



MOSCOW RUSSIA

Title of Practice

MOSCOW: AN ACCESSIBLE WHOLESALE MARKET SUPPORTING SMALL BUSINESSES

Milan Urban Food Policy Pact Category

FOOD SUPPLY AND DISTRIBUTION

Main impacts on other
MUFPP categories



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Context

Moscow is the largest Northern megalopolis of Russia, hosting approximately 12 million people, 10 percent of the entire country's population. The economy of Russia has shown rapid development in recent years and consumer food expenses have doubled over the last three years. While the city consumption trend is rising, **the country lacks adequate food production for its population** and is thus becoming one of the largest importing countries for agricultural and food products in the world. This condition poses a challenge to the stability of the food market and the overall food security of the population. The food policy of the city targets these issues, focusing on ensuring the **physical and economic availability of quality food for all citizens** through the creation of a favorable and competitive environment for producers, supporting small and medium businesses. Furthermore, considering the fact that substantial quantities of food come into the city via wholesale distributors and traders, the development of interregional and international cooperation in the food sector, and the **development of infrastructure** and food product distribution, have been recognized as priority areas of intervention to foster food security. This is a key issue for Moscow, where the majority of trading enterprises were established in the pre-reform period and have faced serious logistical challenges. In response, the Municipality of Moscow decided to build a cutting-edge food distribution infrastructure – an “agri-food cluster”.

Overview of the food practice

The first wholesale **agricultural-product cluster** (named “The Food City”) opened in September 2014. It is located in the city, close to federal highways and the airport, which is an advantage for both suppliers and buyers. The site covers an area of 91 ha. Its projected capacity can handle purveyance of 700 000 tonnes of edible products and meet about **30 percent of Moscow's needs** in fresh vegetables, fruits, meat and fish. The products sold in the cluster come from 40 countries and 56 regions of Russia, further enriching the food supply of the capital. Additionally, within the cluster, food safety and prices are strictly monitored. From a logistical point of view, the Food City's trading system has no analogues in the country, gaining competitive advantage through a “cross-dock system”. An additional channel for the supply of domestic food to Moscow are **local fairs** and the festival “Moscow Seasons”. These events are organized to provide Muscovites with fresh regional food while supporting local small business. One example is the annual “Fish Week”, with a rich cultural programme dedicated to fish trading and cooking, including creative workshops and tastings of fish from different regions of the country in the capital's shops and markets. The strategy for develop-

ment of fairs and festivals is not only aimed at providing quality and healthy food products from all over the country, but also at promoting the historical, cultural and social components of the Russian regional food systems by conducting free master classes, concerts, exhibitions, theatrical performances and guided tours. The events are sponsored by the Municipality, which provides funding to support such initiatives, thus further reducing the levels of food insecurity.

Results and lessons learned

The cluster system, which represents an innovative form of food distribution within the Russian context, produced several results. First, the supply of fresh products to the city has increased, supporting market stability. In turn, **food accessibility** has increased, both in terms of physical and economic access. Considering the fact that trading at “The Food City” is implemented without the trading fee, food prices are below average retail prices, which is attractive and encouraging for low-income citizens. Second, the cluster system benefits the national agricultural producers, who have guaranteed sales of their products at competitive prices. In addition, the site offers free buses to the nearest metro stations, further increasing accessibility, especially for elderly and mobility-impaired citizens. Such results have not been achieved by the creation of the cluster alone. The Municipality has actively sponsored **food festivals**, which are socially and economically significant for the city and its population. Each festival is visited by approximately 8 million people, including residents and guests from different cities of Russia and the world. Within this framework, no fewer than 480 free shopping places are offered to small business companies. This benefits both the producers, for obvious reasons, as well as the consumers, who have access to quality food at lower prices. The Russian capital is therefore a great example of innovation within the food systems' supply and distribution areas, implemented in a country highly dependent on imported products. The cluster system, supplemented by the organization of cultural events, has contributed to **the reduction of food insecurity** among the population and to the **development of local small businesses**.



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FRESH FOOD FROM



56
regions
of Russia



40
countries

FOOD CITY AGRICLUSTER



91 ha
site

700 000
tonnes of fresh food



30%
of Moscow needs



- <https://foodcity.ru/en/>
- Presidential Decree № 120 «On adoption of the Russian Federation food security Doctrine».
- Moscow City Law № 39 «On food security of Moscow» (Via redaction on 16.07.2014 the concepts of agri-food cluster and managing organization have been introduced. State support is provided).
- Decree of the Government of Moscow № 172 (approval of the Procedure of organization of fairs and sale of goods (performance of works, rendering of services) on the territory of Moscow).