

Russian Dairy Industry Threatens Milk Supply Over New Government Order

By The Moscow Times

March 09, 2016



Russian dairy companies have threatened to stop supplying milk to the nation's stores unless the government revokes an order requiring additional veterinary-safety documents to accompany each shipment, the Kommersant business daily reported Wednesday.

None of Russia's dairy suppliers would be able to meet the requirements set in the Agriculture Ministry order, said PepsiCo spokeswoman Marina Zibareva, Kommersant reported. PepsiCo sells various brands of milk in Russia.

"Essentially this means that starting this March, production may stop, and supplies of milk to retailers may end," she was quoted as saying.

The ministry order, dated this February, came as a surprise to dairy producers, who learned about the new regulations after employees of the Russian union of dairy producers came across it in a database of government documents, the report said.

Complying with the new regulations could cause price increases of up to 10 percent, according to industry estimates cited by Kommersant.

Dairy companies also argued the Agriculture Ministry's order contradicts other Russian laws and regulations, Kommersant reported.

The Russian union of dairy producers, which includes PepsiCo, Danone and other industry giants, have appealed to Kremlin chief of staff Sergei Ivanov, Deputy Prime Minister Arkady Dvorkovich and Deputy Economics Minister Oleg Fomichev to revoke the Agriculture Ministry's order, the report said.

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