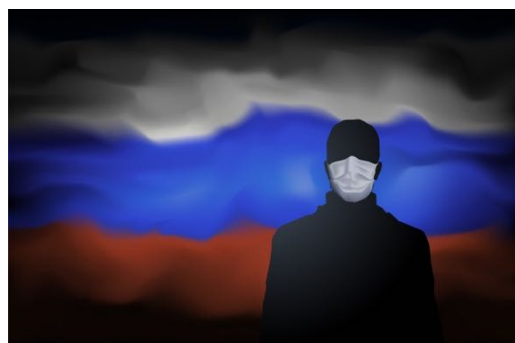


RUSSIAN FEDERATION/WEEKLY REPORT

Health, Agriculture & SPS issues

Health



Update on COVID-19: On 9 May, Russia's COVID-19 case tally rose by 5,030 over the past day to 18,232,616. The COVID-19 recoveries rose by 5,959 over the past day, reaching 17,609,357. Russia's COVID-19 death toll surged by 103 over the past day, reaching 377,049. Just over half the Russian population is fully vaccinated and this figure does not progress anymore. The Gameleya Institute announced on 29 April 2022, that WHO was going to carry out in the very near future a series of follow-up inspections of production facilities aiming at finalising the Emergency

Use Listing of the Sputnik V vaccine. This news, not confirmed by WHO, comes at a very late stage in a totally stalled process and seems not fitting with the current context and latest developments. In any case, these inspections were already announced several times in the past months and systematically postponed at last minute.

Many sources reported that the **State Duma plans to adopt a bill in May, which introduces a fine for the import of unregistered foreign medicines authorized by WHO to Russia.** It is proposed to introduce a fine of up to 200,000 rubles for individuals and up to 6 million rubles for legal entities. The government explains the need for such an amendment by the possible danger of foreign



drugs for Russians. This information was confirmed by the relevant State Duma Committee on State Construction and legislation, in particular the first deputy chairman of the State Duma Committee on State Construction and Legislation Daniil Bessarabov. According to him, foreign manufacturers of medicines must comply with the requirements of Russian legislation. The state, among other things, will achieve this by coercive measures through such amendments to the Administrative Code, the parliamentarian stressed. The legal department of the State Duma has already given a positive conclusion to the document. Deputy Chairman of the State Duma Committee on Health Protection Sergey Leonov noted that the committee has not yet considered the document. He recalled that recently the State Duma adopted a government bill on simplified registration of medicines, including foreign production.



The head of Rospotrebnadzor Anna Popova signed a decree **on additional measures for the prevention of cholera.** The resolution of Rospotrebnadzor provides for strengthening control over the laboratory examination of wastewater, conducting training sessions with the development of an algorithm for interdepartmental interaction in case of an outbreak of the disease, as well as providing the necessary stocks of diagnostic media and reagent kits. The heads of the territorial bodies of the department were

instructed to assess the readiness of the hospital and laboratory facilities by 1 June, as well as to train doctors and update plans for sanitary protection of the territory.

Russia's complicated relationship with the WHO:

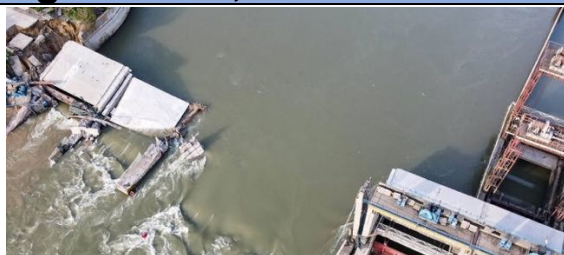
The World Health Organization (WHO) members will very likely have to vote on 24 May 2022 during the forthcoming 75th annual World Health Assembly (Geneva, 22-28 May 2022) on a resolution based on Article 7 of the



World Health Organization

WHO Constitution proposing to suspend Russia's voting privileges and possibly services over its unprovoked and unjustified invasion of Ukraine. A two-thirds majority of the Members present and voting is needed to get this resolution adopted. EU Member States have not yet agreed on a common position. Moscow may announce before the vote, depending on the exact content of the resolution, its decision to quit the organisation, starting a process which would take a year to complete, and which may not prevent the vote to take place. Similar processes recently took place at the UN Human Rights Council and the World Tourism Organization, and might also occur in IMF. The WHO Regional Director for Europe, Dr Hans Kluge (Belgian nationality), whose personal links and professional experience in Russia facilitated his election at the first round in September 2019, is active in the background to limit this resolution to the suspension of the voting privileges. Russia seems to be ready in such a situation to remain member of WHO, which would be the preference of the Ministry of Health and the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor). On the Russian side, the preparatory work to put in place the legal grounds allowing Russia to resign from WHO, if needed, is on-going. The Duma has already prepared a draft law for that purpose. Duma Speaker Vyacheslav Volodin requested an *ad hoc* commission "to assess purposefulness of Russia's membership to the WHO" which as expected concluded negatively.

Agriculture, Food & SPS issues



The **collapse of a bridge and dam last week at a hydro junction in Krasnodar Territory** that provided water to most of the rice fields in the region and Russia as a whole could lead to a 40% drop in the rice harvest. The Agriculture Ministry has asked the regional authorities to prepare proposals to expand rice crop areas and is prepared to provide new support to

farmers. But it is likely that the drop in the harvest will have to be offset by increasing imports, which could push up rice prices.

Carlsberg Group, which has said it is leaving Russia, might sell local brewing company Baltika to AB InBev Efes, which is controlled by Turkey's Anadolu Efes. Efes intends to stay on the Russian market and has the competency to manage a business of this scale. But the deal will probably require approval from the competition regulator. Dutch brewer Heineken is continuing to look for buyers for its Russian business.



The production of red caviar in the Far East was under threat due to the new rules of veterinary control. On March 1, new rules of veterinary and sanitary examination came into force, according to which the constant presence of veterinary specialists at the enterprises where caviar is produced is necessary for salting fish. According to the head of the Association of Fishing Enterprises of Primorye, Georgy Martynov, the production of caviar requires continuity of the process and it is impossible to postpone it, waiting for the approval of the veterinary service. The Ministry of Agriculture is considering the possibility of compiling a list of

remote processing plants in the Far East that will be able to continue the production of red caviar without the presence of veterinary service staff.

The American Coca-Cola Co., the world's largest producer of soft drinks, may leave the Russian market, CEO James Quincy admitted. Coca-Cola may come to the point that its business in Russia will “completely disappear” if the conflict in Ukraine drags on. In March, the company announced the suspension of the supply of ingredients for its drinks for the Russian market. Coca-Cola has been criticized for not stopping sales in Russia. At the same time, Quincy doubts that the actions of companies such as Coca-Cola can put pressure on the authorities. Previously, Coca-Cola predicted that the suspension of business in Russia would take 1-2% of revenue and operating profit for 2022. In the country, the company owns 10 factories for the production of soft drinks and juices. As reported, in 2021, Coca-Cola HBC increased sales in Russia by 18.3%.



Since May 1, the Russian Federation has introduced duties on the export of sunflower meal and oil. According to the government decree, signed on 31 March this year, the duties will be valid until 31 August. They do not apply to the supply of products to the EAEU countries. The size of the customs duty for the export of oilseed flax will be

20%, but not less than \$100 per ton. Export of sunflower meal is subject to a floating duty. It is calculated using a special formula - as the difference between the indicative price (arithmetic average of market prices for the month) and the base price (\$185 per ton), multiplied by the value of the correction factor (0.7). As the Ministry of Agriculture reported, from May 1, the duty on sunflower meal will be \$96.3 per ton. It is calculated based on the indicative price of \$322.7 per ton. Since April 15, the RF has a quota for the export of sunflower meal in the amount of 700 thousand tons. Its deadline is August 31, 2022. According to the Agroexport center, exports of fat and oil products from Russia in 2021 decreased by 5.2%, to 7.7 million tons, but in value terms jumped by 48% (to \$7.3 billion) due to a significant increase in world prices for oilseed products. In particular, the export of sunflower oil from the Russian Federation last year decreased by 15%, to 3.1 million tons, in value terms it increased by 42%, to \$4 billion. 2.4%) by \$1.1 billion (up 60%). Turkey became the leader among buyers of oil and fat products from Russia in 2021, increasing the volume of imports by 2.3 times, to \$1.3 billion. The country ranks first in terms of purchases of Russian sunflower oil (\$1.1 billion), vegetable meal and cake (\$168 million).

Russian troops in the occupied city of Melitopol have stolen all the equipment from a farm equipment dealership -- and shipped it to Chechnya, according to a Ukrainian businessman in the area. But after a journey of more than 700 miles, the thieves were unable to use any of the equipment -- because it had been locked remotely. Over the past few weeks there's been a growing number of reports of Russian troops stealing farm equipment, grain and even building materials - beyond widespread looting of residences. But the removal of valuable agricultural equipment from a John Deere dealership in Melitopol speaks to an increasingly organized operation, one that even uses Russian military transport as part of the heist.



ENVIRONMENT & FISHERY ISSUES



Specialists of the Russian Emergency Situations Ministry are monitoring the wildfire situation; **a wildfire alert has been declared in 42 regions**, and three regions have declared a wildfire emergency, the ministry press service said on Wednesday. "As of this moment, 42 regions have declared a wildfire alert, and three have announced a wildfire emergency. Sixty-two wildfires are burning, but there is no risk to populated localities," the ministry said. More than 70 buildings, including 15 homes, have been damaged by wildfires as of this date, it said. Meanwhile,

over 20 regions have reported flashfloods. "Sixteen homes, over 450 subsidiary plots, 15 low bridges and 25 road sections have been flooded in floodplains in 23 regions. Transportation has been disrupted in 14 regions. Ferry service, fire security and essential supplies have been provided there," the ministry said.

The fire-hazardous periods of the past years have shown the need to strengthen work on fire prevention and extinguishing in protected areas of federal significance. Therefore specialized units will be created on the basis of 10 federal state budgetary institutions that manage nature reserves and national parks in different regions of Russia. The corresponding order was signed by the head of the Ministry of Natural Resources of Russia Alexander Kozlov.



Specialized units will be created on the basis of 10 federal state budgetary institutions that manage nature reserves and national parks in different regions of our country. "The decision to create specialized units to combat landscape (natural) fires was made in order to increase efficiency in the elimination of fire in specially protected natural territories of federal significance. Before the start of the fire-hazardous period of 2022, it is planned to equip the units with modern means of communication and unmanned aerial systems". In Russia, over the past day, more than one and a half hundred wildfires have been extinguished. However, the situation remains difficult in several regions. Since the beginning of the fire season, on April 12, 95 fires have occurred on the lands of the forest fund, the fire covered an area of 883.28 hectares. Forest fires are currently being fought in 17 Russian regions - in the Far East, the Urals, Siberia and the Volga region. The most difficult situation is in the Kurgan region. Emergency mode has been introduced in six districts. More than a thousand people and about 200 pieces of equipment were involved in fighting the fire. Their work is seriously complicated by a strong wind. In Khakassia, the fire came close to the settlement of Birikchul, in which more than two thousand people live. With the help of a bulldozer, mineralized strips are being equipped there, a Be-200 aircraft is involved. Work continues in the Minusinsky district of the Krasnoyarsk Territory, where a fire broke out at the beginning of the week and quickly spread to an area of more than 200 hectares.



The fishing of fish and other biological resources in the waters of the Sea of Azov was suspended by the companies of the fisheries complex. This was reported by TASS on April 29 with reference to the draft decree of the Russian government on the distribution of inter-budget transfers to fishing organizations in 2022. "In anticipation of possible threats and provocations in the waters of the Sea of Azov, fisheries management organizations either restrict or do not carry out fishing. As a result, enterprises incur losses due to downtime,"

the draft resolution says. Such enterprises are offered compensation in connection with their obligations to pay salaries to employees and tax deductions. When calculating the amount of compensation to fisheries enterprises of the Sea of Azov, the catch of aquatic biological resources, the average price per kilogram and 20% of revenue, which should be directed to the payment of salaries to employees and to the payment of taxes and social contributions, were taken into

account. It is clarified that the right to compensation will be for those enterprises whose management retained until 31 December 2022 the average number of employees in the amount of at least 90% of their number as of 1 March 2022. As stated in the document, there are 120 organizations and individual entrepreneurs engaged in fishing in the Sea of Azov in the period 2019-2021. Most of them are individual entrepreneurs with a maximum of two fishing brigades.