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Agriculture Minister: Russian Food Will Squeeze Out Imports in 10 Years

By The Moscow Times

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Growth in the sector will require significant state support over a period of at least five years, accroding to agriculture analysts.

Agriculture Minister Alexander Tkachyov said Tuesday that Russian farmers will push foreign food imports off the Russian market entirely in the course of just 10 years, news agency TASS reported.

"The main task that faces Russian agriculture is to accelerate import substitution. In 10 years domestic food products ought to replace and squeeze out imported ones 100 percent," Tkachyov was quoted by TASS as saying.

Russian politicians have been increasingly bullish on the prospects of domestic agriculture since Russia last year imposed a ban on select food imports from countries with sanctions against Moscow over its role in the Ukraine crisis.

Agriculture analysts have been skeptical, however, telling The Moscow Times after the embargo was imposed that growth in the sector would require significant state support over a period of at least five years.

Tkachyov said Tuesday that agriculture is growing steadily under the influence of Russia's food embargo and the devaluation of the ruble currency, which gave domestic producers an edge by raising the cost of imported food. The sector will also receive "unprecedented" state support to the tune of 2 trillion rubles ($35 billion) over the next five years, he said.

Production is rising in some sectors, thanks largely to the ruble's 40 percent fall to the U.S. dollar last year as steep falls in the price of oil and Western sanctions squeezed Russia's economy. However, economists polled by The Moscow Times previously said that Russian producers will likely lose market share once again when their European competitors return to the market.

Tkachyov, a former governor of Russia's southern grain-producing region of Krasnodar, was appointed by President Vladimir Putin in April in an apparent attempt to speed up the development of Russian agriculture.

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