **company** intends to invest \$125 **million** to develop its resource base in 2015 and \$185 **million** in 2016-2017.

The **company** plans to boost sales in Russia and the CIS 31% by 2020 to 2.1 **million** tonnes.

The **company** has announced plans to build a new urea plant but is also thinking of building a new compound fertilizer plant in Cherepovets to boost output of this by 500,000 tonnes by 2020, PhosAgro AG CEO Mikhail Rybnikov said at Investors' Day in Moscow.

"We're discussing this and at the stage of deciding whether this will be a new NPK fertilizer plant or whether we'll modernize existing facilities, which would substantially lower capex volumes. For now, our strategy calls for building a new plant," he said.

There are also plans to build a 300,000-tonne ammonium sulphate plant.

In August, PhosAgro and Czech engineering **firm** Chemoprojekt Nitrogen a.s. signed a contract to design and supply equipment for a 500,000 tpy granulated urea plant in Cherepovets, Vologda region. The overall estimated cost of the project, including infrastructure, that the **company** planned to raise money to finance, was 7.8 **billion** rubles.

Construction of what will be the third urea plant at the PhosAgro-Cherepovets **site** is part of a broader investment project to commission a new 760,000 tpa ammonia and related fertilizer complex in 2017. PhosAgro's total urea capacity will rise 50%, and the PhosAgro-Cherepovets **site** could become Russia's biggest urea producer. Overall fertilizer production will go up roughly a quarter. PhosAgro produced 5.93 **million** tonnes of mineral fertilizer in 2013.

PhosAgro CFO Alexander Sharabaiko said on a conference call on November 24 that the **company** expected to raise a loan of EUR85 **million** under guarantee from Czech export credit agency EGAP for the urea project in Cherepovets.

He said PhosAgro was looking at several financing options, the main one being EGAP. The unit will cost EUR100 **million**.

Sharabaiko said the talks with EGAP should be rounded off by the end of December.

He said the other option was conventional funding with credit facilities.

Singapore-based trader

PhosAgro is planning to boost sales by 60% to 800,000 tonnes through its own Singapore-based trader in 2015, PhosAgro Deputy CEO Sergey Sereda told journalists.

He said the **company** plans to sell 500,000 tonnes of fertilizer through its Singaporean trader in 2014.

Sereda added that the **company** intended to intensify its work on the markets of Vietnam, Thailand and Cambodia.

As reported, PhosAgro created its Singapore trader PhosAgro Asia Pte. Ltd. in 2013 to supply mineral fertilizers to countries in Asia, Africa, Australia and New Zealand.

Boosting sales in Latin America, Europe by 2020

PhosAgro is planning to concentrate on boosting sales in Europe and Latin America by 2020, Sereda said.

"Our new sales model to 2020 is centered on two key markets - Europe and Latin America," he said.

Sereda added that PhosAgro intended to expand its presence in these regions by opening its own trading offices in Sao Paulo, Brazil, and Brussels, Belgium.

By 2020, the **company** intends to boost DAP/MAP sales in Latin America by 250,000 tonnes to 750,000 tonnes, complex fertilizer sales - by 100,000 tonnes to 320,000 tonnes and urea sales by 270,000 tonnes to 470,000 tonnes.

In addition, PhosAgro plans to increase complex fertilizer sales by 670,000 tonnes to 940,000 tonnes and urea sales by 330,000 tonnes to 400,000 tonnes.

PhosAgro CEO Andrey Guryev added that the **company** saw four possible locations to boost sales - Russia and the CIS, Europe, Latin America and the U.S. - and also Asian countries for several types of fertilizer. The **company** does not have a large presence in India or **China**.

Ust-Luga

PhosAgro is planning to boost fertilizer transshipment through the Ust-Luga port to 48% of overall export sales, PhosAgro AG CEO Mikhail Rybnikov said at Investors' Day in Moscow.

He said the **company** intended to redirect flows from the ports in Vyborg (Russia), Muuga (Estonia) and Kotka (Finland) to Ust-Luga, which will receive its own terminal. As a result, the **company** will handle around 2 **million** tonnes through Ust-Luga.

In 2014, the **company** is planning to transship 16% of export volumes through Ust-Luga.

Transshipment through St. Petersburg is planned to fall to 16% in 2015 from 33% in 2014.

As a result of logistics optimization, PhosAgro expects to save \$6 per tonne on transport.

MOSCOW. Nov 20 (Interfax) - PhosAgro does not anticipate any problems with **purchases** potash to make compound fertilizers following the accident at a mine belonging to Uralkali earlier this week, investor relations director Irina Yevstigneeva said during a conference call.

"We have access to Uralkali and Belaruskali resources. We will not have any problems purchasing potash," she said.

PhosAgro also has the ability to switch to DAP/MAP production, in addition to obtaining potassium from Belaruskali, a PhosAgro spokesman said.

PhosAgro and Belaruskali signed a contract in February on potash deliveries. Previously, PhosAgro, like other Russian compound fertilizer producers, **purchased** potash solely from Uralkali.

PhosAgro is the biggest potash consumer in Russia. Companies in the **group** use 760,000 tonnes of potash a year.

PhosAgro has not disclosed the volume of potash it **purchases** from Belaruskali.

MOSCOW. Nov 25 (Interfax) - PhosAgro has signed a contract on supply of potash from Belaruskali in 2015, PhosAgro said in a press release.

PhosAgro did not disclose the volumes specified under the contract, noting only that "PhosAgro's annual MOP **purchase** from Belaruskali and Uralkali could reach up to 800,000 tonnes, depending on the grades of NPK/PKS fertilizers it produces."

"This contract enables us to continue to successfully hedge our risks related to the supply of MOP to PhosAgro's production facilities in Volkhov and Cherepovets," PhosAgro CEO Andrei Guryev is quoted in the press release as saying.

PhosAgro and Belaruskali had signed a potash supply contract in February. Previously, PhosAgro, like other Russian compound fertilizer producers, had only **purchased** potash from Uralkali.

PhosAgro did not disclose the volumes specified in the earlier contract.

MOSCOW. Nov 19 (Interfax) - PhosAgro boosted earnings before taxes, depreciation and amortization (EBITDA) 46% year-on-year in Q3 2014 to 9.5 **billion** rubles, the fertilizer producer said in a statement.

This was higher than the 9.28 **billion** rubles that analysts predicted in a consensus forecast for Interfax.

EBITDA grew 24% to 25.8 **billion** rubles in January-September. The EBITDA margin rose to 30%, from 26% in the same period of last year.

Net profit fell 31% to 6.3 **billion** rubles and the exchange-rate loss was 9.5 **billion** rubles.

Net loss was 1.8 **billion** rubles in Q3, compared with profit of 3.9 **billion** rubles a year previously.

Phosagro's net debt rose 20% during the 9M to 52.7 **billion** rubles. Net debt/EBITDA fell to 1.5 from 1.8. Gross debt rose to 73.3 **billion** rubles from 52.8 **billion** rubles during the 9M.

"Most of the **company**'s debt is denominated in USD as a natural hedge against primarily USD-denominated sales. The depreciation of the Russian ruble against the US dollar was the primary reason for the increase of PhosAgro's net debt in rubles terms," the **company** said.

Revenue for 9M increased by 7% year-on-year to 86.8 **billion** rubles. Favourable market conditions led to higher prices year-on-year for most PhosAgro products. Cost savings in cost of sales also contributed to PhosAgro's strong operating profit result for 9M 2014: operating profit for the period was 19.7 **billion** up 32% from 9M 2013.

"Healthy global demand for phosphate-based fertilizers has pushed DAP prices to \$500 per tonne FOB Tampa and higher in Q3 2014. The average DAP FOB Tampa price for the first nine months of 2014 was up 2% year-on-year to \$475, compared to an average of \$466 last year. While current DAP prices have softened to around \$455 FOB Tampa as a result of the seasonal slowdown, they are still about \$100 per tonne higher than they were at this time last year," said Andrei Guryev, CEO.

Phosphate-based products segment revenue increased by 5% year-on-year to 74.233 **billion** rubles. The **company** said it had substantially increased sales of both concentrated fertilizers and NPKs to Latin America and Russia.

MAP fertilizer exports increased by 54% year-on-year, with price increases in rubles terms of 10%. This was offset by a 48% decrease in DAP exports. Domestic MAP sales increased by 37% year-on-year. Revenue from DAP/MAP sales increased by 16% year-on-year to 29.464 **billion** rubles in 9M 2014, representing an overall 5% year-on-year increase in sales volumes and 10% increase in DAP/MAP average revenue per tonne denominated in rubles.

Domestic NPK sales volumes increased by 36% year-on-year, which partially compensated for weaker domestic NPK prices during 9M 2014. As a result, revenue from domestic NPK sales increased by 32% year-on-year to 8.578 **billion** rubles in 9M 2014. Revenue from NPK export sales decreased by 10% year-on-year to 9.185 **billion** rubles in 9M 2014, as a result of a 13% year-on-year decline in NPK export sales volumes, which was partially compensated by a 3% increase in revenue per tonne denominated in rubles.

Total sales of phosphate rock decreased by 20% year-on-year to 10.828 **billion** rubles in 9M 2014 due to higher internal consumption of phosphate rock by PhosAgro production sites and lower phosphate rock production volumes as a result of the optimisation of **mining operations**.

The phosphate-based products segment's gross profit for 9M 2014 increased by 22% year-on-year to 30.011 **billion** rubles, resulting in a gross profit margin of 40%, compared to a 35% margin in 9M 2013, which was the result of higher sales combined with cost savings.

Nitrogen segment revenue increased by 23% year-on-year to 12.018 **billion** rubles in 9M 2014. Production and sales volumes of nitrogen-based fertilizers increased by 12% and 16% year-on-year, respectively, in 9M 2014. Export revenue from urea increased by 24% year-on-year from 8.271 **billion** in 9M 2014, in line with the 22% increase in sales volumes. Ammonium nitrate (AN) sales volumes decreased by 5% year-on-year, which, combined with a 2% decrease in revenue per tonne, was the major factor behind the 7% decline in revenue from AN sales to 1.799 **billion** rubles in 9M 2014.

TASHKENT. Nov 24 (Interfax) - Uzbek state chemical **company** Uzkhimprom plans to extend until 2015 a contract with Russia's CJSC West-Urals Machine Building Plant (ZUMK) to build phase two of the Dekhkanabad Potash Fertilizer Plant in the Kasshkadarya region, a source from the **company**'s management told Interfax.

The parties have drafted a supplement to the agreement, which the Uzbek government is reviewing.

They had planned to finish build phase two by the end of this year, however this proved impossible for financial and technical reasons.

Uzbekistan started to build phase two of the complex, projected capacity of 400,000 tonnes of potash fertilizer per year, in 2011. The project is estimated to cost \$254.5 **million**. Uzkhimprom signed a contract with ZUMK to build capacity to mine 1.4 **million** tonnes of sylvinit **ore** per year, a cargo cableway to transport 2.1 **million** tonnes of **ore** per year and power supply infrastructure (\$122.3 **million**); and a contract with **China**'s Citic to build the processing plant (\$116.3 **million**). Citic finished building the processing plant, which is operating in pilot mode, in Q1 2014.

Project funding includes a \$110.5 **million** loan from **China** Eximbank, a \$128.1 **million** loan from the Uzbek Reconstruction and Development Fund and Uzkhimprom's

Phase one of the complex was launched in 2010. It cost \$123.7 **million** and has projected capacity to produce 200,000 tonnes per year. The plant obtains potash salts from the Tyubegatan deposit, which is located in Kashkadarya region on the border with Turkmenistan. The deposit has reserves of 400.2 **million** tonnes of **ore** with 36.8% potassium chloride content.

MOSCOW. Nov 26 (Interfax) - Turkey will provide Russian agricultural watchdog Rosselkhoznadzor with documents on organizing exports of Russian meat to Turkey before the end of 2014, according to the protocol of the meeting of the Russian-Turkish intergovernmental commission on trade and economic cooperation in Moscow on Wednesday.

The Russian side is interested in exporting beef, mutton, poultry meat and finished processed product. Turkey will supply the veterinary and sanitary requirements for imports of those products, as well as the documents that must accompany shipments, to the Russian watchdog before the end of the year.

The sides also agreed on the need to continue bilateral cooperation in veterinary and phytosanitary supervision and to continue constructive dialog on settling export-import issues arising from deliveries of animal and plant products.

Russia and Turkey plan to join efforts to prevent falsification of veterinary and phytosanitary certification for animal and plant products.

The Turkish side will continue to test plant products destined for Russia for contamination with pesticides, nitrates and nitrites.

MOSCOW. Nov 21 (Interfax) - Russian agriculture watchdog Rosselkhoznadzor will allow imports of beef and poultry fats from France, Denmark, Italy and the Netherlands if these countries adhere to certain conditions.

The watchdog has signed protocols with the veterinary services in these countries containing guarantees that the permitted products come from cattle and poultry produced in companies within supplier countries that are included in the register of organizations with the right to import to Russia. In addition, there should be a guarantee that the product comes from companies in which there is a monitoring system in which the origin of a product can be determined.

Rosselkhoznadzor is also interested in the living and feeding conditions, the health of the animals, and production and storage conditions at all stages.

Before supplies begin, Rosselkhoznadzor plans to check these companies and the delivery notification systems.

Rosselkhoznadzor told Interfax that the products in question are those that did not fall under the food embargo of August 7 2014. These include beef byproducts with the codes TN VED 0206, 0210, edible flour with code 0210, fats with the exception of pork with codes 1501 and 1502, byproducts from fats, with the exception of pork, from the 1602 **group**.

MOSCOW. Nov 20 (Interfax) - Russia may lift ban on imports of breeding hogs from EU, Russian agricultural watchdog Rosselkhoznadzor reported.

"Rosselkhoznadzor is studying the possibility of lifting the ban on imports of breeding hogs from European Union countries," the watchdog said.

This is possible "given agreement over veterinary certification and quarantine arrangements prior to shipment of the animals," it said.

Rosselkhoznadzor added that this was also possible after Russia's retaliatory sanctions are cancelled.

"Supplies of pork from the European Union will be made possible after a new form of the veterinary certificate is agreed upon, which will allow for scientifically founded regionalization and compartmentalization to take place on pork manufacturers as concerns African swine fever. EU countries such as Germany, Austria, the Czech Republic and Slovakia are still in the serious risk zone," the statement says.

Rosselkhoznadzor is also not against agreeing on bilateral certificates with certain EU countries, as it did with **China**.

The watchdog said it was considering working out a new veterinary certificate as the only real way to resolve the situation that has been complicated by the spread of African swine fever in the EU and also by the EC's appeal to the WTO concerning the ban on European pork shipments. This must be done since "legal proceedings could drag on for many years," Rosselkhoznadzor said.

MOSCOW. Nov 24 (Interfax) - Russian agriculture watchdog Rosselkhoznadzor will on November 26 ban imports from eight Belarusian companies - OJSC Skidelsky Agriculture Plant, OJSC Vitebskaya Broiler Plant, CJSC Servolyuks Agro, OJSC Vitebsky Meat Plant, OJSC Zhlobinsky Meat Plant, OJSC Kalinkovichsky Meat Plant, OJSC Rogachev Meat Plant and OJSC Rassvet Poultry Plant.

The decision was taken after the discovery in products from these companies of bacteria, microorganisms and antibiotics that are banned in Russia, the watchdog said.

Belarus hopes to resolve the issue of the ban soon. "All the Russian complaints were filed just days ago. This issue worries United States and we'll get to the bottom of it soon," Alexei Bogdanov, head of the Belarusian Agriculture Ministry's main directorate for foreign economic activity, told reporters on Tuesday.

He said Belarusian laboratories had not revealed what Russia had revealed.

He said Belarus exported food not just to Russia. "We're working on diversifying our exports all the time. If Russia doesn't want our food we'll find somewhere to sell it," he said.

MOSCOW. Nov 24 (Interfax) - Officials from the Federal Security Service's Department for Crimea and the city of Sevastopol have curbed an attempt to smuggle meat from Ukraine, detaining the suspected ringleader who offered a special services official a \$30,000 bribe.

"On November 18, 2014, officials from the Department in cooperation with officials from Service 4 of the Russian Federal Security Service curbed an attempt to smuggle a batch of meat products through the checkpoints Aramaynsk and Chongar worth several **million** rubles," the Federal Security Service's Department for Crimea and the city of Sevastopol reported on Monday.

Several tonnes of meat products of an unidentified origin and U.S. poultry were later found in warehouses controlled by the **group** located in Simferopol and Kerch.

According to the special services, the **group** had over ten members. They were detained and arrested by the Simferopol Kiyevsky District Court. The Investigative Division of the Federal Security Service's Department is investigating four criminal cases.

Mykola Karpenko, a citizen of Ukraine and a deputy of the Odesa region's council, who was deputy head of the Ukrainian Fisheries Agency before March 2014 and who is the suspected ringleader, was detained while trying to enter Russia from Ukraine at the Moscow Domodedovo airport and was taken to Simferopol on November 21.

The press service for the Federal Security Service's Department reported that Karpenko offered a Federal Security Service official a bribe in an amount of \$30,000 to avoid being arrested. However, the operative reported the attempt to his superiors and Ukrainian citizen Maxim Malinsky, who acted a mediator, was detained why passing the money on November 23.

MOSCOW. Nov 24 (Interfax) - Russia has completely substituted its Norwegian imports of salmon and trout with imports from Chile and the Faroe Islands, the Federal Customs Service (FCS) said in a press release.

"The FTS carried out an analysis of Russian salmon and trout import data from July to October 2014. Russia imported 11,762 tonnes of Atlantic salmon and trout in July 2014, including 7,029 tonnes of chilled fish and 4,733 tonnes of frozen fish. The main supplier of chilled Atlantic salmon to Russia was Norway, accounting for 98% of total imports of this type of fish in July 2014," the customs service said.

After Russia imposed sanctions on food imports from the EU, Norway, the United States and Australia, salmon and trout imports from Norway stopped. The drop in imports in August compared to July was 5,802 tonnes, including 5,061 tonnes for chilled Atlantic salmon.

In September and October this shortfall began to be compensated with imports from other countries and in October imports of chilled and frozen salmon and trout were up on the July figures by 6,110 tonnes.

"The main supplier of chilled Atlantic salmon is the Faroe Islands. In August, imports to Russia of chilled salmon from the Faroe Islands totaled 312 tonnes, in September it was 2,990 tonnes and in October it was 3,032 tonnes," the FCS said.

Supplies of frozen salmon and trout from Chile totaled 2,679 tonnes in July, 6,712 in September and 14,226 tonnes in October.

"Thus, the drop in imports of chilled salmon and trout, seen directly after sanctions were imposed, was completely substituted with supplies from Chile and the Faroe Islands and the share of frozen salmon and trout increased from 40% in July to 83% in October."

MINSK. Nov 25 (Interfax) - Estonia has asked Belarus to process Estonian fish for further export to Russia, Mart Undrest, a representative of the Estonian Fishermen's Association, told the press in Minsk Tuesday.

"We hope to work with Belarus in the area of fish processing so that fish can then be exported to Russia," he said.

So far exports of Estonian fish to Belarus have not increased, but this issue is under discussion, he said.

"The Russian embargo has really hit us. We catch a lot of sprats and Baltic herring," Undrest said.

Belarus may increase its fish processing capacity if that is economically advantageous, Alexei Bogdanov, a representative of the Belarusian Agriculture Ministry, said. "We have recently upgraded companies," he noted.

A one-year ban on imports of fish and fish products from the United States, the EU, Canada, Australia and Norway has been in place since August 7.

A drop in Russia's production of fish and fish products amid the ban picked up in the January-October 2014 period. The Russian Statistics Service said Russia produced 3 million tonnes of fish and fish products, down 5.2% year-on-year. There was a drop of 4.4% in January-September. In October, production slumped 12.7% on October 2013 and 9.5% compared to September 2014.

MOSCOW. Nov 20 (Interfax) - Russian agriculture watchdog Rosselkhoz nadzor has discovered conditionally pathogenic microorganisms in products from various Belarusian dairy companies.

These microorganisms were detected in lab tests on products from the Berezovsky Cheese Plant, the Dyatlovsky Cheese Plant and the Rogachevsky Dairy Plant.

Rosselkhoz nadzor has warned the Belarusian veterinary service about the unacceptability of such violations.

MOSCOW. Nov 21 (Interfax) - Russia has twice as much salt as it needs, the Agriculture Ministry reported after a meeting of the food section of the scientific council on changes to Customs Union technical regulations.

"The Russian Health Ministry recommends an intake of 2.5-3.5 kilograms per head in a year. The country produces and delivers salt with a calculation of around 7 kilograms per head," the report said.

Russia produced 2.4 million tonnes of table salt in January-September 2014. The average price for table salt, packaged in the country, was 3.46 rubles per kilogram in September, which was unchanged from the previous month and the start of the year.

"The situation on the salt market remains stable," the report said.

Concerns about providing the country with salt could arise because one of the major suppliers is Ukraine. However, Artemsol, a salt producer in Donetsk region, said the company was working as normal and the Russian market was a priority for the company.

MOSCOW. Nov 25 (Interfax) - The Russian agricultural watchdog Rosselkhoz nadzor suspects that Switzerland's territory may be used for re-exports of crop products to Russia contrary to restrictions that the latter imposed recently.

Maxim Gninenko, a deputy chief of Rosselkhoz nadzor's phyto-sanitary supervision department, said at a meeting with Julien Thoeni, a counselor of the Swiss embassy to Russia, that, after Russia barred imports of food products from a number of Western countries, deliveries of crop farming products from Switzerland to Russia have doubled on the average, and imports of apples from Switzerland have grown 400 times, Rosselkhoz nadzor reported.

"This is why Rosselkhoz nadzor has suspicions that not all these products are exactly Swiss," the agency said in a statement.

In order to find out the real source of products exported to Russia and take measures to protect respectable agrarian producers' interests from actions by international frauds, Rosselkhoz nadzor officially asked its Swiss counterparts to inform it of the real volumes of production of certain crops and confirm the authenticity of phytosanitary certificates on shipments of these products exported to Russia, Rosselkhoz nadzor said.

Rosselkhoznadzor would like to have this information within ten days after the negotiations, which should help avoid the introduction of protective measures, it said.

Thoeni expressed his willingness to help provide the information requested as soon as possible and stressed that Switzerland is proud of its neutrality and wishes to maintain stable trade relations with Russia.

MOSCOW. Nov 26 (Interfax) - EFKO **Group** boosted bottled sunflower **oil** sales 50.7% year-on-year in January-September to 88,000 tonnes, the **company** said in a pres release.

Sales of specialized fats and other margarine products grew 9% to 332,000 tonnes, including growth of 4% for confectionery fats, 10% for cocoa substitutes, 11% for industrial margarines and 24% for universal fats.

The **company sold** 86,000 tonnes of mayonnaise.

EFKO processed 435,000 tonnes of sunflower seeds, up 1.5% year-on-year. It **sold** 3.3% more sunflower **oil** meal and exported 154,000 tonnes of sunflower **oil**, up 12.1%.

EFKO bought the Kholmsky Bakery Products Plant, with two grain elevators, one for 63,000 tonnes and the other 72,000 tonnes, this year. Its overall grain storage capacity is now 810,000 tonnes.

EFKO **Group** includes EFKO Food Ingredients, a producer of specialized fats, Efirnoye, a producer of vegetable **oil** and mayonnaise, and also the Taman port.

Top managers own the **company**.

ALMATY. Nov 20 (Interfax) - In January-September 2014, JSC Rakhat, Kazakhstan-based confectionery producer, reported a net profit of 1.640 **billion** tenge (180.87 tenge/\$1), up 130% from the period last year, according to the **company's** consolidated IFRS financial statements.

In the reporting period, the **company's** revenue grew 19.2% to 24.551 **billion** tenge, gross profit rose 42.2% to 5.047 **billion** tenge, pre-tax profit increased almost 120% to 2.059 **billion** tenge. Rakhat's assets expanded 8.1% to 21.449 **billion** tenge, liabilities decreased 2% to 2.411 **billion** tenge, **equity** rose 9.6%, to 19.038 **billion** tenge, charter capital stood unchanged at 900 **million** tenge.

As at July 1, 2014, South Korean LOTTE Confectionery had a 79.83% **stake**, Sweet City LLP - a 6.53% **stake** and Chairman of the **Board** of Directors of Bayan Sulu confectionery plant in Kostanai Yerlan Baimuratov - a 6.09% holding in the confectionery factory.

JSC Rakhat, opened in 1942, produces over 250 confectionery products, exported both to the CIS and other countries, including Russia, Germany, Mongolia, Tajikistan, **China** and Afghanistan.

ASTANA. Nov 24 (Interfax) - The consumer protection committee at Kazakhstan's Economy Ministry has introduced a transition period until January 1, 2015 to bring alcohol products in line with the food safety standards of the Customs Union.

"The decisions was made as a result of bilateral Kazakh-Russian technical consultations and working discussions, in the course of which the Russian side acknowledged existing irregularities and asked for time to address them," the ministry said in a statement.

The committee also took into account appeals from Kazakh importers and Russian producers.

"By January 1, 2015, entrepreneur importers must bring alcohol products in line with the requirements of the food safety standards of the Customs Union. The appropriate authorities of Russia and Belarus have been notified of the decision," the statement said.

The ministry recalled that the following alcohol products made in Russia were found to not meet the Customs Union food safety standards: vodkas Talka, Imperiya, Diky Gus, Zelenaya Marka Rzhanaya, Russky Garant Kachestva, Rublevka and Posolskaya; beer beverages Miller Genuine Draft and Hoegaarden White; and beers Grolsch Premium Lager, Brahma, Pilsner Urquell, Zhiguli barnoye, barkhatnoye, Zhigulevskoye originalnoye, Bad and Lowenbrau Original.

Under a resolution adopted earlier by Kazakhstan's public health chief, sales of imported alcohol that does not meet Customs Union standards will be prohibited in Kazakhstan as of January 2015.

Kazakhstan initially imposed the ban on imports of alcohol products that do not meet Customs Union standards on June 1 of this year, but then the ban was deferred until October 1.

As of October 1, Kazakhstan has prohibited imports of alcohol products that do not meet the standards of the Customs Union and national legislation from countries that are not members of the Customs Union, and also prohibited the manufacture of the alcohol products of Customs Union members that does not meet these standards.

KRASNODAR. Nov 20 (Interfax) - Tea farmers in Sochi, Krasnodar territory, harvested 356 tonnes of tea leaves in the 2014 season, 50% up on 2013, the regional Agriculture Ministry said.

This year has seen a record tea harvest for the last few years. This was encouraged by good weather conditions in the summer and the fall and high soil humidity.

"Tea leaf processing takes place close to the harvest sites. Each tea farming **company** has its own processing division so the tea leaves do not have to undergo long journeys. Reducing the transport time from tea plantation to processing plant significantly improves product quality," the ministry said.

There are six companies that grow and process tea leaves in Sochi: CJSC Dagomyschai, OJSC Solokhauksky Chai, OJSC Matsesinsky Chai, CJSC Hosta Chai, CJSC Shapsugsky Chai, as well as other farms.

The Agriculture Ministry reported that tea plantations in Russia are only located in the Black Sea coast in Sochi. Tea plantations occupy 1,400 hectares.

MOSCOW. Nov 24 (Interfax) - Dixy **Group**, one of Russia's leading retailers, boosted net profit under International Financial Reporting Standards (IFRS) 90% in the third quarter of 2014 to 1.19 **billion** rubles.

Earnings before taxes, depreciation, and amortization (EBITDA) increased 56.3% to 4.3 **billion** rubles, while EBITDA margin was at 7.5% versus 6.3% in the same period of last year.

The **company's** performance was better than analysts had expected in a consensus forecast. Net profit was expected to be 1.1 **billion** rubles, EBITDA - 4.07 **billion** rubles and EBITDA margin - 7%.

Revenue was previously reported at 57.9 **billion** rubles, up 31% year-on-year. LFL sales increased 14.6%.

Dixy had gross profit of 17.4 **billion** rubles, up 29.2%. Conversely, gross margin fell to 30.1% from 30.6%.

Margin fell due to increased inventory losses, which were partially offset by improved **commercial** conditions for suppliers. Analysts had expected gross margin to fall to 30%.

"Cost of goods **sold**, as a percentage of sales, decreased by 20 basis points year-on-year to 66.5% of sales in the third quarter of 2014, driven by better purchasing terms. Shrinkage costs, as a percentage of sales, increased by 70 basis points year-on-year to 2.6% of sales in the third quarter of 2014, due mainly to growing share of fresh categories, especially, fruits and vegetables, in DIXY stores revenue. Transportation costs, as a percentage of sales, remained flat year-on-year at 0.8% as percentage of sales in the third quarter of 2014," the **company** said.

"Selling, General & Administrative Expenses increased by 23.5% (12.0% in USD) year-on-year to 14.8 **billion** rubles (\$409.6 **million**) in the third quarter of 2014. SG&A expenses, as a percentage of sales, decreased by 160 basis points year-on-year to 25.6%. The decrease was driven mainly by the reduction of staff expenses and utilities, repair and maintenance expenses, as a percentage of sales, offset partially by increased operating lease, and depreciation and amortization expenses, as a percentage of sales, in the third quarter of 2014," the statement says.

"Staff expenses increased by 20.8% (9.5% in USD) year-on-year to 6.9 **billion** rubles (\$191.6 mln) in the third quarter of 2014, due primarily to organic growth of the **business** and wage indexations. Staff expenses, as a percentage of sales, decreased by 100 basis points to 12% in the third quarter of 2014, driven mainly by higher staff productivity and strong like-for-like stores performance," it says.

"Operating lease expenses grew by 32.8% (20.4% in USD) year-on-year to 3.5 **billion** rubles (\$96.4 **million**). Operating lease expenses, as a percentage of sales, increased by 10 basis points year-on-year to 6.0% in the third quarter of 2014, mainly, because of growing share of rented space and larger number of newly opened stores in the first nine months of 2014 compared to the same period last year," Dixy said.

"Utilities, repair and maintenance expenses increased by 11.5% (1.1% in USD) year-on-year to 1.2 **billion** rubles (\$33.9 **million**) in the third quarter of 2014, due mainly to utilities tariffs indexation. Utilities, repair and maintenance expenses, as a percentage of sales, decreased by 40 basis points year-on-year to 2.1% in the third quarter of 2014, due mainly to strong like-for-like stores performance," the **company** said.

Net cash from operating activities increased by 60.1% (43.0% in USD) to 5.8 **billion** rubles, or \$164.2 **million**, in the first nine months of 2014 from 3.6 **billion** rubles (\$114.8 **million**) in the same period of last year. The increase occurred due to the **company's** revenue and profitability growth.

As of September 30, 2014, total financial debt amounted to 26.7 **billion** rubles versus 28.9 **billion** rubles as of September 30, 2013. Net debt fell to 23.8 **billion** rubles from 27 **billion** rubles.

Dixy manages Dixy convenience stores and the Minimart and Megamart compact hypermarkets. In June 2011, Dixy **purchased** the Victoria **Group**, which includes the Victoria supermarkets, the Kvartal, Deshevo and Semeynaya Kopilka discount stores, and the Cash cash & carry store.

At the end of September, the **company** had 2,068 stores, including 1,943 Dixy neighborhood stores and 45 Victoria supermarkets.

MOSCOW. Nov 24 (Interfax) - Dixy **Group** expects sales revenue will grow 20%-25% in 2015, the retailer's general director, Ilya Yakubson, said on a conference call.

Yakubson said the EBITDA margin might fall slightly due to stronger competition and investment in prices.

Dixy plans to open (net) 500 stores next year. Capex could be up to 15 **billion** rubles.

The **company** will open 380 stores in 2014. It opened 320 in January-October.

Revenue is expected to grow 25% this year. The previous forecast was for 20%-25% growth. Yakubson said demand was steady in November. Revenue grew 25.8% to 183 **billion** rubles in January-October.

According to the EFIR-Interfax terminal, the consensus forecast among investment bank analysts for Dixy's revenue in 2014 is 228.224 **billion** rubles, up 26% from 2013. The consensus for 2015 is 271.918 **billion** rubles, up 19%.

EBITDA grew 45% year-on-year in January-September 2014 to 11.7 **billion** rubles and the EBITDA margin rose to 7.1% from 6.1%. The gross margin was 30.3%, compared with 30.1% a year previously.

Yakubson said Dixy was investing more in price-value perception and promotions. Customers have started to **buy** more goods under promos. Dixy expects the gross margin will decrease in Q4 and FY 2014.

CFO Fyodor Rybasov said the **company** intended to amend loan agreements with banks in the coming weeks, abandoning floating rates for fixed rates in a bid to lower the average rate for its loan portfolio.

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MOSCOW. Nov 20 (Interfax) - VTB **sold** assets from the Investlesprom**Group** in Karelia for 11.4 **billion** rubles, the bank said in a financial report.

AFK Sistema bought the assets. The deal was closed in September.

In April 2014, Sistema signed a binding agreement with the VTB **Group's** Bank of Moscow to **buy** two enterprises, OJSC Segezha Pulp and Paper Mill (SPPM) and LLC Derevoobrabotka-Proekt (DOP) from Investlesprom.

In February, Bank of Moscow acquired a 99.9997% **stake** in Derevoobrabotka-Proekt for 40 **million** rubles. Investlesprom still has a large debt of nearly \$1 **billion** owed to the Bank of Moscow, which was acknowledged as problem debt after VTB took over the bank.

The deal was planned as a leveraged **buy**-out. Sistema will receive all claims of Bank of Moscow to the acquired assets. Up to 50% of the cost of the deal will be financed by loan funds obtained by DOP and SPPM. Their debts to third parties as a result of the deal will equate to what cash remains in their accounts.

As a result of the deal, Lesinvest will become the largest producer of sack paper and paper bags in Russia, the second largest producer of paper bags in Europe and also one of the largest producers and exporters of wooden boards and lumber in Russia.

OMSK. Nov 25 (Interfax) - Canada-based Buhler Industries Inc., which is controlled by Russian agriculture equipment **company** Rostselmash, will participate in the creation of a large agriculture **business park** in Omsk region with an area of 320,000 square meters, the regional government said.

The project and concept for setting up the Petrumel agriculture **business park** was approved by the Omsk regional government. The project will be run by the regional government **company** OJSC Omsk Regional Development Corporation.

On Monday, LLC Petrumel, the initiator of the project, talked to Buhler about supplies of equipment for a food plant that will provide 100,000 balanced portions of food for social institutions, production companies, airlines and humanitarian aid to other countries. This plant is a key part of the project.

"In addition, LLC Petrumel CEO Sergei Ivashkin presented the proposed financing scheme for the project, which was approved by Buhler representatives," the release said.

Details about financing for the project were not specified.

The agriculture **business park** will also contain logistics, production, engineering, administration and **business** and **residential** zones.

The SPARK Interfax database shows that LLC Petrumel was registered on May 6 2014. It was founded by LLC Transib (70%) and Sergei Ivashkin (30%).

Buhler Industries Inc., specializes in developing technology and production of equipment for grain and food processing. Buhler says on its website that Rostselmash acquired 80% of common shares in the **company** in 2007.

MOSCOW. Nov 24 (Interfax) - Under the project financing mechanism to be introduced at the start of 2015, individual economic sectors will be assigned quotas, including at least 20% for agriculture, Economic Development Minister Alexei Ulyukayev said at government hour in the Federation Council.

"The project financing mechanism provides that separate quotas of this financing volume will be assigned. For the agricultural sector it will be, perhaps, 20% and more, there will be quotas for industry and other economic sectors," Ulyukayev said.

Under the new mechanism, banks will provide project financing loans at interest rates equal to the key rate plus 1%, for which they will receive financing from the Central Bank at the key rate minus 1%. Moreover, the refinancing rate will be adjusted and the Central Bank will provide money to the banks at the key rate minus 1.5%.

"With the current key rate of 9.5%, the banks will receive funds from the Central Bank at 8% and provide loans at 10.5%," he said.

ASTANA. Nov 21 (Interfax) - Kazakh President Nursultan Nazarbayev signed the Law On ratification of the Charter of the Islamic Organization for Food Security, the press office of the head of state said on Friday.

The Charter of the Islamic Organization for Food Security (IOFS) was adopted by authorized representatives from 19 countries in Conakry (Guinea) on December 10, 2013 at the 40th session of the Council of Foreign Ministers of the Organization of Islamic Cooperation (OIC).

IOFS is aimed at providing expertise and the technical know-how on the various aspects of sustainable agriculture, rural development, and food security as well as mobilizing financial resources for developing agriculture and enhancing food security in OIC member states.

It was agreed previously that IOFS should become an independent international organisation, with the same diplomatic immunity as the OIC. It will not only identify and monitor food security in its member states, but will also implement practical policies and programs to achieve goals and objectives contained in its charter. IOFS will help Kazakhstan gain experience in marketing at the international level and contribute to the development of qualified domestic specialists in international relations in the agricultural sector.

MOSCOW. Nov 26 (Interfax) - The Federation Council ratified a Russian-Kyrgyz agreement regarding Eurasian economic integration on Wednesday.

The document was signed in Astana on May 25, 2014.

"The purpose of this agreement is to boost economic collaboration between the Russian Federation and the Kyrgyz Republic in the context of Eurasian economic integration and reconciliation of the republic's economy with Customs Union agreements and laws," Russian Deputy Economic Development Minister Pavel Korolyov said as he presented the agreement at the State Duma.

The agreement stipulates cooperation in agriculture, garment, textile, processing, **mining** and metallurgical industries, transport, housing construction, trade, entrepreneurship and infrastructure, he said.

The two sides will set up a Russian-Kyrgyz development fund, an international organization which will support the fulfillment of their agreement.

MOSCOW. Nov 26 (Interfax) - Russia had 0.3% inflation in the week November 18-24, the Federal State Statistics Service (Rosstat) said.

Prices rose 0.3% the previous week after going up 0.2% the previous week (holiday-shortened to just five days, November 6-10). Inflation was 0.3% in the (nine-day) week of October 28-November 5, 0.2% in October 21-27 and 0.3% in October 14-20.

The average daily inflation rate through the first 24 days of November was 0.040%, down from 0.039% through the first 17 days, but still higher than the daily average of 0.026% in October and 0.019% in November 2013.

Prices rose 1.0% in the first 24 days of November (compared with 0.4% in the same period of 2013 and 0.6% in the entire month). Inflation in the year so far is 8.2%.

In other words, inflation since the start of the year is already at the lower range of the Central Bank's latest 8.2%-8.4% forecast for the whole of 2014.

Rosstat stopped publishing same-date-last-year inflation figures in August 2014, but inflation was 0.1% in the week November 19-25.

Based on the Rosstat data, inflation in annual terms rose to 8.9%-9.0% on November 24, from 8.7%-8.8% on November 17, 8.3% at the end of October, 8% at the end of September and 7.6% at the end of August.

Prices for buckwheat shot up 16.3% in the latest week following growth of 16.1% in the previous week and 48.3% since the start of the month.

MOSCOW. Nov 21 (Interfax) - Russian agricultural production fell 12.4% year-on-year in October to 602.6 **billion** rubles at current prices, Rosstat reported on Friday.

This was the first time monthly agricultural output fell in two years. Production grew 21.9% in October 2013.

Agricultural output increased 4.5% in January-October 2014 to 597.9 **billion** rubles compared with growth of 5.5% recorded in the first ten months last year.

Output of cattle and poultry totaled 1.2 **million** tonnes (live weight) in October, up 3.9%. **Milk** production grew 1.2% to 2.3 **million** tonnes and egg production increased 2% to 3.4 **billion** units.

Output of cattle in the first ten months of this year grew 4% to 9.7 **million** tonnes (live weight). **Milk** production fell 0.4% to 26.4 **million** tonnes and egg production was down 0.5% at 34.8 **billion** units. The growth rate of meat production slowed year-on-year, but the rate of decline for **milk** and egg output also slowed.

MOSCOW. Nov 24 (Interfax) - Russian agriculture watchdog Rosselkhoznadzor will from November 24 toughen conditions for transiting crop and livestock production to prevent contraband from countries that are banned.

The documents setting out the new rules have been signed, the watchdog reported.

A Rosselkhoznadzor source told Interfax earlier that the new procedures envisage only allowing transit of goods that have gone through Russian checkpoints across state borders. "This means that what goes, for example, to Kazakhstan via Belarus, will be illegal," he said.

This measure is necessary because recently Rosselkhoznadzor has discovered many cases where Belarusian territory has been used to supply goods from banned countries to bypass the Russian food

embargo, the source said. "We are told that it is for Kazakhstan, but it actually stays in Russia," he said. "With the new procedures we will have control over everything: entry and exit of these products."

Rosselkhoznadzor said it had revealed a new major channel of contraband into Russia for crop products with the use of fake transit from Belarus to Kazakhstan.

"Monitoring carried out as part of measures to prevent illegal imports via Belarus bypassing economic measures imposed by Russia, revealed over 11,000 tonnes of fruit and vegetables produced in EU countries and supplied from Belarus allegedly to Kazakhstan, but "delayed" in Russia," the report said. "This amount is over 10% of the total volume of food products, exported from Belarus".

MINSK. Nov 25 (Interfax) - The Eurasian Economic Commission will consider Russia's request for halting the transit of sanctioned foods.

"Russia's request is within the competence of the Eurasian Economic Commission, therefore it will be handled by the EEC," Alexei Bogdanov, head of the Belarusian Agriculture and Food Ministry's main foreign trade department, told the media in Minsk on Tuesday.

A delegation of the Belarusian Agriculture and Food Ministry is going to Russia today for talks, he said, adding that, "the problem will be solved shortly."

Interfax earlier reported that Russia's veterinary and phytosanitary oversight service Rosselkhoznadzor had urged Belarus to annual all permits to transit food to Kazakhstan through Russia across its territory.

Rosselkhoznadzor also asked Belarus to suspend clearing food consignments, transited to Kazakhstan and third countries, pending the settlement of control procedures by Belarusian agencies.

These measures aim to close the channel of food shipments to Russia from countries that come under Russian embargo. Rosselkhoznadzor earlier uncovered instances when foods arriving in Russia from Belarus, supposedly to be transited to third countries, were **sold** in Russia.

MOSCOW. Nov 25 (Interfax) - The Russian Federal Customs Service has noticed a large flow of dishonest imports via Lithuania, Andrei Belyaninov, the head of the service said on the fringes of the 100 Steps toward a Favorable Investment Climate conference, organized by the newspaper Vedomosti.

"We have noticed that via this country there is a large number of dishonest imports, with the use of fake certificates, and this country is used to change routes for the import of sanction goods to Russia," he said.

This is a serious enough reason to take a very deep look at the cargo flow from Lithuania, he said. Customs are working very closely with the Russian agriculture watchdog Rosselkhoznadzor, Belyaninov said.

"It is not our objective to catch 20 to 30 vehicles. Our task is to ensure potential violators have the correct impression of the inevitability of punishment," he said.

The Baltic News Service reported that Lithuanian Foreign Minister Andrius Krivas told the press Monday that Lithuania gave Russia a diplomatic note due to discriminatory check procedures on the border. The note was given to the Russian Ambassador Alexander Udaltsov, who was invited to the Foreign Ministry.

The ministry asked for the discriminatory practice to be stopped.

The Kaliningrad Chamber of Commerce and Industry told Interfax the Chamber was monitoring the situation on the border and that the situation was "alarming" and is similar to the problem of last year when close checks on cargoes to make sure prohibited goods were not being imported into Russia led to queues of trucks.

ASHGABAT. Nov 21 (Interfax) - Russian Prime Minister Dmitry Medvedev has proposed to boost new forms of cooperation with Turkmenistan, including the delivery of agricultural products.

Russia and Turkmenistan have a future-oriented, close and amicable partnership and it will remain this way forever, he told Turkmen President Gurbanguly Berdimuhamedow.

"We have traditional forms of cooperation but there are also spheres that can be activated. Let me give you an example. There was a recent meeting of the intergovernmental commission attended by our coworkers dealing with agriculture. The thing is that our agricultural cooperation has not been very active but life is different now and our approach has changed a bit. As you know, we have put into place certain regulations for a number of countries and we are now able to turn our face to our close friends, neighbors," Medvedev said.

Turkmenistan has had a good harvest this year and this new cooperation sphere is very interesting, he said. "By the way, this is the question of procuring meat and some other foods," Medvedev said.

The Russian prime minister added that traditional forms of cooperation would naturally be preserved. Russia highly values Turkmenistan as a major buyer of its motor vehicles and hopes that this collaboration will be continued, he said.

In addition, Medvedev pointed to Turkmenistan's contribution to humanitarian relations.

"There is no doubt we will be supporting this trend in every possible way, for instance, with budget-funded training at higher education establishments of the Russian Federation," the prime minister promised.

He thanked the Turkmen president for hosting a meeting of the CIS Council of Prime Ministers.

In turn, the Turkmen president thanked Russia for developing bilateral relations in all areas and welcomed good trade turnover and the high quality of KamAZ truck service centers.

ALMATY. Nov 20 (Interfax) - JSC Agrarian Credit Corporation (ACC) has posted net profit of 390.548 **million** tenge to International Financial Reporting Standards (IFRS) for January-September, down 18.3% year-on-year, the **company** said in a report.

The **company's** assets shrank 8% to 115.719 **billion** tenge, liabilities decreased 50% to 28.125 **billion** tenge, while **equity** capital grew 27% to 87.593 **billion** tenge, and share capital expanded 25.4% to 93.062 **billion** tenge (180.87 tenge/\$1 on Nov. 20).

JSC Agrarian Credit Corporation is a subsidiary of KazAgro National Holding. The Corporation offers subsidized loans to agricultural and non-agricultural companies operating in the agricultural areas of Kazakhstan.

While retailers are warning about a looming crisis for the Russian retail sector due to the introduction of local fees, the Industry and Trade Ministry is looking for ways to support the development of the industry. Federal officials believe it is necessary to primarily support small retail formats, including stands and kiosks, which Moscow's mayor at one time combated, according to an updated development strategy. Meanwhile, the administrative burden on large chains could increase (Kommersant, p. 9).

Wheat prices in Russia have risen despite the country's near-record harvest this year. Higher export prices in rubles due to the Russian currency's depreciation are also pushing up prices on the domestic market. This is expected to also drive up prices for poultry and pork, where wheat accounts for about 60% and up to 35% of production costs respectively. Food inflation in Russia already exceeded 11% in January-October (Vedomosti, p. 10).

Russia's major retailers have decided to try to fend off new taxes on the sector through self-regulation. Retail industry association AKORT has formed a working **group** with the Federal Tax Service to improve collection of existing taxes. Retailers reckon up to an additional 100 **billion** rubles could be collected by improving tax administration (Vedomosti, p. 10).

Interview: Ilya Yakubson, President of Dixy **Group** (Kommersant, p. 14).

Sergei Adonyev, the cofounder of Russian telecom operator Scartel (Yota), is investing in agriculture. He owns Greenhouse Growth Technologies with Sergei Rukin, former owner of leading St. Petersburg BMW dealer Aviamotors. There are plans to invest up to 12 **billion** rubles in the project. The **company** plans to soon start supplying national chains with hothouse lettuce and vegetables under the ROST **brand** and aims to secure contracts with X5 Retail, O'Key and Lenta (Kommersant, p. 1).

Federal support for promising agribusiness projects might be geared, like in industry, toward using the mechanism of "best available technologies," Prime Minister Dmitry Medvedev said at a meeting of the presidential council on modernization and innovative development. In 2014 the government already restricted wholesale subsidies for the sector. In the most promising agricultural regions, the basic constraint for production is land, not financing (Kommersant, p. 6).

Restrictions for foreign investors approved by the Russian president will also apply to the fishing industry. Fishing companies will now have to get government approval for the **sale of property** to foreign partners if its book value exceeds 25% of total capacity. The Federal Fisheries Agency believes there is no need for a foreign presence on the fishing market. Officials want foreigners to go into processing, which is underdeveloped in Russia (Kommersant, p. 9).

Grade 3 wheat (23% gluten) (rubles/tonne)	8 215	8 455	9 165	9 535
370 7 950 7 759				
Grade 3 wheat (23% gluten) (\$/tonne)	\$195.8	\$176.6	\$193.4	\$208.2
\$14.8 \$193 \$236				
Grade 4 wheat (rubles/tonne)	7 565	7 790	8 450	8 820
370 7 329 7 134				
Grade 4 wheat (\$/tonne)	\$180.3	\$162.7	\$178.3	\$192.6
\$14.3 \$178 \$217				
Food rye (rubles/tonne)	4 605	4 705	5 095	5 330
235 4 400 5 450				
Food rye (\$/tonne)	\$109.7	\$98.3	\$107.5	\$116.4
\$8.9 \$107 \$166				
Fodder wheat (rubles/tonne)	7 075	7 340	7 820	8 105
285 6 816 6 356				
Fodder wheat (\$/tonne)	\$168.6	\$153.3	\$165.0	\$177.0
\$12.0 \$165 \$194				
Fodder barley (rubles/tonne)	5 675	5 825	6 285	6 625
340 5 515 5 978				
Fodder barley (\$/tonne)	\$135.2	\$121.7	\$132.6	\$144.7
\$12.1 \$134 \$182				
Brewing barley (rubles/tonne)	6 500	6 600	7 000	7 200
200 6 138 7 950				
Brewing barley (\$/tonne)	\$154.9	\$137.9	\$147.7	\$157.2
\$9.5 \$149 \$242				
Fodder corn (rubles/tonne)	6 225	6 465	7 105	7 520
415 5 946 5 041				
Fodder corn (\$/tonne)	\$148.3	\$135.0	\$149.9	\$164.2
\$14.3 \$144 \$154				

Product	31.10.14	07.11.14	14.11.14	21.11.14	
latest Oct -14 Nov-13					
Top-grade wheat flour (rubles/tonne)	12 685	12 975	13 440	14 095	655
12 569 11 779					
Top-grade wheat flour (\$/tonne)	\$302.3	\$271.0	\$283.6	\$307.8	\$24.2
\$305 \$371					
Grade-1 wheat flour (rubles/tonne)	12 150	12 415	12 755	13 305	550
11 998 11 478					
Grade-1 wheat flour (\$/tonne)	\$289.5	\$259.3	\$269.1	\$290.5	\$21.4
\$291 \$350					
Grade-2 wheat flour (rubles/tonne)	10 340	10 465	10 815	11 300	485
10 235 10 098					
Grade-2 wheat flour (\$/tonne)	\$246.4	\$218.6	\$228.2	\$246.8	\$18.6
\$248 \$308					
Hulled rye flour (rubles/tonne)	8 180	8 190	8 810	8 965	155
8 153 8 930					
Hulled rye flour (\$/tonne)	\$194.9	\$171.1	\$185.9	\$195.8	\$9.9
\$198 \$272					

Product	31.10.14	07.11.14	14.11.14	21.11.14	latest
Oct -14 Nov-13					
Grade-1 buckwheat (rubles/tonne)	33 440	40 000	41 395	42 190	795 20
698 15 146					
Grade-1 buckwheat (\$/tonne)	\$796.9	\$835.5	\$873.5	\$921.3	\$47.9
\$500 \$461					
Grade-1 rice (rubles/tonne)	26 030	26 250	33 155	33 555	400 25
954 23 393					
Grade-1 rice (\$/tonne)	\$620.3	\$548.3	\$699.6	\$732.8	\$33.2
\$629 \$713					
Grade-1 millet (rubles/tonne)	11 790	12 215	12 865	14 875	2 010 11
339 11 554					
Grade-1 millet (\$/tonne)	\$281.0	\$255.1	\$271.5	\$324.8	\$53.4
\$275 \$352					

Product	31.10.14	07.11.14	14.11.14	21.11.14
latest Oct -14 Nov-13				

Sunflower seeds (rubles/tonne)	14 590	15 375	16 035	17 405	1
370 13 423 9 884					
Sunflower seeds (\$/tonne)	\$347.7	\$321.1	\$338.3	\$380.1	
\$41.7 \$325 \$301					
Unrefined, sunflower,					
oil, (rubles/tonne)	32 160	33 535	37 165	38 920	1 755 30 878 27 624
Unrefined, sunflower, oil, (\$/tonne)	\$766.4	\$700.4	\$784.2	\$849.9	
\$65.7 \$748 \$841					

Currency	Per	Rate	Change, %
Australia (Dollar)	1	39.6139	2.703
Azerbaijan (Manat)	1	59.2904	3.221
Armenia (Dram)	100	10.6919	3.197
Belarus (Rubel)	10000	42.5912	3.221
Bulgaria (Lev)	1	29.6244	3.629
Brazil (Real)	1	18.3467	3.845
Hungary (Forint)	100	18.9333	3.705
South Korea (Won)	1000	41.9390	3.644
Denmark (Krone)	10	77.8907	3.640
United States (Dollar)	1	46.4244	3.221
EURO	1	57.9052	3.628
India (Rupee)	100	75.0415	3.319
Kazakhstan (Tenge)	100	25.6602	3.372
Canada (Dollar)	1	41.2075	3.505
Kyrgyzstan (Som)	100	80.6314	3.205
China (Yuan)	10	75.6258	3.186
Lithuania (Lita)	1	16.7846	3.628
Moldova (Lei)	10	30.9496	3.324
Romanian (Leu)	1	13.0736	3.685
Turkmenistan (Manat)	1	16.2875	3.210
Norway (Krone)	10	68.1479	2.937
Poland (Zloty)	1	13.8709	4.137
SDR (Special Drawing Rights)	1	67.8952	3.295
Singapore (Dollar)	1	35.6809	3.379
Tajikistan (Somon)	10	88.0334	3.221
Turkish (Lira)	1	20.8997	3.788
Uzbekistan (Sum)	1000	19.3347	3.221
Ukraine (Hryvna)	10	30.7446	3.221
United Kingdom (Pound STG)	1	72.9884	3.530
Czech Republic (Koruna)	10	21.0103	3.651
Sweden (Krona)	10	62.4866	3.653
Switzerland (Franc)	1	48.1881	3.639
South Africa (Rand)	10	42.3379	3.850
Japan (Yen)	100	39.4262	3.392

* SDR - Special Drawing Rights. It is the unit of account for the International Monetary Fund

Country	Currency	For \$1	For 1 ruble	For 1 EUR
Azerbaijan	manat	0.7844	0.0169	0.9783
Armenia	dram	434.11	9.27	540.73
Georgia	lari	1.8192	0.040448	2.2624
Belarus	bel.ruble	10790	240.5	13400
Kazakhstan	tenge	180.87	3.99	224.93
Kyrgyzstan	som	57.5761	1.2802	71.6132
Lithuania	litas	2.7796	0.061969	3.4528
Moldova	leu	15.0229	0.3317	18.6817
Russia	ruble	44.9758		55.8779
Tajikistan	somoni	5.0844	0.1123	6.2973
Turkmenistan	manat	2.85	0.06306	3.5428
Ukraine	hryvnia	14.973062	0.33291	18.602532
Uzbekistan	sum	2401.09	52.43	2993.72

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