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## Is It Possible to Change Arctic Fish Pricing?

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**Abstract.** The purpose of the article is to show the necessity of reducing wholesale domestic prices for Arctic fish and to propose economic methods for solving this problem. The relevance is associated with an unreasonable increase in wholesale prices, which are the basis of retail prices, resulting in a decrease in the consumption of local fish. The increase in wholesale prices of fisheries in 2014-2015 and in the subsequent period is analyzed. The fundamentals of the world doctrines of cost and value are given, and the absence of factors to justify the increase in wholesale prices on the basis of the labor theory of value is shown. The data on the unreasonably close relationship between wholesale prices for fish in the domestic market of Russia and the exchange prices at which fish products exported to the European Union countries are presented. The possibility of reducing wholesale domestic prices by increasing the supply of fish to the domestic market of Russia in order to achieve the threshold values of the figures indicated in the Doctrine of Food Security is shown. In order to replace exchange foreign prices used in the domestic market of Russia, the need to develop a methodology for determining wholesale prices for the main types of Arctic fish, primarily currency-intensive ones, is substantiated.

**Keywords:** *Arctic, fish industry, consumption, food security, price*

### Introduction

“The main problems of the fishing industry, including the Arctic region, concerning the rational use of aquatic biological resources (ABR) in connection with economic and food security, were considered at the meeting of the Presidium of the State Council of the Russian Federation on October 19, 2015” [1, Vasilyev A. M.]. Despite extensive criticism by the President of the Russian Federation of high prices for fish products, which had already existed during the period of the State Council meeting, the meeting participants did not propose any measures to limit their growth. The FAS report “On measures to limit the growth of prices for fish products”<sup>1</sup>, presented to the President in July 2016, did not give positive results either — prices continued to increase and made most types of products unaffordable for the general public. The criticism and proposals of the majority of speakers at the State Council related to retail prices and were limited to administrative restrictive measures that the Government of the Russian Federation did not consider necessary to implement.

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<sup>1</sup> Доклад «О мерах, направленных на ограничение роста цен на рыбную продукцию» [Report “On measures aimed at limiting the rise in prices for fish products”]. URL: [fas.gov.ru/attachment/152302/download...](https://fas.gov.ru/attachment/152302/download...) (accessed 12 February 2023).

In 2014–2015, the Russian ruble depreciated against the US dollar. In December 2015, it began to cost 69.68 rubles, which is 2.12 times more expensive than the level of the ruble at the end of 2013. If we look at the graph of changes in selling prices for chilled cod, obtained from the Murman Association of Coastal Fisheries and Farmers, we will see that they also increased more than 2 times during this period (Fig. 1). In subsequent years, fluctuating (seasonal) changes in the price of coastal cod occurred at this new high level, with an overall upward trend similar to prices for frozen cod sold mainly abroad.

Coastal fishing in the Barents Sea is carried out in the Russian economic zone; the fish is fully sold on the territory of the country. The coastal fishery has no relation to the US currency, and therefore, the owners of enterprises had no reason for prices to rise following the dollar exchange rate.

The increase in wholesale prices for the main types of Arctic frozen fish products in 2014–2015, against the background of ruble devaluation, was observed in even larger values (Table 1). Thus, the selling price for frozen cod more than doubled in 1.5–2 years. The increase in prices for other types of fish, including the so-called “social” ones, despite the criticism of the President of Russia V.V. Putin at a meeting of the Presidium of the State Council in October 2015, ranged from 76.2% (mackerel) to 125.9% (capelin).

The growth rate of wholesale prices of producers (fishermen) for 2 years, given in Table 1, was not much less than their increase for 2000–2014, that is, for 14 years of a relatively stable ruble exchange rate. As a result, the share of fishermen in the retail price has increased dramatically. While in 2014, it was 30%, then in 2015 it increased to 85%<sup>2,3</sup>. The economic and financial indicators of fisheries improved: economic turnover increased by 2.06 times; balanced result — by 3.59 times. Economic turnover growth rate in 2014–2015 was significantly higher than the growth rate of costs, and as a result, the profitability of sales of fish products was higher than in 2013 by 40.3% (67.3 — 37.0)<sup>4</sup>.

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<sup>2</sup> O razvitii rybokhozyaystvennogo kompleksa Rossiyskoy Federatsii: rabochaya gruppa prezidiuma Gosudarstvennogo soveta [On the development of the fishery complex of the Russian Federation: working group of the Presidium of the State Council]. URL: [http://vniro.ru/files/Gossovet\\_doklad.pdf](http://vniro.ru/files/Gossovet_doklad.pdf) (accessed 08 February 2023).

<sup>3</sup> Nauchnye i prikladnye osnovy ustoychivogo razvitiya i modernizatsii morekhozyaystvennoy deyatel'nosti v zapadnoy chasti arkticheskoy zony Rossiyskoy Federatsii: otchet o NIR (promezhut.): 0226-2019-0022 [Scientific and applied foundations of sustainable development and modernization of marine economic activities in the western part of the Arctic zone of the Russian Federation: research report (interim): 0226-2019-0022]. Luzin Institute for Economic Studies — Subdivision of the Federal Research Centre “Kola Science Centre of the Russian Academy of Sciences”; sci. lead. Vasilyev A.M.; resp. perf.: Vasilyev A.M., Vopilovskiy S.S., Fadeev A.M. [et al.]. Apatity, 2020, 128 p.

<sup>4</sup> Rybokhozyaystvennyy kompleks Murmanskoy oblasti / Federal'naya sluzhba gosudarstvennoy statistiki, Territorial'nyy organ Federal'noy sluzhby gosudarstvennoy statistiki po Murmanskoy oblasti [Fishery complex of the Murmansk Oblast / Federal State Statistics Service, Territorial body of the Federal State Statistics Service for the Murmansk Oblast]. Murmanskstat, 2016, 43 p.

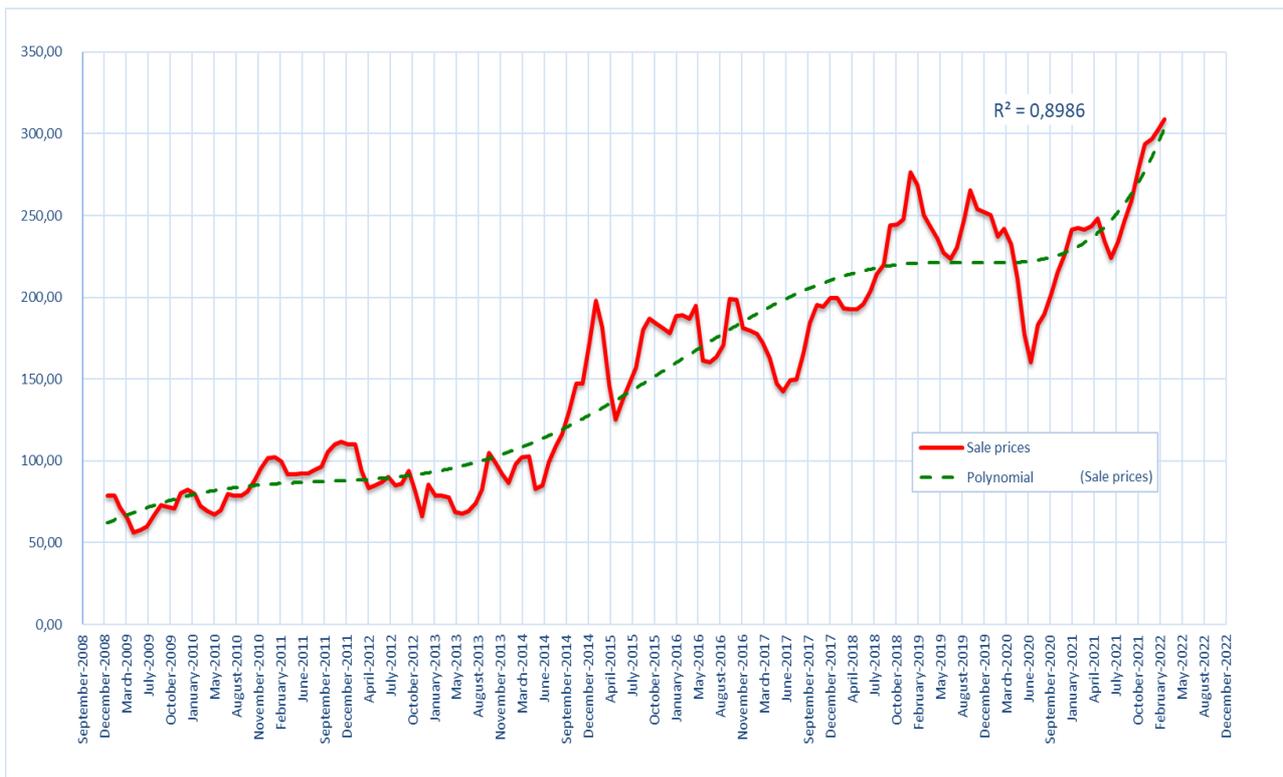


Fig. 1. Changes in the selling price of 1 ton of cod (chilled, gutted, headless) in 2009–2022, thousand rubles <sup>5</sup>

Table 1

*Change in selling prices for frozen fish products in 2014–2015 in the northern basin <sup>6</sup>*

Fish species	2013	2014	2015	Ratio of prices in 2014 to their level in 2013, %	Ratio of prices in 2015 to their level in 2013, %
Cod	76	147	176	193.4	231.6
Haddock	112	133	138	118.7	123.2
Halibut	201	315	385	156.7	191.5
Capelin	27	42	61	155.6	225.9
Herring	43	66	97	153.5	225.6
Mackerel	63	78	111	123.8	176.2
Blue whiting	18	19	39	105.5	216.7

### *Main part*

There are two main theories of pricing in the world: the labor theory and the theory of marginal utility. According to the labor theory, the cost of goods is determined by an objective value — the amount of socially necessary labor. It characterizes the behavior of producers. The theory of marginal utility considers the sphere of behavior of consumers of useful goods. The value of a good is measured by marginal utility — the utility of an additional unit of the good.

The founders of the first theory are the English economists A. Smith, W. Petty, D. Ricardo and K. Marx. Austrian economists K. Menger, O. Böhm-Bawerk and others made a great contribution to the development of the second theory.

<sup>5</sup> Source: compiled by the authors based on data from the Murman Association of Coastal Fisheries and Farms.

<sup>6</sup> Compiled by the authors. Source: «Rybnyy Kur'er-Profi: ezhenedel'nyy byulleten' o mezhdunarodnom rybnom biznese» [“Fish Courier-Pro: weekly newsletter about the international fish business”], 2013, No. 48 (467), No. 51 (470); 2014, No. 49 (519); 2015, No. 49 (570).

Petty W. became the founder of the labor theory of value. His main scientific work is considered to be the monograph "Economic and statistical works" [2, Petty W.], A. Smith separated "use value" from "exchange value", proposing a macroeconomic analysis of the distribution of value [3]. The main scientific work of D. Ricardo is "Principles of political economy and taxation", in which he developed the theory of value created by A. Smith. He considered the main task of political economy to be the definition of the laws governing the distribution of the product between classes [4], the theory of value was further developed in the works of K. Marx [5, p. 153].

Menger K. is the founder of the Austrian school in the economic theory of marginal utility. He rejected the labor theory of value and believed that value is subjective and does not exist outside of human consciousness, and labor spent on the production of a good is neither a source nor a measure of its value. Menger believed that value is not an objective property of a thing. Value is an individual's judgment of a good. Therefore, the same good can have different values for different people. The necessary conditions for a good to possess value are the following:

- its utility for a given individual;
- rarity.

The subjective value of a good is determined by the utility of the last unit of the consumed good. In the theory of K. Menger, value is given through the idea of diminishing marginal utility of a good [6].

Eugen von Böhm-Bawerk substantiated his own view of the theory of marginal utility in the monograph "Fundamentals of the theory of the value of economic goods". His main contribution to the world science is the idea that the constantly existing difference between the value of a product and the total cost of production (i.e. profit) determined by its value depends on the duration of the production period [7]. In the book "Critique of the theory of K. Marx", he developed the theory of "marginal utility". Böhm-Bawerk's criticism of Marx's theory became the basis for defending the market economy from accusations of exploiting the working class [8].

As a source of easily digestible and complete animal protein, the biological value of which is equal to the protein in meat, fish has some valuable properties that, from the consumers' point of view of useful goods, is a more valuable product compared to meat [9, Selin V.M., p. 141]. Supporters of high prices for fish products note this in the scientific literature and at scientific conferences. These factors are taken into account to a certain extent in the formation of exchange and other market prices.

It is not possible to justify the price increases for fish products in 2014–2015, shown in Table 1, on the basis of the labour theory of value, which is used in Russia in determining prices, because the costs per 1 ruble of fish products, compared to 2013, decreased by 14.5 kopecks (71.3 ÷ 56.8), that is, by 20.3%. The increase in the cost of production was higher than the increase in costs and prices could be reduced. However, the owners and employees of fishing enterprises managed to convince public opinion, and possibly the Government of the Russian Federation, that production costs, primarily for fuel, are growing at a fast pace and an increase in prices for fish

products is necessary. For example, the article “Fish prices break records. Who is guilty?” on the business news site Konkurent.ru, in particular, says: “Due to the high price and the decline in the welfare of Russians, demand in Russia is shrinking, and industry enterprises can survive only through sales in markets where demand is stable. That is, exclusively in the foreign market. The other side of the problem is cost pressure. Companies are faced with a significant increase in the cost of fishing. Fuel is growing, taxes and fees for bioresources are growing. All this leads to the fact that enterprises are forced to raise prices as much as possible in order to survive. Because of this, sales in Russia are falling and all companies are orientated towards export. The rest of the fish, not sold for export to rich countries, is bought in small batches by Russian traders to meet the needs of that Russian stratum that can afford to buy any fish at any price”<sup>7</sup>. What is true in this article? Is it incompetence or unreasonable support of fishermen? Tax system in the period 2015–2022 was stable. The rates of fees for bioresources increased only from 2023.

In our opinion, the most justified reason for price increases by commercial fishermen is their reference to the growth of Oslo exchange prices, which they use as export and domestic wholesale prices. The Northern Basin fishermen believe that they have the right to sell fish products at export prices, calculated taking into account the incomes of the population of Norway and the European Union, on the domestic market of Russia. This conclusion, in particular, confirms the statement of the executive director of the Fish Union S. Gudkov, made to the correspondent of the Izvestia newspaper in 2014: “The price of cod is tied to foreign currency, the guideline for fishermen is the price for which this fish can be sold to anyone on the world market for dollars. A certain price for cod is kept, the ruble is devalued. In order not to suffer losses due to the difference between the domestic market and the foreign market, fishermen raise prices for Russia”<sup>8</sup>. A similar opinion, judging by the scientific publications and statements of managers of various ranks, is shared by the majority of specialists related to the development of fisheries. The weekly bulletin on the international fishing business Fish Courier-Profi publishes hundreds of articles and reports discussing the topic of high prices for fish products. However, the issue of the legitimacy of the use by Russian fishermen of high exchange prices determined on European and American exchanges is not considered<sup>9</sup>. In the above interview with S. Gudkov, there is also no conclusion about the legitimacy of using foreign exchange prices in the domestic market of Russia. In this regard, it should be noted that the prices for fish products in Russia, determined by foreign retailers and suppliers, were condemned by the President of Russia V.V. Putin at the meeting of the Presidium of the Russian Federation on October 19, 2015. Later, the President criticized the use of export prices on the Russian market at a meeting with leaders of large Russian businesses. The FAS and the Federal Tax

<sup>7</sup> Tseny na rybu b'yut rekordy. Kto vinovat? [Fish prices are breaking records. Who is guilty?]. URL: <https://konkurent.ru/article/46677?ysclid=led0s6lox8535641383> (accessed 18 February 2023).

<sup>8</sup> Lyalyakina A. Rost dollara dovel tseny na tresku do istoricheskogo maksimuma [A rising dollar has driven cod prices to an all-time high]. URL: <https://iz.ru/news/578765?ysclid=led1bsfixz95000251> (accessed 18 February 2023).

<sup>9</sup> «Rybnyy Kur'er-Profi: ezhenedel'nyy byulleten' o mezhdunarodnom rybnom biznese» [“Fish Courier-Pro: weekly newsletter about the international fish business”], no. 473-931.

Service were instructed to analyze the formation of the wholesale price for fish products, the margins of intermediaries and retailers. In July 2016, the report “On measures aimed at limiting the growth in prices for fish products” was presented to the President. However, there was no analysis of the formation of the wholesale price for fish.

Figure 2 shows that changes in wholesale (selling) first-hand prices for cod and haddock used by fishing enterprises in the domestic market are identical to some extent to export prices determined at the Oslo (Norway) exchange. Wholesale price level on average for 2013–2021 is only 4.2% lower than the exchange prices for headless gutted cod, and 7.0% — for haddock. In some years, wholesale prices are higher than exchange prices, which, in our opinion, is not acceptable in this case. Domestic wholesale prices serve the needs of the national economy and should be formed taking into account the internal market conditions of the country, which are much lower in Russia than in the countries of the EEC and Norway, importing in the last 10 years from 88% to 91% of the total volume of export products of the Murmansk Oblast<sup>10</sup>. However, *some fish producers in the Northern Basin say that they have the right to sell fish products in Russia even more expensive than for export, as they incur additional costs*. Precedents of higher wholesale prices than export prices can be seen in Fig. 2. It should also be noted that officials of the Ministry of Agriculture at various levels also believe that fishermen have nothing to do with high prices for fish, while in fact their share in the retail price is more than 50%. Thus, the head of Rosrybolovstvo (Federal Agency for Fishery), I. Shestakov, says that “...the fish price is charged by resellers, not fishermen”<sup>11</sup>.

<sup>10</sup> Rybokhozyaystvennaya deyatel'nost' v Murmanskoy oblasti / Federal'naya sluzhba gosudarstvennoy statistiki, Territorial'nyy organ Federal'noy sluzhby gosudarstvennoy statistiki po Murmanskoy oblasti [Fishery activities in the Murmansk Oblast / Federal State Statistics Service, Territorial body of the Federal State Statistics Service for the Murmansk Oblast]. Murmanskstat, 2022, 48 p.

<sup>11</sup> Glava Rosrybolovstva: nakrutki na tsenu ryby delayut perekupshchiki, a ne rybaki [Head of Rosrybolovstvo: resellers, not fishermen, make markups on the price of fish]. URL: <https://fish.gov.ru/obzor-smi/2021/10/04/glava-rosrybolovstva-nakrutki-na-czenu-ryby-delayut-perekupshhiki-a-ne-rybaki/> (accessed 18 February 2023).

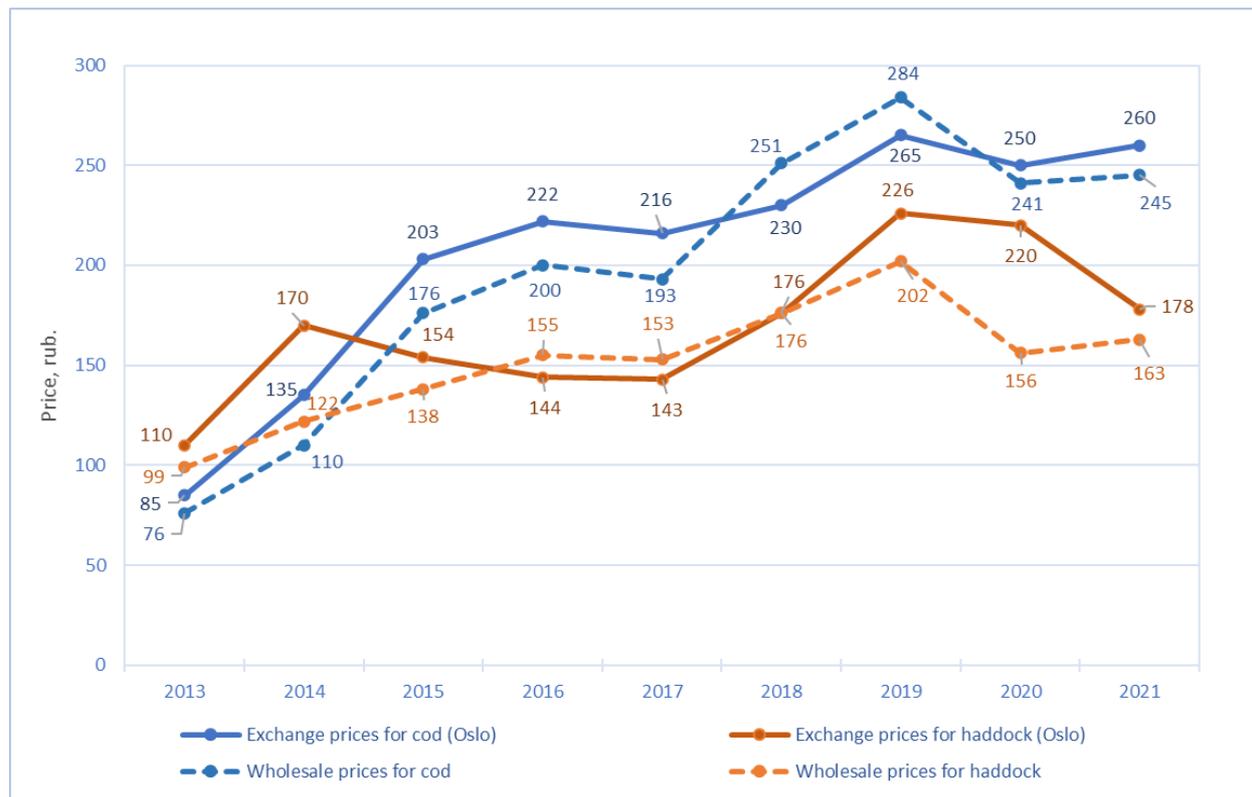


Fig. 2. Exchange and wholesale prices for frozen cod and haddock<sup>12</sup>.

In the current situation, it should be taken into account that the incomes of the population in these countries, which, along with other factors, determine the price and demand for fish products, differ significantly from Russian conditions<sup>13</sup>. It should also be noted that wholesale prices for the so-called “social” fish species — blue whiting, herring, capelin and mackerel — contrary to the assertions of fishermen about responsible fishing, exceeded in 2021 their level of 2013 by 2.33; 2.64; 2.42 and 2.36 times, respectively. Russian prices for the listed fish species are higher than the prices determined at the stock exchange in Oslo, due to the high efficiency of the Norwegian purse-seine fishery, which Russian fishermen do not use. In addition, the listed fish species, except for mackerel, are largely used for the production of fishmeal and fat. The ban on the import

<sup>12</sup> Sources: Rybnyy Kur'er-Profi: ezhenedel'nyy byulleten' o mezhdunarodnom rybnom biznese za 2013-2021 gg. [Fish Courier-Pro: International Fishing Business Weekly Newsletter 2013-2021]; Dannye o tsenakh na moreprodukty na mirovykh optovykh rybkakh: 25-ya nedelya 2017 [Data on prices for seafood on world wholesale markets: week 25, 2017]. URL: <http://fishkamchatka.ru/articles/world/20160/> (accessed 18 February 2023); Tseny moreproduktov na mirovykh optovykh rybkakh: 9 nedelya 2018 [Seafood prices on global wholesale markets: week 9, 2018]. URL: <https://ribnox.ru/ceny-moreproduktov-na-mirovykh-optovy/> (accessed 18 February 2023); Dannye o tsenakh na moreprodukty na mirovykh optovykh rybkakh: 8-ya nedelya 2019 [Data on seafood prices on global wholesale markets: week 8, 2019]. URL: <https://www.fishnet.ru/news/rynok/dannye-o-cenah-na-moreprodukty-na-mirovykh-optovykh-rybkah-8-ya-nedelya-2019/?ysclid=lee0ksymzo570385889> (accessed 18 February 2023); Obzor rossiyskogo i mirovogo rybnogo i moreproduktov po sostoyaniyu na 02.07.2021 [Review of the Russian and world fish and seafood markets as of 02.07.2021] URL: [http://www.kaicc.ru/sites/default/files/ryba\\_rf\\_02.07.2021.pdf](http://www.kaicc.ru/sites/default/files/ryba_rf_02.07.2021.pdf) (accessed 18 February 2023); Rybnye ryady. Obzor situatsii na rynke ryby [Fish rows. Review of the situation on the fish market]. URL: [nfr.ru/media/files/monitoring/2021...13.12.2021.pdf](http://nfr.ru/media/files/monitoring/2021...13.12.2021.pdf) (accessed 18 February 2023).

<sup>13</sup> «Rybnyy Kur'er-Profi: ezhenedel'nyy byulleten' o mezhdunarodnom rybnom biznese» [“Fish Courier-Pro: weekly newsletter about the international fish business”], no. 473-931.

of capelin and herring from Norway prevents Russia from using cheap fish raw materials for the production of food products at relatively low prices.

The average purchasing power per capita in Europe in 2019 was 14.739 euros, which is 2.6 times higher than the Russian level of 5.660 euros<sup>14</sup>. This fact should be taken into account by the government and prevent the unjustified enrichment of fishermen, which has already been observed for 9 years. When something similar happened recently with vegetable oil and some other food products, then the government of the Russian Federation took appropriate measures, and the price situation was more or less normalized. Currently, FAS has achieved a reduction in retail margins for certain types of products, but fish was not among them.

### ***Solution of the problem***

Currently, the Government of the Russian Federation is preparing a document, according to which it is supposed to establish fixed prices for the so-called “social” fish — for the Arctic region, apparently, for herring, mackerel, capelin, blue whiting and some other fish species that are not of particular importance for export<sup>15</sup>. In our opinion, this is a temporary and not the best solution to the problem of reducing wholesale prices. Fishery is an economic sector, regulating of which by market and economic measures can bring the necessary results, including the reduction of wholesale producer prices to an acceptable level.

In accordance with the Constitution of the Russian Federation, marine stocks of fish and seafood within the territorial and 200-mile waters are the property of the state and are under the jurisdiction of the federal and regional authorities. By regulating the access of fishermen to fishery resources, it is possible to solve most economic problems, including the formation of rules for the exploitation of aquatic biological resources in the interests of the state and society.

Under the current conditions, the simplest and most effective solution to reduce wholesale and retail prices, in our opinion, is to create conditions for the implementation of the standards of the Food Security Doctrine, approved by the Decree of the President of the Russian Federation on January 21, 2020. The Doctrine provides for “... the formation of foreign economic policy in compliance with food security criteria”. In order to ensure this condition, the supply of domestic fishermen’s catches to the Russian market should provide 85% of the population’s consumption of fish in the amount of 22 kg per capita per year in uncut form. Consequently, Russian fishermen should annually supply to the domestic shore, excluding the population of new regions, 2744 thousand tons (18.7 kg \* 146.745 thousand people) of fish and seafood; including the population of new regions — approximately 2839 thousand tons (18.7 kg \* 151.800 thousand people). With the current total catch volume (approximately 5.0 million tons per year), 54.9% and 56.8% of this

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<sup>14</sup> Gorshkov A. GfK pokupatel'skaya sposobnost' v Evrope i Rossii [GfK purchasing power in Europe and Russia]. URL: <https://proza.ru/2021/05/04/1270> (accessed 20 February 2023).

<sup>15</sup> Rybu ravnyayut na sakhar. Rosrybolovstvo gotovit soglasenie o fiksatsii roznychnykh tsen [Fish is compared to sugar. Rosrybolovstvo is preparing an agreement to fix retail prices]. URL: <https://fishretail.ru/news/ribu-ravnyayut-na-sahar-rosribolovstvo-gotovit-432988> (accessed 20 February 2023).

value, respectively, should be delivered to the Russian coast, while 2011 thousand tons were delivered in 2020 (39.1%). For the Northern Basin, with joint liability, 349.0 thousand tons (55% of the average annual catch for 2018–2020) should be supplied, and only 29% of the total catch is supplied to the Russian coast [10, Vasilyev A.M., Lisunova E.A., p. 63].

Fishermen consider that the reason for the non-fulfillment of indicators of the Food Security Doctrine is the impossibility to sell the above-mentioned volumes of fish on the Russian market, which is true at current prices. It is necessary to reduce wholesale prices, which is not included in the plans of fishing companies. This confirms the conclusion: the implementation of the normative indicators of the Food Security Doctrine should lead to a decrease in prices for fish products. At the same time, the federal fishery management replaces the indicator of fish supplies to the Russian market with a self-sufficiency indicator, which in 2021 amounted to 153.2% (the ratio of the total catch to the recommended consumption rate)<sup>16</sup>.

It should be noted that the supply of fish to the Russian coast in the volumes prescribed by the Doctrine was not carried out during the period of the Doctrine in 2010–2019 [10, Vasilyev A.M., Lisunova E.A., p. 54]. In accordance with Chapter VII of the Doctrine “Mechanisms and organizational basis for ensuring food security”, it is proposed to designate the supply of fish to the Russian market in the rules of fishing as a prerequisite for obtaining quotas of biological resources for fishing in full. In order to stimulate the process of price reduction under the influence of the increased supply of fish products, in our opinion, it is advisable to cancel the payment for bioresources supplied to the Russian coast.

As shown above, in Russia, wholesale prices for trading on the domestic market are based on prices developed on the stock exchange in Oslo, which led to their overestimation in comparison with the purchasing power of Russians. The purchasing power rating of Norway is higher than in Russia in various indicators from 2.11 to 2.67 times<sup>17,18,19</sup>. Under such conditions, it is reasonable to develop Russian wholesale prices for fish products, including Arctic fish and seafood, as is done in our country for grain.

In our opinion, there are many similarities in the processes of production, processing and sale of fish, and the cultivation, processing and sale of grain: variety of types of products, annual and seasonal risks, sales on domestic and foreign markets, presence of intermediaries in trade chains, desire of owners to sell more grain and fish abroad, danger of exposure of the domestic and rising prices. At the same time, for grain trade in the country, there are both domestic prices, which do not allow a significant increase in the price of bread, and export prices; there are no

<sup>16</sup> Results of the activities of the Federal Fisheries Agency in 2021. URL: [https://fish.gov.ru/wp-content/uploads/2022/05/itogi\\_raboty\\_rosrybolovstvo\\_za\\_2021\\_god.pdf](https://fish.gov.ru/wp-content/uploads/2022/05/itogi_raboty_rosrybolovstvo_za_2021_god.pdf) (accessed 14 January 2023).

<sup>17</sup> Ranking of countries by GDP per capita (PPP). URL: <https://nonews.co/directory/lists/countries/gdp-per-capita-ppp> (accessed 20 February 2023).

<sup>18</sup> Rating of countries by purchasing power. URL: <https://take-profit.org/statistics/purchasing-power/> (accessed 20 February 2023).

<sup>19</sup> Rating of countries by purchasing power per capita. URL: <https://moshekam.livejournal.com/1910820.html> (accessed 20 February 2023).

prices for fish products. The cost of 1 ton of grain in the domestic market and in exports differs significantly. So, in 2022, the average prices for wheat in Russia in February were 15.501 rubles/t, and the average export prices in January were 1.55 times higher than domestic prices (24.069 rubles/t)<sup>20</sup>.

To calculate wholesale prices for grain, the Ministry of Fisheries has developed and uses a corresponding methodology<sup>21</sup>. The government of the Russian Federation is obliged to monitor the level of exports and the availability of grain in the country. Recently, the President of the Russian Federation Vladimir Putin warned the Government not to overdo exports. The same control procedure is provided for fish products, but is not being implemented.

Wholesale prices for fish products in our country are set by fish producers. As shown above, in the Arctic region, prices for frozen products are used as prices for frozen products set on the stock exchange in Oslo or close to them, which do not take into account the purchasing power of Russians. In this regard, it is advisable to develop a “Methodology for determining wholesale prices for fish products in order to implement the Food Security Doctrine”.

The main difficulty in its development, in our opinion, is related to determining the level of wholesale prices that ensure the normal functioning and creditworthiness of fisheries participants in the renewal of fixed production assets, as well as the economic availability of products to the population and coastal processing enterprises. To ensure this, a negotiated method of determining wholesale prices for the main fish species with the participation of fishermen, coastal processors and a third party can be used.

It should be noted that in many countries, fish products are sold at different prices. For example, in Norway, for frozen ship-produced products, first hand prices are exchange prices. To determine the price for cod caught by the coastal fleet, contract prices were used until recently, but now they are dynamic, consisting of the sum of 80% of fresh cod prices, 70% of frozen cod prices and 60% of the export index, divided by 3. In addition, small volumes of fish and seafood are sold fresh to the public at special prices.

The implementation of the Food Security Doctrine and the availability of reasonable wholesale prices for fish will serve as the basis for the formation of retail market prices for fish products that are affordable for the population.

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<sup>20</sup> Tseny na pshenitsu v Rossii i za rubezhom — obzor klyuchevykh tendentsiy [Wheat prices in Russia and abroad - overview of key trends]. URL: <https://agrovesti.net/lib/industries/cereals/tseny-na-pshenitsu-v-rossii-i-za-rubezhom-obzor-klyuchevykh-tendentsij-obnovlenie-na-aprel-2022-g.html> (accessed 20 February 2023).

<sup>21</sup> Prikaz Ministerstva sel'skogo khozyaystva Rossiyskoy Federatsii ot 29.10.2021 № 733 «Ob utverzhdenii Metodiki rascheta predel'nykh urovney minimal'nykh i maksimal'nykh tsen na sel'skokhozyaystvennuyu produktsiyu v tselyakh provedeniya gosudarstvennykh zakupochnykh i tovarnykh interventsiy» [Order of the Ministry of Agriculture of the Russian Federation dated October 29, 2021 No. 733 “On approval of the Methodology for calculating the maximum levels of minimum and maximum prices for agricultural products for the purpose of conducting government procurement and commodity interventions”]. URL: <http://publication.pravo.gov.ru/Document/View/0001202112230010?ysclid=led8776esn303198965> (accessed 20 February 2023).

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