

The impact of WTO membership on Russian dairy industry

(The case of Leningrad oblast and St. Petersburg)

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Abstract

The following Master's thesis addresses the issue of the impact of WTO membership on Russian dairy industry and in particular on dairy cluster of St. Petersburg and Leningrad Oblast. The analysis of competitive environment on global and local dairy market is conducted with the subsequent assessment of the market for raw milk in the region. Chronologically, the history of mergers and acquisitions is scrutinized since the establishment of market economy in Russia.

Measures of government support of dairy producers in Leningrad Oblast during 2012-2014 were analyzed and assessed from the producers' side. A regression model was used to measure the impact of the WTO membership, Russian food embargo of 2014, key input prices and government support on the output of milk in Leningrad Oblast. Two main conclusions can be drawn from the regression analysis. WTO membership has no significant impact on the existing relationship among the variables. And among these variables mixed feed prices and the volume of government support are more influential than the value of import.

Finally, one of the most general conclusions of the study is that a shift towards export-oriented crop farming negatively affects profitability of animal husbandry in Russia. On its turn, this shift is one of the most fundamental indirect consequences of Russia's WTO membership.

Ключевые слова: сельское хозяйство, молочное животноводство, регрессионный анализ, ВТО

Keywords: agriculture, dairy husbandry, regression analysis, WTO