



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 4/2/2001

GAIN Report #RS1010

Russian Federation

Grain and Feed

Annual

2001

Approved by:

Geoffrey W. Wiggin

U.S. Embassy, Moscow

Prepared by:

Eric Trachtenberg and Yelena Vassilieva

Report Highlights:

Total grain production in 2001 is forecast at 64-65 million tons, despite greater supplies of seed, fuel and fertilizer than in recent years. While better input supplies are expected to improve grain production in 2001, large gains are still hampered by poor machinery stocks, low quality seed, and a lack of agricultural credit. The Russian government remains officially committed to boosting grain production; however, policy continues to move towards intervention in markets.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Moscow [RS1], RS

Executive Summary	1
Production	2
The 2001 Harvest Estimate	2
Constraints to Higher Production	2
Inputs	3
Machinery	3
Seeds	3
Fertilizer and Chemicals	3
Fuel	4
Capital	4
A Final Look at 2000	5
Consumption	6
Food Consumption	6
Feed Consumption	7
Grain Prices	7
Trade	7
Tariffs	8
Stocks	8
Policy	9
Marketing	9
Individual Commodity Outlooks	11
Wheat	11
Rye	16
Barley	18
Corn	21
Oats	23
Rice	24

Executive Summary

Total grain production in 2001 is forecast at 64-65 million tons, despite better supplies of seed, fuel and fertilizer than in recent years. Input constraints will limit Russia's ability to harvest the forecast 68 to 70 million tons that are expected to grow on the fields. This total grain production number includes 61.0 million tons of the six major grains: wheat, barley, rye, corn, oats and rice. Area sown to winter grain in fall 2000 was 14.6 million hectares, a 0.8 million hectare increase from 1999.

While better input supplies are expected to improve grain production in 2001, large gains are still impaired by the lack of effective agricultural policy in many regions and the poor condition of irrigation equipment and equipment stocks. Production will continue to be limited by machinery stocks, low quality seed, expensive fuel and limited supplies of chemicals and fertilizers.

The Russian government remains officially committed to boosting grain production; however, policy continues to move towards intervention in markets. It is considering setting grain prices through the procurement of 2 million tons of grain for a special reserve using other market interventions. The government is also considering increasing licencing requirements for grain handling activities. Given the slow speed of license issuance, it is expected that the real costs of getting and keeping a license will be much higher. At best, this will do nothing to

develop a competitive market infrastructure in the grain sector and at worst it may increase overhead for food processing and the grain trade by giving them yet another bureaucracy to contend with. Trade policy continues to be tilted against commercial imports. The intergovernmental agreement with India combined with tariff-free entry of grain from CIS countries makes it more difficult to export grain commercially to Russia.

Production

The 2001 Harvest Estimate

Total grain production in 2001 is forecast at 64-65 million tons, despite improved supplies of seed, fuel and fertilizer than in recent years. Input constraints will limit Russia's ability to harvest the forecast 68 to 70 million tons that are expected to grow on the fields. This total grain production number includes 61.0 million tons of the six major grains: wheat, barley, rye, corn, oats and rice. Area sown to winter grain in fall 2000 was 14.6 million hectares, a 0.8 million hectare increase from 1999.

Crop conditions were good -- as of mid-February, 93 percent were in good or satisfactory condition. However, winter kills are expected to rise because of the asphyxiation of crops under unusually heavy snow cover in the Urals and in Central and Northern European Russia. In the Central Black Earth and the Volga Valley, yields of winter crops may be damaged by the thick icy crust that covered many fields in February and early March. Heavy snow and the strong possibility of flooding in the central and lower Volga Valley, in the Black Earth Region and in Siberia may delay the spring sowing operations and decrease area sown to spring grain crops. At the same time, some regions such as Rostov oblast are experiencing a shortage of moisture, which may result in lower yields.

The Russian Ministry of Agriculture estimates that area sown to spring grains and legumes in 2001 will be 35.8 million hectares, including 14.0 million hectares sown to wheat, 11.0 million hectares of barley, 3.0 million hectares of oats, 0.9 million hectares of corn for grain, and 2.8 million hectares sown to legumes, buckwheat and millet. Thus, excluding the re-sowing of winter grain, total planted area is estimated at between 49.0 million to 50.0 million hectares for the 2001 crop year, a 6 percent increase from record low levels in 2000.

Final production is expected to be strongly related both to the weather and the effectiveness of regional agricultural policies and farm management. Given normal weather, grain production is forecast to be stable or to expand in Krasnodar and Stavropol Krai, in Tatarstan, and in West and East Siberia. The spring sowing already started in Krasnodar Krai, in Stavropol and in some republics of the Northern Caucasus. Early indications are that farmers are well-prepared for sowing.

Constraints to Higher Production

While better input supplies are expected to improve grain production in 2001, large gains are still impaired by the lack of effective agricultural policy in many regions and the poor condition of irrigation equipment and equipment stocks. Due to the capital-intensive nature of these inputs, improvement will be very slow. As a result, yields will only gradually improve and grain production will continue to be highly dependent upon the weather. However, certain farms which are controlled by oil companies or are part of vertically integrated systems of input suppliers are expected to improve much more rapidly.

Inputs

Machinery

The Russian Ministry of Agriculture reports that Russia's farm machinery fleet is only 40-60 percent of that needed to effectively work planted fields. Since 1990, the number of tractors has fallen by 40 percent, while combine numbers have fallen by half. On top of this, 30 percent of the combine fleet of 50,000-55,000 combines is inoperable. As a result, the amount of work done per tractor and combine is 2.5 to 2.7 times more than in the United States, despite their age. Russia's machinery stock is old -- only 7 percent of tractors and 8 percent of combines are less than six years old, while more than 60 percent of combines and 53 percent of tractors have been in use for more than ten years. American farmers usually sell their equipment after just 3-5 years. According to official estimates, between 10-15 million tons of grain are lost annually during harvesting because of machinery problems. Losses in 2001 are expected to be around 15 million tons.

The situation is not improving, despite a sharp increase in the purchase of new equipment. According to official estimates, the depreciation of farm equipment exceeds purchases of new machines by five times. In 2000, nearly 20,000 combines became inoperable while less than 5,000 were purchased to replace them. To meet rising demand, Russia's farm machinery industry increased tractor and farm equipment production by 58.2 percent in January, measured year-on-year. This included Rostelmash which produced 356 combines in January 2001, a six fold increase from a year earlier while the Krasnoyarsk combine plant produced 200 combines as opposed to one in January 2000. Despite this boost in production, the domestic farm machinery industry will be unable to produce enough equipment to make up for the depreciation of Russia's machinery stock. In addition, most farmers cannot afford it anyway. There could be a temporary increase in demand if the Federal budget finance "leasing" programs get off the ground, but this may also increase farmers' outstanding debts. At the positive end of the spectrum, farms linked to food processors or oil companies are importing Western farm machinery from the west, which has between 20 - 50 percent higher productivity than Russian equipment. These imports combined with those by custom harvesting companies, regional governments and processors themselves, could help boost yields in the years to come.

Seeds

According to the Russian Ministry of Agriculture, grain planting seed stocks are sufficient to meet this year's planting requirements. Domestic grain seed consumption for 2001 is forecast at more than 10 million tons. However, in many regions farmers still use low quality seeds recovered from the 2000 harvest. This will help keep yields low.

Fertilizer and Chemicals

Russian officials estimate fertilizer as of January 1, 2001 at 210,000 tonnes, or 13% of estimated requirements. This is the same level as last year. In order to facilitate the purchase of fertilizers and chemicals, federal authorities drafted the usual yearly proposal to compensate farmers for a portion of these inputs. The plan is to subsidize the supply of 1.5 million tonnes of fertilizer and 20,000 tonnes of insecticides with a total cost of 2.65 billion rubles or \$90 million.

According to the Russian Ministry of Agriculture, farmers will also be better supplied with chemicals to combat locusts, which were significant problems in 1999 and 2000, especially along the border with Kazakhstan. The severe winter in many locust infested areas will reduce the problem by cutting their reproduction, especially in the Volga Valley. Still, the area open to locusts is large, more than 4 million hectares and the Ministry of Agriculture is only planning to treat 2.1 million hectares of the most vulnerable land.

Pest and equipment problems result in low crop quality. According to estimates of the State Bread Inspection authorities, the share of non-food quality wheat remained high in 2000, at 34 percent of the total wheat crop. This figure is not expected to change significantly in 2001.

Fuel

Russian government officials acknowledge that fuel supplies remain a serious problem for agriculture. Last year, farms acquired 5 million tons of diesel and 1.76 million tons of gasoline, which were 98% and 88% respectively of 1999 levels. This reduction was mainly caused by increased fuel prices. Gasoline prices increased from 6,500 rubles to 8,500 rubles per ton in January-November 2000, while diesel increased from 4,500 rubles to 7,500 rubles per ton. This inflation plus increased rail tariffs sharply reduced farm income substantially and was a major reason for financial losses and bankruptcies at agricultural companies.

The fuel supply situation may become tense as farmers compete with exports of petroleum and petroleum products. In territories where petroleum companies have interests in agribusiness or good relations with local authorities, the supply may be better, and farmers will not be impacted by the fuel shortage, at least in spring. According to official estimates, the agricultural sector needs 8.46 million tons of diesel and 3.7 million tons of gasoline this year.

Capital

Agricultural financing will remain a serious constraint in the coming year, and has not improved since last year, except for cases when farming becomes part of vertically integrated operations. Total budget outlays for CY 2001 are planned to be slightly more than 20 billion rubles, or less than \$750 million (at the current exchange rate), most of which will be allocated for financing of the machinery leasing fund, support for the acquisition of chemicals, and compensation for the difference between the commercial and the soft interest rate for loans to agribusiness (1.4 billion rubles). Also, the regions will be provided with 2.0 billion in loans from the federal budget for the purchase of fuel and seeds. Unfortunately, these are only short term measures which will not significantly improve the agricultural situation in Russia. Outstanding debt to the federal budget will continue to accrue in the regions. There are no outlays planned for improvements in rural infrastructure, irrigation and drainage, the development of an effective extension service, or the development of a rural banking system.

A Final Look at 2000

Planted and Harvested Area, Production, Yields

Area sown to grains and legumes in 2000 was 45.6 million hectares, the smallest area in the post war period, and 2 percent lower than in 1999. However, production of grain and legumes increased by 20 percent, reaching 65.5 million tons. The total harvested area was 42.2 million tons, based on data provided for the first time by the State Statistical Committee. Grain yields were close to Russia's averages in the 1970's and early 1980's.

The structure of sown area remained almost the same as in 1999, with only buckwheat showing almost 250,000 hectares (an 18 percent increase).

Table 1. Total Grain Area Planted, 1995-2000, 1,000 Hectares

Commodity	1995	1996	1997	1998	1999	2,000
Wheat, total	23,909	25,721	26,056	26,101	23,022	23,204
- winter	8,194	9,321	8,944	8,246	7,609	7,926
- spring	15,715	16,400	17,112	17,855	15,413	15,278
Barley, total	14,710	11,853	12,517	11,285	9,855	9,178
- winter	468	460	490	345	419	533
- spring	14,242	11,393	12,027	10,938	9,436	8,644
Rye (winter)	3,233	4,129	4,005	3,777	3,393	3,538
Oats (spring)	7,928	6,929	6,438	5,229	5,336	4,518
Corn for grain	643	954	918	787	704	813
Rice	171	173	151	146	173	175
Millet	698	1,228	1,086	975	1,610	1,588
Buckwheat	1,604	1,369	1,112	1,226	1,339	1,577
Legumes	1,784	1,430	1,340	1,185	1,098	922
Other	25	0	11	140	24	123
Total	54,705	53,786	53,634	50,711	46,554	45,636

Source: State Statistical Committee of the Russian Federation

Total grain production increased by 20 percent from 1999. The most significant increases were in spring wheat and spring barley production, with production increasing by 11 and 33 percent, respectively. Rye production almost rose to average levels in the early 1990's but was still below average production levels of the 1980's. Oat production increased to 6.0 million tons, but is still depressed from historic levels. The increase in area sown and production of millet and buckwheat boosted their share in total grain production from the average of 1.9 percent in 1995-1999 to 3.2 percent in 2000. These crops play a significant role in the food consumption balance as they provide significant quantities of groats.

Table 2. Production, 1995-2000, 1,000 Metric Tons

Commodity	1995	1996	1997	1998	1999	2,000
Wheat, total	30,123	34,917	44,258	26,908	30,961	34,455
- winter	13,800	n.a.	20,500	n.a.	16,178	17,178
- spring	16,323	n.a.	23,758	n.a.	14,817	17,277
Barley, total	15,800	15,900	20,786	9,780	10,604	14,079
- winter	1,300	n.a.	1,286	n.a.	1,446	1,767
- spring	14,500	n.a.	19,500	n.a.	9,156	12,312
Rye (winter)	4,099	5,934	7,478	3,270	4,781	5,445
Oats (spring)	8,600	8,300	9,387	4,583	4,395	6,008
Corn for grain	1,687	1,087	2,675	820	1,067	1,530
Rice	462	389	328	413	444	586
Millet	488	446	1,219	451	924	1,123
Buckwheat	597	485	630	464	578	998
Legumes	1,542	1,793	1,780	954	881	1,199
Other	8	89	12	127	71	83
Total	63,406	69,340	88,553	47,770	54,706	65,506

Source: State Statistical Committee of the Russian Federation

Consumption

Russia produced 65.5 million tons of grain in 2001. This, combined with imports of more than 4.4 million tons of grain and more than 2.0 million tons of carry-over stocks, provided for total consumption of 68.3 million tons. Russian officials estimate annual grain requirements at 74-77 million tons. However, these figures reflect undue optimism regarding livestock production, which continues to fall. Owing to an improved 2000 harvest and the increased ability to import, grain supplies should be more abundant in MY 2000/01 than in any of the preceding three years.

Food Consumption

Food grain consumption in MY 2000/01 rose. Nevertheless, there are no expectations of a food grain shortage this year. Food grain consumption is forecast at 22.5 million tons, including 16.4 million tons of wheat, 2.8 million tons of rye, 0.6 million tons of rice, and 1.4 million tons of buckwheat, millet and other groats. The remainder is barley, corn and oats. Russian domestic production of grain food products increased in CY 2000. Domestic production of flour in CY 2000 reached 11.9 million tons, the highest level since 1996, while production of bread and bakery products and groats remained at 9.1 million tons and 0.7 million tons, respectively. Domestic production of pasta was 0.7 million tons, the same as in 1999. This is up significantly from 0.45 million tons in the two pre-crises years (CY 1996 and CY 1997). The 1998 economic crisis boosted

domestic pasta and grain processing by making them more competitive through the weak ruble and the resulting sharp decline in pasta product imports. Post forecasts that food grain consumption will remain stable in 2001/02.

Post estimates an increase in industrial grain consumption to 3.45 million tons, resulting mainly from increased consumption of barley for beer production.

Feed Consumption

Post estimates that feed consumption will rise in MY 2000/01 to 30.5 million tons recovering from its sharp fall in the previous year. Despite this, Russian officials state that Russia is short of feed grain by 4 million to 6 million tons. Assuming a 2001 crop of 64-65 million tons, feed consumption will likely remain stable at 30.5 million tons. This level of consumption will barely allow Russian to maintain its existing stocks of poultry and other livestock, especially dairy cows. There will be a particularly strong demand for feed corn, particularly for poultry, which could create opportunity for U.S. exports. According to Russian specialists, the feeding of 1 ton of corn is equal to the feeding of 2 tons of wheat (including food quality wheat).

Grain Prices

Grain prices began to rise in December. By early March, the price for grade 3 wheat reached 3,700 R (\$129) in the domestic market, compared with 3,200 rubles in November 2000. Some offers for food wheat even reached 4,000 rubles (\$140). Food rye prices rose from 2,500 rubles (\$80) in November to 3,000 (\$108) rubles by March, while food barley prices increased almost 50 percent to 3,300 rubles. Feed wheat prices increased by 20 percent to 3,000 (\$108) rubles from November to the beginning of March 2001.

Experts from the Agrarian Market Institute note that, at present, demand for feed grain is significantly outstripping supply. In expectation of higher prices, farms and trading companies are offering grain shipments no larger than 500 tons. In a number of regions, feed grain is not even up for sale. This factor, as well as rising demand for feed in the months of March and April, are expected to further boost feed prices. As spring advances, price rises should slow as the new harvest draws nearer and pressure to clear out storage facilities mounts. Imports are expected to increase as prices rise, especially for corn and feed wheat. There may also be imports under an intergovernmental agreement with India which could total 550,000 tons.

Trade

Post estimates total grain imports in MY 2000/01 at 4.4 million tons, including 3.0 million tons of wheat (almost 2.0 million tons lower than the previous year), 500,000 tons of barley (mostly malting barley from traditional suppliers), 450,000 tons of corn (mostly the remaining humanitarian shipments from the United States), and 360,000 tons of rice. Imports of grain from Kazakhstan fell mostly because of their lower crop – they harvested 11.5 million tons of grain in 2000, as opposed to 14.5 million tons in 1999. Kazakh grain is also scarcer because of more active state purchases and their search for alternative markets in countries such as Iran. Post forecasts grain imports in the coming marketing year at 4.3 million tons, with wheat imports remaining at 3.0 million tons.

Exports of grain remain stable at 980,000 tons, although Russia is expected to export more barley. Some traders have also found niche markets for buckwheat and especially millet. MY (October-September) exports of buckwheat are expected to increase from 4,000 tons in 1999 to 10,000 tons in 2000, while exports of millet are forecast to increase from 25,000 tons in 1999 to more than 40,000 tons in 2000.

Tariffs

Import tariffs remain unchanged at 5 percent for grain and 10 percent for flour. Imports from members of the CIS Customs Union (Kazakhstan, Belarus, Uzbekistan and Tajikistan) are duty free. Preferential import tariffs also apply to grain imports from some less-developed countries. This has boosted wheat and rice exports from India and may boost corn imports from other developing countries. Russian Ministry of Agriculture officials are considering the creation of a program which would apply special seasonal tariffs and quotas on the grain trade, mainly on exports. However, this program has not yet been approved. Grain is still exported free of tariffs.

All grain imports are controlled by the Plant Quarantine Service of the Ministry of Agriculture at the border and by the State Bread Inspection authorities for quality and safety concerns. These agencies are moving closer to understanding and respecting international quality standards for grain and grain products; however, their practices are still quite different. As a result, shipments are sometimes subject to close examination, which complicates the process for commercial grain imports from non-CIS countries.

Stocks

Post estimates an increase in grain stocks at the end of MY 2000/01 over the preceding year's level. NOTE: Post can only make rough estimations for end of year stocks of all grain, as well as marketing year totals for grain imports and exports because the marketing year for wheat begins July 1, while the marketing year for other grains begins October 1. From July 1 to September 30, carry-over stocks, exports and imports from the previous year tend to be co-mingled with the new harvest. Stocks should slowly rise after June as the harvest that starts at the end of June in southern European Russia continues until late October in northern European Russia and Siberia. End of year stocks for wheat are estimated at 1.5 million tons, 400,000 tons more than last year, while stocks of barley are expected to increase two-fold to 200,000 tons. Oat stocks will increase almost four-fold from 40,000 tons to 150,000 tons. Rye stocks are estimated to increase by 100,000 tons to 500,000 tons by the end of MY 2000/01.

Official Russian data on grain reserves as of February 1, 2001, is 25.4 million tons, up 4.8 million ton (23.2 percent) year-on-year. Farms had 22.6 percent more grain reserves on hand at the start of February -- 16.1 million tons from 13.1 million tons. Storage and processing facilities had 24.3 percent more grain reserves on hand -- up to 9.3 million tons from 7.5 million tons. Of a total 9.3 million tons of grain on hand as of February 1, 2001 at storage and processing facilities, wheat accounted for 5.43 million tons (58.4 percent), of which 4.15 million tons was food quality wheat (44.6 percent of total grain reserves). Rye reserves totaled 1.3 million tons (13.9 percent of all reserves), with food rye accounting for 1.06 million tons (11.4 percent). Additional reserves at processing facilities include 169,000 tons of millet, 181,000 tons of buckwheat, 173,000 tons of rice, 248,000 tons of corn, and 1.24 million tons of barley.

Policy

The Russian government remains officially committed to boosting grain production. A number of annual governmental resolutions on soft credit and subsidized inputs, including a special agricultural machinery leasing fund, have been issued on the eve of the spring sowing campaign. As always, implementation of these resolutions will depend upon the federal budget allocation to agriculture. In addition to these routine approaches, the Russian Ministry of Agriculture is moving toward controlling the grain market and setting grain prices through the procurement of 2 million tons of grain for a special reserve along with other market interventions. The program is planned to start by the beginning of the 2001 harvest. It is difficult to evaluate its impact until it starts working. Grain traders are already expressing concern that, at best, it will not be effective; at worst it will distort the grain market.

The government also moved toward market intervention with Resolution #43 of January 22, 2001, "On licencing of activities on procurement, processing, storing and realization of grain and grain products for the state needs, and on production of bread, bakery products, pasta, flour, groats and other food products from grain." The resolution sharply increases licencing requirements for grain handling firms. The authorized organization to issue licences is the State Bread Inspection agency. The application fee is 300 rubles (\$11), and the licence fee is 500 to 1,000 rubles (\$18-\$36). The licence is valid for 5 years; previously issued licences are valid until they expire. Given the slow speed of license issuance, it is expected that the real costs of getting and keeping a license will be much higher. These new requirements will do nothing to develop a competitive market infrastructure in the grain sector; rather, they may increase overhead expenses for food processing and the grain trade by giving them yet another bureaucracy with which to contend.

Trade policy continues to be tilted against commercial imports. The intergovernmental agreement with India combined with tariff-free entry of grain from CIS countries continue to impede commercial grain exports to Russia.

Marketing

Grain marketing increased from 26.6 million tons in CY 1999 to 32.0 million tons in CY 2000. Marketing to state procurement organizations fell from 18.6 percent of the harvest in CY 1999 to 17 percent in CY 2000. Marketing through direct producer sales to private purchasers increased in 2000 by more than 3 million tons. The share of grain sold through this commercial channel rose from 26 percent to a record 32 percent of all marketed grain. In 2000, farmers directly sold 33 percent of marketed wheat, 28 percent of rye, 41 percent of millet, 43 percent of buckwheat, 48 percent of corn, and 45 percent of malting and food quality barley. The share of grain distributed directly to end users decreased from 25 percent to 22 percent, while the share of grain marketed through barter fell only slightly (by less than 1 percent) to 29 percent of the total. No significant sales at exchanges or auctions were registered in CY 1999 and CY 2000.

Table 3. Domestic Grain Marketing Channels in 1999 and 2000, 1,000 Metric Tons

Channel	TOTAL GRAIN		Wheat		Barley		Corn		Rye	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000

TOTAL	26,561	31,988	16,667	19,242	3,834	5,271	235	454	2,546	2,987
State Purchasing Organizations (1)	4,976	5,505	3,206	3,221	345	633	12	15	1,055	1,104
Directly by Farmers to Private Purchasers	6,933	10,206	4,382	6,399	1,107	1,654	103	219	543	826
Sold at Exchanges and Auctions	0	0	0	0	0	0	0	0	0	0
Directly to End Users (2)	6,733	6,899	3,841	3,733	1,265	1,462	42	87	370	311
Barter Deals for Equipment, Fertilizer and Seed	7,921	9,378	5,239	5,890	1,116	1,523	78	133	578	746

1/ Including sales to Roskhleboprodukt, regional governments, and through small, public, cooperative trade organizations called Tsentrosoyuz;

2/ Including use in restaurants, other bulk users of oil, and bartered as payment to workers at factories, elevators and farms.

Source: State Statistical Committee

Individual Commodity Outlooks

Wheat

Post forecasts a 1.0 million hectare increase in area for wheat in 2001, with yields not much different from the year 2000. Increased area and slightly better yields should raise production slightly to 35 million tons. Post increased final import and export data for MY 1999/00 based on the latest data from the State Statistical Committee on imports and exports of wheat flour, and subsequently increased food consumption. In MY 1999/00, Russia exported 240,000 tons of wheat to Azerbaijan while the rest was wheat flour in grain equivalent. Exports to Kazakhstan were only 3,000 tons in the form of grain, and the rest is wheat flour in grain equivalent. Exports to Ukraine and Mongolia were all in the form of wheat flour exports. Israel received grain mostly from Rostov-on-Don, with which Israel has a long-standing trade relationship.

Wheat flour was a significant component of wheat imports as well. Imports from Poland came in the form of wheat flour while imports from Ukraine and Germany were at least 50 percent flour imports. Russian imports of wheat in MY 2000 are estimated to fall to 3.0 million tons. The importation of wheat from Kazakhstan is estimated to reach 2.0 million tons. India will be the second major supplier of wheat with 550,000 tons of wheat agreed to be sold to Russia in accordance with the recently signed intergovernmental agreement. Shipments are expected before the beginning of MY 2001/02.

Preliminary estimates for exports in MY 2000/01 are 100,000 tons lower than in the previous Post report because wheat exports have been declining rapidly since November 2000. In January 2001, exports totaled only 29,000 tons, of which grain was only 6,000 tons, and the rest was wheat flour in grain equivalent. Total exports of wheat and wheat flour in the first seven months of MY 2000/01 were below 490,000 tons. Post estimates that another 110,000 tons will be exported as flour as warehouses prepare for the new harvest.

PSD, Wheat, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country:	Russian Federation					
Commodity:	Wheat					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	22980	22980	23000	21300	0	22300
Beginning Stocks	1000	1000	1100	1100	1800	1500
Production	31000	31000	34400	34450	0	35000
TOTAL Mkt. Yr. Imports	4965	5100	3000	3000	0	3000
Jul-Jun Imports	4965	5100	3000	3000	0	3000
Jul-Jun Import U.S.	1500	1500	0	0	0	0
TOTAL SUPPLY	36965	37100	38500	38550	1800	39500
TOTAL Mkt. Yr. Exports	515	530	700	600	0	500
Jul-Jun Exports	515	530	700	600	0	500
Feed Dom. Consumption	12000	12000	13000	12800	0	13300
TOTAL Dom. Consumption	35350	35470	36000	36450	0	37000
Ending Stocks	1100	1100	1800	1500	1800	2000
TOTAL DISTRIBUTION	36965	37100	38500	38550	1800	39500

Notes:

1. Goscomstat does not provide statistical data on harvested area. This data is derived from official statistics on production and yield per harvested acre.

2. Foreign trade data include wheat and wheat flour (in grain equivalent). Russian State Customs Committee monthly and quarterly data for wheat and wheat flour have been adjusted to reflect activity over the marketing years.

Import Trade Matrix, Wheat, 1,000 Metric Tons

Import Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Imports for	1999		2000
U.S.	1,287	U.S.	150
Others		Others	
Kazakhstan	3,056	Kazakhstan	2000
France	438	India	550
Ukraine	95	Yugoslavia	50
Denmark	47	Ukraine	20
Lithuania	45	Germany	20
Yugoslavia	40		
Germany	33		
Poland	13		
Total for Others	3,767		2640
Others not listed	46		210
Grand Total	5,100		3000

Export Trade Matrix, Wheat, 1,000 Metric Tons

Export Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:	Jul.- Jun.		
Exports for	1999		2000
U.S.	0	U.S.	0
Others		Others	
Azerbaijan	277	Azerbaijan	250
Ukraine	81	Israel	130
Israel	71	Ukraine	80
Kazakhstan	47	Mongolia	40
Mongolia	37	Georgia	35
Georgia	10		
Uzbekistan	2		
Total for Others	526		535
Others not listed	4		65
Grand Total	530		600

Prices, Wheat, U.S. Dollars per Metric Ton

Prices Table					
Country:					
Commodity:					
Year:	2000				
Prices in (currency)	U.S. Dollars	per (uom)	Metric Ton		
Year	1999	2000	% Change		
Jan	63	105	68.2%		
Feb	80	105	30.9%		
Mar	88	115	31.1%		
Apr	101	122	20.9%		
May	98	127	29.1%		
Jun	99	130	31.3%		
Jul	120	131	9.4%		
Aug	119	121	1.3%		
Sep	115	127	9.9%		
Oct	111	108	-2.1%		
Nov	110	106	-3.7%		
Dec	114	111	-2.8%		

Note:

Exchange rate increased from R22.5 per \$1US in January 1999 to R28.5 per\$1US in January 2000, and then declined to R27.6 in September 2000, with slow movement upward since October 2000 to R27.9 in December 2000.

Rye

Imports of rye in MY 1999 increased as a result of humanitarian shipments of 430,000 tons, with a corresponding increase in feed domestic consumption of 50,000 tons. Consequently, total domestic consumption is increased by 90,000 tons, with year-ending stocks estimated to increase to 0.5 million tons. Production in 2000 increased to 5.45 million tons, an amount sufficient to meet normal consumer demand. Imports in MY 2000 are estimated to decrease to 50,000 tons. Post forecasts rye production in 2001 at 5.2 million tons due to decreased area. Driven by high wheat and barley prices, Russian farmers are expected to sow spring wheat and barley in areas where winter rye damage is high. Rye for grain is mainly a winter crop in Russia.

PSD, Rye, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country:	Russian Federation					
Commodity:	Rye					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	3385	3385	4000	3446	0	3400
Beginning Stocks	400	400	400	400	400	500
Production	4780	4780	5200	5445	0	5200
TOTAL Mkt. Yr. Imports	300	430	100	50	0	100
Oct-Sep Imports	300	430	100	50	0	100
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	5480	5610	5700	5895	400	5800
TOTAL Mkt. Yr. Exports	0	0	0	5	0	0
Oct-Sep Exports	0	0	0	5	0	0
Feed Dom. Consumption	550	600	700	750	0	750
TOTAL Dom. Consumption	5080	5210	5300	5390	0	5400
Ending Stocks	400	400	400	500	400	400
TOTAL DISTRIBUTION	5480	5610	5700	5895	400	5800

Notes:

1. Goscomstat does not provide statistical data on harvested area. This data is derived from official statistics on production and yield per harvested acre.
2. PSD for rye has not been updated in the monthly reports. Post adjusted import data for MY 1999 is based on recent Customs data.

Import Trade Matrix, Rye, 1,000 Metric Tons

Import Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Imports for	1999		2000
U.S.		U.S.	
Others		Others	
Germany	395	Germany	30
Belarus	10		
Total for Others	405		30
Others not listed	25		20
Grand Total	430		50

Barley

Owing to a better crop in 2000 and high domestic prices of \$95-100 per ton in Fall 2000, barley exports in 2000/01 are estimated at 300,000 tons. This reflects a 400,000 ton decrease from the prior year. In MY 2000/01, feed barley consumption is estimated to increase, while consumption of malting barley held steady as the domestic beer industry stabilized following several years of rapid growth. Given the economic attractiveness of barley for farmers, Post forecasts a 1.4 million ton crop for 2001, mainly due to increased planting of spring barley. Yields are expected to decrease but area harvested will be larger. Imports of malting barley will continue, although some beer companies are increasingly looking for domestic production opportunities in the regions most suitable for malting barley production, such as Kursk oblast or Chuvashia. Post anticipates increased domestic investment in barley production in the years to come.

PSD, Barley, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country:	Russian Federation					
Commodity:	Barley					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	9850	9850	11000	8460	0	10000
Beginning Stocks	500	500	100	100	200	200
Production	10600	10600	14000	14080	0	14000
TOTAL Mkt. Yr. Imports	700	700	400	500	0	500
Oct-Sep Imports	700	700	400	500	0	500
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	11800	11800	14500	14680	200	14700
TOTAL Mkt. Yr. Exports	420	420	300	300	0	300
Oct-Sep Exports	420	420	300	300	0	300
Feed Dom. Consumption	7000	7000	9600	9800	0	9800
TOTAL Dom. Consumption	11280	11280	14000	14180	0	14200
Ending Stocks	100	100	200	200	200	200
TOTAL DISTRIBUTION	11800	11800	14500	14680	200	14700

Notes:

1. Goscomstat does not provide statistical data on harvested area. This data is derived from official statistics on production and yield per harvested acre.

Import Trade Matrix, Barley, 1,000 Metric Tons

Import Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Imports for	1999		2000
U.S.		U.S.	
Others		Others	
Kazakhstan	510	Kazakhstan	300
Denmark	100	Denmark	100
Sweden	45	France	15
Ukraine	16	Sweden	10
U.K.	15		
France	14		
Total for Others	700		425
Others not listed	0		75
Grand Total	700		500

Export Trade Matrix, Barley, 1,000 Metric Tons

Export Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Exports for	1999		2000
U.S.	0	U.S.	0
Others		Others	
Israel	150	Iraq	70
Saudi Arabia	70	Israel	60
Syria	65	Syria	50
Cyprus	10	Cyprus	20
Lebanon	5	Saudi Arabia	20
Total for Others	300		220
Others not listed	120		80
Grand Total	420		300

High barley exports in MY 1999/00 were stimulated by attractive international prices and rumors regarding the impending licencing requirements and restrictions on grain exports.

Corn

Corn production for grain is mostly confined to southern European Russia. It is not expected to change substantially in 2001.

PSD, Corn, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country:	Russian Federation					
Commodity:	Corn					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	700	700	1000	721	0	800
Beginning Stocks	130	130	25	25	25	5
Production	1060	1060	1500	1530	0	1550
TOTAL Mkt. Yr. Imports	870	870	400	300	0	300
Oct-Sep Imports	870	870	400	300	0	300
Oct-Sep Import U.S.	840	670	0	200	0	0
TOTAL SUPPLY	2060	2060	1925	1855	25	1855
TOTAL Mkt. Yr. Exports	10	10	0	0	0	0
Oct-Sep Exports	10	10	0	0	0	0
Feed Dom. Consumption	1525	1500	1450	1350	0	1350
TOTAL Dom. Consumption	2025	2025	1900	1850	0	1850
Ending Stocks	25	25	25	5	25	5
TOTAL DISTRIBUTION	2060	2060	1925	1855	25	1855

Notes:

1. Goscomstat does not provide statistical data on harvested area. This data is derived from official statistics on production and yield per harvested acre.

Import Trade Matrix, Corn, 1,000 Metric Tons

Import Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Imports for	1999		2000
U.S.	670	U.S.	200
Others		Others	
Hungary	135	Hungary	50
Yugoslavia	23	Ukraine	20
Moldova	16	Moldova	5
Ukraine	8		
China	7		
Bulgaria	3		
Belgium	2		
France	1		
Total for Others	195		75
Others not listed	5		25
Grand Total	870		300

Oats**PSD, Oats, 1,000 Metric Tons, 1,000 Hectares**

PSD Table						
Country:	Russian Federation					
Commodity:	Oats					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	5000	5000	5000	4090	0	4500
Beginning Stocks	130	130	40	40	140	150
Production	4400	4400	5500	6010	0	5500
TOTAL Mkt. Yr. Imports	10	50	0	10	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	5	0	0	0	0
TOTAL SUPPLY	4540	4580	5540	6060	140	5650
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	3500	3500	4350	4900	0	4550
TOTAL Dom. Consumption	4500	4540	5400	5910	0	5550
Ending Stocks	40	40	140	150	140	100
TOTAL DISTRIBUTION	4540	4580	5540	6060	140	5650

Rice**PSD, Rice, 1,000 Metric Tons, 1,000 Hectares**

PSD Table						
Country:	Russian Federation					
Commodity:	Rice, Milled					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Harvested	145	145	150	165	0	170
Beginning Stocks	65	65	200	200	120	210
Milled Production	290	290	290	385	0	360
Rough Production	444	444	446	586	0	550
Milling Rate(.9999)	6540	6540	6500	6565	0	6545
TOTAL Imports	540	540	400	400	0	250
Jan-Dec Imports	540	540	400	400	0	250
Jan-Dec Import U.S.	100	100	50	0	0	0
TOTAL SUPPLY	895	895	890	985	120	820
TOTAL Exports	5	5	20	25	0	10
Jan-Dec Exports	5	5	20	25	0	10
TOTAL Dom. Consumption	690	690	750	750	0	730
Ending Stocks	200	200	120	210	120	80

Import Trade Matrix, Rice, 1,000 Metric Tons

Import Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Imports for	1999		2000
U.S.	112	U.S.	0
Others		Others	
China	218	China	215
India	86	Vietnam	123
Kazakhstan	38	India	51
Italy	35	Thailand	5
Vietnam	27		
Spain	14		
Thailand	5		
Total for Others	423		394
Others not listed	5		6
Grand Total	540		400

Export Trade Matrix, Rice, 1,000 Metric Tons

Export Trade Matrix			
Country:		Units:	1,000 MT
Commodity:			
Time period:			
Exports for	1999		2000
U.S.	0	U.S.	0
Others		Others	
Turkey	3	Turkey	15
Ukraine	2	Ukraine	6
		Moldova	4
Total for Others	5		25
Others not listed	0		0
Grand Total	5		25