Comments on the Draft Strategy from the Department of Economics and State Support for the Agro-Industrial Complex

---

To the Department of Livestock Production. 19.07.2019. Reference: вн-17/23919.

In accordance with the memorandum of the Department of Livestock Production of 26 June 2019 No. вн-24/20878, the Department of Economics and State Support for the Agro-Industrial Complex has considered the revised draft Strategy for Horse Breeding Development in the Russian Federation for the period up to 2025 (hereinafter, the Strategy), and reports the following within its competence.

Horse breeding in the Russian Federation is a traditional activity within the livestock subsector of agriculture and has four principal types of economic use: pedigree breeding, work and utility, production of horse products, and sport and leisure. The number of horses in the Russian Federation has shown a sustained downward trend, from 2.6 million head in 1990 to 1.3 million head in 2018.

The main reasons for the reduction in horse numbers are the lack of demand for horses as a source of labour; changes in the consumption habits of population groups that traditionally ate horsemeat in favour of other types of meat; the high cost of using horses for sport and leisure in relation to low average per-capita incomes; and low income from pedigree horse breeding.

Given the downward trend in the number of horses in this branch of agriculture, development of the Strategy is currently relevant.

At the same time, we propose revising the Strategy to take account of the following comments and proposals.

We consider it appropriate, when developing strategic planning documents, including the draft Strategy, to be guided by the provisions of Federal Law No. 172-ФЗ of 28 June 2014 ‘On Strategic Planning in the Russian Federation’ (hereinafter, Federal Law No. 172-ФЗ).

Under paragraph 3 of Article 11 of Federal Law No. 172-ФЗ, the Strategy must be classed among the sectoral strategic planning documents of the Russian Federation. However, under paragraph 10 of Article 19 of Federal Law No. 172-ФЗ, sectoral strategic planning documents of the Russian Federation are approved by the President of the Russian Federation or the Government of the Russian Federation within their respective competence.

Yet, according to the accompanying materials, it is proposed to approve the Strategy by a departmental act of the Russian Ministry of Agriculture. Its legal status under Russian Federation legislation governing strategic planning documents would therefore be undefined.

Thus, it would be appropriate to approve the Strategy by an act of the Government of the Russian Federation or of the President of the Russian Federation.

Unofficial translation for information only. Signatures and seals in the Russian original are not certified by this translation.
Russian original

At the same time, we draw attention to paragraph 1 of Article 19 of Federal Law No. 172, under which sectoral strategic planning documents of the Russian Federation are developed to ensure implementation of the Russian Federation's socio-economic development strategy, national security strategy, scientific and technological development strategy, and spatial development strategy, taking account of its scientific and technological development forecast, strategic forecast, and long-term socio-economic development forecast, and also on the basis of existing instructions of the Government of the Russian Federation or the President of the Russian Federation.

We also note that the draft Strategy requires explanations of its set of objectives, including justification for developing this strategic planning document.

The materials accompanying the draft Strategy must, in accordance with Federal Law No. 172, set out the results that are proposed to be achieved.

We note that, in order to define objectives and set tasks, the existence of a systemic problem must first be established. Identifying a systemic problem involves formulating it in terms of a systemic contradiction (structural imbalance) in the Russian economy that reduces its efficiency and competitiveness, and the dynamism and sustainability of socio-economic development.

For a comprehensive consideration of the matter, it would be appropriate to prepare supporting materials on the state of this branch of the livestock subsector, including an assessment and analysis of existing threats to the survival of a number of valuable domestic stud-developed breeds: the Don, Tersk, Soviet Heavy Draft, Vladimir Heavy Draft, Russian Riding Horse, and others. The draft Strategy, however, contains no information on the need to preserve a number of horse breeds.

We also draw attention to the fact that the Strategy unjustifiably identifies development of horse-racing totalizator betting, rather than development of animal breeding, genetics and other areas, as the principal direction for horse breeding development.

Under paragraph 15 of Article 4 of Federal Law No. 244-ФЗ of 29 December 2006 'On State Regulation of Activities for the Organization and Conduct of Gambling and on Amendments to Certain Legislative Acts of the Russian Federation' (hereinafter, Federal Law No. 244-ФЗ), a totalizator is a gambling establishment in which the gambling organizer arranges the conclusion of wagers between participants in this form of gambling, and the payment of winnings out of the sum of stakes. A totalizator's activities are regulated by Federal Law No. 244-ФЗ, which imposes

Unofficial translation for information only. Signatures and seals in the Russian original are not certified by this translation.
Russian original

restrictions on this activity in order to protect public morals.

The draft Strategy proposes a number of relaxations for horse-racing totalizator betting in order to develop the industry. However, the corresponding justifications, specifically the reasons for granting horse-racing totalizators preferential treatment over other types of gambling establishments, are absent.

Furthermore, we consider it appropriate for the draft Strategy to cover dairy horse husbandry as a subfield of horse breeding development. Dairy horse husbandry involves obtaining mare's milk on specialized farms and producing from it kumis, a highly valuable food, dietary and therapeutic product. Kumis is used to treat tuberculosis, gastrointestinal diseases and bone diseases.

Director of the Department of Economics and State Support for the Agro-Industrial Complex: G. L. Fomina.

Text of the electronic-signature block in the original: 'DOCUMENT SIGNED WITH AN ELECTRONIC SIGNATURE. ELECTRONIC-SIGNATURE CERTIFICATE INFORMATION. Certificate: 00E1036EA47311E980F6E0071BCFB2AC87. Holder: Fomina Galina Leonidovna. Valid from 12.07.2019 to 12.07.2020.' This is a transcription of the original block, not an electronic signature on this translation.

Sokolov V. V. 31-54.

Unofficial translation for information only. Signatures and seals in the Russian original are not certified by this translation.
Russian original