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Ukraine

Grain and Feed

Grains Monthly Overview

2008

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Report Highlights:

Ukraine anticipates one of its biggest crops in 10 years. Domestic prices are decreasing. The Government is trying to boost the price of wheat by purchasing stocks for the State reserve. July grains export numbers are high, but traders slowed purchases based on expectations that prices will continue to decrease.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Kiev [UP1]
[UP]

Policy

The Government of Ukraine (GOU) is watching the grains harvest and markets very closely. It hasn't yet interfered with the market but the Prime-Minister's office has started saying that that they are not pleased with the prices, which are going down due to an abundant crop. Today's GOU policy is intended to benefit producers.

The GOU plans to form a State Food Fund and procure up to 14% of the annual consumption. More specifically, the Prime-Minister announced that the Fund plans to purchase 800,000 tons of wheat and 78,000 tons of rye in marketing year 2008/2009.

The GOU has also decided on two measures to support grain infrastructure this year. First, the GOU will compensate the interest rates to companies and individuals who build inland silos. The other plan is to sell certain old silos that belong to the state company "Bread of Ukraine" and to build new silos which will be used for storage of purchased grain as a strategic reserve.

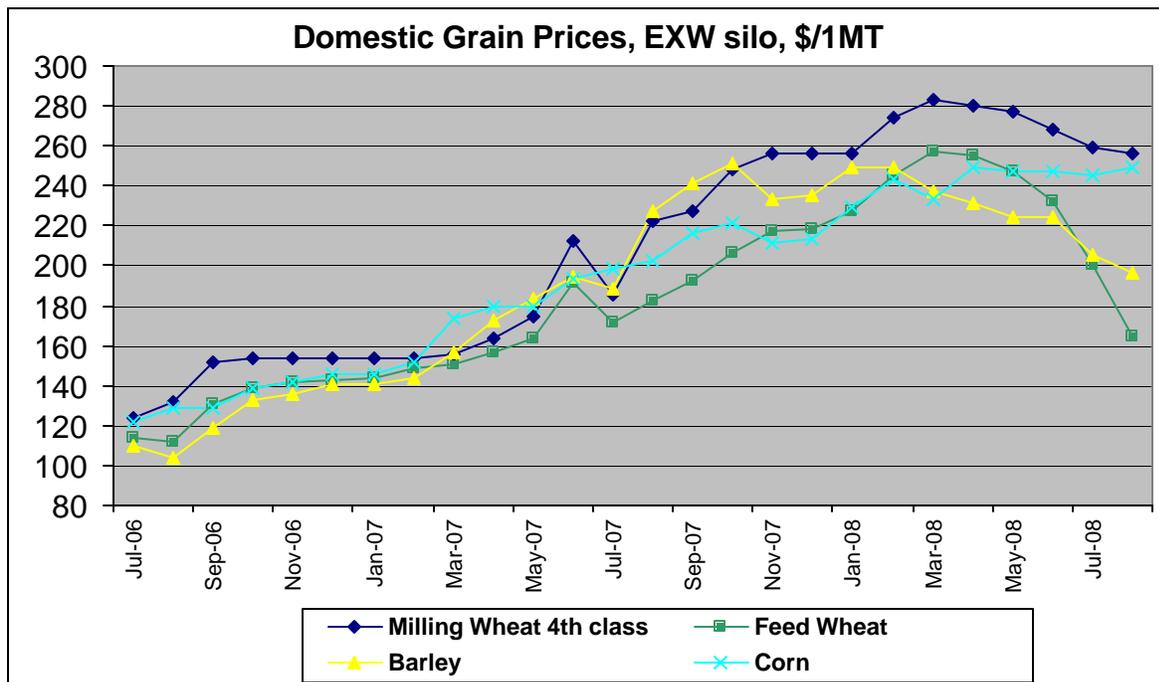
Production

According to the State Statistic Committee, as of August 1, were harvested 4.495.000 ha of wheat. This amount brings production amounts to 16,544,000 tons with a yield of 3,68 t/ha. Wheat production is higher by 24% and yield increased by 47% compared to the same date of last year.

Barley harvested area is 2,857,000 ha; production is 8,945,000 tons with a yield of 3,13 t/ha. Barley production is higher by about 40% with a yield two times last yield.

Market

Prices for all major grains are decreasing due to high production and supply from farmers. Trading companies are slowing down their purchases due to expectations that the price could continue to go down.

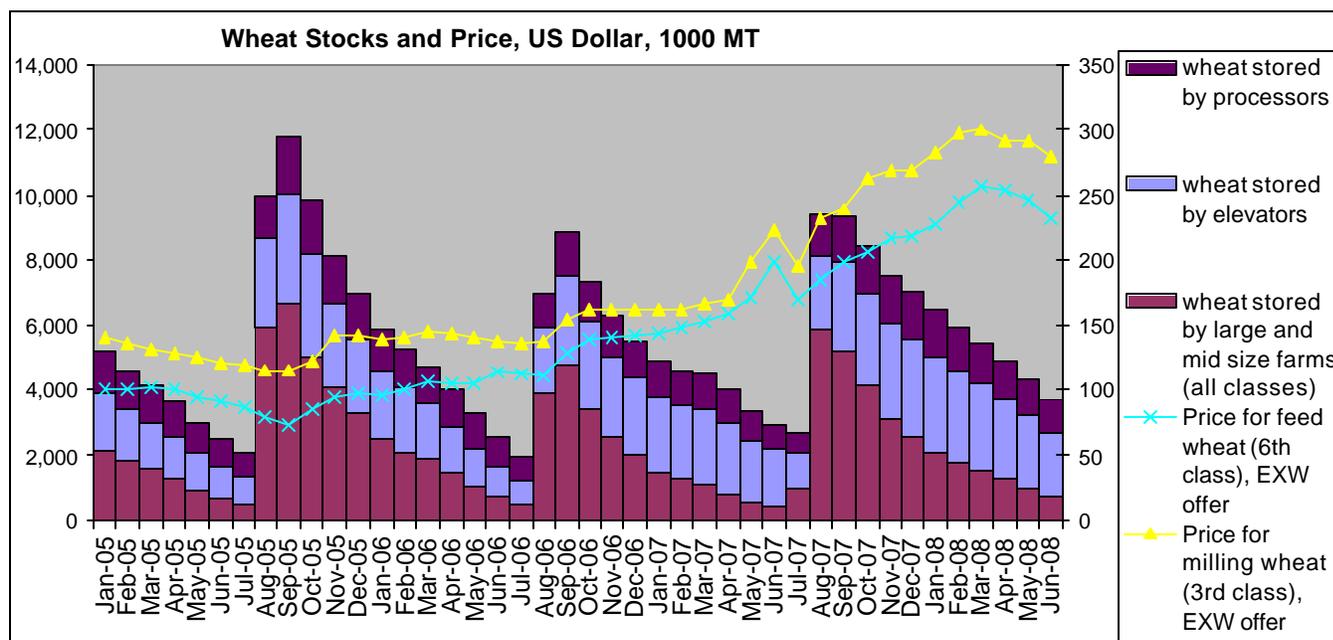


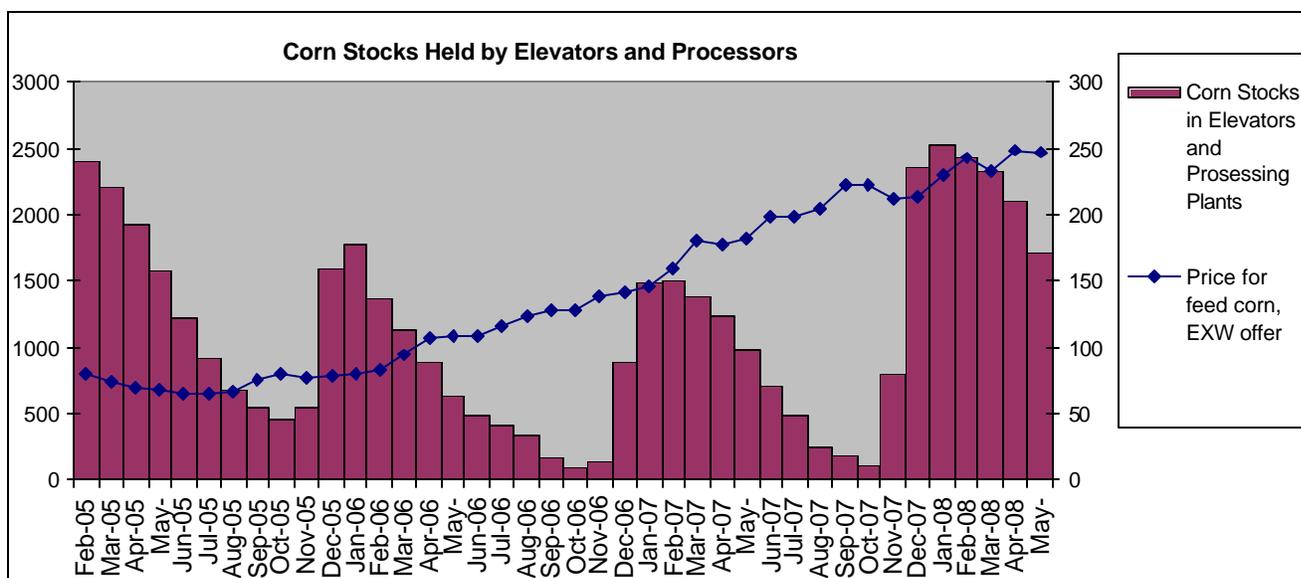
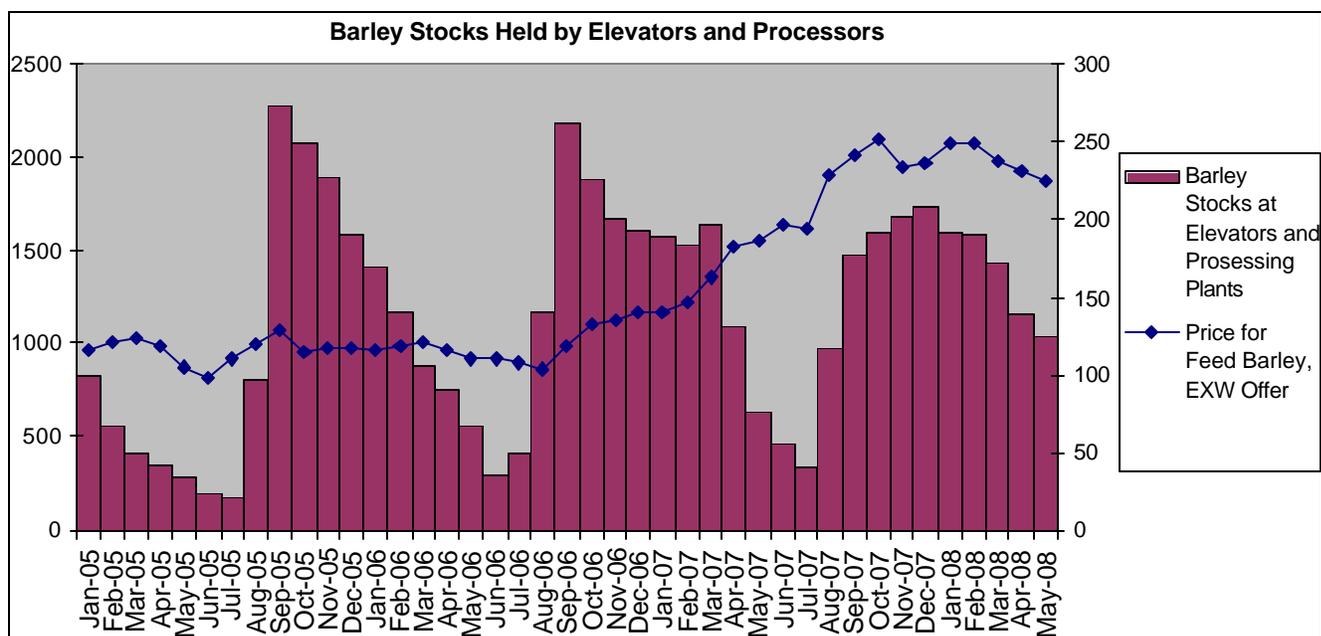
Export

Following the cancellation of grain export quotas, export volumes increased exponentially in June and July 2008. Official Ukrainian statistics show grain exports in June 2008 totaled; wheat = 483,000 tons, barley = 413,000 tons and corn = 486,000 tons. Total July-June wheat exports totaled 911,000 tons; barley exports totaled 1,040,000 tons and corn 1,600,000 tons. Official Ukrainian statistics show grain exports in June 2008 totaled; wheat = 600,000 tons, barley = 800,000 tons and corn = 274,000 tons. Please refer to the grain export tables (by month and destination) in the Statistical Tables Section.

Stocks

June 2008 grain stocks are 44% higher than June 2007 grain stock levels. According to inland silo industry information, silos are currently at full capacity, much higher levels than for an average year. The owners of these silos are also expecting to have some difficulties accommodating grain from the new record high crop. One time storage capacity of inland silos is estimated to be approximately 25-28 million tons for all crops, including oilseeds. Total 2007/2008 grain stocks amounted to 6.7 million tons on June 1 and about 0.7 million tons of oilseeds.





Statistical Tables

Wheat Exports by Month and Destinations for MY 2007/2008, 1000 MT

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	TOTAL
Israel	44	3	0	0	0	0	0	0	32	8	14	54	156
Jordan	0	0	0	0	0	0	0	0	0	0	25	74	99
Azerbaijan	0	0	0	0	0	0	0	0	0	0	11	49	59
Turkey	0	0	0	0	0	0	0	0	25	5	1	16	46
Spain	0	0	0	0	0	0	0	0	0	0	0	31	31
Spain	0	0	0	0	0	0	0	0	0	0	0	28	28

Bangladesh	0	0	0	0	0	0	0	0	24	0	29	0	53
Italy	10	0	0	0	0	0	0	0	24	0	15	16	65
Egypt	6	0	0	0	0	0	0	0	17	0	0	53	76
Belarus	0	0	0	0	0	0	0	1	7	0	0	0	8
Greece	0	0	0	0	0	0	0	0	7	7	9	25	47
Armenia	0	0	0	0	0	0	0	0	6	0	0	0	6
Libya	0	0	0	0	0	0	0	0	5	0	8	0	13
Poland	0	0	0	0	0	0	0	0	3	0	0	0	3
United Kingdom	0	0	0	0	0	0	0	0	3	3	0	0	6
Lithuania	0	0	0	0	0	0	0	0	1	0	2	0	3
Moldova	0	0	1	0	0	0	0	0	0	0	0	0	1
Uzbekistan	0	0	0	0	0	0	0	0	0	0	0	0	0
Tunisia	7	0	0	0	0	0	0	0	0	0	25	68	100
Russia	0	0	0	0	0	0	0	0	0	0	0	0	0
Kenya	38	0	0	0	0	0	0	0	0	0	1	0	39
Others	0	0	0	0	0	0	0	0	0	0	0	71	71
TOTAL	106	4	1	0	0	0	0	1	153	22	141	484	911

Source: State Statistics Committee of Ukraine

Barley Export by Month and Destinations for MY 2007/2008, 1000 MT

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	TOTAL
Saudi Arabia	0	0	0	0	0	0	0	0	110	42	209	159	520
Tunisia	0	0	0	0	0	0	0	0	0	0	15	28	43
Jordan	0	0	0	0	0	0	0	0	43	4	0	51	99
Turkey	0	0	0	0	0	0	0	14	32	6	0	0	51
Greece	0	0	0	0	0	0	0	0	16	7	1	0	24
Cyprus	0	0	0	0	0	0	0	0	15	13	11	34	74
Israel	7	0	0	0	0	0	0	0	14	4	0	19	44
Syria	0	0	0	0	0	0	0	16	7	9	0	54	86
Italy	0	0	0	0	0	0	0	0	6	0	0	0	6
United Kingdom	0	3	0	0	0	0	0	1	3	0	0	0	7
Belarus	0	0	0	0	0	0	0	0	2	1	2	5	9
Latvia	0	0	0	0	0	0	0	0	1	0	0	0	1
Russia	0	0	0	0	0	0	0	0	0	1	0	0	1
Moldova	0	0	0	0	0	0	0	0	0	0	0	0	0
Morocco	2	0	0	0	0	0	0	0	0	0	12	0	14
Uzbekistan	0	0	0	0	0	0	0	0	0	0	0	0	0
Libya	0	0	0	0	0	0	0	0	0	3	0	0	3
Iran	0	0	0	0	0	0	0	0	0	0	0	48	48
Others	0	0	0	0	0	0	0	0	0	0	0	16	16
TOTAL	9	3	0	0	0	0	0	31	249	89	250	413	1045

Source: State Statistics Committee of Ukraine

Corn Export by Month and Destinations for MY 2007/2008, 1000 MT

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	TOTAL
Lithuania	0	0	0	0	0	0	0	8	67	9	14	32	131
Greece	0	0	0	0	0	0	0	23	56	60	80	42	261
Russia	0	0	0	0	0	0	1	9	49	28	50	67	204
Cyria	0	0	0	0	0	0	0	0	0	0	0	34	34
Belarus	0	0	0	0	0	0	0	5	28	13	34	28	108
Bulgaria	0	0	3	0	0	0	0	16	25	0	10	0	54
Italy	0	0	0	0	0	0	0	0	22	20	66	57	165
Poland	0	0	0	0	0	0	0	0	17	23	62	52	154
Turkey	6	0	0	0	0	0	0	0	15	5	79	102	208
Cyprus	0	0	0	0	0	0	0	3	12	10	19	0	43
Armenia	0	0	0	0	0	0	0	3	11	0	0	0	14
Latvia	0	0	0	0	0	0	0	5	11	8	0	0	24
Netherlands	3	0	0	0	0	0	0	0	10	3	0	0	15
Moldova	0	0	0	0	0	0	0	0	9	2	0	0	11
Estonia	0	0	0	0	0	0	0	0	8	2	0	0	10
Georgia	0	0	0	0	0	0	0	0	7	4	0	0	11
Albania	0	0	0	0	0	0	0	0	5	0	0	0	5
Malta	0	0	0	0	0	0	0	0	3	0	0	0	3
Slovakia	0	0	0	0	0	0	0	0	2	0	0	0	2
Romania	0	0	0	0	0	0	0	1	1	0	0	0	1
Kazakhstan	0	0	0	0	0	0	0	0	0	0	0	0	0
Serbia	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	0	27	0	0	0	27	54
Azerbaijan	0	0	0	0	0	0	0	0	0	5	13	12	30
Others	0	0	0	0	0	0	0	0	0	0	37	33	37
TOTAL	9	0	3	0	0	0	1	101	358	191	464	486	1612

Source: State Statistics Committee of Ukraine

Export by Month and Destinations for MY 2008/2009, 1000 MT

Wheat	Jul-08
Spain	167
Tunisia	110
Israel	67
jordan	46
Pakistan	36
Turkey	21
Egypt	18
Lebanon	17
Sudan	16
Poland	14
Others	88
Total	600

Barely	Jul-08
Saudi Arabia	365
Jordan	128
Iran	97
Syria	75
Cyprus	35
Algeria	24
Kuwait	24
Israel	13
Lebanon	11
Kazakhstan	7
Others	21
Total	800

Corn	Jul-08
Russia	61
Syria	34
Turkey	33
Greece	28
Italy	22
Tunisia	19
Poland	17
Lithuania	13
Belorus	12
Algeria	12
Others	23
Total	274

Source: State Statistics Committee of Ukraine