Customs Tools to Ensure Food Security in Russia

I A Boldyreva¹, J V Rudash²

¹Rostov branch of the Russian Customs Academy, Rostov-on-Don, Russia
²Novocherkassk Engineering Institute reclamation Don State Agrarian University, Novocherkassk, Russia

E-mail: inbold@rambler.ru

Abstract. Ensuring food security as an integral part of the economic security of the state is one of the Central problems of the state economic policy of most post-Soviet countries. In recent decades, the vector of implementing food security policy has changed. If at the beginning of market reforms the key task of the national governments of the former Soviet Union was to fill the market of food products regardless of the import component, it is now important to ensure food independence, provided the availability and quality of food. Russia, which has significant potential in the agricultural and food industries, by the beginning of the 21st century has become an import-dependent country by major groups of food. The article systematizes the peculiarities and contradictions of the application of the customs tariff regulation instruments in the food sphere of Russia, analyzes the impact of the customs policy on the food security of the country. The scientific significance of the work is determined by a complex system approach to the factor analysis of food security from the perspective of Russia's membership in the world trade organization and the consequences of bilateral economic sanctions in relations between Russia and Western countries.

1. Introduction
As one of the main criteria, reflecting the degree of socio-economic development of society in a particular country is the level of food security. Achieving food security of the state involves the ability of the agricultural sector to ensure food processing of agricultural raw materials, and the population-required for full life of food products.

For countries with high dependence on food imports, which in recent decades, including Russia, a significant role in achieving food security play macro-economic factors associated with the foreign policy of the state and applied customs and tariff measures.

2. Urgency, scientific value of the question with short review of the literature
The operation and development of the domestic agricultural production and food processing takes place today under the influence of two different directions on the objectives and effectiveness of the state foreign policy and related customs instruments. On the one hand, in 2012 there was the ratification of the Russian accession agreement to the World Trade Organization (WTO), which planned to reduce barriers to imports of food raw materials and food, and thus create the conditions that promote improving of the competitiveness of Russian farmers. On the other hand, the introduction in 2014 of the EU countries and the US economic sanctions against the largest Russian companies and financial
and credit institutions, led to retaliatory sanctions of Russia, expressed in the form of an embargo on food imports.

Issues of food security in Russia and the former Commonwealth of Independent States (Ukraine, Belarus, Kazakhstan, Kyrgyzstan) in recent years, devoted a considerable amount of scientific papers, including papers containing quantitative model forecasts the state of the food markets in these countries [1-4]. At the same time, with the formation of market-oriented economy in the post-Soviet states the very understanding of the essence of food security has undergone a significant transformation.

So, in the early 2000s, food security was seen as "a state of socio-economic system of the country in which every citizen has access to a minimum for the normal livelihood of food set" [5]. That is, with this approach the main goal of the economic system – to saturate the market with food products is not dependent on imported components and on the contribution of domestic producers.

Modern approaches to the interpretation of food security are more complex, and stress the food sovereignty of the state. Disclosure of food security is no longer limited to a statement of the ability of States to ensure the satisfaction of society's needs for food, but the emphasis is made on the availability of own sources to provide vital food [6-7].

The Food Security Doctrine of Russia is defined as the state of the economy, which provides food sovereignty of the Russian Federation, guarantees the physical and economic access to every citizen of food, relevant to Russian legislation on technical regulations, in the amount not less than the rational norms of food consumption needed for an active and healthy lifestyle. [8]

Russian researchers identify product groups by the degree of reduction of its own production supply [9]. The first group includes cereals, vegetable oil, eggs, sugar, for which there is complete self-sufficiency. In the second group (the meat of pigs and poultry, field vegetables) Russia will soon reach complete self-sufficiency. Problems are in the third group of products (cattle meat, milk, vegetables of the protected ground), the import component of which is significant and self-sufficiency can be seen only in the long term. Problems of customs and tariff-regulation of food security of the state are raised in a number of works, but do not contain a statistical analysis of the consequences of the applied tools of customs policy in the food sector [10,11]

3. Problem statement
In the context of the implementation of foreign trade policy of the state customs and tariff methods of food market regulation significantly affect the competitiveness of domestic agricultural production, and thus to ensure food security - news from the country [12].

As mentioned earlier, from 2012 to 2014, the Russian government adopted two conflicting decisions in the field of customs and tariff regulation of foreign trade operations in the food market.

In this regard, it seems appropriate to analyze in more detail the possible consequences of the various decisions taken in such a short period, which determine the conditions for ensuring the country's food security.

Statistical analysis of indicators of food imports, indicators of their agricultural output and food production, can contribute to the understanding of the following issues:
- did the reduction of customs barriers during Russia's accession to the WTO contribute to the growth of food imports in the short term?
- has the introduction of a food embargo against Russia in the EU and the US on food imports and indicators of its own agricultural production and food production?
- how did the implemented measures of the state foreign trade policy actually affect the processes of import substitution in the food sector, taking into account the problems with the re-export of food?

4. The theoretical part
The customs policy of the state as an element of foreign trade policy is one of the important factors in ensuring food security-news from the state. The main instruments of customs policy may be export subsidies, tariff and non-tariff measures to protect the domestic food market from imports.
Depending on what kind of policy (freedom-freedom? or protectionism) at a particular stage of economic development is implemented by the national government, will be used a certain set of possible tariff instruments of regulation of the domestic market.

Thus, in the EU countries the domestic food market is protected by import duties, individual tariff quotas, as well as by a system of different non-tariff measures of import regulation (for example, the requirement of mandatory indication of the place of import of goods into the EU) [13]. In the US, food tariff protection measures are significantly lower than in the EU. At the same time, it is the EU and the US that occupy the top positions in the ranking of countries in terms of food security. The rules of the world trade organization, which provide for the reduction of customs barriers to the import of goods into the territory of a WTO member country, usually apply to developing countries [14].

There is a logical question, how important is the role of customs and tariff measures in solving the problem of food security of the state of the Russian Federation? The consequences of the reduction of tariff protection of the Russian food market due to the accession to the WTO and the subsequent ban on food imports from the EU and the US are analyzed in the next section on the basis of a reliable sample of statistical data.

5. The practical significance of the proposals and the results of the implementations, the results of experimental studies

In accordance with the commitments made by Russia upon accession to the WTO (August 2012), the weighted average import customs duty rate was reduced from 10% to 7.8 %. The greatest reduction in rates was expected for such groups of food products as meat and meat products, dairy products with a long shelf life (cheese, dry milk, etc.), rice, sugar, seasonal vegetables.

According to the degree of decline in the provision of own production in Russia there are three groups of goods. The first group includes grain, vegetable oil, eggs, sugar, for which there is complete self-sufficiency. According to the second group (pig and poultry meat, open ground vegetables), Russia can achieve self-sufficiency in the near future. The third group of products (cattle meat, milk, vegetables of protected soil) remains problematic, the import component of which is significant and self-sufficiency can be considered only in the long term [9].

In connection with the accession to the WTO, experts predicted a threat to the development of the fastest growing agricultural sector of the Russian Federation - pig farming. The most well-known experts assumed that the reduction of the quota for pork import (from 500 to 430 thousand tons per year), zero import duties under the quota (from 15%), a decrease from 40 to 5% of the rate for the import of live pigs will lead to an increase in physical volumes of imports and create serious problems for domestic farmers [15].

Based on the data of the state statistics bodies of the Russian Federation, we have studied the growth rates (fall) of natural volumes of food imports for the main groups of food products for the period from 2011 to 2017. For the consideration of the single group of products on which Russia could potentially reach self-sufficiency.

The data presented in table 1 show that in 2013, after the reduction of import duties, the volume of imports for such items as milk, butter, cheese and cottage cheese, individual types of vegetables significantly increases. However, the rapid growth of meat imports has not occurred, as previously predicted by experts.

The decrease in import volumes in 2014-2015 is observed practically in all positions (except milk, butter and certain types of vegetables) as a result of the introduction of Russia's food embargo on imports from the EU in response to the introduction of the EU and the US financial sanctions against Russia. At the same time, the refusal of food supplies from the EU has not solved the problem of import dependence of the Russian Federation. During 2015, there was a reorientation of the Russian food market to non-EU importing countries (for example, Latin American countries).
Table 1. Dynamics of Russian imports of food products*% to previous year.

| Type of goods          | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
|------------------------|-------|-------|-------|-------|-------|-------|-------|
| meat                   | 99,2  | 97,9  | 91,8  | 78,5  | 73,3  | 83,8  | 102,3 |
| poultry meat           | 71,6  | 107,0 | 99,1  | 85,9  | 55,8  | 87,7  | 101,1 |
| fish                   | 89,7  | 103,7 | 105,2 | 83,8  | 61,7  | 89,4  | 119,5 |
| milk and cream         | 107,6 | 108,3 | 118,3 | 106,8 | 82,1  | 91,7  | 132,2 |
| butter                 | 96,6  | 96,8  | 113,7 | 104,7 | 70,5  | 112,4 | 93,7  |
| cheese and cottage cheese | 100,0 | 93,2  | 109,8 | 69,9  | 79,6  | 104,2 | 195,2 |
| potatoes               | 105,4 | 105,6 | 106,6 | 98,8  | 78,6  | 51,6  | 111,4 |
| tomatoes               | 132,5 | 53,9  | 116,6 | 121,3 | 72,7  | 59,9  | 150,4 |
| onions, garlic         | 82,9  | 53,3  | 108,0 | 138,7 | 76,3  | 69,1  | 193,1 |
| cabbage                | 92,1  | 108,7 | 99,2  | 107,3 | 63,1  | 53,0  | 115,8 |
| cucumbers              | 98,8  | 107,2 | 105,5 | 76,9  | 83,8  | 75,5  | 104,0 |
| apples                 | 26,1p.| 30,4  | 97,2  | 153,4 | 79,6  | 104,2 | 195,2 |

* Compiled using [16]

In addition, during this period, the problem of re-export of sanctioned food products through non-EU countries became acute. As of 2016, Belarus has become the leader in banned re-exports, as evidenced by the statistics of the Federal customs service-256 administrative cases have been initiated on the facts of re-export of sanctioned food from this country [17].

These trends are clearly confirmed by the dynamics of import indicators in 2016-2017, according to which the volume of food imports is increasing for almost all groups of goods. In 2017, there is the highest growth rate for such commodity items as milk and cream for the entire period under review (132 %). Moreover, for the first time since 2011 there has been an increase in imports of meat and poultry.

We will analyze how the changes in the customs policy of the Russian Federation affected its own food production.

Table 2. Dynamics of production volumes of the main types of import-substituting food products in Russia. Thousand tons.

| Type of food                | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| Chilled cattle meat         | 178   | 199   | 183   | 203   | 194,5 | 201   |
| Meat of bovine animals, frozen | 36,0 | 41,6  | 41,1  | 51,7  | 55,2  | 52,1  |
| Pork, chilled               | 942   | 1232  | 1438  | 1655  | 1947,3| 2107  |
| Frozen pork                 | 58,5  | 67,5  | 87,7  | 108   | 154,5 | 209   |
| Poultry and by-products     | 3405  | 3610  | 3979  | 4340  | 4437,6| 4766  |
| Fish ice cream fillet       | 94,3  | 108   | 110   | 123   | 139,6 | 139   |
| Milk, liquid, processed     | 5267  | 5386  | 5348  | 5447  | 5514  | 5415  |
| Cream                       | 95,2  | 103   | 115   | 121   | 129,5 | 152   |
| Butter                      | 214   | 225   | 250   | 256   | 249,5 | 269   |
| Cheese and cheese products  | 451   | 435   | 499   | 589   | 438   | 462   |

* Compiled using [16]
The data presented in table 2 show a stable and significant increase in the volume of own meat production for the period from 2012 to 2015. For the production of pork, the increase in volumes was more than 2 times. There is a slight but positive trend in the production of cattle meat (at the level of 10-12%).

Own production of milk continues to be problematic, the growth of which during the period under review was about 3%. At the same time, the production of dairy products (cream, cheese, butter) is increasing at a higher rate, which most likely affects the quality of products.

6. Conclusions

Thus, the conducted statistical research allowed to formulate the following provisions in accordance with the set tasks:

1. The reduction of tariff barriers to food products when Russia joined the WTO in the period from 2012 to 2014 did not lead to an increase in import volumes for the most vulnerable in terms of customs tariffs (pork), as predicted by experts. For milk and dairy products, the growth of imports during this period reached from 8 to 18% per year.

2. Russia's application of a non-tariff measure, such as the embargo on food imports from the EU countries in 2014, significantly reduced the volume of imports for all commodity groups, but did not contribute to the growth of its own production in the most problematic agricultural sector (production of cattle meat and milk).

3. The refusal to supply imported food from the EU became the reason for the search for new importers outside the EU and the spread of the re-export port of sanctions products through the former CIS countries (in particular Belarus), which led to an increase in food imports in 2016-2017.

The above confirms the assumption that the customs-tariff measures of foreign trade in food are effective (powerful) tools, affecting the food security of the state, but solve the problems of competitiveness of national agriculture and its individual branches.

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