

Medvedev Laments Use of Subsidies for Foreign Farm Machinery

By [The Moscow Times](#)

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Prime Minister Medvedev reviewing Rostselmash's farming equipment display in Rostov-on-Don on Tuesday.

Prime Minister Dmitry Medvedev on Tuesday lashed out against regional subsidies used by farmers to purchase foreign equipment.

"I would be less liberal about the regions that subsidize foreigners," he said at a meeting in Rostov-on-Don that discussed the farm equipment market.

The regions that do that might end up without federal financial aid, he said.

Industry and Trade Minister Denis Manturov said more than 30 regions are providing these subsidies.

Agriculture Minister Nikolai Fyodorov urged the regions to come up with incentives, instead, for farmers to buy local equipment, including locally produced foreign machines.

Medvedev also announced that the government is raising its subsidies to manufacturers of farm equipment fourfold to 1.9 billion rubles (\$53 million) this year, in a bid to upgrade the country's fleet of tractors and combines. The subsidy covers 15 percent of the price that producers charge for their equipment, he said.

Manturov said the subsidy would apply to 2,800 units of equipment this year.

Last year, the subsidy was in effect for only three months.

Farmers now run 435,000 tractors and 153,000 combines, according to Medvedev. About half of the equipment has been in use for more than 10 years and is in need of replacement.

In Russia 133 billion rubles (\$3.7 billion) worth of farm machinery was sold last year, according to the Cabinet website, of which \$2.6 billion was imported.

Farms bought 15,300 tractors and 6,300 combines last year.

Before the meeting, Medvedev toured the Rostselmash plant, which is the country's biggest producer of farm equipment.

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