THE MAIN FEATURES OF FOOD POLICY IN EURASIAN COUNTRIES IN THE CONTEXT OF GEOPOLITICAL CHANGES

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Abstract

The article considers the main trends in Eurasian countries food policy with respect to food safety, food security and food self-sufficiency as a component of national security. Changes in geopolitical situation in the world require new approaches to foreign trade regulation in Eurasian countries. The imposition of sanctions on food products import and declaration of import substitution policy on the one hand they represent new opportunities for local producers on the other hand can lead to decreasing of food availability which is necessary for an individual to maintain a decent living standard. International cooperation is becoming a priority due to inertia of agricultural production, alterations in consumer behavior and inability to fully meet the aggregate domestic demand.

The research is based on system approach in the present spatial economy. Changes in geopolitical situation require the development of new approaches to investigation of international trade cooperation in addition to the existing researches. Results in that area should be supplemented by an agriculture and food industry capacity of the countries in question under the conditions of mutual economic sanctions imposition and the development of the Silk Road international project.

Key words: *food policy, food market, sanctions, The Silk Road Economic belt*

1. INTRODUCTION

Questions of food safety and food self-sufficiency are very important in any country in the world. Each person should have the access to the amount of food necessary for maintaining a healthy and active lifestyle. Unfortunately, a lot of people are suffering from malnutrition and hunger, food and water-born diseases. Land degradation, deteriorating environmental situation, lack of potable water are all associated with a decline in human well-being.

Geopolitical changes are directly affecting the region's economics. Food market as a part of consumer market depends on import of goods. Currently foreign food trade policy has changed significantly. The article considers main trends in Eurasian countries food policy.

2. MATERIALS AND METHODS

In article we used data from UN COMTRADE, Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, World Food Programme. Graphic and table methods was used in the article. In this research system approach was applied.

According to UN COMTRADE data, the main agricultural exporters in the world are: European Union, United States, Brazil, China, Canada, India and Argentina, main importers: European Union, United States, Japan, Canada, China, Eurasian Economic Union, India and Australia (Eurasian Economic Comission, 2015Analyses of barriers to market access for agricultural goods in China, 2015).

In 2007-2013 EU spent more than 40 % of budget to support its agriculture. European Union has Common agricultural policy. Emphasis is being placed on environmental protection, food security, agricultural land conservation and normal conditions of animal welfare and growing of plants. Introduction of new technologies, especially which are environmentally friendly is welcomed. For each product implies specific food policy.

Today, the overwhelming majority of the world's countries adhere to the principles of the World Trade Organization, which includes 162 members. WTO requires its members to restrict state agricultural support for domestic producers in accordance with established rules. The classification rules of WTO could be divided into three blocks: “amber”, “green” and “blue” boxes (https://www.wto.org).

The European Union adheres rules of the World Trade Organization. In 2011/2012 percentage of support measures were divided as follows: 8.5 % – “amber” box, 87.8 % - “green” box, 3.7 % - “blue” box. Level of “green” box support increased three times. This group includes decoupled income support, common services, environmental protection, investment support, regional support (Eurasian economic commission. Analysis of world tendencies of agricultural state support). The European Union has a common market and free movement of goods between its countries. It is achieved by the principle of non-discrimination, the principle of mutual recognition, harmonization of legislation. The Common Agricultural Policy of EU is concerned both with production and with the incomes of the agricultural community, the food policy of EU aims at providing government assistance for agricultural producers.

The agricultural sector of Baltic, Middle-Asia states suffer limited access to financial support.

Main instruments of food policy are import and export quotas, import tenders, import and export tariffs, taxes, restrictions, licenses. Comparing import’s quotas in China and Eurasian Economic Union shows that import quotas of EEU are higher than China’s except such products as mutton, potato and wheat.

Level of agricultural support varies: in EU from 300 to 943 USD per 1 hectare, in USA from 70 to 400 USD, in Japan 473 USD, in Canada 83-188 USD.

The Eurasian Economic Union is the top producer of sugar beet and sunflower, producing 18.6% of the world's sugar beet and 22.7% of the world's sunflowers in 2012, as well as a top producer of rye, barley, buckwheat, oats and sunflower seed. It is also a large producer of potatoes, wheat and grain (and grain legumes) (https://en.wikipedia.org).

Part of the competences of the Eurasian Economic Commission are agriculture subsidies. It is responsible for the coordination of agricultural policy-making between member states and ensuring collective food security. The Eurasian Development Bank finances projects to further integration and develop agriculture. It has disbursed approximately US$470 million for projects between 2008 and 2013 (https://en.wikipedia.org).

Members of EEU have particular export orientation: Belarus – milk, sugar, fruits; Kazakhstan – flower, grain; Russia – fish, barley, corn, vegetable oil.

Measures Eurasian Economic Union which was offered by Russian scientists are creation of consolidated balance of food products, stabilization financial fund, interstate commodity distribution network, scientifically grounded system of placement and specialization of agriculture (Ushachev).

About 800 million people are starving. Number of undernourished people decreased from 1010.6 to 794.6 million. In Africa number increased by 28 %, in Asia decreased by 31 %, in Latin America decreased by 48.1 %, in Oceania increased by 40 %. Division percentage of malnutrition by continents can be described as: Asia - 64,4 %, Africa - 29,26%, Latin America and the Caribbean - 4,32%, Oceania - 0,18%, others -1,85 % (http:// fao.org).

Level of malnutrition in Eurasian countries is high in Democratic People's Republic of Korea (41.6%), Afghanistan (26.8), Tajikistan (33.2), Pakistan (22%), Mongolia (20.5%), Laos (18.5%). Level of overweight is high in such countries as Iraq (29.4%), Turkey (29.3%), Czech Republic (28.7 %), Lebanon (28.2 %), Slovenia (28 %), Malta (27.6 %), Israel (26.5%), Great Britain (24.9%), and Russia (24.9%). Hunger and poverty are strictly connected with lack of investments in agriculture (http:// fao.org).

Despite the hunger in some countries there is a problem of obesity and overweight. High level of obesity is observed in Kuwait, Qatar, Egypt, Saudi Arabia, Bahrain, Czech Republic, United Arab

Emirates etc. It can be caused by existing traditions in nutrition, prevalence of fast-food, lack of physical activity.

3. RESULTS AND DISCUSSION

Food security has become a major issue receiving a lot of attention. There are several approaches to its definition. In Russia complex index of food security consisting of multiple indicators is used (Shagaida, Uzun). There are different professional organizations (World Monetary Fund, World Bank, Food and Agriculture Organization of the United Nation, World Food Programme, International Fund for Agricultural Development, Committee on World Food Security, United Nations Conference on Trade and Development) which are responsible for achieving global food security.

Almost each country has document which concerns national food safety. Level of food independence of Eurasian Economic Union by main food products exceeds 1 except milk and meat products and fruits (Ushachev) (Fig. 1).

The human food chain is suffering by animal and plant diseases, ecological problems, potable water.

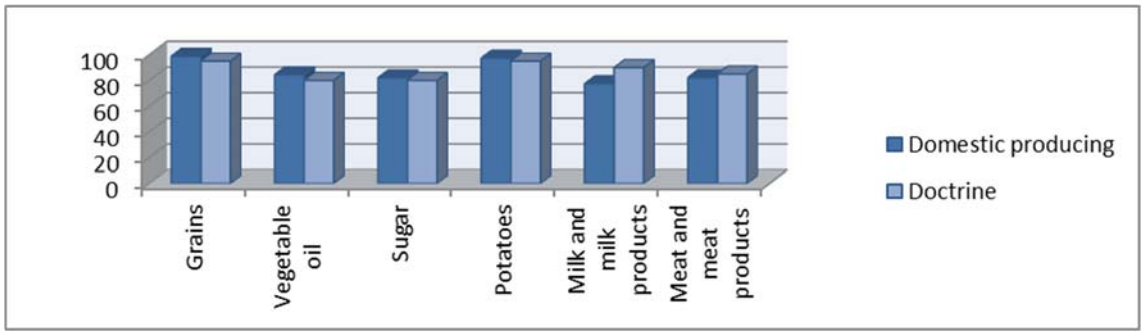


Fig.1 Level of food independence in Russia, % (Ushachev)

EMPRES Food Safety was established following requests from FAO members to develop conceptual approaches and strategies to tackle international food safety emergency events.

Every year in the world food losses make one third of total food production, achieves 1.3 billion ton per year (http:// fao.org).

Main products of world trade are grain, sugar, meat, milk (Fig 2). Large corporations control world food trade.

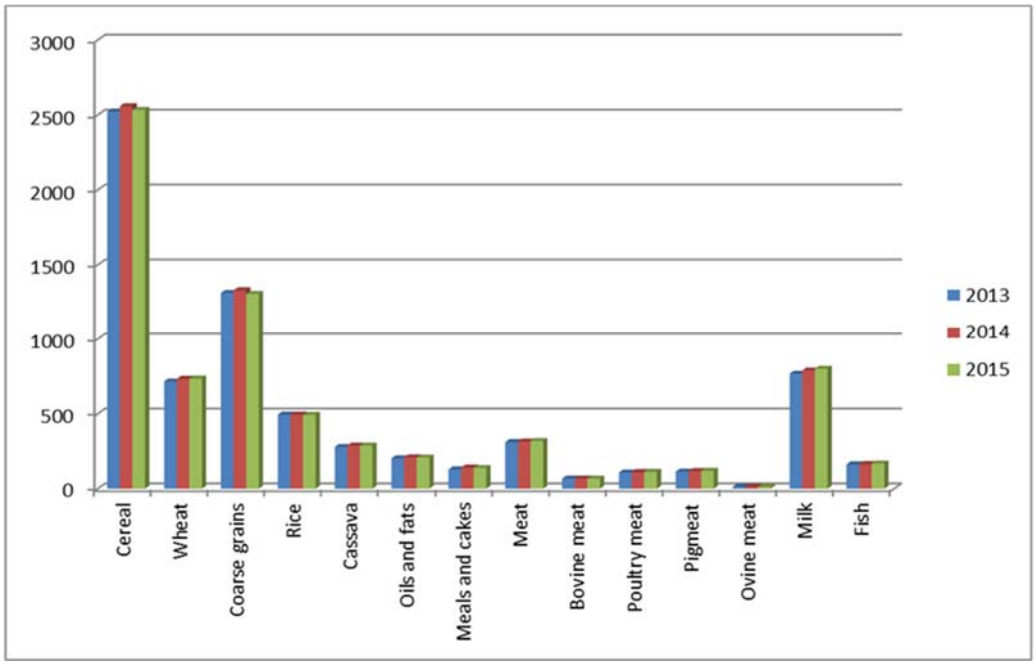
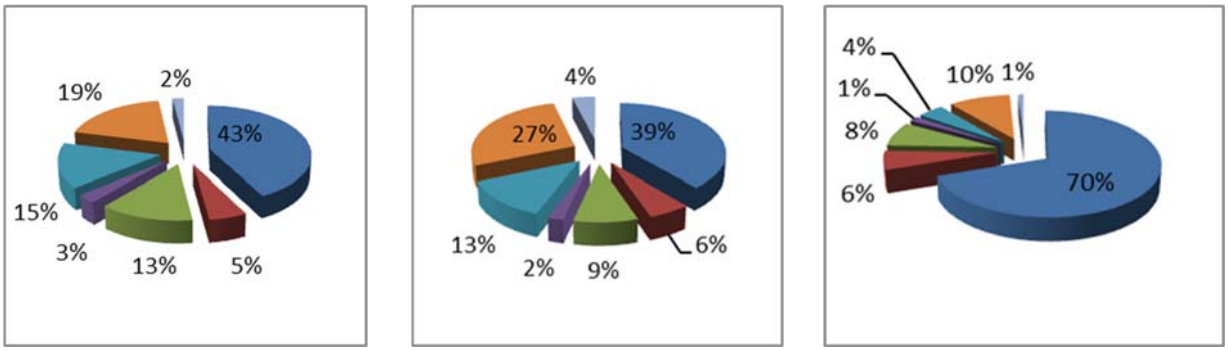
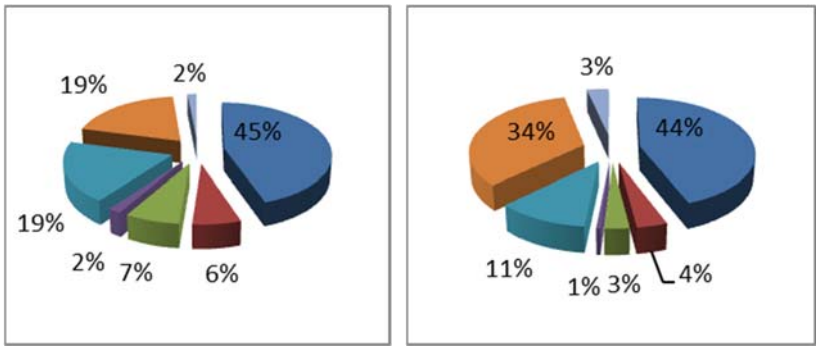


Fig. 2. Total production of food products in the world in 2013-2015, million ton



Meat Milk Fish and fishery products



Cereal Wheat

Fig.3. Distribution of total food production by continents in 2014

Main producers concentrate in Asian and European countries (Fig. 3).

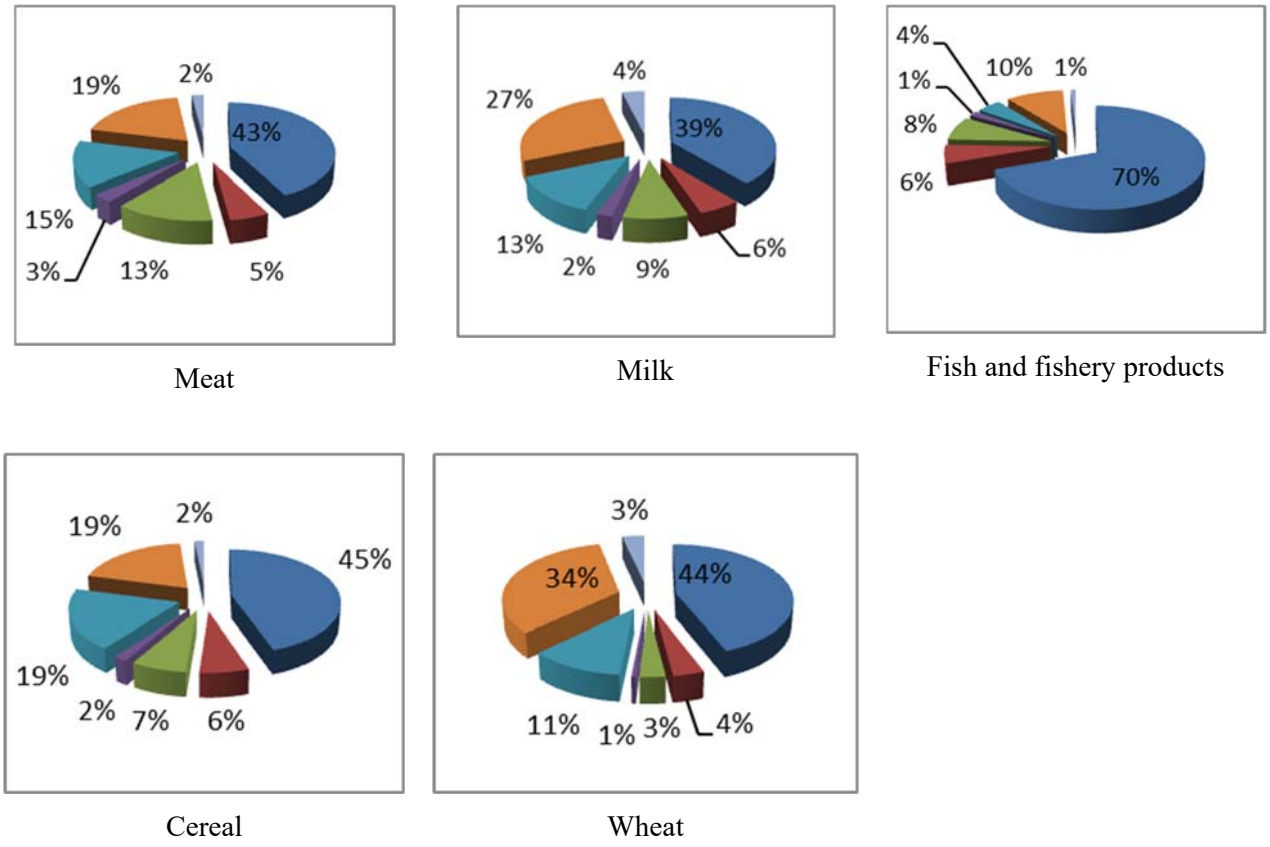


Fig.4. Distribution of total food import by continents in 2014

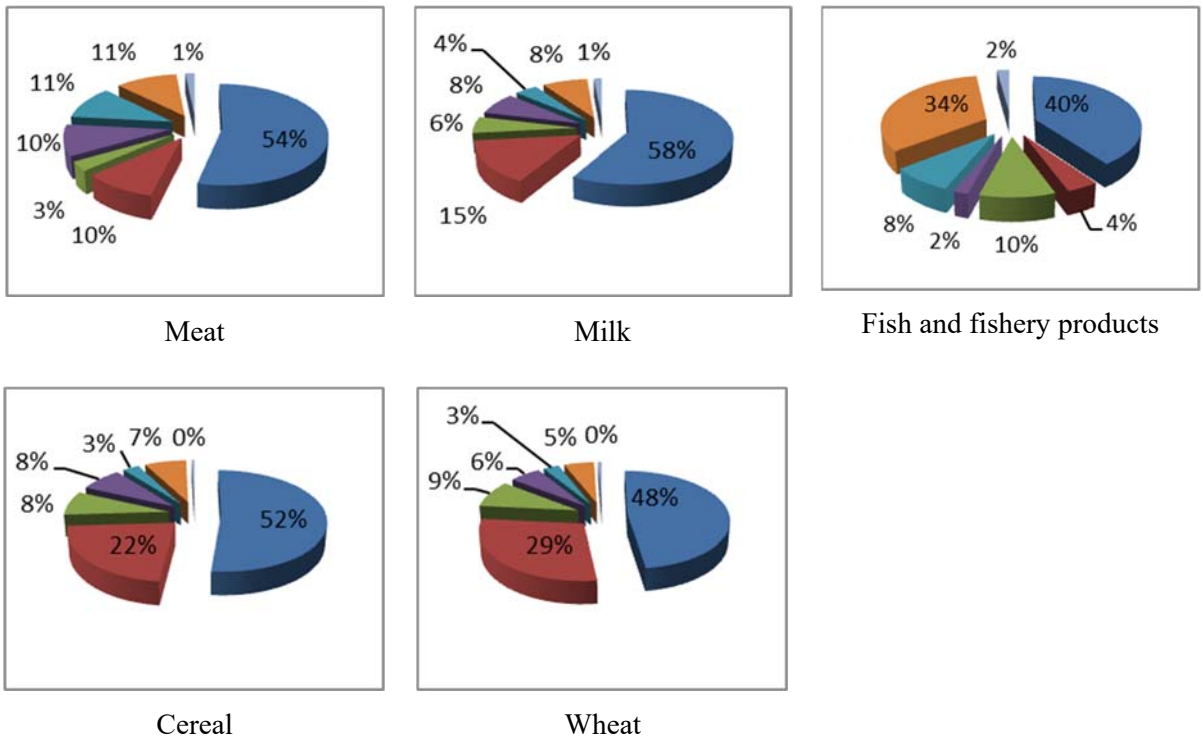


Fig.5. Distribution of total food export by continents in 2014

Main importers and exporters are located in Asia (Fig. 4, 5).

Level of employment in agricultural sector differs considerably from one country to another. For Asian countries it is higher due to traditional agricultural economic. For EU countries this index varies 1 to 28 (Fig 6).

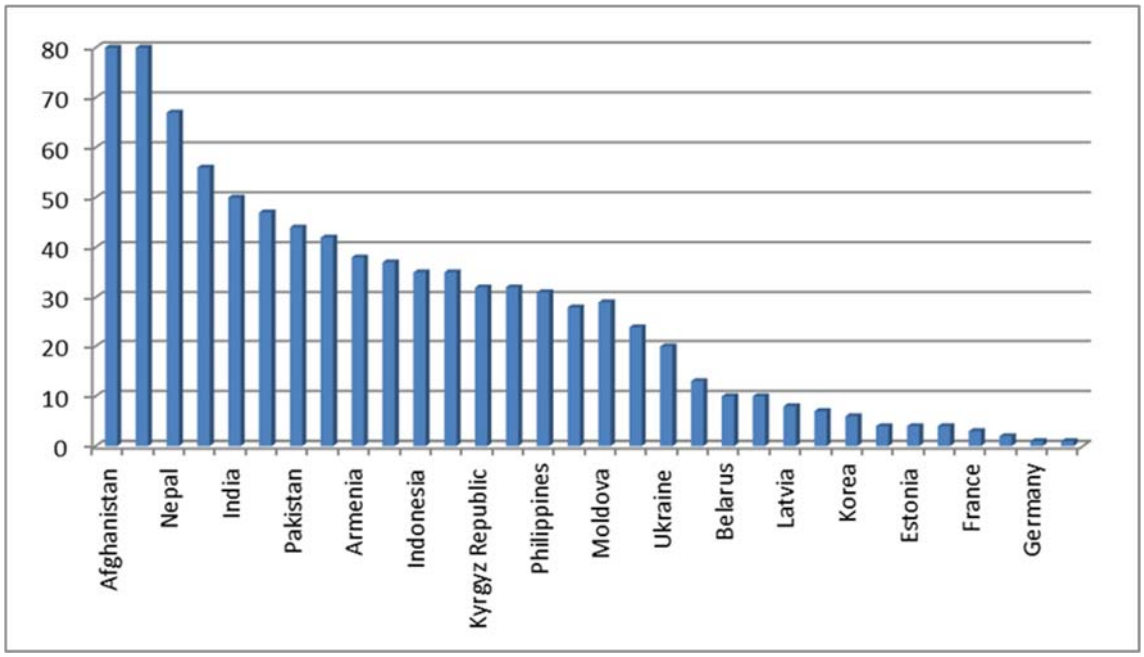


Fig.6. Share of employment in the agricultural sector by countries in 2014

The spreading of European lifestyle is typical in the modern world. This implies developing fast-food chains and food delivery companies, increasing of fruits vegetables and flour products consumption.

Implementation of mutual sanctions effects on both sides. EU producers lost their markets in Russia. Mutual sanctions particularly affected Russian economic. Russian food market faced the lack of goods and rise of food prices, because they were extremely dependent from import.

Economic crisis, falling of ruble have led to adverse effects: in 2016 Russian households started to spend more than half of their budgets on food. Illegally imported embargoed food products were destroyed despite widespread protests and suggestions to distribute it to the needy.

In 2013-2014 post-Soviet states had negative trade surplus, which was connected with economic crisis and implementation of sanctions.

Asian countries are characterized by rapid population growth. It means increasing of demand on food products and catering services.

The Silk Road economic belt was conceived as a project of Chinese expansion. The development of the Silk Road Economic belt will allow the transportation of Chinese goods to EU countries where they will compete with local EU products. The quality of Chinese food products is not high. Chemical fertilizers, GMO, dyes, preservatives, taste modifiers are commonly used in the food products cultivation and production.

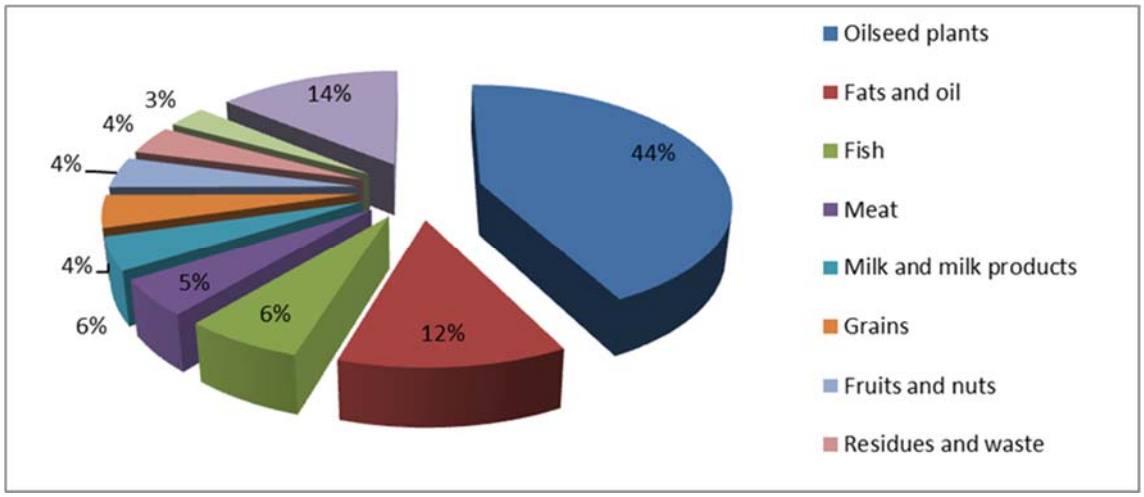


Fig. 7. Structure of China's import in 2010-2014.

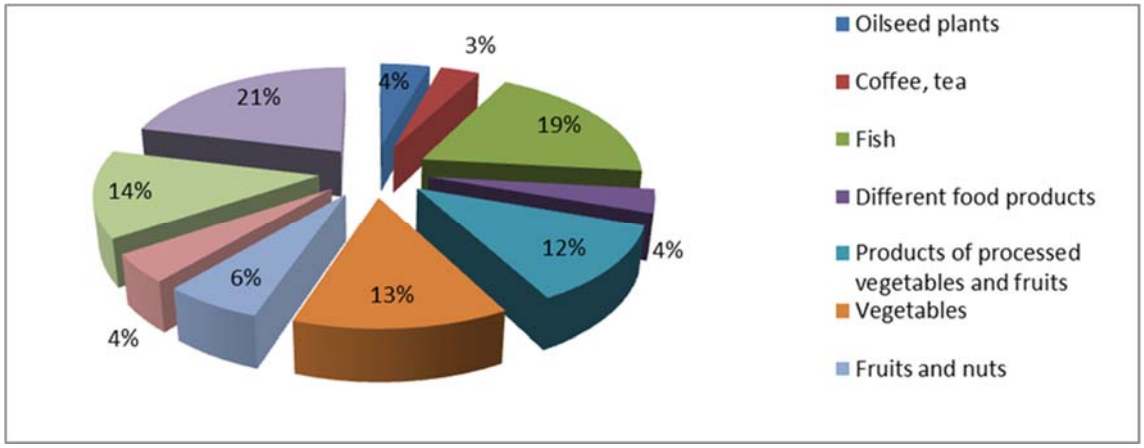


Fig. 8. Structure of China's export in 2010-2014.

China is a large world importer (3rd place) and exporter (4th place) (Fig.7, 8). China's main trade partners are USA, Hong Kong, Japan, South Korea, Taiwan, Germany, Australia, Malaysia. China applies import quotas for such goods as: wheat, corn, sugar, rice, wool, wool fibers, and cotton.

Chinese companies have bought grain silos in Argentina, sugar refinery in Brazil, seed plants in Central Europe and sunflower seeds plant. They rent land all around the world and use it for f agricultural works. Government takes actions to balancing between supply and demand for agricultural produce, settlement of assortment structure, decreasing of production costs by using scientific innovations.

CONCLUSION

In the present circumstances of geopolitical changes most of Eurasian countries need to change its food policy. In our opinion there are important directions in food policy of the countries under consideration:

- Food security monitoring, detection of households with low level and assisting. Comparing actual level of consumption with recommended;
- for Russian Federation and European Union – mutual talks about lifting of sanctions;

- for EU – strengthening of Sanitary and Phytosanitary control in relation to a possible increase of import from Asian countries, which could lead to the deterioration of quality and the increase of health problems;
- revision of WTO rules for states with troubled economies;
- for Russia - raising agricultural production, stimulating domestic demand, development of export capacities;
- implementation of programs aimed at the promotion of a healthy lifestyle, proper nutrition.

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