



Press-release

10.07.2012

Results of the II Field Day of Brewing and Malting Industry

On July 6 the Field Day of Brewing and Malting Industry took place in Lipetsk region. It was organized by the Barley and Malt Union (BMU) for the second time. The event was held with the support of the Ministry of Agriculture of the Russian Federation, the Federation Council Committee on Agrarian and Food Policy and Environmental Management, the State Duma Committee on Agrarian Issues, the Administration of Lipetsk region and the Union of Russian.

Over 250 participants from five regions – Central Chernozem, Tula, Ryazan, Mordovia, Tatarstan – gathered at the All-Russian Scientific Research and Technological Design Institute of Rape (VNIPTIR) and OOO Syngenta Research Centre.

Among the audience there were representatives of research institutions, malting barley breeders, seed farms, manufacturers of plant protection agents, fertilizers and agricultural commodities as well as traders and representatives of the malting and brewing companies.

“We are glad to host numerous Russian and foreign representatives of the production chain “malting barley – beer” on the territory of the region. Lipetsk region is one of the major regions of malting barley production, on the territory of the region Russian departments of the main breeders are registered: Syngenta, German Seed Alliance, KWS Rus, as well as one of the world’s largest maltsters Soufflet Agro Rus – the Head of the Lipetsk region Administration, Oleg Korolyov Oleg Korolyov mentioned during his speech.

Participants were shown malting barley plots, which were laid on April 28. Specialists of breeding companies acquainted the guests with new varieties (registered in the State Register or being on state variety trials), as well as with standard varieties.

Among the most topical issues the development of harmonious relations between the links of the production chain “malting barley – beer” were discussed. This is directly connected not only with climate and environmental conditions of growing in Russia, but also with the capabilities of the customer, that is, the brewing industry, which is subject to a strict regulation by the state over the past years.

Alexander Mordovin, President of the Barley and Malt Union: “Growing of malting barley is an important revenue component of the AIC of dozens of regions in Russia and it directly depends on the brewing industry as a customer. Unfortunately, nowadays the brewing industry is in a difficult situation. There are many reasons for that: tougher laws, as well as the increase of excise taxes. Excise tax levy on beer production has exceeded all excise levies on other types of alcohol, especially strong. There is no such situation in any country in the world. Since 2007 the

volume of beer production in our country has greatly reduced, it means that the volume of malting barley and malt required to domestic manufacturers has also changed. On the other hand, we have good news that this year alone more than 200 companies joined our Union, they are not only farmers but also small and medium brewing businesses”.

Anna Govorova, Procurement manager of the Baltika brewery: “*To obtain required volumes of malting barley and reduce raw material costs while maintaining high product quality our company implements its own agricultural project. Baltika supplies the farms participating in it with technological scheme of growing and seeds of high quality. The company supervises a growth process and guarantees farmers a fixed volume of purchases. Such steady orders are a good incentive for development of agriculture in regions. Today, the geography of crops covers almost the entire country – the Central, Central Black Earth, Siberian and Far Eastern regions – and is gradually expanding.”*

The malting barley varieties on the State trials that show the best results will get a recommendation of the Barley and Malt Union to be registered in the State Register of Selection Achievements, the varieties included in the Register that show the best results will get a recommendation for industrial use.

As a result of the field day in Lipetsk all the participants unanimously adopted a resolution addressed to the Deputy Prime Minister A. V. Dvorkovich, which expressed deep concern that excessive government regulation of the brewing industry can lead to highly undesirable consequences for the AIC of the country and may even divest Russian agriculture of such an important crop as malting barley. The resolution ends with a request of market participants “*to contribute to resolving of emerging and in our opinion absolutely unjustified negative attitude to the brewing industry, in consequence of which a negative image of beer production develops in society, and the state is preparing excessive and unduly strict measures of state regulation regarding the brewing industry, which, unfortunately, in our estimation, will not contribute to the objectives of antialcohol policy, and therefore to the reduction of alcohol abuse in the country.”*

You can find a full text of the resolution on the BMU website: www.barley-malt.ru

The Barley and Malt Union is established to connect all the links of the production chain “malting barley - beer” and it aims to interact and to coordinate joint activities as well as to represent and protect common property rights and interests of the Union members.

Establishment of the Union was supported by the Ministry of Agriculture of the RF, the Federation Council Committee on Agrarian and Food Policy and Environmental Management and the State Duma Committee on Agrarian Issues

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