

# NMU: Small pig farms in Russia may go bankrupt

Accession to the World Trade Organization (WTO) continues to have a negative impact on Russian pig farmers, claim experts of the National Meat Union (NMU).



The further growth of imports and a fall in prices on the domestic market in the first half of 2013 may result in a wave of bankruptcies among small pig farms, say experts.

"Demand simply cannot keep up with the growing market supply, especially in the Central Federal District of the country, where currently local over production is observed," said the head of NMA, Sergey Yushin. "As a result - as of December 2012 the number of pigs in Russia appeared to be 20% more than in the December 2011".

Therefore, pork prices at a carcass weight at the domestic market over the past three months fell by 25% - up to RUB 65 (US\$ 2.15) per kilogram. Compared to the level of November of 2012 when the price was standing at RUB 78 (US\$ 2.53), it fell 17%.

"The last year was clearly divided into two parts: before and after WTO accession: while the main growth of import rate has been observed in the second half of 2012," says an expert of the Russian analytical agency ICAR, Mikhail Grigoryev.

"Russian pork producers face the greatest pressure because of combined duties cancellation, which caused import growth. Besides, a number of foreign countries, such as Brazil and Chile have significant preferences (in terms of pork import to the Russian market) and pay only 75% of the customs tariffs," adds Sergey Yushin.

by [Vladislav Vorotnikov](#) Jan 9, 2013

Pig Progress