TERMS OF JOINING RUSSIAN FEDERATION TO WORLD TRADE ORGANIZATION: NECESSITY AND COMPROMISES

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Abstract: The negotiations about the joining of Russian Federation (RF) to the World Trade Organization (WTO) were carried on in the period from 1993 till up 2012 years. The President of Russia undersigned on July 21, 2012 a Federal Law "About the Ratification of the Protocol about the Joining of RF to the Marrakesh Agreement of the World Trade Organization Foundation of April 15, 1994". After this ratification Russia becomes a member of the WTO and assumes corresponding obligations established by multilateral trade agreements. The Protocol becomes also a part of the legal foundations of Russian Federation. In a case when the Protocol establishes some other rules than the Russian Law are used the rules of the Protocol. One of the problems, which dragged the process of negotiations, remained, besides the other ones, obligations in the field of agriculture. In particular, in the sphere of the introduction of limitations corresponding the amount of the state supporting which one country, a member of the WTO, would be able to put at the disposal of national agroproducers. Nowadays the amount of the state supporting in regard of the agricultural sector makes up about 3.5 billions of the USD dollars annually. At the time of the joining the WTO it was determined in the amount of 9.0 billions of the USD dollars annually. In the following, in the period from 2012 till up 2017 years it would be reduced according to the corresponding schedule till 4.4 billions of the USD dollars annually. The necessity of the Russia's joining to the WTO is explained on the ground of that fact that according to the rules and norms of the WTO are regulated more than 90 percents of the world trade with goods and services. At the same time the main form of the world economic connections as before remains the international trade which according to its dynamic and value indices leave behind the growth of the world production, the flow of capital and other kinds of international connections. According to the WTO data the amounts of the world agricultural foodstuffs export/import made up in 2000 year 558 billions of the USD dollars. The share of Russia in the export made up 1.3 percents and in the import 1.9 percents. The lack of balance in this sector of the international trade meant for Russia the loss of 3.3 billions of the USD dollars annually.

The amount of import to Russian Federation increased in 2011 year compared with 2010 year by 30,0 percents and reached 323.3 billions of the USD dollars. At the same time the share of the agricultural sector in the import reached about 13.0 percents or 42.5 billions of the USD dollars. In the same period of time, according to the data of the Central Bank of Russia, the export of RF made up 521.4 billions of the USD dollars and increased by 30.2 percents, but the share of the agricultural sector only made up 2.3 percents of the total export.

Keywords: World Trade Organization (WTO), "yellow basket", "green basket", conditions of "WTO-plus" regime

INTRODUCTION

In Russian Federation broadly admitted that the agriculture remained before the joining the WTO the most unprepared branch of economy. It should be noted that in spite of the small share of the agriculture in the total surplus value, the total financial result and investments into the fixed capital, the importance of the agricultural sector in the economy of the country is indisputable. According to the estimation of the analyst agency "RIA-Analitika", the agriculture provided in 2011yr. about 1 percent from the total 4.3 percents of the total national product's growth. This is a very high index taking into consideration that the share of the agriculture in the produced total national product made up about 4 percents. Taking into consideration that the high yield of sugar beet and vegetables provided a record low inflation, the importance of the agriculture in the economic results of 2011 yr. becomes more higher.

The international market of foodstuffs is characterized by the fluctuation in prices of agricultural products and foodstuffs which reached their maximum in 2008 yr. Several experts expects that the world prices of foodstuffs in the following 15 years would increase in the range from 15.0 till up 20.0 percents annually. The increase of world prices of foodstuffs helps to intensify the "foodstuffs inflation" inside Russia. In the period from 2007 yr. till up 2008 yr. "agflation " reached according to the official data from 15.0 till up 16.0 percents and decreased in 2011 yr. till 12.9 percents. In 2011 yr. the "foodstuffs inflation" was on the record low level and only made up 5.8 percents. In total one expects that it would remain in the range from 9.0 till 11.0 percents.

Among the problems of RF in the field of the international activity one may pick out an unfavorable position of RF in the international division of labor. In addition, in the structure of import prevail foodstuffs and agricultural raw materials, with the exception of textile goods. The high dependency on prices of mineral goods means that in case of their fall the income of their sales would reduce, and as result, the RF would not be able to import necessary products. The data of the customs statistics show a stable increase of the delivery amounts of the agricultural raw materials and foodstuffs to Russian Federation. In the period from 2009 yr. till up 2011 yr. the value of the import agricultural raw materials and foodstuffs increased annually by 6.0 billions of the USD dollars and reached in 2011 yr. nearly 42.5 billions of the USD dollars.

A deficit of the trade balance might arise. Russia has to change the export structure in favor of hightech products. Nowadays the agricultural sector of RF is not able to provide fully the people with meat and milk products. This fact forces the administration to fill in the chronic deficit with import deliveries. Level of self-provision of main species agricultural products and raw materials for processing, such as cereals. sugar beetroot, milk and dairy products, meat and meatproducts, beef, pork, poultry meat, mutton is not similar. As for cereals and sugar beetroot the level of self-provision of these products are exceeds the necessary demand, but roduction of milk, dairy products, meat, meatproducts, beef, pork is below the level of self-provision.

1. MATERIAL AND METHODS

For the estimation of the consequences of the joining of Russia to the WTO widely applied economic and mathematical models. The researchers of the Russian Academy of Agricultural Sciences made calculations using two economic and mathematical models. The first one is the model of the World Foodstuffs Organization & the Developed Countries Association and the second one is the model of the Russian research economic institutions of the Russian Academy of Agricultural Sciences containing an amendments basing on the expert estimations. It has been got similar results in both calculations containing negative estimations and forecasting of the decrease of the meat and milk production. The modeling process satisfies a certain set of requirements. A list of the basic requirements of the model was as follows: multi-sectoral and equilibrium character modeling, exogenous control parameters of the model should be mainly the parameters of economic policy; model should be also closed and have good predictive ability; the model must take into account resource constraints, including limits for the factors of production.

The main components of latest economic and mathematical model comprised exogenous and endogenous variables. The exogenous variables includes: rural population of the Russian Federation and the population in working age, including the number of pensioners; the structure of the budget; the share of wage in expenditures of the consolidated budget; tax rate; the level of tax collection; the minimum level of pensions; growth index of the minimum wage; money supply M2; the coefficient matrix of direct costs; technological structure of capital investments; the value of the exchange rate; the volume of lending to the economy; the export of capital.

The endogenous variables includes: household consumption; consumption of government agencies and non-profit organizations; accumulation of gross fixed capital; changes in of material current assets; exports and import; gross output of main branches; the annual average number of employees; wages in the industries; net mixed revenue and net income; consumption of fixed capital; the main items of the balance of income and expenditure of population; capital expenditure; the average annual value of fixed assets; average industry prices; deflators for gross output, as well as for the various elements of final demand; tax and non-tax revenues of the budget.

In addition to the instruments of modeling nowadays widely considering other matters, for example, institutional aspects of Russia's accession to the WTO. So the problems of institutional innovations would be estimated in three basic dimensions: improving the institutional mechanisms of economic policy-making; providing legal and institutional framework for the protection of property rights in the implementation of foreign economic activity and regulation of non-residents on Russian markets for goods and services; improving the institutions of economic management and entrepreneurship in the Russian economy in terms of its greater openness. In the context of Russia's accession to the WTO basic legal and institutional innovations are expected in the following areas: the regulation of trade in goods; the regulation of non-residents access to the Russian market services; the regulation of foreign direct investment in the Russian Federation. However, it should be noted that the priority now is the forecast and assessment of accession to WTO not by a qualitative, but by a quantitative indicators of such a step.

2. RESULTS AND DISCUSSION

The problem of the "price of the entrance ticket" for Russia to WTO nowadays is under arduous discussion. The joining of Russia to WTO is effected under specific conditions called "WTO-plus" and this fact causes additional restrictions which are specific for development countries and Russia has been referred to such countries. Among these restrictions are the twofold reduction of the state supporting of the agricultural producers in the implementation period and the full renunciation of the export subsidiaries.

The agricultural production of Russia has some significant features which decrease its competitiveness. The bioclimatic potential of RF is 2.7 times lower than in the USA and 2.2 times lower than in West Europe. The vegetation period is shorter. The energy capacity of the Russian agricultural production is 4.0 times higher, the specific quantity of metal is 5.0 times higher in comparison with the agricultural producers of West Europe. The labor productivity is 11.0 times lower than in the USA and 7.0 times lower than in Germany (Miloserdov V. and Miloserdov K., 2012).

The development of the national agriculture is characterized by two tendencies: on the one hand there are significant results in regard of the increase in production of the principal kinds of the agricultural products as a result of the use of methods of the programmed managing in the agricultural production and they secured a source for the supply of the country with self-produced foodstuffs. As it mentioned before, the agriculture of RF provided in 2011yr. about 1 percent from the total 4.3 percents of the total national product's growth. The share of agriculture in economy of Russia in last period is within 4.8-3.8 percents (Table 1).

Table 1: Relative Share Agriculture In Economy Of Russian Federation, %

Indicators	2006 yr.	2007 yr.	2008 yr.	2009 yr.	2010 yr.	2011 yr.
Relative share of agriculture in: gross additional value	4,8	4,7	4,2	4,5	3,8	4,1
balance of financial results	0,8	1,6	2,2	1,3	1,2	1,4
investments in basic capital	4,8	5,0	4,4	4,0	3,2	3,3
structure of consolidated budget expenditure	1,3	1,3	1,7	1,8	1,5	1,4

Sources: Federal Agency of State Statistics: http://www.gks.ru; author's calculations.

On the other hand, the main dangers for the stable development of the agriculture, its main problem points are considered the low profitableness of its main branches which makes impossible a modernization and a technical re-equipment of the agricultural production and the further transition to the innovative and investment way of development; there is no system of the wide cooperative connections between the principal spheres of the agricultural and industrial complex, there is an isolation of the main agricultural branches and of some agricultural producers in the united technological production chain and the sales of the agricultural raw materials and finished products; the employment in the agriculture is reducing besides there is no other possibilities to find any job in the country-side (Altuhov A., 2012). The vulnerability of the live-stock farming branch could be explained by the fact that the prices for the home produced meat products are formed on the base of the low productivity of the agricultural animals, the high energy-capacity and low level of gross production (Table 2).

Table 2: Production Of Main Species Agricultural Products In Russia In 1990-2011 Yrs., Million Tons

Production	1990 yr.	2000 yr.	2007 yr.	2008 yr.	2009 yr.	2010 yr.	2011 yr.
Cereals	116,7	65,4	81,5	108,2	97,1	60,9	94,2
Sugar beetroot	32,3	14,1	28,8	29,0	24,9	22,2	46,3
Sunflower	3,4	3,9	5,7	7,3	6,4	5,3	9,6
Potatoes	30,8	29,5	27,2	28,8	31,1	21,1	32,6
Vegetables of open soil	10,3	10,8	11,5	13,0	13,4	12,1	14,7
Livestock and poultry (alive weighing)	15,6	7,0	8,7	9,3	9,9	10,5	10,9
Milk	55,7	32,3	32,0	32,4	32,6	31,9	31,7
Eggs, billions	47,5	34,1	38,2	38,1	39,4	40,6	41,0

Sources: Federal Agency of State Statistics: http://www.gks.ru; author's calculations.

Nowadays in RF only 12 live-stock farms are certified and got a right to deliver the produced products abroad. At the same time more than 11,000 of live-stock farms deliver their products to Russia and 4,096 of them are in the countries of the EU. In this situation the level of self-provision for many products of animal husbandry remains unsatisfactory (Table 3).

Table 3: Level Of Self-provision Of Russian Federation Of Main Species Agricultural Products And Raw Materials For Processing, %

Species of foodstuffs and raw materials for foodstuff production	2009 yr.	2010 yr.	2011 yr.
Cereals	134,8	93,3	131,6
Sugar beetroot	95,6	85,3	127,1
Milk and dairy products	82,9	80,5	80,2
Meat and meatproducts	70,6	72,2	72,8
Including, beef	69,6	69,6	69,8
Pork	76,4	77,7	76,6
Poultry meat	74,1	81,3	88,1
Mutton	94,3	95,4	94,0

Sources: Ministry of Agriculture of the Russian Federation: http://www.mcx.ru; author's calculations.

Besides the losses in the different branches of the livestock-farming is expected the weakening of positions of manufacturers of agricultural machinery. Nowadays they take 50.0 percents of the agricultural machinery market at the expense of the customs charges, which make up in average 15.0 percents. After 2013 yr. the charges would be reduced till the range from 5.0 till 10.0 percents and as the experts estimate they expect that the share of the home producers of the agricultural machinery would be reduced till 15.0 percents. There is an apprehension that on the local market of the agricultural machinery would dominate second-hand agricultural machinery and this fact would cause the closing of the significant part of the agricultural machinery plants (Ushachov I., Serkov A., Siptiz S. and others, 2012).

Table 4: Import To Russian Federation Main Agricultural Products And Raw Materials For Foodstuff Production 2010-2011, Yrs.

Species of production	2010 yr.		2011 yr.		2011/2010 yr.,%	
	quantity, thousands tons	value, millions USD	quantity, thousands tons	value, millions USD	quantity	value
Agricultural raw materials and foodstuffs	-	36377,2	-	42476,4	-	116,8
Foodstuffs (including tobacco)		27524,4		30719,9	-	111,6
Meat and meatproducts	2790,7	6723,5	2623,7	7366,7	94,0	109,6
Milk and dairy products	1023,6	3236,7	992,0	3414,7	96,9	105,5
Vegetable oil	955,5	1069,9	848,4	1192,9	88,8	111,5
Sugar	2486,2	1452,4	2680,6	2001,9	107,4	137,8
Production of flour meal and grain industry	234,7	428,1	291,8	564,2	124,3	131,8
Bread, flour and confectionery products	119,1	295,6	139,3	384,2	117,0	130,0
Products of vegetables, fruits and nuts processing	1264,9	1364,9	1285,2	1493,2	101,6	109,4
Vegetables (frozen, dried)	217,2	187,5	210,3	210,2	96,8	112,1
Fruits, fresh or dried, nuts	3166,5	3198,3	3371,0	3485,9	106,5	109,0
Confectionery	249,3	845,0	261,7	1038,3	105,0	122,9
Fish and fish products	850,2	1828,1	591,9	1579,3	69,6	86,4
Other foodstuffs (coffee, cocoa, tea, tobacco, alcohol and non-alcoholic drinks)	-	6894,4	-	7988,4	-	115,9

Sources: Ministry of Agriculture of the Russian Federation: http://www.mcx.ru; author's calculations.

In connection with the increase of the world prices, every ton of the foodstuffs imported to Russia becomes more and more expensive. For example the average price of the import operations made up (in dollars per ton): fresh and frozen meat (poultry excluding) in November 2000 yr. – 1059.3 and in November 2009 yr. – 3282.7 (3.1 times higher); fresh and frozen poultry accordingly 514.3 and 1171.7 (the increase by nearly 2.3 times); meat products and tinned meat products – 1497.3 and 4468.1 (three times higher); fresh and frozen fish – 367.4 and 1857 (the fivefold increase); raw sugar – 183.2 and 1248.1 (the increase by 6.8 times); citrus fruits – 291.7 and 763 (by 2.6 times higher). The price of the imported fresh and frozen meat (poultry excluding) in 2011 yr. remains on the level of 3,278.0 dollars per ton and fresh and frozen poultry reached 1,367.0/3,278.0 dollars per ton (the increase nearly by 2.6 times in comparison with 2010 yr.).

The dynamic development of the raw materials source helped to increase the production in the processing branches of Russia (Table 4). In 2011 yr., in comparison with 2010 yr., the increase of production made up; meat prepared foods by 14.1 percents, sausage foods by 3.7 percents, dry milk by 19.1 percents, buter by 4.5 percents, granulated sugar by 49.6 percents, confectionery by 2.1

percents, meat and subproducts by 7.3 percents. The increase of the national agricultural production prepares conditions for its export (Table 5).

Table 5: Export Of Russian Main Agricultural Products And Raw Materials For Foodstuff Production 2010-2011, Yrs.

Species of production	2010 yr.		2011 yr.		2011/ 2010 yr.,%	
	quantity, thousands tons	value, millions USD	quantity, thousands tons	value, millions USD	quantity	value
Agricultural raw materials and foodstuffs	-	8745,7	-	11964,5	-	136,8
Foodstuffs (including tobacco)	-	5591,8	-	5836,9	-	104,4
Meat and meat products	44,3	86,1	30,4	58,5	68,7	67,9
Milk and dairy products	107,5	183,4	60,4	122,6	56,2	66,8
Vegetable oil	518,7	498,4	658,5	818,9	127,0	164,3
Sugar	38,9	24,8	84,95	64,6	218,4	262,6
Production of flour meal and grain industry	369,5	240,2	956,0	455,3	258,7	189,6
Bread, flour and confectionery	86,1	190,2	57,7	149,8	67,0	78,8
Products of vegetables, fruits and nuts processing	165,1	111,2	47,9	82,6	29,0	74,3
Vegetables (frozen, dried)	168,0	48,0	574,8	219,0	342,1	456,3
Fruits, fresh or dried, nuts	11,8	22,6	11,4	49,5	96,6	219,0
Confectionery	214,3	612,7	196,9	633,5	91,9	103,4
Fish and fish products	1261,8	1981,4	1074,9	1657,5	85,2	83,7
Other foodstuffs (coffee, cocoa, tea, tobacco, alcohol and nonalcoholic drinks)	-	1506,9	-	1525,1	-	101,2

Sources: Ministry of Agriculture of the Russian Federation: http://www.mcx.ru; author's calculations.

In the period from 1992 yr. till up 2011 yr. the import of meat to Russian Federation increased by 1.350000 tons or with other words by 5.3 times, poultry by 1,234,000.0 tons or by 26.8 times. But at the same time the meat consumption per capita of the population in 2011 yr. was by 5.0 kg, milk consumption by 57.0 kg, fish and fish products consumption by 9.3 kg lower than in 1990 yr. That is why the problem of the increase of the national agricultural production remains topical. In 2011 yr. in Russian Federation was gathered in a record yield of sugar beets.

It has been produced 4.8 millions tons of sugar. It meant more than the whole sugar production in all the CIS states (which make up the greater part of the former USSR) taken together. At the same time it is registered the decrease of production of milk products by 2.7 percents, cheese and cheese products by 2.8 percents, cereals by 8.0 percents, bread and bread products by 2.0 percents, fruit and vegetable tinned products by 2.0 percents.

Table 6: Balance Of Foodstuffs Resources Of Russian Federation In 2011 Yr., Billions USD

Species of production	Export	Import	Balance
Agricultural raw materials and foodstuffs	11,96	42,48	- 30,51
Foodstuffs, total	5,59	32,69	- 27,1
Including: dairy products	0,03	6,44	-6,41
Vegetable oil	0,12	3,42	-3,3
Sugar	0,06	1,19	-1,13
Production of flour meal and grain industry	0,31	0,02	0,29
Bread, flour and confectionery products	0,63	1,41	-0,78
Products of vegetables, fruits and nuts processing	0,08	1,49	-1,41
Other foodstuffs (ice cream, sauces, yeast, soups, etc)	0,3	1,11	-0,81

Sources: Ministry of Agriculture of the Russian Federation: http://www.mcx.ru; author's calculations.

It is obvious that the reasons of the decrease or increase of production might be different, and that is why the timely diagnostics and the interpretation of reasons and factors causing the changing of the total production amounts are actually. So, the reduction in the production of the milk products might be explained not only by the increase in the import of the analogous good groups, but by the increase of the prices on the home market in retail trade in this segment too. For example, correspondingly to the December 2010 yr. the consumption prices of the sour-milk products and fat curds increased in December 2011yr. by 7.0 percents.

The home reaction to the consequences of the joining of Russia to the WTO varied. After the joining of Russia to the WTO the protocols of this organization supplement not only the legal regulations of the international economic activity but also the home national order of the state regulation of the agricultural production (Holod L., 2012). According to the Protocol of the joining to the WTO the Russian party agreed with the total level of the state supporting of the agricultural production in the amount of 9.0 billions of the USD dollars with its further reduction by equal portions till 4.4 billions of the USD dollars till up 2018 yr. Besides there would occur some contradictions in the current home budget project because in the realization of measures of the State Program of Agricultural Development for the period from 2013 till up 2020 years would be valid lower supporting norms allowed by the WTO. For example, taking into consideration the data from the project of the State Program of Agricultural Development for the period till up 2020 yr. the demand for the financing of measures of the so called "yellow basket" would make up in 2017 yr. 6.6 billions of the USD dollars, and the amount allowed by the WTO 5.4 billions of the USD dollars only. In the following the same situation would repeat itself which could be confirmed by the relevant data (Table 7).

Table 7: Anticipation Of State Support For Agriculture Of RF Till 2020 Yr., Billions USD

Indicators	2013	2014	2015	2016	2017	2018	2019	2020
«Green basket»	3,8	5,7	6,1	6,1	6,5	6,7	7,1	7,3
«Yellow basket»	5,7	6,1	6,5	6,2	6,6	7,1	7,7	8,4
General support	9,5	11,8	12,7	12,2	13,1	13,9	14,8	15,7
Obligation of «yellow basket»	9,0	8,1	7,2	6,3	5,4	4,4	4,4	4,4

Sources: Davydova T.A.: http://www.scienceforum.ru; Ushachov, I. Serkov, A. Siptiz, S (2012) and author's calculations.

It is obvious that this collision could be solved by the transition of some measures of the state supporting from the "yellow basket" into the "green basket" and besides it might be possible to use a version of the exchange of the compensation subsidiaries regarding credits and fertilizers for subsidiaries at a rate for one conditional capita of cattle or one hectare of the usable floor space (Uzun V., 2012).

The rules and norms of the WTO secure an equal access to the multilateral trade system which secures the most favorable regime for the members of this organization. The joining to the WTO could make it possible to get cheap and long credits, to adapt the Russian law to the international norms and in this way to increase the business activity and the business transparency. But taking into consideration that 90.0 percents of the export of RF are formed by the raw materials sector, by the hydrocarbon raw materials, fertilizers, ferrous and non-ferrous metals, unwrought timber and coal the norms of the WTO don't include these materials, the expediency of the joining of Russia to this organization under the conditions "WTO-plus" doesn't look so attractive.

The principal condition of the joining to the WTO is an obligation of the free access to the market of the candidate country. Such obligations are involved first of all with the tariff and customs regulation. The total tariff barrier for the agricultural products and foodstuffs would be reduced by the one third from the current level. As it is forecasted for some goods positions such as pork fresh and frozen, pigs alive, dried milk and condensed cream, cheeses, rice, sausages the situation would become significant worse (Mazloev V. and Priemko A., 2012). For example, on the market of the pork one is expecting the most negative consequences which would be caused by the function of two principal factors at the same time: the reduction of the customs tariff for pigs alive from the existing 40.0 percents till 5.0 percents; the reduction of the customs tariff for the pork delivered in excess of the quota from 75.0 percents till 65.0 percents and in the limits of the quota from 15.0 percents till 0 percent (Table 8).

Table 8: Level Of Customs Tariffs In Accordance With WTO Conditions On Foodstuffs

Code of product	Name of product	Level of tariff in accordance with WTO conditions, %	Level of former tariff, %
0203	Pork fresh, cooling, frozen	65	75
0103	Pigs alive	5	40
0206	Food subproducts	15	25
0208	Other meat and meat subproducts	15	25
0402	Milk and condensed milk	15	25
0404	Milk whey	15	38
0406	Cheese and curd cheese	9,5	19
0902	Tea with aromatic additives	12,5	20
1601	Sausages	9	25
1006	Rice	10	29

Source: Ushachov, I. Serkov, A. Siptiz, S and others (2012) and author's calculations.

For the adaptation and the minimization of the risks in the agricultural sector after the joining of Russia to the WTO it is proposed to use the following measures: to include in the list of the measures of the "yellow basket" the financing of a part of the agricultural producers expenses which they expend for the buying of mineral fertilizers, allocation of subsidiaries for the buying of the matrix cattle herd at the rate for one capita of cattle; the subsidizing of a part of expenses which the agricultural producers expend for the buying of the new farm implements; the development of the country side cooperation by the way of the subsidizing of cooperative societies; the reservation of the existing subsidizing rates in regard of credits; the introduction of an order of the recognition of a part of agricultural territories as the unfavorable ones for the farming with the aim to get an additional state supporting; the use of possibilities of the regime "De minimus", which allow to take out significant subsidiary amounts from the regime of restrictions by the use of the "green basket" of the state supporting. Besides, it is formed a consensus that it would be impossible to solve problems involved with the loss of the competitiveness of the national agricultural sector. It is necessary to do without a machinery of the budgetary compensation as the only one possible and to transfer to the solving of problems bound up with the stabilization or the reduction of production expenses.

CONCLUSION

According to the models of the Russian research institutions the results of the joining Russia to the WTO are negative, estimations and forecasting indicating the sustainable decrease of the meat and milk production. The increase of the agricultural production in the following 8 years would be shorted from the planned 21.0 percents till 14.0 percents. In this period it would be obtained less agricultural products for the sum of 4.0 billions of the USD dollars annually. The most significant losses are expected in the pig-breeding branch. According to the forecasting of the National Pig-Breeders Association the minimum losses in the sector of the industrial pig-breeding might make up about 650 millions of the USD dollars annually.

The consequences of the joining of Russia to the WTO for the agricultural sphere would cause the changes in the following data: the average rates of the customs import charges would be reduced from 13.2 percents till 10.8 percents. Besides, regarding some separate positions the average rates of the customs import charges would be reduced in the following way: milk products from 19.9 percents till 10.8 percents; grains products from 15.1 percents till 10.0 percents; oil plants and fats from 9.0 percents till 7.0 percents. The tariff quotas for beef, pork and poultry would remain in force. But the deliveries in excess of the quota would not be prohibitory ones. The rates for the deliveries in excess of the quota of the milk and milk products make up 19.0 percents, oils 24.0 percents, vegetables and fruits 36.0 percents, sugar and confectioneries 68.0 percents.

There are calculations concerning the influence of the joining of Russia to the WTO based on the statistic model of the partial balance of the international trade on the agricultural sector as a result of the reduction of the import charges by 36.0 percents for the principal kinds of the agricultural products on the amounts of the import, the export and the demand.

According to the calculations, the reduction of tariffs for all the kinds of the agricultural products would cause the increase of the import amounts of foodstuffs from the countries laying far abroad (non-CIS-countries) in the range from 2.7 percents (wheat) till up 15.0 (sugar) percents. The average import from the countries lying far abroad would increase by 6.7 percents. At the same time one see a reduction of the import from the CIS-countries (part of former USSR) in the range from 0.4 percent (potatoes) till up 4.5 percents (poultry).

At the same time a non-significant fall in the offer of the home produced products on the home market would occur. The fall could be expected in the poultry production –about 1.34 percents. In fact, without any changes would remain the supply of wheat, potatoes, mutton and sugar. The former amount of the sugar production may remain the same one at the expense of the raw sugar import against a background of the sugar beets processing reduction. The fall in the deliveries of the home products on the home market would be compensated to the certain content by the increase of the export in the range from 0.6 percent (wheat) till 2.3 percents (poultry). The insignificant export fall by 0.2 percent is only expected about the potatoes. In the highest content (in percentage) would increase the export to the far lying foreign countries: from 0.5 percent (milk products) till up 3.5 percents (poultry). The consumers would react in two ways upon the prices fall: the increase of demand for import products because they have become cheaper as a result of the tariff reduction (effect of "washing up"); the exchange of the home produced products for the import ones (effect of "changing for").

According to WTO rules, the government of RF has the right to provide unlimited support to regions recognized by unfavorable for agriculture - it refers to measures "green basket". In 2012, the State Duma (Lower chamber of Parliament) adopted in the first reading the draft law on zoning of agricultural land, providing criteria for identifying areas with unfavorable conditions for agriculture for the purpose of additional support. Those regions considered as territories, which due to the climatic conditions, socio-economic, soil or geographical factors have the rate of return from agricultural producers lower than the industry average. This level of support, as well as a specific list of "unfavorable" regions will determine the government. In a preliminary list of the Ministry of Agriculture RF there are more than half of the regions of the Russian Federation: almost all the regions of the Far Eastern and Siberian Federal Districts, most of the North-West District, parts from the Volga and Ural regions, South and the North Caucasus. Hence, more than half the country will be able to receive agricultural subsidies without restriction.

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