

Russian Meat Producers Benefit From Western Food Import Ban

By [The Moscow Times](#)

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Established Russian meat producers are reaping the rewards of Moscow's import ban on Western food as newcomers find it difficult to gain a foothold in what some see as a risky market, the head of Russia's National Meat Association said Thursday.

Sergei Yushin told an agricultural conference the ban introduced in August in retaliation to Western sanctions over Ukraine combined with government support and higher prices were boosting producers who had invested in output over the years.

Newcomers, including those importers that are not banned and might like to invest in production, were nervous about entering a market that could change in a year, when the import restriction is due to be removed.

Fears about higher prices for feedstock, a weaker ruble and higher interest rates on loans were also deterring investment, he said. "And the main thing is how long will the embargo last."

Meat producers have done well in recent years in Russia, where meat consumption has increased by 84 percent since 2000 to 74 kilograms a year, according to Yushin's estimate.

Earlier Thursday, farming conglomerate Rusagro said it was on track to post record core earnings this year after third-quarter net income came in three times higher, year-on-year, to 6.6 billion rubles (\$138 million).

It followed Cherkizovo, also a meat producer, which saw net profit rise eightfold in the third quarter, year-on-year.

Rusagro said sales of its meat sector had been boosted by higher pork prices and pork sales volumes. It also benefited from sugar and oil segments. But both may see growth capped by a weaker ruble.

Yushin said when the ban on most food supplies came into effect, about 40,000 tons of meat and meat products, worth \$140 million, were on their way to Russia from the United States, the European Union, Norway and Canada.

Companies lost at least \$50 million, according to his data.

"The trade became a victim of political events and a lack of dialogue between business and the government," Yushin said.

He said it was difficult to gauge the future volume of imports into Russia because suppliers may change according to Moscow's political preferences. At the moment, Belarus, Turkey and Brazil were benefiting, while China, Thailand, India and Mongolia may also soon send larger quantities.

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