

FEDERAL LAW
NO. 100-FZ OF JULY 14, 1997
ON THE STATE REGULATION OF AGROINDUSTRIAL PRODUCTION

Passed by the State Duma July 19, 1996
Approved by the Federation Council August 7, 1996

The present Federal Law lays down the legal foundations for the economic impact, exerted on the agroindustrial production by the state.

Chapter I
General Provisions

Article 1. The Concept and the Tasks of the State Regulation of Agroindustrial Production

The state regulation of the agroindustrial production shall be interpreted as an economic impact, exerted by the state upon the production, processing and realization of agricultural products, raw materials and foodstuffs, including the fish and the sea products, as well as upon the production and technical maintenance and upon the material and technical supplies for the agroindustrial production.

The state regulation of the agroindustrial production is aimed at the stabilization and the development of the agroindustrial production, at ensuring the foodstuff security for the Russian Federation, at the improvement of the foodstuffs supply to the population, at the maintenance of an economic parity between the agriculture and the other branches of the economy, at bringing closer the agricultural and the industrial workers' income levels, and at the protection of the domestic commodity producers in the sphere of the agroindustrial production.

Article 2. Principal Lines of the State Regulation of Agroindustrial Production

The state regulation of the agroindustrial production shall be carried out along the following main lines:

- formation and functioning of the market of agricultural products, raw materials and foodstuffs;
- financing, crediting, insurance and privileged taxation;
- protection of the interests of the domestic commodity producers in the performance of the foreign economic activity;
- development of the science and the performance of the scientific activity in the sphere of the agroindustrial production;
- development of the social sphere in the village;
- the other lines, defined by the legislation of the Russian Federation.

Article 3. Financing of Agroindustrial Production

1. The state shall finance the agroindustrial production at the expense of the means from the federal budget, from the budgets of the subjects of the Russian Federation and from the extra-budgetary sources.

2. The means from the federal budget, directed towards the support and the development of the agroindustrial production, shall be envisaged in the federal budget in a separate section and by a separate line in the other sections of the budget.

3. The means from the federal budget, directed towards the support and development of the agroindustrial production, shall be spent on:

- the support to the investment activity, including the acquisition of the new hardware and equipment, of the highgrade seeds and of the pedigree animals in conformity with the federal goal-oriented programmes;
- the improvement of the soil fertility, launching of the land-reclamation measures, the maintenance of the state land-reclamation systems and the performance of the works, aimed at fighting the pests and the agricultural plants diseases, at the prevention and elimination of the quarantine and particularly contagious animal infections, and also at conducting the scientific research and at launching measures for the environmental protection;

- the crediting and the insurance in the sphere of the agroindustrial production;

- the recompense of a part of the outlays to buy the material resources and the fuels, and subsidies to support the pedigree animal-breeding, the elite seed-growing and the output of hybrid seeds of agricultural plants;

- the development of and the support to the market of agricultural products, raw materials and foodstuffs;

- the organization of the professional training, the improvement of the qualifications and the re-training of the personnel in the sphere of the agroindustrial production;

- the other kinds of subsidies and compensations. The concrete lines and volumes of financing by these shall be determined by the Government of the Russian Federation.

4. Financing of the development of the agroindustrial production at the expense of the means from the local budgets and from the other sources shall be allowed, unless this contradicts the legislation of the Russian Federation.

5. When formulating the federal budget, the Government of the Russian Federation shall annually direct to the State Duma of the Federal Assembly of the Russian Federation information on the state of affairs in the agroindustrial production, which shall contain:

- indices on the output of the main kinds of agricultural products, raw materials and foodstuffs for the past year and an estimate of the prospects for the agroindustrial production development for the next year;

- balances of the production and the consumption of the main kinds of agricultural products, raw materials and foodstuffs;

- analysis of the dynamics of prices on agricultural products, raw materials and foodstuffs, of the prices and the tariffs on the material and technical resources and on the services for the village;

- the data on the income levels of the agricultural organizations and of the peasant (farmer's) economies;

- a report on the fulfilment of the federal goal-oriented programmes for the past year;

- proposals on the federal goal-oriented programmes for the next year;

- information on the level of the goal-oriented prices and on the guaranteed prices, mortgage

rates, subsidies and compensations, computed on their basis, and on the privileged taxation;

- information on the state regulation of the agricultural products, raw materials and foodstuffs market for the past year;

- information on the social development of the village;

- analysis of the development of the science and of the performance of the scientific activity in the sphere of the agroindustrial production.

6. The subjects of the Russian Federation shall finance the agroindustrial production in conformity with the currently operating legislation.

Article 4. State Programmes for the Development of Agroindustrial Production

The federal goal-oriented and the regional goal-oriented programmes shall be compiled, approved and financed in conformity with the order, laid down by the legislation of the Russian Federation.

Chapter II State Regulation of the Formation and Functioning of the Agricultural Products, Raw Materials and Foodstuffs Market

Article 5. State Regulation of the Realization of Agricultural Products, Raw Materials and Foodstuffs

Commodity producers in the sphere of the agroindustrial production shall be guaranteed the possibility of a free realization of agricultural products, raw materials and foodstuffs. The state power bodies shall encourage the setting up of the market sales and realization system for agricultural products, raw materials and foodstuffs in conformity with the currently operating legislation.

If the balance between the production and the consumption is upset, and also if the realization of the individual items of agricultural products, raw materials and foodstuffs on the market proves to be impossible, the state shall come out as a guarantor of their sales in conformity with the legislation of the Russian Federation.

Article 6. Mortgage of Agricultural Products, Raw Materials and Foodstuffs

1. If agricultural products, raw materials and foodstuffs are mortgaged with the participation of the state, the legal entities, authorized by the Government of the Russian Federation to effect the mortgage, shall come out as the mortgagees, and the commodity producers in the sphere of the agroindustrial production - as the mortgagers.

2. The list of the agricultural products, raw materials and foodstuffs, which may be mortgaged, the mortgage rates and the procedure for the utilization of the agricultural products, raw materials and foodstuffs, acquired into the state ownership in the established order, and the other terms of the given mortgage shall be determined by the Government of the Russian Federation.

3. An object for the mortgage may be both the already put out agricultural products and

those of the future harvest.

The state's participation in the mortgage of agricultural products, raw materials and foodstuffs shall be effected in the following forms:

- assignment of budgetary resources;
- granting credits;
- assignment of the budgetary means or granting the credits, necessary to compensate for the outlays, involved in the storage and processing of the agricultural products, raw materials and foodstuffs, acquired in the established order into the state ownership.

4. The mortgage of agricultural products, raw materials and foodstuffs may be ceased on the mortgager's initiative against the execution of the mortgage-guaranteed liability or against the acquisition, in conformity with the established order, of the mortgaged agricultural products, raw materials and foodstuffs into the state ownership.

The mortgaged agricultural products, raw materials and foodstuffs, acquired into the state ownership, shall be utilized to launch the state commodity interventions, to set up the state foodstuffs funds and for other purposes. The procedure for the utilization and the realization of the said agricultural products, raw materials and foodstuffs shall be defined by the Government of the Russian Federation.

5. The mortgage of agricultural products, raw materials and foodstuffs without the participation of the state shall be effected in conformity with the civil legislation provisions.

Article 7. Measures for Stabilizing the Agricultural Products, Raw Materials and Foodstuffs Market

1. To stabilize the agricultural products, raw materials and foodstuffs market, the state shall launch the procurement and the commodity interventions on it.

The procurement interventions shall be effected in the form of arranging purchases and performing mortgage operations with agricultural products, raw materials and foodstuffs, and the commodity interventions - in the form of organizing their sales from the federal and from the regional foodstuffs funds.

2. The procurement interventions shall be effected, when the market prices on agricultural products, raw materials and foodstuffs fall below the minimum level, or if the commodity producers in the sphere of the agricultural production are unable to sell their agricultural products, raw materials and foodstuffs because of a reduced demand for them.

3. The commodity interventions shall be effected in case of a shortage on the agricultural products, raw materials and foodstuffs market of the corresponding kinds thereof, and also in case the market prices rise above the maximum level of their vacillations on the agricultural products, raw materials and foodstuffs market.

4. The volumes of performing the procurement and the commodity interventions and the level of prices on the purchased and on the realized agricultural products, raw materials and foodstuffs shall be defined by the Government of the Russian Federation.

Article 8. State Agents, Performing the State Regulation of the Agricultural Products, Raw Materials and Foodstuffs Market

1. The state regulation of the agricultural products, raw materials and foodstuffs market, the setting up and organizing of the utilization of the federal foodstuffs fund, and the coordination of

the state power bodies' actions in the sphere of the agroindustrial production shall be imposed on the state agents, who shall be appointed by the Government of the Russian Federation.

The scheme of activity of the state agents, who effect the state regulation of the agricultural products, raw materials and foodstuffs market, shall be defined by the Government of the Russian Federation.

2. The executive power bodies of the subjects of the Russian Federation may map out the scheme of activity of the state agents, engaged in the state regulation of the agricultural products, raw materials and foodstuffs market, on the territories of the respective subjects of the Russian Federation.

Article 9. Leasing in the Sphere of Agroindustrial Production

1. The leasing in the sphere of the agroindustrial production with the participation of the state shall be effected by the legal entities, authorized for this, respectively, by the Government of the Russian Federation and by the executive power bodies of the subjects of the Russian Federation.

The list of the property, which shall be an object of the leasing, the rent rates and the credit sources, necessary to perform it, as well as the other terms of the leasing in the sphere of the agroindustrial production, shall be defined, respectively, by the Government of the Russian Federation and by the executive power bodies of the subjects of the Russian Federation.

2. The leasing without the participation of the state shall be performed in conformity with the civil legislation.

Article 10. The Market and the Guaranteed Prices on the Agricultural Products, Raw Materials and Foodstuffs

1. Economic relations on the agricultural products, raw materials and foodstuffs market shall be based on the market (contractual) prices, formed under the impact of the demand and offer.

2. The guaranteed prices on the agricultural products, raw materials and foodstuffs shall be applied only if the average market prices are lower than the guaranteed ones, and also if the agricultural products, raw materials and foodstuffs are sold directly to the state, or if additional payments are made to the commodity producers in the sphere of the agroindustrial production in the cases, stipulated by the Government of the Russian Federation.

The guaranteed price shall be computed on the basis of the goal-oriented price and shall be fixed by the state power bodies. The guaranteed price shall ensure that the agricultural commodity producers, with account for the other forms of the state support, receive the incomes, sufficient for an expanded reproduction, in accordance with the goals, set by the economic policy of the state for the forthcoming period.

3. The list of the agricultural products, raw materials and foodstuffs, for which the guaranteed prices and the volumes (quotas) of realization by the guaranteed prices, the guaranteed prices level and their indexation are fixed, as well as the procedure for the application of the guaranteed prices, shall be laid down by the Government of the Russian Federation.

Article 11. Goal-Oriented Prices for Agricultural Products, Raw Materials and Foodstuffs

1. The goal-oriented prices (the normative indices) shall be established by the Government of the Russian Federation to provide for a parity ratio of prices on the industrial and on the agricultural products, to cover the expenditures, caused by the collection of taxes and of the other dues, and by the payment of an interest on the credits, and also for the agricultural workers to receive incomes on the level of the workers' average income by the sectors of the economy and for the former to derive a profit, sufficient for an expanded reproduction.

2. The goal-oriented prices (the normative indices) for agricultural products, raw materials and foodstuffs shall be used as a ground for fixing the guaranteed prices on the agricultural products, raw materials and foodstuffs, the mortgage rates in case of mortgaging the agricultural products, raw materials and foodstuffs, and also to calculate the subsidies and compensations for the agricultural commodity producers, stipulated by the legislation of the Russian Federation.

The way of utilizing the goal-oriented price (the normative index) for the purposes, described in the first part of the present Item, shall be defined by the Government of the Russian Federation.

Article 12. Anti-Monopoly Regulation of Prices in Agroindustrial Production

1. The regulation of prices may be applied with respect to the organizations, engaged in the primary processing of agricultural products, in the production and technical servicing and in the material and technical supplies for the agroindustrial complex, which occupy the leading position. The way of regulating these prices and the list of the products (services), for which the federal executive power bodies may fix prices, shall be laid down by the Government of the Russian Federation in conformity with the demands of the anti-monopoly legislation of the Russian Federation.

2. To promote the establishment and the development of market relations in the agroindustrial production and to achieve the stabilization of the intersectoral value ratios, the Government of the Russian Federation shall organize the conclusion of the price agreements, aimed at rendering support to the parity of prices on the agricultural and on the industrial products (services), between the agricultural commodity producers and the suppliers of the material and technical resources (services).

Article 13. Subsidies and Compensations to the Agricultural Commodity Producers

The subsidies and compensations to the agricultural commodity producers, granted at the expense of the means from the federal budget, shall be established by the Government of the Russian Federation, in conformity with the federal laws and with the other legal normative acts of the Russian Federation.

The subsidies and compensations to the agricultural commodity producers, granted at the expense of the means from the budgets of the subjects of the Russian federation, shall be established in accordance with the order, envisaged by the laws and by the other legal normative acts of the subjects of the Russian Federation.

Chapter III
State Regulation of the Crediting, Settlements and
Insurance in the Sphere of Agroindustrial Production

Article 14. State Regulation of the Crediting of Agroindustrial Production

1. From the means of the federal budget, directed towards the support and the regulation of the agroindustrial production, shall be assigned the means for:

- a short-term crediting of seasonal expenditures and for maintaining the necessary stocks in the agroindustrial production;
- a long-term crediting of the agroindustrial production;
- the mortgage of agricultural products, raw materials and foodstuffs;
- making advance payments against the procurement of agricultural products, raw materials and foodstuffs for the state needs;
- the leasing in the sphere of the agricultural production;
- granting to the credit cooperatives, over 50 per cent of whose authorized capital belongs to the legal and to the natural persons, engaged in the agroindustrial production, of long-term credits for setting up their authorized capital;

2. The Government of the Russian Federation shall set up specialized funds for rendering the state support to the crediting in the agroindustrial production and shall determine the order for making use of the means from these funds.

When granting credits at the expense of the means from the said funds, no more than 25 per cent of the discount rate of the Central Bank of the Russian Federation shall be levied on the agroindustrial production organizations.

Article 15. System of Settlements in Agroindustrial Production

1. Clearing settlements of the legal entities, which are the consumers (the buyers) of agricultural products, raw materials and foodstuffs, with the commodity producers (the suppliers), located on the territory of the Russian Federation, shall be made for collection, unless a different order of settlements is envisaged in the contract.

The term, laid down for the payment for the agricultural products and raw materials, delivered to the processing and to the other organizations, as well as for the foodstuffs, supplied to the trading and to the other organizations, shall be fixed, under the collection way of payment, as up to ten days, and in the case of perishable commodities - as up to five days after the settlement documents arrive to the payer's bank.

In case of the existence of stable economic relations, the settlements for the agricultural products, raw materials and foodstuffs shall be made as obligatory payments, three times a month in the least.

2. The buyer of agricultural products, raw materials and foodstuffs shall pay up a fine to the supplier in the amount of two per cent for every day of the delay in the payment from the sum due for the untimely paid for products, and if the payment is delayed for more than 30 days - in the amount of three per cent. The exaction of the fine in favour of the supplier shall be made in the non-acceptance order on the ground of the supplier's claim in conformity with the banking rules, by the bank of the buyer of the products, with the bank retaining 5 per cent of the obtained

fine.

3. The organizations, which buy products from the agricultural commodity producers, shall pay their cost in the priority order after the payment of the taxes to the all-level budgets, of the contributions into the Pension Fund of the Russian Federation, into the Federal Fund of Obligatory Medical Insurance, into the State Fund of Employment of the Population of the Russian Federation, and into the Social Insurance Fund of the Russian Federation.

Article 16. State Regulation of the Insurance in the Sphere of Agroindustrial Production

1. In the insurance of the agricultural products harvest, the agricultural commodity producers shall pay to the insurers at the expense of their own means 50 per cent of the insurance fees, with the rest 50 per cent to be paid to the insurers from the means of the federal budget. The Russian Federation Government may differentiate the amounts of the insurance fee payments, made at the expense of the means from the federal budget, by the agricultural plant and by the region.

2. The rendering of the state support to the insurance of the agricultural commodity producers shall be imposed onto the state agents, appointed by the Government of the Russian Federation.

3. The procedure and the terms for organizing and for carrying out the insurance of the agricultural commodity producers, secured against by the state support, including the list of the insurance risks, the procedure for determining the insurance cost of the insured agricultural plants harvest, the term of operation of the insurance agreement and the terms for setting up additional insurance reserves, shall be established by the Government of the Russian Federation.

4. The sums of the insurance fees of the agricultural commodity producers, paid at the expense of their own means for the insurance of the agricultural plants harvest, shall be referred onto the primary cost of the agricultural products.

The payment of the insurance fees for the agricultural insurance shall be effected by the agricultural commodity producers after the payment of the taxes and after making the other payments and contributions into the all-level budgets, into the Pension Fund of the Russian Federation, into the Federal Fund of Obligatory Medical Insurance, into the State Fund for the Employment of the Population of the Russian Federation and into the Social Insurance Fund of the Russian Federation.

5. To provide for stability in the agricultural insurance, the federal agricultural insurance reserve shall be established.

The federal agricultural insurance reserve shall be set up at the expense of deductions in the amount of five per cent from the total amount of the insurance fees, which have come in by the agreements on the insurance of agricultural plants.

The regulations on the federal agricultural insurance reserve shall be approved by the Government of the Russian Federation.

6. The insurance organizations, performing the insurance of the agricultural plants harvest with the participation of the means from the federal budget, shall be obliged to re-insure a part of the risks by this kind of insurance. The share of the risks, liable to the re-insurance, shall be fixed by the Government of the Russian Federation.

Chapter IV
State Regulation of the Foreign Economic Activity
in the Sphere of Agroindustrial Production

Article 17. State Regulation of the Export and Import of Agricultural
Products, Raw Materials and Foodstuffs

1. The export and the import of agricultural products, raw materials and foodstuffs shall be effected taking into account the need to protect the interests of the domestic commodity producers in the sphere of the agroindustrial production and to provide for the foodstuff security of the Russian Federation.

2. The Government of the Russian Federation shall take measures, in conformity with the generally recognized norms of international law and with the federal laws, in the interests of the foodstuff security of the Russian Federation:

- of a defensive, protectionist nature in the cases, when the saturation of the market with agricultural products, raw materials and foodstuffs may be ensured by the domestic production, or if the import leads to a deterioration in the situation in its branches and to a reduction of the domestic agricultural commodity producers' profits;

- those involved in encouraging the export of agricultural products, raw materials and foodstuffs, if this does not upset the domestic market stability.

The protectionist measures shall be launched either in the form of quantitative restrictions or of introducing the customs duties in such amount and for such a term, which may prove to be necessary to eliminate essential damages or to prevent the threat of causing these.

3. The Government of the Russian Federation shall lay down the procedure and the terms for the introduction and the application of the threshold prices, on whose base the customs duties shall be fixed.

The threshold price shall be computed on the basis of the prices, which have been formed on the domestic market of the Russian Federation for the individual kinds of agricultural products, raw materials and foodstuffs.

4. A part of the means, derived from the payment of the export and of the customs duties, and also from the other dues, levied on the agricultural products, raw materials and foodstuffs, equated to these, shall be directed towards the state support of the agricultural production.

The volume of the utilization of the said means shall be determined by the federal law on the federal budget for the respective year.

Chapter V
State Support to the Development of Science
and to the Performance of the Scientific Activity
in the Sphere of Agroindustrial Production

Article 18. State Support to the Principal Lines in Science and in the
Scientific Activity in the Sphere of Agroindustrial Production

The principal lines in the science and in the scientific activity, which enjoy the state support, shall be:

- the fundamental and the applied scientific studies;

- the state programmes in the sphere of the development of science and of the performance of the scientific activity;
- the training, improving the qualifications and the re-training of specialists at the respective educational establishments;
- the activity of the consulting and of the informational services.

Chapter VI
State Regulation of the Development of the Social
Sphere in the Village

Article 19. State Support to the Social Sphere in the Village

1. The state support to the development of the social sphere in the village from the federal budget shall be rendered under the federal goal-oriented programmes in the sphere of the social development in the village, and also in the form of the subsidies, granted to the local budgets, in conformity with the procedure, laid down by the currently operating legislation.

2. The subjects of the Russian Federation shall render the state support to the development of the social sphere in the village in conformity with the laws and with the other legal normative acts of the subjects of the Russian Federation.

Chapter VII
Enactment of the Present Federal Law

Article 20. Enactment of the Present Federal Law

The present Federal Law shall come into force as from the date of its official publication.

To order to the Government of the Russian Federation that it bring its legal normative acts into correspondence with the present Federal Law.

President
of the Russian Federation

B. Yeltsin

Moscow, the Kremlin
July 14, 1997
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