State and problems of exporting the products of the agro-industrial complex in the Altai region

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Abstract. The article reflects the export orientation of the Altai Region and its relationship with the production of agro-industrial products. Export promotion instruments, including subsidies for compensation of a part of the costs of transporting agricultural products and foodstuffs, as well as a preferential tariff for the transportation of grain by rail are considered. The structure of exports of agricultural products are analyzed. Infrastructure and logistics problems of the grain market are also reviewed.

1. Introduction
The agro-industrial complex of the Altai Region is the main structural sub-system of the regional economy. Agriculture defines the basis of the potential of agriculture. Over 15% of gross regional product is accounted for by agricultural production only [2]. Export potential is directly related to the production of agro-industrial products and the development of agro-industrial complex. To expand access to foreign markets, new export promotion tools are needed by organizations at the regional level.

2. Materials and Methods
When conducting research, the following general scientific and special methods and techniques of economic research were used: monographic and economic-statistical methods, the method of institutional analysis.

3. Results
One of the key directions in strategic development of the agro-industrial complex is international cooperation and export. In order to support the export of agricultural products, raw materials and foodstuffs, the Ministry of Agriculture of Russia has developed a priority project “Export of Agricultural Products” (approved by the Presidium of the Council under the President of the Russian Federation on Strategic Development and Priority Projects, Protocol No. 11 of 30 November 2016). This project is included in the State Program for the Development of Agriculture and Regulation of Agricultural Products, Raw Materials and Food Markets for 2013–2020.

The goal of the priority project “Export of agricultural products” is to create an industry-wide system for supporting and promoting Russian agricultural products on foreign markets and ensuring its compliance with their requirements. The plan is to increase the volume of exports of agricultural products in terms of value by at least 12.5% by the end of 2018, by no less than 26.7% by the end of 2020.
The Center for the Analysis of Exports of Agricultural Products has been created to provide comprehensive information and analytical support to domestic producers and exporters of agricultural products. In cooperation with the industry associations of manufacturers of the agro-industrial complex and the “Russian Export Center” JSC, the Center prepared and approved programs to promote and increase the export of certain types of beet sugar, grain processing, oil and fat, confectionery products of the industry, food products of the agro-industrial complex with high margins, as well as grain and poultry products.

At the federal level, new export promotion tools were launched in 2017 in order to expand access for Russian organizations to foreign markets:

- Subsidies are provided to a number of Russian organizations to reimburse part of the cost of transporting agricultural and food products by land, including rail. They contribute to reducing the cost of transporting agricultural and food products by rail involving road transportation, as well as increasing exports of agricultural products (Resolution of the Government of the Russian Federation of September 15, 2017 No. 1104);
- The preferential tariff is provided for the transportation of grain by rail. In this case, the grain is related to the codes of the Unified tariff-statistical nomenclature of cargo 011005, 014003, 015006 (wheat, barley, corn) (Decree of the Government of the Russian Federation of December 20, 2017 No. 1595).

The Altai region belongs to the export-oriented regions. Realization of its export potential is directly related to the production of agro-industrial products and the development of agro-industrial complex [3].

| New export support mechanisms launched in 2017 |
|-----------------------------------------------|
| Subsidies from the federal budget provided to Russian organizations for reimbursement of part of all costs of transporting agricultural and food products by land, including rail transport (Resolution of the Government of the Russian Federation No. 1104 of September 15, 2017) |
| Subsidies are provided from the federal budget of “Russian Railways” OJSC; and losses in income resulting from the establishment of tariffs for the transportation of grain are reimbursed (Resolution of the Government of the Russian Federation No. 1595 of December 20, 2017) |
| The following products were subsidized (before the amendment of May 4, 2018): grain grinding products (flour, groats, etc.) of sunflower, rapeseed, flax seeds, potatoes, vegetables, meat and meat products, dairy products, etc. |
| The following products are subsidized: wheat, barley, and corn. |
| Altai enterprises exported agricultural products in the amount of 315.5 million rubles, the number of subsidies received was 25.2 million rubles (up to 50% of transportation costs are compensated) |
| Inclusion of the Altai region in the list of regions will allow compensating transportation fees for grain cargo (freight charge), i.e. 50% for grain transportation |

Figure 1. New export support tools launched in 2017.

In order to ensure the successful promotion of Altai goods (non-commodity exports) and services to foreign markets, the Action Plan (“road map”) entitled “Development of Export and Transit and Logistics Activities in the Altai region was approved by the Order of the Administration of the Altai Region No. 278-p on September 28, 2016.

The implementation of the “road map” will increase the number of exporting organizations, significantly increase the volume of non-oil exports, increase a share of highly processed goods in the total volume. Consequently, this would positively affect the state of competition and the business climate in the region [4].
Implementation of the “Cooperation Agreement between the Government of the Altai Region and the Key State Grain Market Operators” signed for 2017-2018 will help reduce barriers to export activities and provide competitive conditions for promoting Altai products in the foreign market, and most importantly in the markets of the Asia-Pacific countries region [6].

Food and processing industry enterprises of the region successfully implement export-oriented policies. The range of goods supplied for export is very wide: from grain processing products to complex food additives, including products of antler reindeer husbandry.

Significant volumes of export deliveries fall at the milling enterprises. Every year, the milling industry produces about 1.1 million tons of flour and about 0.5 million tons of cereals, processes almost all commodity grain grown in the region. Already today, the Altai grain processing products are represented in China, Mongolia, and Central Asian republics; experience in supplying it to Vietnam, South Korea, Indonesia and a number of other countries in the Asia-Pacific region is developing. The markets of near and far abroad for the supply of vegetable oils are actively mastered.

The Altai region was one of the first to have an agreement with Federal State Institution (or FGU) “Emerkom” Agency,” which enabled our processors to participate in humanitarian operations of the Russian Federation.

An important step in the promotion of products to foreign markets of the region is to market the image of the region and its food. In order to present the most valuable resources of the Altai Region to residents of the whole country, work on promoting brand products is carried out, including through large-scale food festivals. Thus, in the Altai region, the following events are held annually: “Days of Altai cheese,” “Meat Gourmet’s Day,” “Honey Spas in Altai,” “Feast of Bread,” “AltaiFest,” and others. Every year, the number of participants in these holidays is growing, and the most popular festivals become the reasons for event tourism.

According to the Siberian Customs Administration, the export of food products and food raw materials from the region amounted to about $ 186 million in 2017 ($ 184 million in 2016). In the commodity structure of exports of the Altai Territory, the share of food products and agricultural raw materials was 19.6% (only 5.8% in the Russian Federation).

Among the main trading partners of the Altai Region, such countries act as the Republic of Kazakhstan, the People's Republic of China, the Republic of Belarus, the United States of America, Canada, Uzbekistan, Ukraine, Afghanistan, Germany, Mongolia, Tajikistan, Kyrgyzstan, Latvia, Lithuania, the Netherlands, Italy, and others.

The main commodity items in the structure of exports of agricultural products in terms of value were: vegetable oils (26.2%, including sunflower oil - 14.0%, rapeseed oil - 9.0%), oilseeds (17.3%, including rapeseed - 8.3%, flax seeds - 6.1%), products of the milling industry (15.7%, including cereals, processed in other ways (flakes, chopped, etc.) - 11.5%), wheat flour - 3.0%), beans dried, peeled (6.3%, including peas - 3.5%, lentils - 2.5%), cereals (3.8%, including wheat -1.16%, buckwheat - 2.0%).

In comparison to 2016, exports of the following types of agricultural and food products increased in 2017: meat and edible meat by-products in 3.6 times (in value terms) (up to 901.3 tons), milk and cream in 1.5 times (up to 3.6 thousand tons), dried leguminous vegetables in 1.8 times (up to 34.0 thousand tons), cereals in 2.3 times (up to 30.0 thousand tons (without rice), including wheat and meslin in 3 times (up to 11.1 thousand tons), barley in 7.7 times (up to 1.6 thousand tons), buckwheat in 2.3 times (up to 12.6 thousand tons), oilseeds in 2 times (up to 73.6 thousand tons, including rapeseed in 13 times (up to 37.5 thousand tons), sunflower in 3 times (up to 6.3 thousand tons), beet sugar in 1.7 times (up to 164 tons), bran in 2 times (up to 9.7 thousand tons) [1].

At the same time, a decrease in export deliveries of the following products was observed: butter by 60.8% (to 43.5 tons), cheese and curd by 26.2% (to 656 tons), wheat flour by 43.3% (to 13.4 thousand tons), vegetable oils - by 14.5% (to 70.3 thousand tons).

The Altai region was actively involved in the implementation of the Government Decree No. 1104 of September 15, 2017, which provides for subsidizing the costs of transporting agricultural and food products in the direction of China. The region’s proposals for expanding border crossing stations and
tanks for transporting products were taken into account when finalizing a federal decree, which allowed Altai enterprises to export products worth more than 315.5 million rubles and receive more than 25.0 million rubles in subsidies. This is more than half of the budget spent in this area in Russia.

By setting a preferential tariff for the transportation of grain, the process was launched at the end of last year within the framework of Government Resolution No. 1595 in order to stabilize the price situation on the grain market. The limits of grain export volumes were determined for 13 regions of Russia, including the regions of Siberia (Novosibirsk and Omsk regions). The Resolution provides for the maintenance of export of 3.2 million tons of grain, including 200 thousand tons from the regions of the Siberian Federal District. The regions of Siberia were most active in using this tool of support, having almost completely mastered the limit by the end of February. In this regard, the export limit of grain of the Novosibirsk and Omsk regions increased by 250 thousand tons (change from April 25, 2018).

The implementation of Resolution No. 1595 revealed the following serious infrastructural and logistical problems of the grain market: shortage of grain wagons, low rolling stock turnover, high tariffs for grain transportation and the cost of services for grain wagons, lack of infrastructure facilities for storage, processing and handling of grain. All this hinders the export deliveries of the regions, reduces the efficiency of the internal grain market and predetermines the need to develop and implement additional measures for the formation of an efficient logistics system for the supply of grain products and the development of market infrastructure.

The Altai region has repeatedly appealed to the Ministry of Agriculture of Russia with a request to include our region among the participants eligible for preferential transportation of goods and consider expanding the list of transported goods. According to the federal agency, the inclusion of the Altai Territory in the list of regions for the transport of grain cargo by rail without charge is impossible due to budget constraints.

In 2017, according to customs statistics, about 30.0 thousand tons of grain (excluding rice) was exported from the Altai Region, which was 3.7 times more than in 2016. The largest increase was recorded for wheat (4.4 times) and buckwheat (4.1 times).

In the structure of exports, these crops occupy 37% and 42%, respectively. Oats is in third place, accounting for 15%.

In 2017, the main export destinations in terms of supply volumes were: Lithuania (26.4%, buckwheat), Italy (23.4%, wheat), Mongolia (14.7%, oats), Latvia (14%, wheat) [5].

The positive dynamics of exports and the rise in prices on the world grain market will positively affect the situation in the domestic grain market.

4. Discussion
The implementation of the Cooperation Agreement between the Government of the Altai Region and the Key State Operators of the Grain Market signed for 2017-2018 will help reduce barriers to export activities and provide competitive conditions for the promotion of Altai products in the foreign market. An important step in the promotion of products to foreign markets of the region is a set of measures aimed at marketing the region’s image and its food.

The establishment of a preferential tariff for the transportation of grain revealed serious infrastructure and logistics problems of the grain market. All this hinders the export deliveries of the regions, reduces efficiency of the internal grain market and predetermines the need to develop and implement additional measures for the formation of an efficient logistics system for the supply of grain products and the development of market infrastructure.

5. Conclusion
In the course of the study, it was revealed that the sectoral system of support and promotion of Russian agricultural products on foreign markets and ensuring its compliance with their requirements will increase the volume of exports of agricultural products. The Center for the Analysis of Exports of Agricultural Products has been established to provide comprehensive information and analytical
support to domestic producers and exporters of agricultural products. In cooperation together with the industry associations of manufacturers of the agro-industrial complex and the “Russian Export Center” JSC, the Center prepared and approved programs to promote and increase the export volumes of certain types of products with high margins. In 2017, in order to expand access for Russian organizations to the markets of foreign countries, new export promotion tools were launched at the federal level. The Action Plan (“road map”) “Development of Export and Transit and Logistics Activities in the Altai Region” was approved in order to ensure the successful promotion of Altai goods (non-primary exports) and services to foreign markets. The implementation of Resolution No. 1595 revealed serious infrastructural and logistical problems of the grain market, such as a shortage of grain wagons, low rolling stock turnover, high tariffs for grain transportation and the cost of services for supplying grain wagons, lack of infrastructure facilities for storage, processing and handling of grain.

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