Prospects of development of export of agricultural products and foodstuffs in the countries of the Shanghai cooperation organization

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Abstract. The article is devoted to the export of agricultural products and foodstuffs of Russia. The assumption of perspective development of the market of agricultural products and food, including organic products for the Russian agriculture, mechanisms of development of export-oriented agriculture are proposed. The research substantiates the resource potential of the Russian regions of agro-industrial direction, in particular, the Altai Territory, and the prospects for the expansion of the production of ecologically clean, organic agricultural products and foodstuffs, their exports in order to improve the nutrition quality of population not only in Russia, but also in other countries. In this regard, the development of multilateral commercial and economic cooperation among the countries of the Shanghai Cooperation Organization (SCO), which includes China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan, Uzbekistan, India and Pakistan, is reasoned. In recent years, within the framework of this organization, the creation of a free trade zone, as well as infrastructure for trade and investment, is expected. It is economically feasible to attract business investments of these countries in the regions of Siberia and the Far East in order to create joint processing agro-industrial enterprises, including enterprises for advanced processing of grain in Altai. At the same time, it is necessary to conduct scientific research in the direction of substantiating strategic vectors and mechanisms for international cooperation in order to improve the quality of nutrition of population within individual countries and international associations.

1. Introduction

The sharp increase of volumes of agricultural production, the achievement of food security of the population of Russia, in accordance with the recommended standards of consumption have led to the development of exports of agricultural products and food. At the Governmental level, agriculture and food products are recognized as the strategic direction of export development and export policies of Russia. The Trend of the export structure of agricultural Products with a slight change in export destinations for individual product categories is observed.

Expected justification of export development priorities determines the structural orientation of agricultural and food producers. It is a strategic factor, which defines the future state of these sectors of national economy, determining the vector of increasing production and sales of products both at regional and international levels.
The studies showed that the main factors influencing the growth of consumption of food products and the situation of global food market in a strategic perspective are: the projected growth in world population to 8.1 billion people by 2030; changes in consumption patterns due to the growing well-being of global population; growing demand for quality food throughout the world, especially in the rapidly developing countries of Southeast Asia.

In many developing countries, due to the irrational structure of nutrition, there is a “functional starvation” associated with the lack of vitamins, microelements, protein and the excess of fats and carbohydrates. According to Food and Agriculture Organization of United Nations, more than a quarter of global population is overweight or suffers from obesity due to nutrition disorders. The forecast shows that the most promising ones from the standpoint of changes in the structure of consumption are such products as vegetable oil, dairy products, sugar, and fish. From the standpoint of the determination of the place of Russia in global food market, these forecast data define as a promising direction the development of milk production with subsequent export to other countries. The growth potential is 5% for developed countries, 20% for BRICS countries and 18% for developing countries of the world [1, 2]. In this regard, the research and substantiation of strategic vectors and mechanisms for international cooperation are required to improve the quality of nutrition of the population within individual countries and international associations.

2. Research Methods
The theoretical and methodological basis of the study amounted to works of domestic and foreign scientists on problems of agricultural production; development of land relations; research and recommendations of the Russian Academy of agricultural sciences of the Russian Federation, laws, presidential decrees and orders of the Government of the Russian Federation, normative-legal acts of the constituent entities of the Russian Federation, the EU regulation on the development of ecological agriculture, IFOAM standards. Methodological framework served as a systemic approach allowing ensuring comprehensiveness and focus. During the course of the research the following methods were used: analytical, abstract-logical, constructive, the method of economics and statistics, economic-mathematical and monographic research methods.

The purpose of the research is to study the potential for the development of export of agricultural products and food in the regions of Russia, primarily organic agricultural products and foodstuffs, as well as to justify strategic vectors and mechanisms for international cooperation in order to improve the nutritional quality of population within individual countries, international associations and research methods in this direction.

3. Results and discussion
The Despite the political, economic, logistical problems in recent years, there has been an increase in General and exports foreign trade balance. According to the Federal Customs Service of Russia, exports of food and agricultural commodities in 2017 increased by more than 18% and totaled 14.01 billion dollars. [1]. Trends and changes in the structure of exports of agricultural products and foodstuffs slightly changed in export destinations for individual product categories.

The structure of exports of agricultural products in 2017, compared with 2014 in volume increased. While increasing grain exports to 35% decrease in the value of the indicator by nearly 2%. In most Product categories of exports in natural calculation does not result in an increase in the level of revenue that is due to changes in world prices for many product categories, as well as issues of access to foreign markets. There is strong tendency of reduction of partner countries for export transactions of agricultural products. Thus, the number of countries-exporters of agricultural products to Russia declined from 181 in 2014 to 2017 in 171 g. However, it increased in certain categories of goods expanding geography [2, 3].

From a geographical point of view, the decline in exports, it may be noted in trade with Turkey, Poland, the Netherlands, France, Spain, EU countries etc. However, Russia has increased its exports to Egypt, Viet Nam, Lebanon, Bangladesh, China etc. FCS statistics shows that Russian exports to Ukraine...
in physical terms for 3 years, have grown almost in 2 times – with 334.7 thousand (2014) to 625.6 thousand g. 2017 On the I-III quarters of 2017, Ukraine accounted for over 65% of Russian exports of pork, 34% of exports of poultry meat and 17% of dairy products [1, 2].

So, on individual commodities exports on the rise raw sugar; meat and meat offal (58%) grew up on; fish, shellfish increased by more than 32%; fruits and nuts-at 30%. At the same time, decreased export demand for the milling industry is more than 10%; decreased export of tobacco and tobacco products (8%), vegetables (7%). [3]. According to the information of the Minister of Agriculture of the Russian Federation D. Patrushev at a meeting in the Kremlin, January 28, 2019 exports of agricultural products and foodstuffs amounted to 25.8 billion dollars special role in the Development of agricultural Production and export opportunities play “institutional capacity-building, the ability to create a favorable business climate in the Middle East and the realization of competitive advantages of regions Russia”.

The expected export development determines the structural orientation of producers of agricultural and food products. It is a strategic factor of Koto BER for further condition of these industries in economy, defining a vector increasing production and sales both at regional, national and international levels.

The studies showed that the main factors influencing the increase in consumption of global food market in long perspective are:
- The increase of population by the year 2030, according to projections, is expected to 8.1 billion. The main population growth will provide countries in Africa and South-East Asia;
- Due to the increase in the level of welfare changes in consumption patterns, which lead to increased demand for high-quality food products worldwide, especially in the rapidly developing countries of South-East Asia;
- Many developing countries due to unsustainable food “functional starvation”, associated with a lack of vitamins, microelements, proteins, and the oversupply of fats and carbohydrates. According to the world food organization, more than a quarter of the populations are overweight or suffering from obesity because of eating disorders [4].

The Forecast shows that the most promising in developing position changes in consumption patterns are like products, such as vegetable oil, dairy products, and fish. Position determination of the Place of Russia in the global food market forecast data is defined as operational perspective directions of development and production of dairy produce and then exporting to other countries. Growth potential with 5% shall be submitted by the developed countries, 20% and 18% of the BRICS for times of peace [13 developing countries predicted to food and Agriculture Organization of the United Nations per capita food consumption will grow, especially in the countries of South-East Asia (Figure 1) [5].

![Figure 1. Food Consumption Per capita (cal/person/day).](image-url)
Altay region refers to the export-oriented regions. The export share in the total structure of foreign trade turnover is 69%, and the balance was formed at the level of the 372 million United States dollars (exports exceed imports in 2.3 times). In terms of export volume in 2017 was 665.3 million United States dollars [6]. In 2018 agricultural products exported to the SCO countries [6, 7] (Table 1).

**Table 1. Export crops of the Altai region (January-October of the year 2018)**

| Culture  | Exports for January-October 2018 g, tons | Directions                                      |
|----------|-----------------------------------------|------------------------------------------------|
| Total    | 96 771.1                                | Mongolia China Kazakhstan and other             |
| Wheat    | 55 360.9                                | Latvia-58.8%, Mongolia-33.8%, Kazakhstan-5.5% |
| Buckwheat| 30 975.9                                | China-39.7%, Lithuania-32.7%, 12.9%-Mongolia   |
|          |                                         | Japan-6.1%                                     |
| Oats     | 6 587.0                                 | Mongolia-99.0%                                 |
| Rye      | 622.7                                   | Latvia-96.1%, Mongolia-3.7%                    |
| Barley   | 2 144.0                                 | Iran-63.0%, Kazakhstan-29.7%, Iraq-5.4%        |
| Oil-total| 51 748.3                                | China, Kazakhstan and Belorussia               |
| Sunflower| 10 893.5                                | Kazakhstan-35.2%, Belarus-31.1%, Tajikistan-15.3%, China 10.2% |
| Soy      | 240.4                                   | Kazakhstan-58.4%, China-41.6                   |
| Oilseedrape| 26 556.3                             | China-96.0%, 3.9%-Mongolia                     |
| Flax seed oil| 13 629.7                            | China-89.8%, Poland-8.0%, Mongolia-1.9%       |

In the regions of the Russian Federation, producing agricultural products actively develops export trade. Thus, in the Altai region 170 companies and enterprises, engaged in leading foreign trade activities, cooperate with the Centre for exports. In the year 2017, the Centre provided services for 500 enterprises. The participation of the Altai companies in international exhibitions in China, Turkey, Kazakhstan, Indonesia, Uzbekistan and business missions in Iran and Mongolia was organized.

With the assistance of the Centre for entrepreneurs the edge have concluded more than 50 export contracts, 17 of them in the year 2017 for the supply of products worth more than 355 million rubles. The Centre's plans for the current year is organizing the participation of the Altai companies in international exhibitions in Kazakhstan, Uzbekistan, Iran, Azerbaijan and Russia, as well as a business mission to China. In particular, to bring the product into compliance with the requirements necessary for the export of goods and ensure the protection of intellectual property rights abroad; providing
subsidies for reimbursement of a portion of the costs associated with participation in interregional and international exhibition activities [7].

In the region, a regional project on export of agricultural products and it is planned to achieve exports of agricultural products (in value terms) of 501 million dollars by the end of 2024 years by creating a new product (including value-added products), the establishment of export-oriented commodity distribution infrastructure, the removal of trade barriers (tariff and non-tariff) to ensure access of agricultural products to target markets and create scattering of promoting and positioning of agricultural products (Table 2).

| Name of indicator | Type of indicator | Underlying value | Year | The Value Date |
|-------------------|-------------------|------------------|------|---------------|
| Exports of agricultural products, mln. dollars. | Main | 185.8 | 31.12.2017 | 193.8 | 235.1 | 256.5 | 294.5 | 337.2 | 403.7 | 501.0 |

Table 2. Program targets export of agricultural products in the Altai region according to the data of 2016-2017.

This will increase the number of companies ready to supply products on external markets, which will contribute to increased exports of agricultural products, to expand exports of food products, including mills. Export of agricultural and food products will contribute to the development of Agriculture of Russia. However, world markets high demands to the quality of products, the demand for eco-friendly, organic products. [8-10]. Submitted tasks can be solved through organizational-legal and socio-economic mechanisms which act as a reflection of the State of the relationship with businesses in market conditions [11-13].

Organizational and legal mechanism of government regulation supports direct impact, which is based on the existing Russian legislation. Economic mechanism of State regulation interaction techniques and methods of influence on the economy of an entity was introduced in order to ensure the realization of mutual economic interests. The complex of measures of organizational and legal regulatory framework include: licensing of production of agricultural organizations focused on organic production; Regulation of use of product labeling of organic (ecological) product; the formation of quality evaluation standards for land and natural resources; implementation of environmental control and land monitoring; environmental measures [13,15].

Provision should be made for a system of financial and economic activities of the State support of development of agriculture, organic production-oriented part of the interest rate subsidies on investment credit subsidy cost share of organic production, crop insurance, producers of organic food, tax relief, as well as improving regulation of regional markets organic products.

4. Conclusion
Nowadays according to the status of agrarian sector of the economy of the Russian federation, it is possible to assess the development prospects of the Russian export of organic products. The incentive for national food producers may be the introduction of unified rules of certification of organic products on January 1, 2017. It is possible to expect that further increase in exports of agricultural products will be the main factor for the accelerated technological upgrading of industry and qualitative development of export infrastructure.
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