

**Position Paper of the AEB company members,
working in Plant Growing Industry (AEB):**

“Input of the international R&D companies into Russian agriculture”

The Position Paper is initiated by the members of the two AEB Committees – Crop Protection (CPP) and Seed producers: ADAMA, Bayer CropScience, BASF, Dow AgroSciences, DuPont Science & Technologies, KWS, Limagrain, Monsanto, Pioneer and Syngenta.

In the situation of import substitution, a balanced state agrarian policy, which would be based on complex rational ground, and considering interests of all economic entities, is especially important. International seed and CPP producing companies support the Government's aim to create effective agricultural production and make significant input into its stable development for many years.

The healthy competitive climate the Russian and international companies work in serves as a guarantee of a price balance for CPP and seeds, necessary assortment and product availability, and best customer service. International technologies are the base for Russian companies' production.

The Seed and Crop Protection Committees fully understand the risks for the future development of the Russian agriculture and had initiated a study conducted by Agrostat company. The purpose of this study is to determine the input of international CPP and seed producers into the development of the Russian agriculture basing on a mass survey of farmers from more than 400 farms and in - depth interviews with the heads of big agroholdings and experts (directors of the industry unions and scientists).

The results of the survey and analysis of companies' activities allow us to draw to the following main conclusions:

Firstly, international R&D companies create innovative agro-technologies and genetic material, and develop active substances. By taking them away from the farmers, Russia will become a market of old plant growing products. This idea is easily proven by the results of the study:

- The majority of the farmers (60%) notes an increase of yield in the last three years and connects it to the use of newest selection achievements and CPP.
- According to most respondents, the main role of the international CPP and seed producers is to implement advanced technologies (53%), newest selection developments (48%) and new active substances (42%).
- Farmers will continue to use CPP and seeds made by the international companies even while suffering financial deficit (83% respondents), and if they had enough financing, they would increase it.
- In Russia, there is no possible replacement for the international companies' seeds and CPP. Farmers are afraid that if these products disappear from the Russian market, it will result in the growth of counterfeit (64% respondents), significant decrease of the yield (41% respondents), a growing gap between the world production level and Russia (27%).

Secondly, the international companies are big investors who provide Russian farmers with all the necessary CPP and seeds with a delay payment of 6-8 months. Taking into consideration the decrease in the level of availability of bank credits this year, commodity loan is the only opportunity to continue their work for a lot of farmers. The volume of community loans to the Russian farmers by international CPP and seed producing companies in 2015 has exceeded 35 bln roubles.

Thirdly, international companies organize educational and service programs for farmers, sharing knowledge on modern technologies and forming skills to implement them, cooperating with

institutes, branch associations and unions. Every year, more than 15.000 farmers participate in more than 1.000 Field Days, conferences and other events held by the international companies.

So, the activity of the international companies and the results of the study prove the significant input of international R&D companies into the development of the Russian agriculture. The absence of a healthy competitive climate can result in rising prices for CPP and seeds, poorer assortment, technological disadvantage of the Russian farmers. A balanced state agricultural policy orientated to the farmers' and consumers' interests will create the necessary conditions to increase productivity and efficiency of the Russian agriculture.