



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 12/17/2002

GAIN Report #LH2003

Lithuania

Grain and Feed

Lithuania to Import More Feed Wheat and Barley

2002

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Report Highlights:

According to sources, Lithuania will import 100,000 metric tons (MT) of duty free grain during the balance of MY'02 (July/June) from Russia, Ukraine and/or Kazakhstan.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1], LH

Executive Summary

Sources indicate that for the remainder of MY 02, Lithuania's feed grain industry needs a total of 250,000 MT of grain. These sources also indicate that the Lithuanian government recently approved duty free access for 100,000 MT of feed grain, (70,000 MT feed wheat and 30,000 MT barley). Normally, Lithuania assesses a 40 percent duty on imported grain. It is expected that this grain will enter Lithuania duty free possibly as early as February 2003. It is likely that the grain will be purchased from Russia, Ukraine, and/or Kazakhstan at about 250 to 260 litas (\$74 to \$76) per MT.

Lithuania has a surplus of second class wheat which is used primarily for human consumption. The domestic prices for grain are high and not competitive against imported grain. The surplus government held intervention wheat was purchased at 400 to 420 litas (\$118 to \$124) per MT. According to our understanding of current Lithuanian government rules, all grain purchased at intervention prices should be sold at market prices. The feed sector hopes that the Lithuanian government will make 100,000 - 150,000 MT of government surplus wheat available for feed use at 300 to 320 litas (\$89 to \$95) per MT.