THREE YEARS OF INTEGRATION: AGREED AGRICULTURAL POLICY OF THE EURASIAN ECONOMIC UNION

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Member of the Board — Minister in charge of Industry and Agriculture of the Eurasian Economic Commission

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Laid down foundation of the Eurasian integration project allowed to measurably mitigate destructive consequences of global foreign economic trends which Member States would be more sensitive to in the absence of internal market of the Union.

Our countries pursue similar development objectives, which we intend to achieve, in particular, through innovations in the industry, high-tech agriculture, digital economy, and renewable energy industry. Besides, joint efforts aimed at implementation of mutually beneficial cooperative projects are also important.

President of the Republic of Armenia

Serzh Sargsyan
The only way to transform the Eurasian Economic Union into the center of economic power consists in developing high-capacity and modern production framework based on cooperation.

All of us need to realize the main thing: the market of the Eurasian Economic Union is not a market of one or another country and its allies. This is our common self-sufficient market, and by developing it we will be able to resist any sanctions and come out victorious from this economic confrontation.

President of the Republic of Belarus

Alexander Lukashenko
Agricultural policy should be aimed at cardinal increase of the labor efficiency and growth of export of processed agricultural products. We need to ensure raw material processing and enter world markets with high-quality finished products. Agricultural science claims priority attention. It should deal in the first place with transfer of new technologies and their adaptation to domestic conditions.

President of the Republic of Kazakhstan
Nursultan Nazarbayev
From the moment Kyrgyzstan joined the EAEU we observe positive dynamics in economy. Kyrgyzstan is the leader in terms of economic growth among the Union countries. Our agricultural products can compete on the Eurasian Economic Union markets and on the world market. To achieve that we should pursue correct policy in agriculture and support our farmers, give them right direction.

President of the Kyrgyz Republic
Sooronbay Jeenbekov
We need to accelerate our efforts on creation of single markets of goods and services, provide conditions for free movement of capital and labor force, strive to pursue agreed policy in industry and agriculture. To develop import substitution.

Agriculture demonstrates good sustainable positive dynamics. Today, this is up-to-date sphere, attractive for investments, one of motive powers of the country’s economy development.

President of the Russian Federation
Vladimir Putin
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OPENING REMARKS BY S.S. SIDORSKIY, MEMBER OF THE BOARD – MINISTER IN CHARGE OF INDUSTRY AND AGRICULTURE

Dear readers,

Realizing provisions of the Treaty on the Eurasian Economic Union and the Concept of agreed agricultural policy, the system of joint measures on efficient use of resource potential of the Parties is implemented consistently in order to optimize volumes of the output of competitive agricultural products, meet the needs of the common agricultural market and increasing agro-food exports.

In the past three years, the Commission has adopted more than 50 decisions in the agricultural sphere. They address the issues of the common market balanced state, development of production of main agricultural products, formation of common information resources, enhancement of the State support efficiency, ensuring fair competition, development of innovative manufactures in the Union, carrying out joint research activities and export potential fulfilment.

Transition from the agreed policy to single policy in such directions of interstate interaction as forming Eurasian forecast balance sheets for the main types of agricultural products and food, developing seed production and livestock breeding represents weighty result of integration work. Uniform approaches for the seeds and breeding products are reflected in the relevant international treaties.

Agricultural unit of the EEC perform regular assessment of competitiveness of the Union products, of efficiency of measures of state support for agriculture, of the influence of the world market conditions on development of the agricultural sector of our countries. It analyzes conditions of access of agricultural products to markets of third countries. Initiatives on business-process optimization, increase in performance and efficiency through introduction of digital technologies and creation of Eurasian digital platforms in the agricultural sector are studied on the expert site basis.
Special attention is given to the issues of customs tariff regulation, application of single technical regulations, pursuing agreed policy in the sphere of sanitary, veterinary and phytosanitary measures, removing barriers in the trade.

Implementation of integration agenda, elimination of barriers for movement of goods contributed to dynamic development of the agricultural sector. During the Union functioning, agricultural production has increased by 10%. The common market is saturated in domestic grain, oil plant seeds, vegetables, sugar, chicken eggs. As for pork, poultry meat and milk, provision with domestic products comes up to 95%.

Notwithstanding achieved results, we still have much to do. The priority of agreed agricultural policy for the forthcoming period will be given to formation of efficient interaction mechanisms with respect to sensitive agricultural commodities with the purpose of decreasing dependence from import supplies and entrance to external markets. Promising directions include joint projects with high added value in dairy and beef cattle breeding, poultry production, fruit growing and other branches.

This publication allows to get a consistent idea of directions of agreed agricultural policy and results achieved in the Union during three years of integration. The publication is of practical importance for agricultural market stakeholders as it reveals key directions and advantages of participation in integration processes.

Best wishes,

Sergey S. Sidorskiy,
Member of the Board — Minister in charge of Industry and Agriculture of the Eurasian Economic Commission
EAEU GOVERNING BODIES MAKING DECISIONS IN THE SPHERE OF AGRICULTURAL SECTOR

THE SUPREME EURASIAN ECONOMIC COUNCIL (HEADS OF STATES)

THE EURASIAN INTERGOVERNMENTAL COUNCIL (HEADS OF GOVERNMENTS)

THE EURASIAN ECONOMIC COMMISSION (PERMANENT REGULATORY GOVERNING BODY OF THE UNION):

The Council of the Eurasian Economic Commission (Deputy Heads of Governments)

The Board of the Eurasian Economic Commission (equal representation of Member States, Chairman of the Board, Board Members (Ministers))

The Advisory Committee on Agricultural sector under the auspices of the Board of the Eurasian Economic Commission (Deputy Heads of authorized authorities of the Member States)
EEC STRUCTURE FOR THE DIRECTION «AGRICULTURAL SECTOR»

EEC BOARD

Sergey S. Sidorskiy
Member of the Board – Minister in charge of industry and Agriculture

The Advisory Committee on Agriculture

AGRICULTURAL POLICY DEPARTMENT

Section of Agricultural policy, Interstate Programs and Projects

Section of Agricultural Subsidies

Section of Monitoring and Analysis of Development of the Member States’ Agricultural sectors

Section of Interaction on Agricultural policy Issues

Working group on state support for agriculture

Working group on forecasting

Working group on export potential

Working group on pricing policy

Working group on livestock breeding

Working group on standardized requirements in the sphere of crop output production and circulation

Working group on scientific and technical cooperation

Working group on exchange trade in agricultural products

Working group on information support

Working group on aquaculture

Working group on land development

Working group on warehouse warrants circulation
Agricultural Policy Department of the EEC represents structural unit of the Eurasian Economic Commission and carries out its activities jointly with other structural units of the Commission. Within its competence it interacts with authorized executive authorities of EAEU States, international organizations, deliberative and advisory bodies established by the Commission as well as business-associations, self-regulated and civil society organizations of EAEU States.
MAIN TASKS OF AGRICULTURAL POLICY
DEPARTMENT OF THE COMMISSION:

- performing the Commission’s functions concerning agreed agricultural policy in the Eurasian Economic Union;
- developing international treaties and other regulations concerning agricultural sector issues;
- developing, coordinating and implementing main directions of agreed agricultural policy within the powers given;
- coordinating activities in preparation of Member States’ joint forecasts for agricultural sector development, demand and supply with respect to agricultural products and food;
- monitoring development of Member States’ agricultural sectors, and application by the Member States of measures of state regulation of agricultural sectors, including measures of state support for agriculture;
- price monitoring and analysis of competitiveness of the products manufactured according to the range agreed by the Member States;
- assisting in arrangement of consultations and negotiations on the issues of harmonization of Member States’ legislation in the sphere of agricultural sector,
- monitoring and comparative law analysis of Member States’ legislation in the field of state support for agriculture for compliance thereof with obligations within the Union;
- preparing reviews of the state policy in the sphere of agricultural sector and state support for agriculture in the Member States including recommendations on enhancement of state support efficiency and submission thereof to the Member States;
- preparing recommendations, jointly with the Member States, on agreed actions aimed at development of export potential in the sphere of agricultural sector;
- coordinating actions in carrying out by the Member States of joint scientific and innovative activities in the sphere of agricultural sector, including those within the framework of implementation by the Member States of interstate programs;
- coordinating development and implementation by the Member States of the standardized requirements with respect to the conditions of importation, exportation and movement of breeding products over the customs territory of the Union, methods of defining breeding value of breeding animals and forms of breeding licenses (certificates, books of certificate);
- coordinating development and implementation of the standardized requirements in the sphere of agricultural sort testing and seed breeding as well as mutual recognition by the Member States of documents certifying sort and sowing seed properties;
- interacting with international organizations and foreign countries on agricultural policy issues.
DEPARTMENT ORGANIZATIONAL STRUCTURE:

SECTION OF AGRICULTURAL POLICY, INTERSTATE PROGRAMS AND PROJECTS

SECTION OF AGRICULTURAL SUBSIDIES

SECTION OF MONITORING AND ANALYSIS OF DEVELOPMENT OF MEMBER STATES’ AGRICULTURAL SECTORS

SECTION OF INTERACTION ON AGRICULTURAL POLICY ISSUES
THE ADVISORY COMMITTEE ON AGRICULTURAL SECTOR
The Advisory Committee on Agricultural sector was established under the auspices of the Board of the Eurasian Economic Commission in July 2012.

The Advisory Committee represents the forum for discussion and development of agreed proposals concerning pursuance of agreed agricultural policy, state support for agriculture, development and implementation of programs and projects of the Union Member States in the sphere of agricultural sector.

Main tasks of the Advisory Committee are as follows:

- preparing recommendations for the Commission on agreed agricultural policy issues;
- holding consultations with representatives of the Member States on agreed agricultural policy issues;
- elaborating proposals on the issues related to formation of single approaches to pursuance of agreed agricultural policy within the Union.

The Chairman of the Advisory Committee is a Member of the EEC Board - Minister in charge of Industry and Agriculture. The Committee is composed of representatives of competent authorities of the Union Member States in the sphere of agricultural sector at the level of Deputy Ministers of Agriculture and Economy, as well as business-communities' representatives.
The Advisory Committee holds meetings on a regular basis with an invitation of Heads and specialists of the interested structural units of the EEC, scientific institutions and other organizations of the EAEU Member States.

There are 12 permanent working groups created and functioning under the auspices of the Advisory Committee, composed of representatives of competent authorities and representatives of business communities of the Member States, scientific organizations in the sphere of agricultural sector.

At working group meetings, the Parties elaborate agreed proposals on interaction mechanisms and development of regulatory documents in the sphere of agricultural sector for their subsequent consideration at the meetings of the Advisory Committee and Union governing bodies.

Formed multilevel organizational system enables developing and approving legal regulations on ensuring implementation of agreed agricultural policy.
MAIN CHARACTERISTICS OF THE AGRICULTURAL SECTORS OF EAEU COUNTRIES
About 46.8% of the territory of the Republic of Armenia is suitable for agriculture.
The area of lands of agricultural designation accounts for about 2 mln ha.
About half of the land is occupied by pastures and about 20% — by plough land.
The share of agriculture in the country’s GDP accounts for about 16%.
About 35% of working population of the republic are engaged in this sphere. Small businesses produce about 97% of the whole volume of agricultural products.

Principal agricultural crops are melons and gourds, grapes, horticultural crops, potatoes, essential oil plants, tobacco. Animal production is specialized on dairy and beef cattle breeding. Sheep are raised in mountainous areas. Livestock numbers for cattle and sheep are 0.7 mln heads each, that for the pigs — 0.2 mln heads.

The agricultural sector meets the republic’s needs for vegetables and fruit, potatoes, beef and milk in full. Low self-sufficiency level is observed for poultry meat and vegetable oils. On the average, about 200 kg of grain, 35 kg of meat and 250 kg of milk are produced per one inhabitant.

In 2017, the share of the agricultural sector in Armenian exports accounted for 28.5%.

**Main Partners for Trade in Products of the Agricultural Sector (By Turnover)**

- **42.5%** EAEU countries
- **8.6%** Iraq
- **6.3%** Ukraine
- **5.4%** Georgia
- **5.1%** Brazil
- **4.1%** UAE
- **3.6%** Syria
The Republic of Belarus has well-developed agriculture holding one of the most prominent places in the economy with the share of about 7% in the GDP of the republic. Some 303,2 thousand people are engaged in this sector or 7,9% of total population engaged in the economy. Agricultural lands occupy 8,6 mln ha or 41% of the total territory of the republic. And plough lands are accounted for 2/3 in the agricultural land structure, hayfields and pastures — 32% and perennial plantations — 1,3%.

More than 75% out of the whole volume of products are accounted for large agricultural organizations. The sector holds 4,4 mln heads of cattle, 3,2 mln heads of pigs, and 50,7 mln heads of poultry. Principal crops are grain crops, potatoes, rape, sugar beet, vegetables, fruits. Animal production is presented by dairy and beef cattle breeding, pig and poultry breeding.

The agricultural sector meets the country’s needs for the main types of food products in full and has good opportunities in export of milk, beef, pork, poultry, sugar, potatoes and vegetables. Lack of self-sufficiency is observed for fruits and vegetable oil. On the average, about 850 kg of grain, 120 kg of meat and 750 kg of milk are produced per one inhabitant of the republic.

In 2017, the share of the agricultural sector in Belarusian exports accounted for 16,6%. 

**MAIN PARTNERS FOR TRADE IN PRODUCTS OF THE AGRICULTURAL SECTOR (BY TURNOVER)**

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<tr>
<th>Country</th>
<th>Percentage</th>
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<tr>
<td>EAEU countries</td>
<td>58,2%</td>
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<tr>
<td>Ukraine</td>
<td>6,7%</td>
</tr>
<tr>
<td>Poland</td>
<td>5,2%</td>
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<tr>
<td>Turkey</td>
<td>3,1%</td>
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<tr>
<td>Norway</td>
<td>2,1%</td>
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<tr>
<td>Germany</td>
<td>1,3%</td>
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<tr>
<td>Argentina</td>
<td>1,2%</td>
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Agriculture represents one of the key branches of Kazakh economy creating about 5% of gross domestic product. There are 16% of total population engaged in the economy working in this sector.

Northern country regions are specialized in grain crops and animal production: southern regions where irrigation is essential are quite diversified in terms of cultivated crops (grain crops, oil crops, fruit and berry crops, vegetables, cotton). The republic is traditionally engaged in sheep, horse and camel husbandry as well as cattle breeding.

Total area of lands of agricultural designation exceeds 100 mln ha, whereof 24% are plough lands, 2% — hayfields, 68% — pastures. Livestock numbers for cattle account for 6,7 mln heads, pigs — 0,8 mln heads, sheep and goats — 18,3 mln heads, horses — 2,4 mln heads.

The agricultural sector meets the republic needs for vegetables, potatoes, beef, pork and milk in full. Low self-sufficiency level is observed for poultry meat and vegetable oils. On the average, about 1,100 kg of grain, 55 kg of meat and 300 kg of milk are produced per one inhabitant.

In 2017, the share of the agricultural sector in Kazakh exports accounted for 4,9%.
Kyrgyzstan is a mountainous agricultural country. Agriculture is one of the leading economy branches in Kyrgyzstan. The share of agriculture in the total GDP of the country is essential – about 13%.

Two thirds of the country population live in the rural area and one third of the total working population is engaged in agriculture. Peasant (farm) households are principal agricultural producers.

Animal production is represented by sheep, goat, cattle and horse husbandry, while plant production specializes in growing cotton, tobacco, vegetable crops, sugar beet, sunflower and grain crops.

Total area of agricultural lands of the republic accounts for 10.8 mln ha, pastures and hayfields occupying about 50% of the total country territory or about 87% of all agricultural lands. About 60% out of 1.3 mln ha of plough land is occupied by grain crops. Livestock numbers for cattle amount to 1.6 mln heads, for pigs — 0.05 mln heads, for sheep and goats — 6.1 mln heads, for horses – 0.5 mln heads.

The agricultural sector meets the republic’s needs for vegetables and fruit, potatoes, beef and milk in full. Low self-sufficiency level is observed for poultry meat and vegetable oils. On the average, about 300 kg of grain, 35 kg of meat and 250 kg of milk are produced per one inhabitant.

In 2017, the share of the agricultural sector in Kyrgyz exports accounted for 13.3%.
The share of agriculture in GDP of the Russian Federation makes about 4%. Some 4.7 mln (i.e. 6.5% of total population engaged in the economy) are working in agriculture (including hunting and forestry).

The Russian Federation is the fourth in the world in terms of plough land area. Total crop area accounts for 80.0 mln ha. Meanwhile grain crops and legume crops occupy 59% in the crop area structure, oil crops — 15%, potatoes — 2.5% and open land vegetables — 1%. The sector holds 18.7 mln heads of cattle, 23.2 mln heads of pigs, 1.4 mln heads of horses and 567 mln heads of poultry.

Agricultural organizations produce more than a half of total agricultural output.

The agricultural sector meets the country’s needs for vegetable oil and grain in full, more than 90 per cent of the needs for potatoes, vegetables, pork and poultry meat are covered. Lack of self-sufficiency is observed for fruits and cattle meat.

On the average, about 800 kg of grain, 70 kg of meat and 210 kg of milk are produced per one inhabitant of Russia.

In 2017, the share of the agricultural sector in Russian exports accounted for 5.8%.
STATE OF THE AGRICULTURAL SECTOR AND ENSURING FOOD SAFETY IN THE EAEU
STATE OF THE AGRICULTURAL SECTOR AND ENSURING FOOD SECURITY IN THE EAEU

In general, for three years of integration increase of agricultural production accounted for 10% over the Union. Meanwhile, agriculture contribution to the aggregate GDP of EAEU Member States also increases gradually: from 3.8% in 2014 to 4.3% in 2017.

Among the Member States, the highest growth rate in production of agricultural products in 2015 – 2017 is observed in the Republic of Kazakhstan and the Kyrgyz Republic (112.1% and 111.9%, respectively). In the Russian Federation, the growth rate for this period accounted for 110.1%, in the Republic of Belarus — 104.8%, in the Republic of Armenia — 102.8%.

Growth rate for manufacture of agricultural products in EAEU Member States in 2015-2017, % compared to 2014.
Output of the main types of agricultural products is steadily increasing. In 2017, grain production in EAEU Member States reached 165 mln tons exceeding the 2014 level by 23.6%. During this period cattle and poultry production increased by 14.2%, vegetable production — by 7.1% and sugar beet production — by 41.6%.

In 2017, imports of agricultural products and food to the EAEU decreased by 29% compared to 2014 or by 12.3 bln dollars. At the same time, the balance of foreign trade improved by 2.5 times. While in 2014 volumes of imports exceeded those of exports by 2.3 times, in 2017 this index reduced by 1.5 times.

| Dynamics of manufacture of specific types of agricultural products in EAEU Member States, mln tons |
|--------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Cereals and pulses                                | 134.1           | 134.6           | 151.2           | 165.7           | 123.6           |
| Potatoes                                          | 43.2            | 45.2            | 42.6            | 41.6            | 96.3            |
| Vegetables                                        | 22.5            | 23.4            | 24.0            | 24.1            | 107.1           |
| Sugar beet                                        | 38.5            | 42.7            | 52.6            | 54.5            | 141.6           |
| Milk                                              | 44.7            | 45.2            | 45.5            | 46.2            | 103.3           |
| Animal and poultry stock (carcass weight equivalent) | 11.3            | 12.0            | 12.4            | 12.9            | 114.2           |

In 2017, imports of agricultural products and food to the EAEU decreased by 29% compared to 2014 or by 12.3 bln dollars. At the same time, the balance of foreign trade improved by 2.5 times. While in 2014 volumes of imports exceeded those of exports by 2.3 times, in 2017 this index reduced by 1.5 times.
In the EAEU 80.5% of the total volume of imports of agricultural and food products is accounted for Russia. Belarus imports 11.3% of the total volume, Kazakhstan — 6.0%, Armenia — 1.6% and Kyrgyzstan — 0.6%.

As for the imports structure, fruits are accounted for 20.0%, strong and soft drinks — 8.4%, meat and meat products — 7.5%, vegetables — 7.4%, oil seeds and fruits — 6.4%, fish and crustaceans — 6.1%, various food products — 5.2%, coffee and tea — 4.8%.

Grain (39.8% in 2017), fish (16.8%), fats and oils (12.2%) prevail in the structure of exports of the Union's agricultural sector.

Among the Union's trading partners, CIS countries are accounted for 14.2%, European Union countries — for 11.7%, China — 9.6%, Turkey — 9.2%, Egypt — 8.6% and the Republic of Korea — 7.1%.
Increase in the share of mutual trade between EAEU Member States is observed in the aggregate turnover of agricultural and food products. From 2014 to 2017, this index increased from 12.7 to 13.9%, respectively.

Mutual supplies are represented for 53.4% by commodities from the Republic of Belarus. The Russian Federation is accounted for 35.4%, the Republic of Kazakhstan — 5.5%, the Republic of Armenia — 3.6%, the Kyrgyz Republic — 1.8%.

The basis of mutual trade in agricultural and food products is formed by: dairy products, meat and giblets, strong and soft drinks, finished grain products, finished meat and milk products, various food products, sugar, fats and oils, cocoa products, vegetables and vegetable products and tobacco.
The level of self-sufficiency in the main types of agricultural and food products increases. In 2017, the level of self-sufficiency in the main types of agricultural and food products reached 93% in total over the Union. Fruits are an exception – their sufficiency is about 40%. Union countries cover their needs for grain, vegetable oils, sugar, potatoes and chicken eggs in full.

In general, figures for a three-year period of the Union operation show sustainable growth in the agricultural sphere and opportunities of further ramping up competitive production and developing exports.
STAGES OF DEVELOPMENT OF THE EURASIAN INTEGRATION IN THE AGRICULTURAL SPHERE
The necessity of pursuing agreed agricultural policy was first defined in the Treaty on the Customs Union and the Single Economic Space dated February 26, 1999. The document provided for joint financing of programs and projects in the sphere of agricultural sector in accordance with the List agreed by the Parties. However, mechanisms of agreed agricultural policy implementation have never been developed.

**Article 36 of the Treaty on the Customs Union and the Single Economic Space dd. February 26, 1999:**

Member States shall implement an agreed agricultural policy with joint financing of programs and projects to ensure the development of agricultural production in line with the list agreed by the Parties.

In pursuance of the common agricultural policy, the Parties take into account the following:

- necessity to ensure food security for the Member States of the Treaty;
- particular nature of agricultural activity, conditioned by the industrial and social structure of agriculture and the natural conditions of the Parties;
- necessity to improve the structure of agricultural production.

Since the Single Economic Space (SES) was established in 2012, provisions of the Agreement on unified rules of state support for agriculture dd. December 9, 2010, entered into force with the aim of ensuring fair competition between producers of the agricultural sector. The Agreement was aimed at limiting application of measure of the state support for agriculture having distorting effect on mutual trade between the Parties, i.e. dealt with quite significant but narrow area of agricultural policy.

Particular coordination and regulation mechanisms adopted within the frameworks of other international treaties of the Customs Union (CU) and the SES applied to the sphere of agricultural production and agricultural market.

At the same time, the contractual basis that existed then did not allow to implement coherent policy on the issues of agriculture development, common agricultural market regulation and food safety.

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**The Customs Union**

**The Single Economic Space**

**The Eurasian Economic Union**

|---------|---------|---------|
Comprehensive analysis of national programs of agricultural development in the Member States conducted by the Commission in 2012 showed that their provisions did not take into account increasing level of integration within the CU and the SES and country forecasts for agricultural sector development did not fully reflect the potential of the common agricultural market.

In this respect, an important decision was made on the necessity of developing the system document defining main directions of agreed agricultural policy of CU and SES Member States. It was assumed that such directions would be based on national priorities and contain mechanisms aimed at balanced development of production and markets of agricultural products, ensuring equal conditions of access to the common agricultural market, activation of investment activities, enhancement of efficiency and competitiveness of the agricultural sector and achievement of food safety on such basis.

With the Commission’s participation, the Parties worked out actively and in the course of ongoing dialogue defined directions and mechanisms of agreed agricultural policy implementation. These activities came to logical and significant result – on May 29, 2013 Presidents of Belarus, Kazakhstan and Russia approved the Concept of agreed (coordinated) agricultural policy of CU and SES Member States. Adopted Concept has become the first complex industry-related document on the issues of integration interaction throughout the Union’s history.

The main provisions of the Concept were incorporated into the Treaty on the Eurasian Economic Union dated May 29, 2014 (Articles 94 and 95) which defines that within the Union agreed agricultural policy is pursued with the aim of ensuring agricultural sector and rural area development in the interests of population of every Member State and the Union as a whole as well as economic integration.

Policy implementation in other spheres of integration interaction including the sphere of ensuring sanitary, phytosanitary and veterinary (veterinary-sanitary) measures with respect to agricultural and food products, is performed taking into account the objectives, tasks and directions of agreed agricultural policy.
**LEGAL BASIS OF AGREED AGRICULTURAL POLICY OF EAEU COUNTRIES**

Legal basis of agreed (coordinated) policy is defined in Articles 94 and 95 of the Treaty on the EAEU, as well as in Annex No. 29 thereto.

**Article 94 of the Treaty on the EAEU**

The main **objective** of the agreed (coordinated) agricultural policy shall consist in the effective implementation of the resource potential of the Member States for optimizing volumes of competitive agricultural and food products, meeting the needs of the common agricultural market, as well as increasing exports.

The implementation of agreed (coordinated) agricultural policy shall ensure **the following:**

- balanced development of the production and markets for agricultural and food products;
- fair competition between constituents of the Member States, including equal access to the common agricultural market;
- unification of requirements related to the circulation of agricultural and food products;
- protection of the interests of manufacturers of the Member States in internal and foreign markets.

**Article 95 of the Treaty on the EAEU**

Solving the tasks of an agreed (coordinated) agricultural policy refers to the use of mechanisms for interstate cooperation in the following main directions:

1) forecasting in the agricultural sector;
2) state support for agriculture;
3) common agricultural market regulation;
4) standardized requirements for the manufacture and circulation of products;
5) development of exports of agricultural and food products;
6) scientific and innovative development of the agricultural sector;
7) integrated information support of the agricultural sector.
The Eurasian Intergovernmental Council approved the Plan of measures on implementation of the Concept of agreed agricultural policy (SEEC Decision No. 94 dd. November 21, 2014) in order to elaborate and agree mutually beneficial legal mechanisms of integration interaction between the Member States.

According to the Plan of measures and provisions of the Treaty on the EAEU, decisions and recommendations are developed by the Union’s governing bodies with the aim of implementing main directions of integration cooperation in the sphere of the agricultural sector.

Adopted documents set the vector of the integration development in the agricultural sector in the Eurasian space.
COOPERATION AND IMPORT SUBSTITUTION AS PART OF IMPLEMENTATION OF AGREED AGRICULTURAL POLICY
Deepening of integration cooperation and elaborating efficient mechanisms of industry interaction of the Member States is ensured by coordination of national industry-related programs on sensitive agricultural commodities.

The Member States of the Union cooperate on sensitive agricultural commodities with the purpose of implementing agreed agricultural policy and developing cooperation and import substitution in the agricultural sector.

**Sensitive agricultural commodities in the EAEU**

The agricultural commodities, production and mutual trade in which are of social and economic value for sustainable development of the agricultural sector and rural area of EAEU Member States

*(Decision of the EEC Council No. 62 dd. 15.09.2017)*

- Exchanging national plans (programs) on production development for each sensitive commodity
- Complex analysis of the markets of sensitive agricultural commodities including resource supplies, production facilities, import intensity, etc.
- Consultations on sensitive agricultural commodities
- Development of proposals and recommendations on production development, mutual supplies, and deepening of specialization

**The list of sensitive agricultural commodities**

*(Decision of the EEC Council No. 66 dd. 12.02.2016)*

- Meat and meat products
- Milk and dairy products
- Vegetables, fruit, melons and gourds, and products of their processing
- Rice
- Oil seeds and products of their processing
- Sugar
- Tobacco
- Cotton
Sensitive agricultural commodities include agricultural commodities, production and mutual trade in which are of social and economic value for sustainable development of the agricultural sector and rural area of the EAEU Member States. The list includes: milk and dairy products; meat and meat products; vegetables, fruit, beans, melons and gourds, and products of their processing; rice; sugar; oil seeds and products of their processing; tobacco; cotton.

Authorized authorities of the Parties exchange production development plans (programs) for each of the commodities specified. Common information resource on production of sensitive agricultural commodities in the Union countries was formed on the basis of this information.

Production indices, sufficiency of production means, customs tariff and technical regulation, mutual trade and meeting internal market needs, import substitution and integration potential, and development of exports are assessed on a regular basis. Based on such assessment, proposals on sustainable production development and increase of competitiveness of sensitive commodities are elaborated.

Joint measures are elaborated and agreed within the framework of branch meetings and consultations of representatives of the Member States, thematic events, round tables, working meetings, consultations and other events arranged by the Commission.

By agreeing their joint actions on development of production of sensitive agricultural commodities, the Parties proceed from the necessity of ensuring balanced state of the common market of the Union and efficient use of resource potential of the Union participants.
Meeting of Ministers of Agriculture of the Eurasian Economic Union Member States on October 6, 2017
Cooperation and import substitution as part of implementation of agreed agricultural policy

Round table on the topic «Innovations as the factor of sustainable development of the agricultural sector within the Eurasian Economic Union», Exhibition Forum «The Eurasian Week» on October 26, 2016.

Meeting of Member of the Board – Minister in charge of Industry and Agriculture Sergey Sidorskiy with Prime Minister of the Republic of Armenia Ovik Abramyan on July 21, 2015
FORECASTING IN THE AGRICULTURAL SECTOR

Forecasting of development of the agricultural sector and particular commodity markets is aimed at balanced state of the common market, use of integration and import substitution potential, business orientation on creation of new production based on the prospects of the common agricultural market development.

The Commission, jointly with the Member States, has developed methodological basis and formed complex system of the Union’s common agricultural market forecasting which takes into account priorities of development of national product complexes and is aimed at using internal resources and expanding mutual trade volumes.

### SINGLE SYSTEM OF AGRICULTURAL SECTOR FORECASTING

1. Member States calculate demand and supply forecasts based on the list of agricultural products, raw materials and food products, following Methodology of calculation of forecast balance sheets for demand and supply in the Member States (Recommendation of the EEC Board No. 15 dd. September 6, 2016):

- grain
- meat and meat products
- beef
- pork
- lamb meat
- poultry meat
- milk and dairy products
- sugar
- vegetable oils potatoes
- eggs and egg products
- vegetables, melons and gourds
- fruit and berries
- flax-fiber
- rawhide
- cotton-fiber
- wool

2. Member States calculate forecast values based on the list of indicative indices of agricultural sector development (Decision of the EEC Council No. 2 dd. February 4, 2015):

- population working in agriculture
- crop area
- cattle and poultry livestock
- exports/imports, mutual trade, etc.

3. The Commission summarizes national data of the Member States and balances foreign and mutual trade in accordance with Methodology of calculation of summary forecast demand and supply balance sheets of the Member States (Decree of the EEC Board No. 134 dd. September 6, 2016)

The Commission forms joint forecasts for agricultural sector development in the EAEU in general and demand and supply balance sheets of EAEU Member States for particular commodities and submits them for consideration at the Meeting of the Eurasian Intergovernmental Council.
As part of joint work of the Parties under the Commission coordination, forecasts of the EAEU agricultural sector development as well as the Eurasian forecast demand and supply balances for 17 main agricultural commodities are formed on a regular basis. 
Forecast balance sheets represent system document on the agricultural sector development aimed at ensuring balanced state of the common market, use of integration and import substitution potential, business orientation on creation of new production based on the prospects of the common agricultural market development. 
In the course of document preparation, the Commission analyzes dynamics and directions of development of agricultural production in the Union, volumes of exports and imports, food safety conditions within the Union as a whole and for each State in particular. 
According to the forecasts, in 2019, increase in agricultural production in the EAEU the dollar equivalent will account for 25%, export – 30%, mutual trade – 33% compared to the indices for 2016. 
It is expected that grain export volumes will account for about 45 mln tons, sugar – 400 thousand tons, dairy products – 750 thousand tons, poultry meat – 130 thousand tons. Compared to 2016, imports of dairy products will be reduced by 3.6 times down to 1.1 mln tons, meat and meat products – by 1.5 times down to 780 thousand tons. 
In 2019, achievement of complete self-sufficiency in pork and poultry meat is expected, the level of self-sufficiency in milk will account for 99%. 
Working out approaches to establishing long-term figures and reference points of development of agricultural sectors of the Union Member States represents the next stage of the branch forecasting system. It implies development of long-term forecasting tools taking into account natural economy cycles in agricultural production allowing to assess the effect of regulation measures taken on the national level on the Union’s agricultural sector. 
Application of such tools will allow to enhance accuracy of medium-term demand and supply forecasts, and to assess integration effects while elaborating proposals on coordination of national agricultural policies.
THREE YEARS OF INTEGRATION: AGREED AGRICULTURAL POLICY
OF THE EURASIAN ECONOMIC UNION

FORECAST DEMAND AND SUPPLY BALANCE SHEETS ON
THE COMMON AGRICULTURAL MARKET FOR PARTICULAR
AGRICULTURAL COMMODITIES

### Grain, mln tons

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</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>151.2</td>
<td>0.6</td>
<td>149.7</td>
<td>0.6</td>
<td>1.2</td>
<td>38.2</td>
<td>0.9</td>
<td>45.9</td>
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### Meat and meat products, mln tons

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<tbody>
<tr>
<td>2016</td>
<td>12.3</td>
<td>1.2</td>
<td>13.5</td>
<td>0.8</td>
<td>0.5</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
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### Milk and dairy products, mln tons

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</thead>
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<tr>
<td>2016</td>
<td>45.5</td>
<td>3.9</td>
<td>49.1</td>
<td>1.1</td>
<td>4.9</td>
<td>0.5</td>
<td>6.0</td>
<td>0.7</td>
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### Sugar, mln tons

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</thead>
<tbody>
<tr>
<td>2016</td>
<td>7.4</td>
<td>0.1</td>
<td>7.8</td>
<td>0.03</td>
<td>0.3</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>
Ensuring fair competition between the entities of the Member States represents one of the most important tasks of agreed agricultural policy in the Union.

With the aim of ensuring fair competition and mutual trade development, the Member States assumed obligations within the Union on following common rules of state support for agriculture, which are harmonized with standards of the World Trade Organization.

The Treaty on the EAEU contains classification of measures of state support for agriculture based on their influence on mutual trade and, as a consequence, legality of their use by Member States.

**OBLIGATIONS OF THE EURASIAN ECONOMIC UNION MEMBER STATES IN THE FIELD OF STATE SUPPORT FOR AGRICULTURE**

- **Measures** having the most distorting effect on the trade (par. 6 of Annex No. 29 to the Treaty on the EAEU) **shall not apply**
  - Forbidden measures include:
    - measures linked to results of exportation of agricultural products from the territory of a Member State providing this measure of state support for agriculture;
    - measures linked to exclusive use of domestic agricultural commodities in production of agricultural commodities.

- **Measures** having distorting effect on the trade (par. 8, 9 of Annex No. 29 to the Treaty on the EAEU) **apply at allowed level**
  - Obligations assume as the condition of joining the WTO represent obligations within the framework of the EAEU:
    - Armenia, Kyrgyzstan – de minimis is set at a level of 5%;
    - Kazakhstan – 8.5%;
    - Russia – 5%, reduction of the Aggregate Measurement of Support from 9 bln dollars to 3.4 bln dollars within the period 2012–2018, the ratio between the scope of support measures connected with production of particular agricultural commodities and the amount of support measures not connected with production of particular agricultural commodities shall not exceed 30% (till 11.12.2017)
    - Allowed level of support measures for Belarus accounts for 10% of the gross cost of agricultural commodities produced

- **Measures** having no distorting effect on the trade (par. 4 of Annex No. 29 to the Treaty on the EAEU) **apply without restrictions**
  - Such measures shall comply with main and specific criteria as well as conditions provided for by Section III of the Protocol on measures of state support for agriculture (Annex No. 29 to the Treaty on the EAEU).
In case of violation of obligations in the field of state support for agriculture, the Treaty on the EAEU provides for payment of pecuniary compensation by the State having violated an obligation to the other Union Members equaling the value of excess of allowed level of support measures having distorting effect on the trade or of the scope of forbidden subsidies granted.

The EEC Council has established the procedure for such compensation distribution:

- should forbidden measures of state support apply to particular agricultural commodity, the compensation is distributed between the Member States proportionate to their shares in the total volume of mutual trade in this agricultural product:
- should state support measures be provided in exceed of allowed level of support measures distorting the trade, the compensation is distributed between the Member States proportionate to their shares in the volume of mutual trade in all agricultural commodities with the violating State.

**COMPENSATION PAYMENT PROCEDURE APPROVED BY THE COMMISSION COUNCIL IN CASE OF VIOLATION OF OBLIGATIONS IN THE FIELD OF STATE SUPPORT FOR AGRICULTURE BY A MEMBER STATE OF THE UNION**
The Commission prepares annual reviews on the state support in order to ensure transparency of national systems of state support for agriculture in the Union. These reviews are discussed at the meetings of the Commission Board for further referring to the governments of the Member States. Conclusions formed in analytical documents are offered to the Union participants as a reference in the course of elaborating measures on enhancement of branch subsidizing efficiency.

**Article 95 of the Treaty on the EAEU (subpar. 7, par. 7):**

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall monitor and conduct comparative legal analysis of the legislation of the Member States in the field of state support for agriculture in terms of its compliance with the obligations assumed within the Union.

During the period of 2015–2017, the Commission analyzed about 350 legal regulations of the Member States in the field of state support for agriculture. The results of this work are discussed at core meetings with representatives of the authorized authorities of the Member States.

The Commission prepares annual reviews on the state support in order to ensure transparency of national systems of state support for agriculture in the Union. These reviews are discussed at the meetings of the Commission Board for further referring to the governments of the Member States. Conclusions formed in analytical documents are offered to the Union participants as a reference in the course of elaborating measures on enhancement of branch subsidizing efficiency.

**Article 95 of the Treaty on the EAEU (subpar. 8, par. 7):**

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall prepare and submit to the Member States reviews of the state policy in the sphere of agricultural sector and state support for agriculture in the Member States, including recommendations on improvement of the efficiency of state support.

Since the Methodology of calculating the allowed level of state support measures distorting the trade has been adopted, the Union Member States apply unified calculation of the amount and level of measures of state support for agriculture. While the format of obligations and forms of notices on the state support are similar to the standards applied within the framework of the World Trade Organization.

Thus, in the last period in furtherance of the Treaty provisions in the Union, the formation of regulatory framework in the field of state support for agriculture was completed. Such framework is aimed at ensuring transparent conditions of economic activities and fair competition between agricultural market participants as part of pursuing the agreed policy.
REGULATION OF COMMON AGRICULTURAL MARKET

The regulation of common agricultural market is aimed at the creation of conditions ensuring sustainable development of production and mutual trade in agricultural products.

Agreed agricultural policy implies synchronization and coordination of measures of state market regulation to support equal conditions of access to the common agricultural market, development of cooperation based on fulfilment of integration interaction potential.

The Commission performs regular analysis of legislation in the Member States, of world experience and applied systems of state regulation in different spheres of economy (taxation, crediting, price regulation, insurance, exchange trade, etc.) with the aim of determining efficient measures and their further distribution in the Union.

Priority directions of interstate interaction in the sphere of state regulation of the common agricultural market are as follows: formation of the system of warehouse warrants circulation in the Union, development of exchange trade in agricultural products, price monitoring and analysis of competitiveness of products, assessment of efficiency of agricultural market state regulation measures. The Parties have elaborated the Draft International Treaty on the rules of issue (granting), circulation and cancelling of warehouse warrants for agricultural products within the Union for the purpose of application of up-to-date financial instruments by agricultural producers.

The document will allow ensuring mutual recognition of warehouse warrants issued by the Member States for the purposes of extending availability of financial resources and warehouse infrastructure for the holders of warehouse warrants, using advantages of economic conditions and ensuring possibility of pledging agricultural products to get credit funds. Market participants will gain access to the data on the warehouse infrastructure existing in the Union countries including information on the type, capacity, storage volume and warehouse location.

DRAFT AGREEMENT ON THE RULES OF ISSUE (GRANTING), CIRCULATION AND CANCELLING OF WAREHOUSE WARRANTS FOR AGRICULTURAL PRODUCTS WITHIN THE UNION
(Decree of the EEC Board No. 194 dd. December 19, 2017)

<table>
<thead>
<tr>
<th>The Agreement defines</th>
<th>The Commission sets requirements</th>
<th>The Member States set requirements</th>
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<tbody>
<tr>
<td>- single terminology;</td>
<td>- to the list of data included in</td>
<td>- to the rules of storage and quan-</td>
</tr>
<tr>
<td>- single list of data included into</td>
<td>the storage agreement;</td>
<td>titative and qualitative accounting</td>
</tr>
<tr>
<td>the warehouse warrant;</td>
<td>- to operation of the system of</td>
<td>of agricultural products:</td>
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<tr>
<td>- rendering of product storage services by the warehouse and issuing the warehouse warrant based on the permission issued in accordance with legislation of the EAEU country;</td>
<td>guaranteeing fulfillment of obligations on warehouse warrants in the Member State;</td>
<td>- to the design of the warehouse warrant form, procedure for manufacture, acquisition, storage and destruction thereof, to its protection types and degrees (in case of documentary form);</td>
</tr>
<tr>
<td>- the list of data on national regulation of issue (granting), circulation and cancelling of warehouse warrants placed on the Internet.</td>
<td>- to the structure of the data to be included into the register of warehouse warrants.</td>
<td>- to forming and keeping the state register of publicly available warehouses and the register of warehouse warrants.</td>
</tr>
</tbody>
</table>
Taking into account insignificant volumes of exchange trade within the Union, the Commission jointly with the Parties studied proposals of the exchange community on intensifying organized trade development. As a result, the Commission recommendation was adopted, pursuant to which the Union Member States shall define priorities in development of exchange trade in agricultural commodities, elaborate cooperation principles and form mechanisms of interaction in the exchange sphere.

In the course of preparation of this document, it was taken into account that creation of integrated exchange commodities market would facilitate growth of volumes of mutual trade and export of agricultural products, establishing business contacts between trading participants, elimination of barriers and restrictions in national legislations. In the course of consultations with the Parties the decision on establishment of interaction between the Parties on determination of joint goals and objectives in the field of goods exchange development was elaborated, which will serve as the basis to intensify integration processes in the exchange sphere.

Regular price monitoring and analysis of competitiveness of the products manufactured were arranged for assessment of condition and timely elaboration of proposals on agreed measures and prospects of development of agricultural markets for sensitive agricultural commodities.

**Article 95 of the Treaty on the EAEU (subpar. 5, par. 7):**

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall monitor prices and analyse competitiveness of products manufactured based on the nomenclature agreed upon by the Member States.

This mechanism allows to ensure timely elaboration of proposals on the common agricultural market regulation, to reveal and engage the potential on increasing competitiveness of sensitive agricultural commodities, to elaborate recommendations both on internal market protection and on entrance to third country markets.

**Article 95 of the Treaty on the EAEU (subpar. 4, par. 7):**

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall monitor the development of agricultural sectors of the Member States and application of state regulation measures for the agricultural sectors by the Member States, including state support measures for agriculture.

Elaboration of proposals on enhancement of efficiency of agricultural sector state regulation measures represents important field of work. For this purpose, the Commission has developed and agreed with the Parties unified approaches based on which efficiency of adopted regulation decisions was analyzed in complex.

Following the results of such work, recommendations on enhancing sustainability of agricultural business and subsidizing efficiency were prepared. It will be facilitated, in particular, by joint measures on increase of the share of agricultural producers in the common chain of consumer cost formation, development of facilities for product storage and transportation including export infrastructure improvement, stimulation of innovations, research and development in the agricultural sector, ensuring financial and economic stability of enterprises, and development of agricultural insurance system.
VIII Convention of the National Union of Milk Producers (Soyuzmoloko) on February 7, 2017

St. Petersburg International Economic Forum on June 1, 2017
Cooperation and import substitution as part of implementation of agreed agricultural policy

Signing of the Memorandum of Understanding between the Eurasian Economic Commission and the Ministry of Agriculture of Hungary on cooperation in the field of agricultural sector on September 26, 2016.

Meeting of the Presidium of the Council of the International Congress of Industrialists and Entrepreneurs on March 29, 2016.
Unification of requirements in the sphere of agricultural products manufacture and circulation is the way towards creation of equal conditions for economic entities of the Union Member States at the common agricultural market and to mutual trade development.

Following the results of the Commission’s work on determination of restrictions in mutual trade between the EAEU countries, two branch agreements were elaborated aimed at unification of the requirements related to seed and pedigree stock production and circulation within the Union.

FORMING COMMON SEED MARKET
On November 7, 2017 Heads of Governments of the Member States signed the Agreement on circulation of seeds of agricultural plants within the Eurasian Economic Union. The document is aimed at forming the single policy in the sphere of circulation of seeds of agricultural plants, development and fulfilment of standardized requirements to processes of sort testing and seed breeding within the framework of Eurasian integration, creating a single register of the Union’s sorts of agricultural plants, and ensuring mutual recognition of documents for sort and sowing seed properties by the Union Member States.
Formation of the common seed market will facilitate reduction of financial and time business load at mutual supplies, implementation of cooperative projects in seed breeding, buildup of mutual trade volumes and export potential, increase of volumes of production of competitive agricultural products in the Union countries, reduction of dependence on imported seed grass.

**FORMING COMMON MARKET OF PEDIGREE STOCK**

Following the results of discussions and working meetings of representatives of the Parties coordinated by the Commission, the Draft Agreement on the measures aimed at unification of work on selection and breeding of agricultural animals within the EAEU was elaborated.

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**Article 95 of the Treaty on the EAEU (subpar. 13, par. 7):**

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall coordinate the development and implementation of the standardized requirements in the sphere of testing crop types and seeds, as well as coordinate mutual recognition by the Member States of documents certifying the varietal and sowing seed quality.

In furtherance of Agreement provisions, the Commission, jointly with the Parties, works on development and adoption of acts by the Union governing bodies.

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**ADOPTION OF THE AGREEMENT WILL ALLOW TO ENSURE:**

- elimination of restrictions in mutual trade in seeds, formation of the common market of seeds of agricultural plants within the EAEU
- circulation of seeds on the territory of a Member State with national documents of other Member States for imported seeds
- deepening of integration of EAEU Member States in the sphere of selection and seed breeding
- acceleration of introduction of new high-yielding sorts and high-quality seeds produced in the EAEU into economic turnover
- import substitution and growth of export potential due to development of selection and seed breeding by EAEU Member States

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**FORMING COMMON MARKET OF PEDIGREE STOCK**

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**Article 95 of the Treaty on the EAEU (subpar. 12, par. 7):**

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall coordinate the development and implementation by the Member States of the standardized requirements regarding the conditions of import, export and movement of pedigree products within the customs territory of the Union, methods for determining the breeding value of breeding stock, as well as the forms of breeding certificates (certificates, books of certificate).

Adoption of the Agreement and documents for implementation thereof will allow to eliminate a number of restrictions on mutual trade, synchronize breeding within the Union, will facilitate increase of genetic potential of animals, reduction of import dependence and growth of volumes of mutual supplies of pedigree stock.
## PRIORITY DIRECTIONS
OF STATUTORY SUPPORT OF LIVESTOCK BREEDING DEVELOPMENT IN THE EURASIAN ECONOMIC UNION

<table>
<thead>
<tr>
<th>RESTRICTIONS</th>
<th>LEGAL REGULATIONS OF THE UNION</th>
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<td>in the sphere of livestock breeding</td>
<td>removing restrictions</td>
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### Developed
- Agile:
  - Regulation on procedure of molecular genetic analysis for pedigree stock
- Procedure for approbation of new types, lines (breeds) and crosses of agricultural animals
- Procedure for determination of pedigree animal breed (character)
- Procedure for pedigree stock importation to the EAEU customs territory from third countries
- Procedure for coordination and analytical support of the work on selection and breeding in the field of livestock breeding performed in EAEU Member States
- Techniques for assessment of pedigree animal value
- The structure of the data on pedigree animals and achievements in selection work to be exchanged
- Pedigree certificate forms for pedigree animals

### Under development
- Absence of unified requirements in the field of pedigree stock production and importation
- Absence of single techniques for determining breeding value
- Absence of single pedigree certificate forms

### Development planned
- Absence of unified requirements in the field of pedigree stock production and importation
- Absence of single techniques for determining breeding value
- Absence of single pedigree certificate forms
Establishment of the Coordinating Council for the EAEU livestock breeding is contemplated for operational interaction between producers of pedigree animals, scientific institutions, field-specific associations and agricultural authorities of the Parties. This Council’s tasks will include coordination of selection and breeding work in the Union Member States.

THE DIAGRAM OF COORDINATION OF WORK IN LIVESTOCK BREEDING OF THE EAEU MEMBER STATES

National laboratories for DNA-testing of the EAEU Member States

Analytical centers

Laboratory department

Submission of DNA-testing results to the analytical center

DNA-testing

Dairy cattle breeding – the Russian Federation

Beef cattle breeding – the Republic of Kazakhstan

Breeding enterprises, breeding associations, regional breeding administrations of the EAEU Member States

Analytical centers

Accounting and control of reliability of accompanying information about the animal tested

Sampling and delivery of biological material

Selection of animals for genome assessment

National laboratories for DNA-testing of the EAEU Member States

Analytical centers

Laboratory department

Information department

International interaction department

Principal agreements on establishment of analytical centers which would operate on the basis of existing field-specific research institutions were reached. The centers will accumulate and systematize data on pedigree animals, calculate breeding value of animals based on the genome analysis, form Eurasian reference populations, submit data on pedigree animals, etc.
Data exchange concerning pedigree animals and selection achievements will be performed using integrated information system of the EAEU. It will allow to synchronize processes of forming and using science-intensive information resources by the Member States.

Cooperative work on introduction of advanced selection technologies into practice will allow to provide commodity enterprises with high-yielding pedigree stock, increase production efficiency and reach self-sufficiency in all types of animal products.
DEVELOPMENT OF EXPORTS OF AGRICULTURAL PRODUCTS

Expanding export of agricultural and food products to third countries represents the objective of current concern for each Union Member State.

Within the framework of implementation of agreed agricultural policy, the Commission, jointly with the EAEU Member States, works on taking agreed actions aimed at development of the export potential in the agricultural sector.

Article 95 of the Treaty on the EAEU (subpar. 10, par. 7):

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall jointly with the Member States, prepare recommendations on coordinated actions aimed at developing the export potential in the sphere of agricultural sector.

The Commission, jointly with the Parties, elaborated recommendations on coordination of sales and marketing policy, agreed actions in the field of export potential development for the purposes of improving the system of agricultural products promotion to third country markets. Approaches to formation of agreed export policy were suggested.

Within the framework of specified documents, the Commission defined the countries where it appears reasonable to increase supplies of agricultural and food products to in the first place (China, Turkey, Iran, Vietnam, Republic of Korea) and common sales markets which the Member States are invited to enter together (China, CIS countries, some EU countries).

The Commission performs regular analysis of conditions at the world market of agricultural and food products, prepares proposals on extending the export of agricultural commodities by the Member States and on summary analytical information on agricultural export support measures and mechanisms applied in the Member States, conditions of agricultural and food products access to the markets of partner countries and plans for participation of representatives of the Parties in international branch exhibitions and fairs.

Implementation of agreed measures on export development will allow to strengthen competitive positions of producers of agricultural and food products from the EAEU Member States at third country markets, form positive attitude of foreign buyers to the products produced in the EAEU, coordinate actions on tapping into promising markets.
COMMISSION ACTIVITY ON DEVELOPMENT OF THE EXPORT POTENTIAL IN THE AGRICULTURAL SECTOR

PREPARATION OF RECOMMENDATIONS ON AGREED ACTIONS ON DEVELOPMENT OF EXPORT POTENTIAL IN THE SPHERE OF AGRICULTURAL SECTOR

1. The Recommendation on coordination of sales and marketing policy of the EAEU Member States (No. 28 dd. December 22, 2015)

   - Informing the Commission by EAEU countries on:
     - conditions of international and internal markets of exported agricultural products;
     - requirements of foreign states for importing agricultural products;
     - applied export support measures and mechanisms

   - Assistance in engaging the EAEU partners to participate in joint events, such as:
     - business-missions in third countries;
     - agricultural fairs and exhibitions, forums, conferences on the issues of the agricultural sector within the framework of business programs of exhibitions and fairs.

   - Performance of work on determination of barriers in trade in third countries and preparation of proposals on elimination thereof

   - Joint exhibition activities

   - Implementation of Recommendations will facilitate EAEU Member States gaining access to systemized and up-to-date information and extending relations with the Union partners

2. Recommendations on agreed actions of EAEU Member States in the field of export potential development (No. 30 dd. December 13, 2016)

   - There is contemplated annual:
     - forming of the list of principal importing countries, determination of specifics of import regulation in these countries
     - determination of common sales markets for sales of agricultural products
     - preparation of Reviews on measures and mechanisms of supporting export of agricultural and food products applied in the EAEU

3. The Recommendation on formation of approaches to agreed export policy with respect to agricultural products (No. 25 dd. November 14, 2017)

   - There is contemplated:
     - analysis of conditions of agricultural and food products access to the markets of the countries being partners in conclusion of FTA agreements
     - quarterly preparation of reviews of conditions of the world and internal Union markets for sensitive agricultural commodities
Efficient fulfillment of potential of the agricultural branch of the Union Member States and the increase of its competitiveness are inextricably connected with accelerated technological modernization, creation and introduction of in-house advanced innovative developments in the agricultural sector by the Member States.

Mechanisms of scientific and innovative cooperation in the agricultural sector are formed in the Union.

**EAEU REGULATORY LEGAL FRAMEWORK ON SCIENTIFIC AND INNOVATIVE DEVELOPMENT OF THE AGRICULTURAL SECTOR**

**The Treaty on the EAEU**
*Article 95 (subpar. 11, par. 7)*

For the purposes of implementation of the agreed (coordinated) agricultural policy, the Commission shall coordinate the implementation by the Member States of joint scientific and innovative activities in the sphere of agricultural sector, including within interstate programs of the Member States.

**Procedure of arranging joint research and development activities in the sphere of agricultural sectors of the EAEU Member States**
*Decision of the Eurasian Intergovernmental Council No. 1 dd. May 26, 2017*

**The Eurasian Technology Platforms:**

- Decision of the Eurasian Intergovernmental Council No. 2 dd. April 13, 2016
  - The Eurasian LED technology platform
  - Space and geoinformation technologies – products of global competitiveness
  - Photonics
  - The Eurasian supercomputer technology platform
  - Technologies of metallurgy and new materials
  - Technologies for extraction and processing of solid minerals
  - Technologies for environmental development
  - Light industry
  - Technologies of food and processing industry of the agricultural sector
  - The Eurasian agricultural technology platform
  - The Eurasian biomedical technology platform

**Recommendation «On the list of advanced research and development activities in the sphere of agricultural sectors of the EAEU Member States»**
*No. 14 dd. July 8, 2015*

**Recommendation «On coordination of joint scientific and innovative activities of the EAEU Member States in the sphere of agricultural sector»**
*No. 25 dd. December 11, 2016*

**Regulation on development, financing and implementation of interstate programs and projects in the industrial sphere**
*Decision of the Eurasian Intergovernmental Council No. 1 dd. February 2, 2018*
The Procedure of arranging joint research and development activities in the agricultural sectors of the Union Member States was approved by the Decision of the Eurasian Intergovernmental Council. The document is aimed at cooperation in scientific sphere, optimization of budgetary expenses of the Parties so that the money would work both for development of national agricultural sectors and for the integration simultaneously.

**THE PROCEDURE OF ARRANGING JOINT RESEARCH AND DEVELOPMENT ACTIVITIES IN THE SPHERE OF AGRICULTURAL SECTOR OF THE EAEU MEMBER STATES**

- **Determining Customers** in each of the Parties: the Ministry of Agriculture, the Academy of Sciences

- **Determining Contractors** on competition basis in accordance with legislation of participating states

- **GOVERNMENTS/AUTHORIZED BODY**
  - Determining the Coordinating Customer and Customers by interested Parties
  - Developing and agreeing the feasibility report by the Member States
  - Submitting the feasibility report to the EEC

- **The EEC sends the request for participation**
  - within 30 days (participation/refusal)

- **Concluding the contract** for performance of works and intellectual property distribution

- **Performing joint research and development activities**

- **Before March 1 of the year following the reporting one**

- **EEC approves the list of issues for joint research and development activities for a 5-year period**

- **Annual** before April 1

- **Report on the progress of work in the reporting year**

- **Final report**
In accordance with the Procedure of arranging joint research and development activities in the agricultural sector the list of joint research and development activities is formed for a 5-year period based on proposals from the countries and is approved by the Commission. Wherewith national priorities and Union objectives on development of agricultural sector shall be taken into account as well as priorities of interstate scientific-technical and innovation policy in the sphere of agricultural sector of the Member States.

Scientific research activities shall facilitate ensuring food safety, balanced condition of food markets, increase in efficiency and competitiveness of agriculture of the Union countries, maintenance of their biological diversity and ecological balance.

Not less than two EAEU countries shall participate in joint research activities. The period for conducting joint research and development activities shall not exceed five years.

The Procedure allows the EAEU countries to conduct promising joint research activities in the sphere of agricultural sector with a view to form stable basis for modernization of the agricultural sector based on application of best achievements of the science and world experience, transfer of technologies and innovations.

For the purpose of joint discussion of the most promising directions of the agricultural sector development, the list of 14 priority topics for key spheres of the agricultural science — genetics and selection, aquaculture, veterinary and phytosanitary issues, development of further processing technologies and issues of interstate cooperation in the agricultural sector was elaborated. The States coordinating joint scientific and innovation activities were assigned for each of the topics.

The register of scientific research activities of the Union Member States in the sphere of the agricultural sector conducted or planned to be conducted before 2020 within the topics specified has been formed. The register includes more than 150 research activities performed by 50 organizations of the Union.
Two priority technology platforms in the agricultural sector have been defined for the purpose of structuring systemic work on joint solving applied tasks on development of innovative products and technologies and their putting into service.

The said platforms unite leading national scientific and production organizations with proposals on joint innovative cooperative projects in the most promising branches.

Cooperation of more than 160 organizations from Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia is aimed at solving innovative tasks within the platform of «Technologies of food and processing industry of the agricultural sector — healthy food products». The Eurasian agricultural technology platform units 73 organizations from the Union countries.

Agriculture, production of food products, biochemical production, mechanical engineering, aquaculture, economics and management at agricultural and food enterprises represent strategic directions of work.

Besides, the issues of establishment of Eurasian centers of competence and innovation transfer in different directions of the agricultural sector are also discussed within the EEC Technology Platforms. Such centers may become logical addition to interaction between the Union Member States which is already implemented on current issues and joint projects in particular branches of the agricultural sector.

Consolidation of research and development as well as production and technology resources ensures solution of applied problems in agriculture of the EAEU countries, promotes technology transfer and development of innovative products. The efficiency of such work depends largely on active participation of the Parties, including that on the issues of financing national parts within joint initiatives.

In the forthcoming period, the Commission’s work will be aimed at coordinating implementation of joint research and development activities, forming the system of horizontal exchange of knowledge and technologies in the sphere of agricultural sector both within the Union and with other countries.
Coordination meeting of the Eurasian agricultural technology platform
April 27, 2017

Round table «Strategic directions of development and deepening of integration and cooperation in agriculture of the EAEU member States» December 1, 2017
Round table «Innovation technologies in the field of plant growing as the factor of increase of agriculture efficiency in the EAEU Member States»
March 30, 2017

VI International Forum «Orenburg land — the heart of Eurasia»
November 24-25, 2016
Cooperation and import substitution as part of implementation of agreed agricultural policy

Meeting of the Presidium of the Council of the International Congress of Industrialists and Entrepreneurs, July 8, 2016

Round table arranged by the Russian Union of Industrialists and Entrepreneurs, February 2018
INTEGRATED INFORMATION SUPPORT OF THE AGRICULTURAL SECTOR

Use of information technologies based on automation of the process of data collection and processing allows to significantly decrease expenses of the market participants, ensure quick access to information resources, thus enhancing operational efficiency and quality of administrative decisions.

Digitization of managerial, technological and production processes becomes an actual trend of innovative agricultural sector development. In response to these requests, the Commission developed and put into service the agricultural sector subsystem within the principal directions of agreed agricultural policy, such subsystem being one of the segments of forming the Single Digital Platform of the Union. Agricultural sector subsystem represents the tool aimed at optimization of information interaction between the Parties and the Commission due to automation of information collection, processing and storage.

THE SUBSYSTEM OF THE AGRICULTURAL SECTOR OF THE EURASIAN ECONOMIC UNION MEMBER STATES
Agricultural sector subsystem consists of 7 common information resources formed based on the decisions already made within the framework of agreed agricultural policy: forecast balance sheets, price monitoring and analysis of competitiveness, exchanging production development programs, scientific and research papers, information on the issues of state support for agriculture, data on pedigree animals and selection achievements, unified register of varieties of agricultural plants. Accumulation of information within common information resources allows the experts of the Parties, business and scientific communities to get information on condition and prospects of development of the agricultural sector in the Member States and common agro-food market in online-mode, to assess the situation on ensuring food safety.
The Commission actively develops cooperation in the sphere of the agricultural sector with the purpose of strengthening the role of the EAEU Member States in establishing the policy for ensuring global and regional food safety, increasing agriculture competitiveness with due account for the world experience and application of innovative technologies as well as establishing business contacts with partners.

Cooperation with the Food and Agriculture Organization of the United Nations (hereinafter referred to as the FAO) being the leading international organization in the field of development of agricultural policy, efficient legislation and national strategies is built up within the framework of the Memorandum of Understanding between the EEC and the FAO.

Directions of cooperation cover measures on sustainable rural area development, ensuring food safety, conducting research activities on the issues of development and increase of efficiency of agro-food market operation, ensuring sanitary and epidemiologic welfare of the population, phytosanitary and veterinary safety of the territories.
Participation of S.S. Sidorskiy, the Member of the Board — Minister in charge of Industry and Agriculture of the EEC in the 40th session of the FAO conference in Rome became one of milestone events. The business meeting with FAO General Director, Jose Graziano da Silva, was arranged at the Conference. The issues of cooperation, situation in the field of food products and agriculture, political and regulatory aspects of regional and global nature resulting from activities on ensuring sustainable development for a period of up to 2030 were discussed during this meeting.

Cooperation with the FAO facilitates using of advanced experience in the agricultural sphere, improvement of the regulatory framework of the Member States in the field of selection and breeding work, discussion of current issues on ensuring food safety and nutrition improvement, elaboration of measures on sustainable development of the agricultural sector of the Member States, as well as the EAEU positioning in the international space.

The Memorandum of Cooperation between the Commission and the International Union of Public Associations «The International Congress of Industrialists and Entrepreneurs» signed on March 29, 2016 in the city of Yerevan (the Republic of Armenia) is aimed at developing mutually beneficial cooperation in the sphere of industrial and agricultural sectors.

Implementation of Memorandum provisions will facilitate strengthening and developing business contacts with European and Asian regions, will allow to introduce innovative technologies for production of goods with high added value in the Union.

Cooperation with Hungary has been arranged within the framework of the Memorandum of Understanding between the EEC and the Ministry of Agriculture of Hungary.

The Memorandum defines principal directions and ways of interaction between the EEC and the Ministry of Agriculture of Hungary on increase of goods turnover between the countries of the Eurasian Economic Union and the Hungary, elimination of barriers in trading, ensuring food, veterinary and phytosanitary safety, scientific and technical cooperation and technological development of the agricultural sector branches.

Cooperation in trading feedstuff, seeds, breeding material, interaction in the sphere of technologies and investments to the food industry (in the field of processing of fruit and vegetable products, meat and poultry), aquaculture and manufacture of veterinary drugs appear promising.
The arrangement has been reached that the Parties’ experts would start working on harmonization of requirements of technical regulations of the Eurasian and European Unions in the sphere of agricultural sector for the purpose of eliminating barriers and ensuring Union Member States’ access to the common European market.

Commission interaction with Hungary in the field of agricultural sector will have positive effect on further development of integration processes in the EAEU, and will allow the Union Member States to take into account European experience while implementing their agreed agricultural policy.

International interaction in the field of agricultural sector is aimed at expansion of volumes of exports of the EAEU Member States, studying the opportunities of the creation of new cooperative chains, attracting foreign investments and technologies with the aim of economic development of the Union Member States.
PROSPECTS FOR THE INTEGRATION AND FOR ENSURING SUSTAINABLE DEVELOPMENT OF THE AGRICULTURAL SECTOR
The main purpose of deepening agricultural integration for forthcoming period consists in strengthening cooperation relations between the Member States in various spheres of the agricultural sector based on innovative development, competitive advantages, digitization of managerial and technological solutions ensuring food safety of the States, sustainable development of the agricultural sector, increase of mutual trade volumes, import substitution and increase of competitiveness of agricultural and food products.

In this respect, the integration work will be focused on the following directions:

- improvement of specialization and placement of agricultural production in the EAEU based on the application of competitive advantages and development of national and Union-wide territorial and branch labor distribution scheme;
- formation of the system of forecasting the development of the Union’s agricultural sector for a long-term period;
- development of interstate programs for development of large-scale special areas for production of principal agricultural commodities;
- extension of interstate cooperation in the agricultural sector including assistance in formation of the Eurasian network of wholesale distribution centers, border cooperation centers, promotion of establishing joint ventures.

The work of the Council on Agricultural Policy of the Eurasian Economic Union will facilitate deepening integration interaction. The Council is composed of Ministers of Agriculture of the Union Member States and Ministers of the Commission, whose competence includes agricultural issues, technical regulation, sanitary, phytosanitary and veterinary measures.

Council operation will allow to prepare balanced proposals for elaboration of strategic directions of the agricultural sector development in the Union, to facilitate actual deepening of integration including the issues of balanced development of the Union market and promotion of agricultural products to third country markets, creation of interstate associations and cooperative entities in the agricultural sector.
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