

Russian Food Ban Could Prove Fatal for Sushi Restaurants

By The Moscow Times

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Sushi restaurants have mushroomed in Russia but are likely to face hard times over the country's newly imposed food ban.

Moscow's sweeping sanctions on European food have sent Russian restaurateurs, retail chains and food producers scrambling for alternative supplies and bracing for Soviet-style shortages.

The tit-for-tat trade restrictions — a response to U.S. and EU sanctions imposed over Russia's actions in Ukraine — have hurt farmers in the West for whom Russia is by far the biggest buyer of EU produce.

But they will also hit consumers at home, isolating them from world trade to a degree unseen for more than two decades.

Creamy French cheeses, Australian Ribeye steak and seafood risottos are heading off

the menu at restaurants after the ban on imports of all fish, meat and dairy produce.

"Prices will go up and certain food stuff will disappear," said Alexei Paperny, whose midpriced Moscow cafe the Children of Paradise — named after a classic French film — was still packed on Friday evening.

"We'll do our best to survive I can't imagine how some restaurants and cafes can exist under the circumstances."

He described the year-long ban on products from the U.S., the EU, Canada, Australia and Norway as "Russian sanctions against Russians," a frustration shared by many customers at his cafe.

"It would have been fairer if state officials gave up their Mercedes and began driving Russian-made Zhigulis [Ladas]," said a diner who gave his name as Yan, while sipping red wine.

Sushi Deficit

Wealthy with petrodollars while the country's energy reserves drove a strong economy, Russians have enjoyed a rich choice of eateries since the 1991 Soviet collapse — and ate out with the gusto of a generation that still remembered times when shop windows were bare and the streets were empty after sundown.

Sushi is particularly popular, ubiquitous across the country and even gracing the menu of Italian and French restaurants. But it's a fetish some might now have to do without.

Rosinter, one of Russia's largest restaurant chains which runs Sushi cafes nationwide, said more than 50 percent of the food it serves up is imported. It expects sanctions to exacerbate a business downturn already happening as political instability pushes the economy into recession.

"It is quite a difficult situation," Rosinter spokeswoman Yelena Mazur said. "[We] face a lot of work, in terms of menu-engineering and pricing."

For one manager of a chain of Sushi stands the potential impact was more direct.

"We are all worried. We don't want to lose our jobs," he said, asking not to be cited for fear of official retaliation over his criticism. "There is no Russian salmon."

"We'll Live Without Oysters"

The effect of sanctions in the West is already tangible. European dairy firms have halted production of cheese and butter destined for Russia and Norwegian salmon prices are expected to fall 10 percent this week.

But experts say Russia's consumers may also take a financial hit: Fitch Ratings agency predicted "Imports from EU and the U.S. will gradually be substituted by higher [priced] imports from other countries."

Most likely to feel the loss of foreign delights are Russia's middle-class, who were at the heart

of protests against President Vladimir Putin's return to the presidency.

"The measure is likely to further alienate the urban middle class," said Alisa Lockwood, head of Europe & CIS analysis at His Country Risk. But she added: "Decision-makers at the Kremlin have probably calculated that patriotic sentiment will outweigh the pain."

Polls already show most Russians back reprisals for Western sanctions over what it calls Russia's support and arming of pro-Russian rebellion in eastern Ukraine — something Moscow denies.

Some 76 percent of Russians polled by the independent Levada Center just before the imposition of the trade sanctions said they agreed with the government's plans.

One restaurant in Yekaterinburg has already come up with a special, albeit short, "Sanctioned Menu" of Russian-produced foods and other food experts are echoing the patriotic fervor.

"I am proud that we've stopped being the boy who gets bullied. It's about time," restaurateur Andrei Dellos told independent television channel Dozhd. "There won't be oysters, but we'll make do. We'll live without oysters."

Boost for Local Producers

While Russian farmers hope to turn Western exporters' loss into their victory, others in the food industry are skeptical that local producers can fill the gap.

Some note how long it has taken Russia's farm industry to recover from chaotic years of poverty after the collapse of the Soviet system — when livestock was slaughtered en masse for lack of feed — and point out that it still lacks resources.

"To produce so much milk, you first need to raise the cow. No matter how much you pray, a cow won't take less than three years to grow into a heifer," quipped Pavel Grudinin, the director of the Lenin State Farm and a Moscow region deputy.

"Russia's main problem is not that we are inundated with cheap imported food, but that we ourselves produce little."

Nonetheless others are optimistic. Farm manager Viktor Zubenko is glad of the chance to sell more of his produce to consumers in need.

"I can't say we expected these sanctions but we hoped for them," said Zubenko from the Rostov province, where his potato fields stretch for miles around.

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