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Grain and Feed

Annual

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Report Highlights:
Grain and pulse production in Ukraine in 2003 is forecast to decline to 32 MMT. This lower production will lead to a decline in wheat and barley exports by 65 and 17 percent respectively in MY 2003/2004 from the ever record exports estimated for the current marketing year.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Ukraine's 2002 production of grains and pulses (wheat, barley, corn, rye, oats, peas, buckwheat, millet and rice) will decline over 2001 production by 18% to an estimated 32 MMT. Reduced winter wheat plantings in Fall 2002 and high losses due to winterkill are the main reasons for this lower production estimate. Ukraine's MY 2003/2004 wheat exports will be significantly lower than the previous year. Nevertheless, Ukraine will remain a net exporter of wheat. Imports of milling quality wheat are forecast to increase in MY 2003/2004; however, it is doubtful that U.S. wheat could land in Ukraine at a competitive price due to high transportation costs and the existing import duty. Reduced wheat production will result in lower human consumption, feed utilization and stocks in MY 2003/2004. It is anticipated that feed processors will utilize more corn to compensate for reduced feed wheat availability. In MY 2003/2004, the Government of Ukraine (GOU) will attempt to implement stricter control over both the domestic grain market as well as grain exports. These actions will be taken in the run-up to the 2004 elections under the guise of combating the politically sensitive but inevitable rise in bread prices.

Section I. Situation and Outlook

Production

Wheat and rye. According to official sources, Ukrainian farmers planted 8.4 million hectares of winter grains in Fall 2002 as compared with 9.1 million hectares planted in 2001. Wheat is the major cereal crop grown in Ukraine. The area under winter wheat intended for grain (as opposed to grazing) declined to 6.7 million hectares. This reduction in winter crop sown area in Fall 2002 reflected low wheat prices at the time of planting. The profitability of grains in 2002 declined compared with the previous year while the profitability of sunflowerseed increased during the same period. (A comparison of the rate of return on investment for grain and sunflowerseed production is provided in Section II.)

The level of winterkill of Ukraine's 2002/2003 winter grain crop is believed by some analysts to be the highest in 20 years. Several factors converged to cause this high level of damage. First, approximately half of all winter crops were sown late in the season, leaving the less-developed plants more susceptible to frost damage. Then, unusually low temperatures were recorded in December 2002-January 2003 without benefit of a protective snow cover. Repeated fluctuations in temperature between freezing and thawing reduced winter-hardiness and destroyed young plants. More recently, for most of the month of February fields were covered with a crust of ice causing plant damage due to suffocation. However, current reports indicate that some winter wheat fields that were considered lost are now slowly recovering.

The initial forecast for winter wheat production in 2003 which is provided in the PSD table is based on the following three assumptions: winter wheat losses total 25% of the area planted; yields will be at a six-year average due to normal weather expectations in 2003 as opposed to the generally favorable weather in the previous year and extremely favorable weather in 2001; farmers will increase the area under spring wheat to 350,000 hectares.

Winter rye losses are believed to be lower at 9-10% since this crop is more cold resistant than wheat. The lower rye production forecast in 2003 as compared with the previous year is explained by lower planted area in Fall 2002.

Barley and Corn. Ukrainian farmers significantly increased the area under winter barley in 2002 because of higher feed barley prices as compared with feed wheat. According to official statistics, the area under winter barley increased up to 715,000 hectares in Fall 2002 compared with 625,000 hectares planted in Fall 2001. Winter barley, which is less resistant to cold than wheat comprises less than 10% of the winter crop and has suffered losses of up to 90% in the southern, central and eastern regions of Ukraine.

It is expected that farmers will replant perished winter wheat and rye with spring barley, corn, millet, buckwheat, other spring grains and peas. Therefore, the area under spring barley and corn in 2003 will increase compared with the previous year. Despite higher forecasted barley area in 2002, production is forecast to decline from the previous year's level in anticipation of lower yields.

In addition to normal weather expectations, another reason for the lower yield estimate in 2003 is late sowing. Warm weather in February and March 2002 allowed farmers to start spring fieldwork early and to complete barley sowing in Southern Ukraine by mid-April. Plantings only began the first week of April in this area, including Crimea and Odessa, and are believed to be two to three weeks behind the usual schedule. Such a late spring has already reduced the amount of time available for spring barley sowing this year to approximately three weeks compared with almost two months in 2002.

While corn yields in 2003 are forecasted lower than in the previous two years, corn production should increase over 2002 and 2001 levels due to expectations of higher planted area. Corn planting will also be delayed this year.

Production technology and financing

Ukrainian farmers will likely maintain low-cost production in 2003. (GAIN report #UP2006). **The application of mineral fertilizers is expected to increase in 2003. However, it will still be far below the rates of application during Soviet times**. (See table in Section II).

It has been estimated by the Ministry of Agricultural Policy that farmers will need to invest UAH 1.7-1.8 billion to replant perished winter grains in 2003. The GOU intends to direct approximately UAH 30 million in interest rate compensation to commercial banks which provide loans to farmers for spring sowing as well as to provide direct compensation payments to farmers.

In recent weeks, the arrest of the former Deputy Prime Minister for Agricultural Policy has resulted in turmoil within the Ukrainian grain market causing grain traders to withhold or reduce advance financing for crop production. Nevertheless, farm financing through commercial banks should continue to improve this year. According to the Ministry of Agricultural Policy of Ukraine, commercial banks have already issued UAH 1.15 billion in short-term loans, up 88% from the previous year while interest rates declined from 27-28% to 21-22%.

Seed availability

Seed availability is believed to be one of the major constraints that might affect spring sowing in 2003. The GOU has reported that there are adequate stocks of spring barley seed this year in Ukraine. (See table on seed stocks in Section II.) However, as of February 1, 2003, farmers reported lower seed stocks than in 2002 for barley, corn, millet, buckwheat and pulses. Prices for spring barley seeds rose 50% from UAH 1000/MT

($187/MT) prior to January 2003 to UAH 1500/MT ($283/MT) following reports of high winter grain losses in late February 2003. Consequently, farmers will likely continue the practice of planting their own seeds from the previous crop.

The GOU will be required to sell seeds to farmers this year from the so-called "seed insurance fund" which has been maintained by Khlib Ukrainy at government expense. This fund was created to ensure an adequate supply of seed in years with high winterkill. It is also expected that farmers will utilize more imported spring wheat, barley and corn seed this year as was witnessed in 2000 when a similar situation occurred.

2002 production estimates

The 2002 production estimates remain unchanged from those reported by the State Statistics Committee of Ukraine (Gain Report # UP3001) in January 2003. In late March 2002, the Office of the General Prosecutor of Ukraine initiated a review of official production statistics, including data gathered from private household plots, as part of an overall grain market investigation. **It is doubtful that this investigation will result in a more than 1.0-1.5% change in the 38.8 MMT grain and pulse crop previously reported by the State Statistics Committee of Ukraine as pre-final.**

Consumption

Human and feed consumption of wheat in MY 2003/2004 is forecast to decline following decreased production and higher anticipated prices. Utilization of carryover stocks, however, should limit any further consumption decline. Feed quality barley is expected to become the major feed grain in Ukraine in MY 2003/2004 and will be followed by feed wheat and corn. Corn utilization for feed is expected to increase, but will not fully compensate lower feed wheat availability in MY 2003/2004.

There is still no reputable data on human and feed grain consumption in Ukraine. According to official data, per capita bread consumption in Ukraine in 2001 was 129.5 kilograms. This volume included pasta, confectionary, groats, and other products made from wheat, rye, oats, barley and pulses. Official statistics do not reflect any increase in flour production this marketing year. That said, it is believed that food wheat consumption should have increased at least by farmers with private household plots as their 2002 grain production rose by 0.8 million MT. (See grain production tables by type of farm in Section II.) There are approximately six million households throughout rural Ukraine.

Exports

Wheat and barley exports are forecast to decline in MY 2003/2004 as a result of the anticipated decline in production. Ukraine will export mostly feed quality wheat due to expectations of a low quality crop in 2003. Both milling and feed quality wheat have been exported during the 2002/2003 marketing year. While corn exports will increase, it is doubtful that exports will exceed 800,000 MT due to higher anticipated demand from feed manufacturers who will be faced with a decreased supply of feed wheat in MY 2003/2004.

Post also revised MY 2002/2003 export estimates based on current available trade date. Ukraine’s exports in July 2002-March 2003 were 6.5 million MT of wheat, 2.6 million MT of barley, 290,000 MT of rye and 670,000 MT of corn (October 2002-March 2003). It is doubtful that Ukraine will be able to export higher quantities of wheat and barley than the new MY 2002/2003 estimates due to reduced supplies in the domestic market. Despite the impressive corn export pace so far, it is doubtful that corn exports will be higher than 750,000 MT due to rapidly decreasing marketable stocks. Improvements in port infrastructure have allowed Ukraine to export grain at a much higher pace than in the previous marketing year. (See monthly wheat, barley and corn exports provided in Section II.) This higher export pace was reached despite market operators facing "conventional bans" on the receipt of railcars, the utilization of barges for temporary grain storage, and the bypassing of port elevators by unloading approximately 30% of grain directly from railcars.

Port infrastructure improvements

Construction of new grain export terminals and improvements in rail access and loading/unloading equipment have all allowed Ukraine to increase the maximum export and transit capacity to 1.7 million tons per month (October-December 2002). Data for 2002 on grain handling by port is provided in Section II. It is not clear how the GOU intends to facilitate further much needed investments. All ports in Ukraine belong to the GOU while infrastructure investments have been through joint ventures created by ports and private investors. The ports have mostly provided space, railroad access, and berths while private investors have built grain terminals and other infrastructure. The Ministry of Transportation of Ukraine recently demanded a review of all agreements between GOU port operators and their private sector joint venture partners. The main reasons for this review are presumably the poor performance of port operations as well as foregone profits from the ports to the GOU because of the joint public/private nature of port operations. These investigations have created further uncertainty among investors regarding the status of their current property holdings and future investments in port facilities.

The Ports of Odesa and Illichivsk have been at the forefront of the grain export capacity increase in Ukraine. Prior to August 2002, the commercial port in Illichivsk had one grain export terminal which included a 200 meter long and 11.5 meter deep berth, 12 silos (5,000 tons each) and a 700 MT per hour unloading machine, all constructed in 1997. In August 2002, a second grain terminal was launched which added another berth, 14 silos and a 900 MT per hour unloading machine. At present, Illichivsk has the capacity to load two Panamax vessels simultaneously. A third line at this export terminal is scheduled to open in Summer 2003. If this investment materializes, the estimated export capacity of the Illichivsk port alone will reach 7.5 million MT per year.

In September 2002, the Port of Odesa opened the first line (12 silos 6,200 MT each) of the new 120,000 MT grain export terminal. This is in addition to the existing Khlib Ukrainy facility with 60-70,000 MT of storage capacity, and the Inzernoproduct elevators with 18,000 MT capacity. The new export terminal has a 220 meter long and 13.5 meter deep berth which allows vessel loading capacity of 1,000 MT per hour. This UAH 170 million ($32 million) investment was mainly funded by a pool of private Ukrainian and international grain trading companies.

The Port of Reni on the Danube River continues to improve facilities for rail and truck access. It is expected that grain storage capacity will increase by 15,000 MT by July 2003. Construction of six grain silos (3,000 MT each) is nearly completed in Berdyansk Port on the Azov Sea. The Kherson port plans to launch another flat storage facility capable of storing 20-22,000 MT of grain. Additional grain storage facilities are under construction at the Ports of Yuzhny, Mykolayiv, Kerch, Berdyanks and Mariupil

Railroad transportation

Grain transportation to the ports remains one of the major constraints for grain exports. Unlike improvements in grain storage and handling infrastructure at the ports, there has been no improvement in rail transportation for grains. Ukraine has a fleet of approximately 11,500 railway cars designed for grain and oilseed transportation ("hoppers"). It is the same number of cars available to Ukrainian Railway prior to the breakup of the Former Soviet Union in 1991. Most of the hoppers are about 20 years old. The number of cars which can be effectively used is estimated at 10,000. This is due to constant delays at loading and unloading points. Assuming an average monthly turnover rate of 1.8 times per hopper, Ukrainian Railway can transport only an estimated 1.2 MMT of grain per month.

Despite a lack of railcars, the GOU maintains that poor transportation planning by freight forwarders and grain traders is the main reason for unsatisfactory rail performance. According to the GOU, approximately 5,000 hoppers were concentrated at ports in September-October 2002. This caused “conventional bans” on the receipt of hoppers because exporters did not coordinate activities within ports as they accumulated export parcels at elevator facilities.

While the issues of scarcity of hoppers and available port infrastructure are interrelated, a comparison of currently available monthly port capacity (1.7 MMT) with the capacity of Ukrainian Railway to transport grain (1.2 MMT) suggests that the lack of railcars is a bigger constraint for grain exports from Ukraine than available port infrastructure.

Imports

Wheat imports in MY 2003/2004 are forecast to increase from the revised MY 2002/2003 level in order to meet the current need for milling quality wheat. In MY 2003/2004, it is expected that Ukraine will import wheat from the Russian Federation and Kazakhstan under existing bilateral free trade agreements. Wheat imports from other countries will remain restricted by the EUR 40 per ton import duty. It is doubtful that the GOU will establish a tariff rate quota this year similar to the one in effect during MY 1999/2000.

The wheat import estimate for MY 2002/2003 has been slightly increased as current domestic milling wheat prices have already made imports from the Russian Federation feasible. Ukraine imported approximately 12,000 MT of wheat and flour (in wheat equivalent) in July 2002-January 2003 while imports of wheat from the Russian Federation increased to an estimated 110,000 MT in February-March 2003.

Grain Prices

Domestic milling and feed wheat prices in MY 2003/2004 are expected to be higher than during the current marketing year due to lower production. It is also very likely that the GOU will allow blending of lower quality feed wheat with better quality wheat for bread production.

Export prices for wheat, barley and corn are provided in Section II. Domestic milling wheat prices increased from $85/MT for 4th class wheat and $101/MT for 3rd class wheat in mid-January 2003 to $131/MT and $146/MT, respectively, in early April 2003. In addition to seasonal factors, the main force driving this price increase is strong demand from processors, mainly flour mills and bakeries, who did not secure adequate milling wheat stocks post-harvest. The volume of wheat available in the market declined rapidly during July 2002-January 2003 as a result of lower commercial supplies from the former collective farms and higher wheat exports as compared to the same period in MY 2001/2002.

The major reason behind the reduced supply of commercially available grain in MY 2002/2003 is lower grain production by the former collective farms in 2002 as compared with 2001. (See grain and wheat production tables by farm type in Section II.) Wheat production by the former collective farms in 2002 decreased by 9% from 2001 levels while private household plot farmers increased wheat output by 32%. Unfortunately, it is not feasible for processors and traders to purchase small grain lots of 0.5-1.0 MT from small private household plots due to high procurement costs and significant quality variation. As a result, commercially available wheat from the former collective farms' reduced output was rapidly exhausted.

Stocks

It is expected that wheat and barley stocks will decline at the end of MY 2003/2004 and will be utilized to meet both human and feed consumption. Effective January 2002, the State Statistics Committee began the publication of monthly information on wheat, barley, corn and other grain stocks held by elevators. Unfortunately, this information does not account for stocks held by the State Reserves Committee of Ukraine. It remains a difficult task to estimate the actual grain stocks held by the GOU.

Post increased the estimate of wheat stocks in **MY 2002/2003** based on the assumption that private household plotholders will stockpile wheat which they have not consumed or fed to animals. As this wheat is generally unmarketable, private household farmers will not benefit from the high prices offered by millers.

Policy

The most recent increase in domestic milling wheat prices, coupled with a low 2003 production forecast, supports expectations that Ukraine will see an unpopular rise in bread prices next marketing year. As a result, the GOU is considering methods for strengthening State interference in the domestic grain market as well as for exports. The expected intrusion in the free market mechanism will likely involve a revival of regional grain reserves through intervention stocks in order to avoid wide price fluctuations. In July 2002, the Parliament of Ukraine passed the "Law on Grain and Grain Market Development in Ukraine." According to this legislation, the Executive branch is to introduce a floor pricing system (so-called "pledge" purchases of grain[1]) and create an additional grain intervention fund at the national level. This legislation was supported by the previous Presidential Decree #832 of June 29, 2000, which initially provided the authority to intervene in the grain market. The State Joint Stock Company Khlib Ukrainy (Bread of Ukraine) has been named as the State agent to implement the "pledge" purchase system in MY 2003/2004.

The GOU was unable to effectively intervene in the domestic grain market in MY2000/2001- 2002/2003 due to a lack of State funding. For MY 2001/2002, it was estimated that approximately 3 million tons of wheat would have to have been purchased off of the market at approximately UAH 420 per MT in order to support prices. This would have required an outlay of UAH 1.26 billion ($238 million) from the State Budget, comparable to a 77 % increase in the overall agricultural appropriation for 2001. Consequently, the intervention program did

[1]Under the "pledge" purchase system, the State agent purchases grain from farmers at fixed ("pledge") prices after July 1 while farmers maintain the right to resell this grain by March 1 of the following year. Farmers must reimburse the State agent the "pledge" price and the cost of grain storage if he/she resells this grain to another buyer prior to March 1. The "pledge" price (or support price) is the price determined and guaranteed by the GOU. This price must reflect the average cost of grain production plus provide a certain profit level to the farmer.

not happen.

Again in 2002, no budget was established for the mandated grain intervention program. Lacking money in 2002 to remove grain from the market by offering farmers 100% of the established fixed price, the GOU set the "pledge" price at 50% of the average weighted market price at the time of delivery. In addition, an interest rate “compensation” was provided to banks which lent money for "pledge" purchases. Farmers refrained from selling under these conditions as most were not attracted to the 50% market price offered by the GOU (approximately $30-35/MT for milling quality wheat). In 2002, only an estimated 70-100,000 tons of grain were purchased by Khlib Ukrainy under this scheme.

This year, the GOU plans to continue to seek financing for "pledge" grain purchases from commercial banks. It is expected that banks will provide loans to Khlib Ukrainy since the GOU will compensate 100% of the interest rate on such loans with a 15% annual interest rate cap. Khlib Ukrainy will sell this grain after March l, 2004 at prices higher than those paid to participating farmers. Khlib Ukrainy will determine the fixed "pledge" price and pay the full amount to farmers within three days after grain delivery to a certified elevator. The pledge price for July 2003-March 2004 has not yet been determined. However, it is expected to be set at the level of average production costs plus 25% profit. For July 2003-March 2004, this level could be set at approximately UAH 400 per 1 MT of milling quality wheat ($75/MT). **It is uncertain that this program will be effectively utilized in MY 2003/2004 due to already higher price expectations above the level that would be established by the GOU.**

References:

1. How is Ukrainian Grain Competitive? (GAIN Report #UP2006);
2. Poultry and Products Annual Report (GAIN Report #UP2007);
3. Livestock and Products Annual Report (GAIN Report #UP2008);
4. 2002 Production Pre-finals and Grain Export Pace (GAIN Report #UP3001)

Statistical Tables

Comparison of Grain, Pulse and Sunflowerseed Rate of Return on Investment by the Former Collective Farms, %

	1999	2000	2001	2002*
Sunflower Seed	12%	52%	69%	77%
Grains and Pulses	11%	65%	43%	17%

Data source: State Statistics Committee of Ukraine
*preliminary finals

Rates of Mineral Fertilizer Application by the Former Collective Farms

Kilograms of active ingredient (NPK) applied to 1 hectare of area planted with :	**1990**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002***
-Winter and spring wheat	149	40	45	34	24	33	37
- Corn	250	25	19	19	14	27	39

Data source: State Statistics Committee of Ukraine
*preliminary finals

Grain Production by Different Types of Farms in Ukraine in 1996-2002

	1996-2000 average	**2001**	**2002***	**Change in 2002 compared with:**	
				1996-2000 average	**2001**
Total grain and pulse harvested area, 1,000 hectares	**12,961**	**14,655**	**14,246**	**10%**	**-3%**
Including : by former collective farms	11,724	12,276	11,416	-3%	-7%
private household plots	1,237	2,379	2,830	129%	19%
- share of the former collective farms in the area,%	90%	84%	80%		
- share of the private household plots in the area,%	10%	16%	20%		
Total grain and pulse production, 1,000 MT	**27,111**	**39,706**	**38,792**	**43%**	**-2%**
Including : by former collective farms	23,900	31,660	29,480	23%	-7%
private household plots	3,211	8,046	9,312	190%	16%
- share of the former collective farms in production,%	88%	80%	76%		
- share of the private household plots in production,%	12%	20%	24%		

Data source: State Statistics Committee of Ukraine
*preliminary finals

Reported Stocks of Spring Crop Seed Available at the Former Collective Farms as of February 1, 2003, (1,000 MT)

Crops	2002			2001	
	Required (estimate)*	Reported Stocks	% of required	Reported Stocks	% of required*
Total spring grain and pulse seed (excluding corn)	9812	10161	104	11114	109
- spring barley	5751	6271	109	6543	114
- millet	81	62	76	113	92
- buckwheat	459	260	57	457	85
- pulses	1731	1761	102	1881	105
Corn	711	229	32	253	31
Spring crop insurance fund	2811	2216	79	2548	80

Source: State Statistics Committee of Ukraine.
* Ministry of Agricultural Policy Estimates

Wheat PSD Table

Commodity	Wheat				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	6882	6882	6750	6750	0	5300
Beginning Stocks	450	461	3744	3081	2394	2781
Production	21349	21349	20550	20550	0	14000
TOTAL Mkt. Yr. Imports	75	75	200	250	0	300
Jul-Jun Imports	75	75	200	250	0	300
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	21874	21885	24494	23881	2394	17081
TOTAL Mkt. Yr. Exports	5486	5504	8500	7000	0	2500
Jul-Jun Exports	5486	5504	8500	7000	0	2500
Feed Dom. Consumption	2200	3800	3000	4500	0	3800
TOTAL Dom. Consumption	12644	13300	13600	14100	0	13000
Ending Stocks	3744	3081	2394	2781	0	1581
TOTAL DISTRIBUTION	21874	21885	24494	23881	0	17081

Wheat Production by Types of Farms in Ukraine in 1996-2002

	1996-2000 average	**2001**	**2002***	**Change in 2002 compared with:**	
				1996-2000 average	**2001**
Wheat harvested area, 1,000 hectares	**5,827**	**6,882**	**6,751**	**16%**	**-2%**
Including : by former collective farms	5,527	6,156	5,768	4%	-6%
private household plots	300	727	984	228%	35%
- share of the former collective farms in area,%	95%	89%	85%		
- share of the private household plots in area,%	5%	11%	15%		
Wheat production, 1,000 MT	**14,134**	**21,349**	**20,549**	**45%**	**-4%**
Including : by former collective farms	13,361	18,728	17,092	28%	-9%
private household plots	773	2,620	3,457	347%	32%
- share of the former collective farms in production,%	95%	88%	83%		
- share of the private household plots in production,%	5%	12%	17%		

Data source: State Statistics Committee of Ukraine.

* Preliminary final numbers

Wheat Export Trade Matrix for MY 1999/2000-MY 2001/2002, MT

Declared Country of Destination	MY 1999/2000	MY 2000/2001	MY 2001/2002
Spain	0	0	1,752,371
Italy	0	0	560,645
Israel	256,740	14,958	521,837
Morocco	38,416	0	502,964
Korea, Republic of	138,354	0	493,222
Algeria	0	0	348,338
Egypt	0	0	249,996
Tunisia	20,942	0	240,719
Belarus	298,455	22,103	168,361
Portugal	0	0	141,751
Mauritania	0	0	81,822
Canada	0	0	66,527
Hungary	122,039	0	54,263
Greece	0	0	47,257
Netherlands	42,086	13,121	38,126
France	51,135	0	28,756
Norway	0	0	23,827
Estonia	6,822	0	23,694
Cuba	20,000	0	22,326
Switzerland	54,143	0	19,893
Kenya	0	0	15,800
Great Britain	49,107	662	15,024
Armenia	56,066	1,728	14,630
Georgia	114,814	7,950	11,910
Turkey	217,222	0	11,513
Ireland	435	0	11,000
Lebanon	18,701	0	10,789
Others not Listed	402,920	16,631	18,669
Total	**1,908,395**	**77,151**	**5,496,031**
Ref. Exports to the EU, % of total	10%	18%	48%

Data source: State Statistics Committee of Ukraine. Consolidated based on monthly grain export data.
Note: Wheat flour is accounted for in the PSD export estimate and excluded from the Export Trade Matrix.

Wheat Exports in July 2002-January 2003, 1,000 MT

	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Total
Spain	26	338	679	460	143	206	33	1,886
Belgium	0	0	36	65	119	132	0	352
Hungary	0	4	29	64	83	97	44	321
Korea, Republic of	0	97	61	2	49	50	53	311
Tunisia	18	25	48	88	45	72	13	310
Israel	51	112	15	33	29	27	38	305
Egypt	0	9	8	96	98	43	7	261
Portugal	0	49	5	37	105	62	0	259
Morocco	17	32	19	26	78	21	45	238
Peru	0	0	1	88	63	46	36	234
Italy	6	22	17	45	64	18	41	213
Netherlands	0	0	5	97	12	55	0	169
Canada	0	43	0	30	92	0	0	165
Algeria	14	26	34	10	19	35	26	164
Indonesia	0	0	0	0	52	3	97	151
Brazil	10	8	101	0	0	0	0	119
Mauritania	0	40	0	28	0	13	0	80
South Africa	0	0	0	0	27	46	0	73
Greece	0	13	5	18	20	8	0	63
Switzerland	0	4	24	4	0	17	0	50
Estonia	4	12	6	3	6	6	5	41
Nigeria	0	11	18	10	0	0	0	39
Belarus	24	5	4	1	0	0	1	36
Germany	0	0	7	24	0	0	0	31
USA*	0	5	10	4	2	6	0	28
Eritrea	0	0	0	0	0	27	0	27
Jordan	0	0	0	0	0	0	26	26
France	0	0	0	0	25	0	0	26
Kenya	0	0	6	20	0	0	0	26
Luxembourg	3	0	14	0	0	0	0	17
Malaysia	0	0	0	0	0	15	0	15
Turkey	0	3	1	2	5	2	0	13
Kenya	0	0	0	0	0	10	0	10
Libya	0	0	10	0	0	0	0	10
Japan	0	5	0	0	5	0	0	10
Lebanon	0	0	3	3	3	2	0	11
Others Not Listed	2	3	7	4	3	3	11	30
Total	**175**	**866**	**1,173**	**1,262**	**1,147**	**1,022**	**476**	**6,120**
Ref. Exports to the EU	20%	49%	66%	59%	43%	47%	16%	49%
MY 2001/2002	**Jul-01**	**Aug-01**	**Sep-01**	**Oct-01**	**Nov-01**	**Dec-01**	**Jan-02**	**Jul-Jan**
Total	7	146	557	708	659	753	604	3,435
Ref. Exports to the EU	0%	45%	45%	51%	61%	34%	47%	47%

Data source: State Statistics Committee of Ukraine.
Note: Wheat flour is not included
* It is likely that wheat was exported from Ukraine by a U.S. company; however it is doubtful that it was imported into the United States due to current restrictions applied because of the dwarf smut.

Wheat Prices

Prices Table			
Country	Ukraine		
Commodity	Wheat		
Prices in	US$	per uom	1 MT
Year	2001	2002	% Change
Jan	89	89	0.00%
Feb	89	85	-4.49%
Mar	89	80	-10.11%
Apr	89	83	-6.74%
May	89	73	-17.98%
Jun	83	73	-12.05%
Jul	82	72	-12.20%
Aug	78	71	-8.97%
Sep	75	78	4.00%
Oct	78	79	1.28%
Nov	86	84	-2.33%
Dec	89	84	-5.62%

Source: APK-Inform, www.agrimarket.info
FOB feed quality wheat prices as of the last Friday of each month

Barley PSD Table

PSD Table						
Country	Ukraine					
Commodity	Barley				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	3921	3921	4150	4150	0	4500
Beginning Stocks	846	471	1326	971	1496	1041
Production	10186	10186	10350	10350	0	9500
TOTAL Mkt. Yr. Imports	94	17	20	20	0	20
Oct-Sep Imports	95	18	20	20	0	20
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	11126	10674	11696	11341	1496	10561
TOTAL Mkt. Yr. Exports	2800	2803	3200	3000	0	2500
Oct-Sep Exports	3150	3135	3200	3000	0	2500
Feed Dom. Consumption	5200	5200	5200	5400	0	5400
TOTAL Dom. Consumption	7000	6900	7000	7300	0	7300
Ending Stocks	1326	971	1496	1041	0	761
TOTAL DISTRIBUTION	11126	10674	11696	11341	0	10561

Barley Export Trade Matrix for MY 1999/2000-MY 2001/2002, MT

Declared country of destination	**MY 1999/2000**	**MY 2000/2001**	**MY 2001/2002**
Saudi Arabia	93,299	98,984	1,099,926
Spain	0	0	300,524
Tunisia	0	0	250,222
Morocco	0	0	171,361
Iran	0	0	171,048
Israel	162,584	49,335	163,103
Cyprus	75,731	199,988	134,758
Algeria	28,670	53,616	114,959
Jordan	0	0	89,459
Switzerland	36,347	95,907	83,862
Libya	0	12,302	54,888
Syria	90,747	141,942	54,753
Korea, Republic of	21,000	0	22,887
Belarus	61,464	66,945	21,912
Slovakia	0	63,432	12,200
Egypt	0	4,926	11,931
USA*	3,915	34,821	10,598
Poland	740	6,512	7,629
Malta	29,224	12,820	6,594
Lebanon	28,824	18,696	5,140
France	13,237	19,932	4,746
Germany	402	8,009	2,859
Hungary	90,360	10,571	2,821
Italy	0	0	2,200
Great Britain	582	13,645	1,148
Estonia	590	0	930
Czech Republic	0	5,352	822
Lithuania	355	0	114
Armenia	0	146	25
Russian Federation	17,678	1,969	8
Moldova	233	682	1
Iraq	0	49,481	0
Others not listed	19,868	46,404	0
Total	**775,851**	**1,016,417**	**2,803,429**
Ref. Exports to EU, %	2%	4%	11%

Data source: State Statistics Committee of Ukraine. Consolidated based on monthly grain export data.
* It is likely that this barley was exported by a U.S. company; however, it is doubtful it entered the United States based on official U.S. trade data.

Barley Exports in July 2002-January 2003, 1,000 MT

	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Jul-02-Jan-03
Saudi Arabia	0	187	304	155	139	204	219	1,207
Tunisia	0	27	76	55	54	0	0	213
Cyprus	0	0	50	26	22	34	11	143
Morocco	26	48	31	16	15	0	0	136
Israel	8	40	7	12	6	22	9	105
Algeria	6	20	47	3	0	0	10	87
Japan	0	10	15	3	40	0	0	68
Syria	11	21	15	0	0	14	0	62
Spain	0	0	0	30	6	12	0	47
Kuwait	0	28	0	22	0	0	0	50
Hungary	0	0	16	4	3	1	0	24
Switzerland	3	3	0	0	16	1	0	23
Libya	4	12	0	6	0	0	0	22
Italy	0	0	15	0	0	0	0	15
USA	0	0	11	3	0	0	0	14
Estonia	6	2	4	0	0	0	0	13
Slovakia	0	1	7	3	1	0	0	13
Malta	0	0	7	0	0	0	0	7
Lybia	0	0	0	0	0	0	6	6
Greece	0	0	3	0	0	0	0	3
Others not Listed	1	1	0	0	2	0	0	1
Total	**65**	**400**	**608**	**338**	**304**	**288**	**255**	**2,259**
Ref. Exports to EU, % of total	0%	0%	0%	9%	2%	4%	0%	2%
MY 2001/2002	**Jul-01**	**Aug-01**	**Sep-01**	**Oct-01**	**Nov-01**	**Dec-01**	**Jan-02**	**Jul-01-Jan-02**
Total	35	327	379	399	433	385	275	2,233
Ref. Exports to EU, % of total	2%	0%	0%	18%	4%	4%	16%	7%

Data source: State Statistics Committee of Ukraine.

Barley Prices

Country	Ukraine		
Commodity	Barley		
Prices in	US$	per uom	1 MT
Year	2001	2002	% Change
Jan	106	98	-7.55%
Feb	108	90	-16.67%
Mar	106	85	-19.81%
Apr	106	81	-23.58%
May	106	79	-25.47%
Jun	88	78	-11.36%
Jul	90	76	-15.56%
Aug	87	76.5	-12.07%
Sep	85	82	-3.53%
Oct	85	88.5	4.12%
Nov	96	95	-1.04%
Dec	98	100	2.04%

Source: APK-Inform, www.agrimarket.info

FOB feed quality barley prices as of the last Friday of each month

Corn PSD Table

PSD Table						
Country	Ukraine					
Commodity	Corn				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	1123	1123	1200	1190	0	1500
Beginning Stocks	944	704	966	723	996	703
Production	3641	3641	4200	4170	0	4500
TOTAL Mkt. Yr. Imports	30	18	30	10	0	10
Oct-Sep Imports	30	18	30	10	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	4615	4363	5196	4903	996	5213
TOTAL Mkt. Yr. Exports	349	340	600	750	0	800
Oct-Sep Exports	349	340	600	750	0	800
Feed Dom. Consumption	2700	2700	3000	2800	0	3000
TOTAL Dom. Consumption	3300	3300	3600	3450	0	3700
Ending Stocks	966	723	996	703	0	713
TOTAL DISTRIBUTION	4615	4363	5196	4903	0	5213

Corn production by types of farms in Ukraine in 1996-2002

	1996-2000 average	2001	2002*	Change in 2002 compared with: 1996-2000 average	Change in 2002 compared with: 2001
Corn harvested area, 1,000 hectares	**1,037**	**1,123**	**1,189**	**15%**	**6%**
Including : by former collective farms	691	615	619	-10%	1%
private household plots	346	508	570	65%	12%
- share of the former collective farms in area,%	67%	55%	52%		
- share of the private household plots in area,%	33%	45%	48%		
Corn production, 1,000 MT	**3,013**	**3,641**	**4,172**	**38%**	**15%**
Including : by former collective farms	1,754	1,657	2,020	15%	22%
private household plots	1,258	1,984	2,152	71%	8%
- share of the former collective farms in production,%	58%	46%	48%		
- share of the private household plots in production,%	42%	54%	52%		

Data source: State Statistics Committee of Ukraine.

* Preliminary final numbers

Corn Export Trade Matrix for MY 1999/2000-MY 2001/2002, MT (Oct.-Sept.)

Declared Country of Destination	MY 1999/2000	MY 2000/2001	MY 2001/2002
Russian Federation	7,651	37,669	125,807
Belarus	34,630	169,375	120,593
Tunisia	0	0	29,785
Lithuania	1,507	3,660	18,699
Armenia	0	4,123	17,804
Estonia	0	1,745	9,900
Lybia	0	0	5,347
Lebanon	0	0	4,807
Latvia	1,178	1,204	2,953
Great Britain	0	0	2,602
Turkey	0	2,594	1,310
Azerbaijan	0	0	686
Kyrgistan	0	0	125
Poland	0	3,233	40
Georgia	0	172	0
Romania	0	115,692	0
Others Not Listed	6,961	57,809	0
Total	**51,927**	**397,277**	**340,458**
Ref. Exports to the EU, %	3%	1%	1%

Data source: State Statistics Committee of Ukraine.
Consolidated based on monthly grain export data.

Corn Exports from Ukraine in October 2002 - January 2003, 1,000 MT

Declared Country of Destination	Oct-02	Nov-02	Dec-02	Jan-03	Oct-02-Jan-03
Algeria	0	18	45	14	76
Egypt	3	0	51	0	54
Israel	3	3	13	33	52
Spain	0	0	3	36	40
Tunisia	0	0	9	18	27
Lithuania	4	6	12	5	27
Russian Federation	1	7	10	5	24
Belarus	5	7	7	4	23
Estonia	6	6	8	1	21
Luxembourg	0	0	0	14	14
Lebanon	0	0	11	1	12
Cyprus	0	0	3	8	11
Armenia	1	1	6	2	9
Lybia	0	0	0	9	9
Libya	0	7	0	0	7
Syria	0	0	0	6	6
Latvia	0	2	2	2	6
Azerbaijan	1	0	0	0	1
Georgia	0	0	0	0	0
Poland	0	0	0	0	0
Total	**24**	**56**	**180**	**160**	**419**
Exports to the EU, %	0%	0%	2%	31%	13%
MY 2001/2002	**Oct-01**	**Nov-01**	**Dec-01**	**Jan-02**	**Oct-Jan**
Total	15	44	53	29	141
Exports to the EU,%	0%	0%	0%	0%	0%

Data source: State Statistics Committee of Ukraine

Corn Prices Table

Prices Table			
Country	Ukraine		
Commodity	Corn		
Prices in	US$	per uom	1 MT
Year	2001	2002	% Change
Jan	98	-	-100.00%
Feb	109	-	-100.00%
Mar	109	-	-100.00%
Apr	109	-	-100.00%
May	109	98	-10.09%
Jun	109	98	-10.09%
Jul	109	98	-10.09%
Aug	109	98	-10.09%
Sep	109	90	-17.43%
Oct	109	90	-17.43%
Nov	109	93	-14.68%
Dec	-	97	

Source: APK-Inform, www.agrimarket.info

FOB prices as of the last Friday of each month

Rye PSD Table

PSD Table						
Country	Ukraine					
Commodity	Rye				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	879	879	750	750	0	510
Beginning Stocks	86	75	266	256	171	191
Production	1822	1823	1500	1510	0	900
TOTAL Mkt. Yr. Imports	2	2	5	5	0	5
Oct-Sep Imports	0	0	10	10	0	5
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1910	1900	1771	1771	171	1096
TOTAL Mkt. Yr. Exports	294	294	300	350	0	100
Oct-Sep Exports	308	310	300	350	0	100
Feed Dom. Consumption	350	100	300	100	0	50
TOTAL Dom. Consumption	1350	1350	1300	1230	0	900
Ending Stocks	266	256	171	191	0	96
TOTAL DISTRIBUTION	1910	1900	1771	1771	0	1096

Oats PSD Table

PSD Table						
Country	Ukraine					
Commodity	Oats				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	559	559	500	500	0	650
Beginning Stocks	66	66	82	85	62	65
Production	1116	1116	950	940	0	1100
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1182	1182	1032	1025	62	1165
TOTAL Mkt. Yr. Exports	60	47	50	30	0	30
Oct-Sep Exports	50	34	50	30	0	30
Feed Dom. Consumption	900	900	770	800	0	900
TOTAL Dom. Consumption	1040	1050	920	930	0	1050
Ending Stocks	82	85	62	65	0	85
TOTAL DISTRIBUTION	1182	1182	1032	1025	0	1165

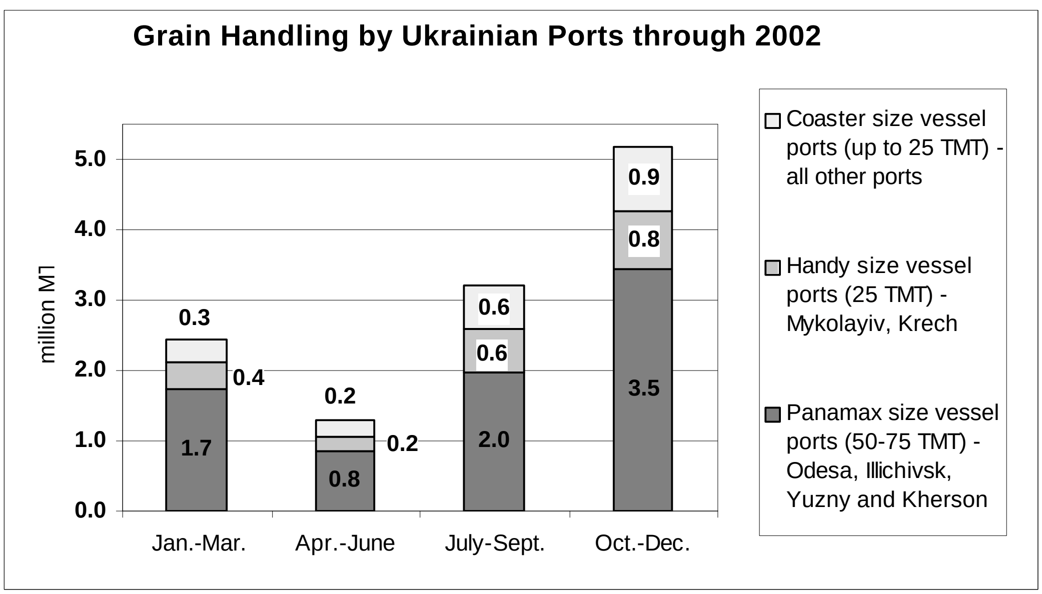
Peas PSD Table

PSD Table						
Country	Ukraine					
Commodity	Peas				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2001		07/2001
Area Harvested	0	299	0	324	0	550
Beginning Stocks	0	10	0	13	0	17
Production	0	619	0	613	0	950
TOTAL Mkt. Yr. Imports	0	1	0	1	0	1
Jul-Jun Imports	0	1	0	1	0	1
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	0	630	0	627	0	968
TOTAL Mkt. Yr. Exports	0	117	0	180	0	250
Jul-Jun Exports	0	117	0	180	0	250
Feed Dom. Consumption	0	490	0	420	0	650
TOTAL Dom. Consumption	0	500	0	430	0	670
Ending Stocks	0	13	0	17	0	48
TOTAL DISTRIBUTION	0	630	0	627	0	968

Grain and Oilseed Handling at Ukrainian Ports in 2002*, 1,000 MT

Port	Export	Import	Transit	Total**	% of 2001
Illichivsk	2,463	0	651	3,114	221
Odesa	2,734	11	204	2,948	239
Mykolayiv	1,488	0	6	1,745	226
Kherson	911	0	247	1,162	159
Ust-Dunaysk	335	0	272	783	148
Mariupil	462	0	38	500	256
Reni	6	0	420	426	215
Kerch	276	0	30	306	410
Berdyanks	209	0	88	301	212
Ismail	176	10	105	291	67
Illichivks Fish Port	220	0	0	220	506
Yuzhny	115	0	28	143	302
Belhorod-Dnistrovsky	62	0	0	84	284
Feodosia	62	0	18	80	
Skladovsk	0	0	3	3	88
Total	**9,517**	**21**	**2,110**	**12,105**	**205**

Data source: Porty Ukrainy, issue #1 January-February 2003 p. 44-47.
*Oilseeds represent only an estimated 2% of the volume handled
**Total also includes coastal trade.



Data source: Porty Ukrainy, selected issues and Post's own calculations.
Port-type grouping is approximate based on grain traders' information.