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Uzbekistan, Republic of

Grain and Feed

Grain Update

2007

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Report Highlights:

Uzbekistan wheat production in MY 2007/08 is estimated at 5.7 million tons, nearly the same the previous year's crop but slightly less than earlier forecasts. About half the crop is considered to be of milling quality. Both wheat and wheat flour from Kazakhstan enter Uzbekistan through official and unofficial channels. Wheat, wheat flour, and bread prices have all risen sharply in the past few months, presumably in keeping with rising prices in Kazakhstan and a possible crackdown on unofficial border transit.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ankara [TU1]
[UZ]

WHEAT

Production

Uzbekistan's MY07/08 wheat harvest was completed in July. Estimated planted area of 1.3 million ha equaled that of the previous year. Of this, irrigated land was approximately 1.02 million ha. Final official statistical data by regions is not yet available, but according to preliminary official figures, MY07/08 grain production totaled 6.25 million tons (MMT), about 95 percent wheat and the remainder barley. Some independent experts and observers, however, estimate this year's total grain production at 6.1 MMT. State agencies reportedly procured more than 2.2 MMT of wheat. The remaining wheat will be left at private farms' disposal. Only an estimated 50–55 percent of the wheat is suitable for food use. The remainder is used for feed and other purposes. Many private bakers prefer using Kazakh wheat flour, which is imported both officially and unofficially.

Uzbekistan, Republic of Wheat										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Est.	Post Estimate New	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New	
Mkt Yr Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007	MM/YYYY
Area Harvest	1450	0	1400	1300	0	1300	1300	0	1300	(1000 HA)
Begin Stocks	900	0	700	1200	0	886	1400	0	668	(1000 MT)
Production	5800	0	5736	5850	0	5782	6000	0	5734	(1000 MT)
MY Imports	200	0	100	650	0	355	400	0	493	(1000 MT)
TY Imports	200	0	100	650	0	355	400	0	493	(1000 MT)
TY Imp fm U.S	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	6900	0	6536	7700	0	7023	7800	0	6895	(1000 MT)
MY Exports	100	0	100	100	0	200	100	0	100	(1000 MT)
TY Exports	100	0	100	100	0	200	100	0	100	(1000 MT)
Feed Consump	900	0	900	1100	0	1055	1100	0	1100	(1000 MT)
FSI Consumpt	4700	0	4650	5100	0	5100	5300	0	5000	(1000 MT)
Total Consum	5600	0	5550	6200	0	6155	6400	0	6100	(1000 MT)
Ending Stocks	1200	0	886	1400	0	668	1300	0	695	(1000 MT)
Total Distribut	6900	0	6536	7700	0	7023	7800	0	6895	(1000 MT)
Yield	4	0	4.097143	4.5	0	4.447692	4.615385	0	4.410769	(MT/HA)

Local wheat prices

At the beginning of 2007 the price of locally produced third grade soft wheat was USD 87.30/ton. By the end of August it had increased to USD 102.10/ ton.

(Current exchange rate: UZS 1279.00 = USD 1.00)

Wheat flour production and prices

According to the data from the Statistics Committee, in the first six months of CY 2007 wheat flour production equaled 742,200 tons, 8.7 percent more than in the same period in 2006. According to official sources, wheat flour production is forecast to increase further in the second half of 2007. This year wheat flour prices increased continuously from the beginning of the year. In January the price of the highest grade of wheat flour was Uzbek Sums (UZS) 380/kg; by August it reached UZS 455/kg, a 17 percent increase. Imported Kazakh wheat flour now retails at UZS 800-1,200/kg, depending on grade, compared to 400-700/kg a few months ago. This has increased the demand for local wheat flour. (USD 1=UZS 1,279)

In spite of this year's good crop, over the last three months Uzbekistan has been experiencing some local shortages of wheat flour. Consequently, bread prices have risen considerably.

Uzbekistan: Bread price increases, Jan-Oct 2007			
(USD 1=UZS 1,279)	Price, January (UZS)	Price, October (UZS)	Increase
Second class	170	200	75 percent
First class	200	350	75 percent
Flat bread	200	400	100 percent

Some analysts attribute these shortages to the decline in official imports of Kazakh wheat flour, which is mainly used by the many small and medium bakeries for local bread production. Because a significant share of Kazakh wheat flour is imported into Uzbekistan unofficially, only rough estimates of volume are available. Kazakh official data indicates 143,000 tons of wheat were exported to Uzbekistan in 2006/07, but an additional 100,000-150,000 tons of flour is presumed also to have moved across the border. Two factors may be responsible for a reduction in flour movement from Kazakhstan to Uzbekistan in recent months; First, the government of Kazakhstan may have cracked down on unofficial border transit, and second, Kazakh wheat prices increased sharply, from \$160/ton in May up to \$260/ton in October, and wheat flour prices from \$500/ton in May up to \$900/ton. Nevertheless, many Uzbek bakeries remain willing to pay the higher prices.

Trade

According to trade related sources MY06/07 Uzbekistan's wheat exports are estimated at 200,000 tons of lower grades. The export destinations were reportedly Iran, Afghanistan and a few CIS countries. In MY07/08 Uzbekistan's wheat exports are forecast at 100,000 tons.