Now Russia Makes an Organic Revolution

As if it were not enough that Vladimir Putin’s Russia makes a monkey out of the US “anti-ISIS” campaign in Syria by accomplishing more in six months to damage the terrorist advance in that country than the Pentagon managed, with its suspiciously ineffective campaign in fourteen months. Now Russia delivers a huge slap in the face to US agribusiness domination of global food trade by deciding to make Russia the world’s largest exporter of healthy, non-GMO, non-industrial food.

Ignored by western media, as are most positive developments in Russia, President Vladimir Putin made his annual Presidential Address to the Federal Assembly Address on December 3. In his remarks he announced the national goal for Russia to become food self-sufficient within four years—by 2020.

One of the least commented sectors of the Russian economy—especially by superficial western economists who imagine Russia is merely an oil and gas export-dependent country much like Saudi Arabia or Qatar—is the significant transformation underway in Russian agriculture. Today, less than a year and a half into the decision to ban exports of major EU agriculture imports as a retaliation to the silly EU sanctions on Russia, Russia’s domestic farm production is undergoing a remarkable rebirth, or, in some cases, birth. In dollar terms, Russian exports of agriculture products exceed in value that of weapons, and equal a third of gas export profits. That’s interesting in itself.

President Putin told the assembled members of the parliament in his December speech, a Russian state of the nation review:

Our agriculture sector is a positive example. Just a decade ago we imported almost half of our food products and critically depended on imports, whereas now Russia has joined the exporters’ club. Last year Russia’s agricultural exports totaled almost $20 billion. This is a quarter more than our proceeds from arms sales or about one third of our profits from gas exports. Our agriculture has made this leap in a short but productive period. Many thanks to our rural residents.

I believe we should set a national goal — fully provide the internal market with domestically produced foods by 2020. We are capable of feeding ourselves from our own land, and importantly, we have the water resources. Russia can become one of the world’s largest suppliers of healthy, ecologically clean quality foods that some Western companies have stopped producing long ago, all the more so since global demand for such products continues to grow.

As a further measure, President Putin called on the Duma to enact measures to bring millions of hectares of now-idle arable land into use:

It is necessary to put to use millions of hectares of arable land that is now idle. They belong to large land owners, many of whom show little interest in farming. How many years have we been talking about this? Yet things are not moving forward. I suggest withdrawing misused agricultural land from questionable
owners and selling it at an auction to those who can and want to cultivate the land.

The agriculture shift

Beginning with Vladimir Putin's first presidency, in 2000 Russia began to transform its agriculture production. During the disastrous Yeltsin years in the 1990's, Russia imported a huge portion of its food. That was in part due to a misplaced belief that everything "Made in America" or in the West was better. Russia imported tasteless factory farm US mass-produced poultry instead of promoting her superior-tasting, natural, free-roaming chickens. The country imported artificially colored, tasteless tomatoes from Spain or Holland instead of the delicious, succulent home-grown organic tomatoes. I know; I've had both. There's no comparison. The organic Russian food trumps the western dishonest, adulterated industrial products today mis-labeled as food.

What was not understood in the Yeltsin era was that the food quality of those western imports had drastically declined since introduction of American "agri-business" and factory food in the 1970's. The EU followed suit with its imitation of US industrial methods, only a bit less extreme. Further, intensive use of chemical fertilizers, herbicides, pesticides, antibiotics which pass through animals into the fields, all have led to the dramatic depletion of essential micro-organisms in American and, increasingly, EU agriculture soils. As well, that has become true in China also according to well-informed agronomists.

In the United States, the Congress at the end of 2015 repealed a long-standing meat labeling law, the Country-of-Origin Labeling (COOL) law, that required retailers to explicitly state the country of origin on all red meat. Beef and pork packages in the US will no longer be required to bear a label saying where the animal originally came from. The US agribusiness lobbied for the change to allow them to import meat of dubious quality from developing countries where health and safety controls, and costs, are minimal. In many US agribusiness states where the industry has huge factors farm feeding operations, so-called "Ag-gag" state laws prohibit journalists to even photograph those industrial agricultural operations, often large dairy, poultry and pork farms. That's because if the general public realized what is done to put meat on the US dinner table, they would go vegetarian en masse.

From net importer to exporter

During the Soviet era, especially after 1972, as Soviet harvest failures created shortages, the USSR used its oil dollars to become a major importer of US wheat and grain. US grain cartel companies like Cargill and Continental Grain worked with US Secretary of State Henry Kissinger to negotiate astronomical prices to Russia in what was called "the great grain robbery." US taxpayers were robbed by US grain subsidies. Cargill smiled all the way to the bank.

By 2000, Russia, along with Ukraine, and to a lesser extent, Kazakhstan, reversed that import dependency for grain and once more became a giant in the world export of grain and especially wheat as it had been before the 1917 Russian Revolution.

Even before the US sanctions crisis, in 2011-2013, Russia exported on average 23 million metric tons (mmt) of grain a year. Combined, Russia, Ukraine, and Kazakhstan sold 57 mmt abroad. The three countries as a region supplied 19% of total world grain exports over that period, and 21% of wheat exports, displacing the United States as the world’s biggest wheat exporter.

Now, with Ukraine a de facto failed state owing to the US State Department and Obama Administration February 2014 coup d'etat in Kiev, the importance of Russian agriculture is becoming of world strategic importance in terms of high-quality organic food and grains.

The 2014 Russian ban on select EU food goods was a major turning point in retrospect, turning a crisis into an opportunity as the ancient Chinese proverb says. Of Russia’s $39 billion of total agricultural and food imports in 2013, $23.5 billion were in the product categories affected by the ban, 61% of all food imports in Russia. The recent added decision to ban all Turkish food imports, as sanction for Turkey’s shooting down of a Russian jet on Syrian airspace, adds to that banned import total. The Turkish food import ban took effect on January 1.

While many Western economists pointed to the initial large inflation impact of the ban last year, a factor leading the Russian Central Bank to hold interest rates dangerously high too long, the longer-term reality is that the ban forced a dramatic turn to agriculture self-sufficiency. As the more expensive imported foods disappear from supermarket shelves across Russia, so too will the initial 2015 food price inflation.
The most recent ruble fall amid the global fall in dollar-denominated oil prices to $28 a barrel at last setting, will further reduce Russian consumption of more expensive remaining EU food imports in favor of "made in Russia." Far from a disaster as the New York Times and other western media gleefully proclaim, the latest ruble fall will turn into a benefit for Russia's agriculture economy and even overall economy. That will greatly boost the self-sufficiency goals. Russia's food import restrictions are unlikely to end anytime soon, even were the EU to drop its sanctions on Russia. There's too much at stake now for the national economy in developing high-quality organic non-GMO agriculture.

In addition to Russia’s deciding on agriculture self-sufficiency by 2020, the September 2015 official Russian ban on all GMO agriculture crops set the stage for the latest decision by the President to turn adversity into a virtue.

**That beautiful Russian black earth**

Russia also has an extraordinary natural advantage to become today the world's most important producer and also exporter of high-quality organic and non-GMO food.

Russia today has some of the richest most fertile agriculture soil in the world. Because during the Cold War economic restraints dictated that products of the chemical industry were dedicated to national defense needs, the fertile Russian soil has not been subjected to decades of destruction from chemical fertilizers or crop spraying as the soils in much of the west. Now this becomes a blessing in disguise, as EU and North American farmers struggle with the destructive effects of chemicals in their soils that have largely destroyed essential micro-organisms. Rich agriculture soils take years to create and can be destroyed in no time. Where the climate is moist and warm, it takes thousands of years to form just a few centimeters of soil. Cold dry climates need far longer.

Russia encompasses one of only two soil belts in the world known as “Chernozem belts.” It runs from Southern Russia into Siberia across Kursk, Lipetsk, Tambov and Voronezh Oblasts. Chernozem, Russian for black soil, are black-colored soils with a high percentage of humus, phosphoric acids, phosphorus and ammonia. Chernozem is very fertile soil producing a high agricultural yield. The Russian Chernozem belt stretches from Siberia and southern Russia into northeast Ukraine, on to the Balkans along the Danube.

**Initial results very positive**

The initial results of the emphasis on domestic Russian agriculture self-sufficiency and overall development are quite positive. Since the August 2014 EU food import ban was imposed, production of beef and potatoes has increased by 25%, of pork by 18%, of cheese and cottage cheese by 15%, of poultry meat by 11%, and of butter by 6%. The 2015 Russian vegetable harvest was also a record, with output overall growing by 3%.

The foolish US sanctions and economic warfare against Russia are producing the opposite of what the globalist free trade advocates demand. It is forcing Russia, wisely, to walk away from the agribusiness-drafted WTO agreements. Cargill wrote the WTO Agreement on Agriculture. It’s forcing Russia to abandon the liberal western free-flow of international food goods. Demands for a national self-sufficiency in one of the most strategic of all economic goods, if not the most strategic—a nation's food quality. Russia wisely has decided it takes priority over the “rights” of a Cargill or ADM or Monsanto to trade freely. Russia’s agriculture revolution is an example for the rest of the world to look at. It’s about quality over quantity. Quality nutrition is about more than yields per hectare.

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