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GAIN Report

Global Agricultural Information Network

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Grain Giant Nibulon Plans Expansion

Report Categories:

Agriculture in the News

Grain and Feed

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Report Highlights:

Ukrainian agricultural giant Nibulon is expanding its grain storage and transportation capacity.

General Information:

Ukrainian agricultural giant Nibulon is expanding its grain storage and transportation capacity. The company originally planned to invest \$150 million in its 2009-2011 project and now this figure has tripled. According to Nibulon's Director General – Oleksiy Vadatursky - "Taking into account the fact that in spring the authorities [in Ukraine] and State management stabilized, our company revised the terms of investment of the project, increasing it to \$470 million."

The financing for this project comes mainly from Denmark and the Netherlands, and partly from the European Bank of Reconstruction and Development (EBRD). On June 17, 2010 EBRD and Nibulon Ltd. signed a credit agreement worth \$50 million for grain infrastructure development over a 7 year period.

Nibulon's project involves building 57 vessels, both self-propelled and non-self-propelled, that will account for an overall deadweight of 200,000 Metric tons. Of particular note are 14 sea and river towboats. Ukraine has 2,176 kilometers of waterways. Storage is part of Nibulon's plan, namely 17 grain elevators will also be constructed, 10 of which will be located along Ukraine's major river, the Dnipro, but also on the Pivdenny Buh. Mr. Vadatursky estimated the elevator capacity of Nibulon to be 2 million metric tons by July 2011. He also expects the total river cargo shipments of farm products to be at about 2 million metric tons annually. Nibulon Ltd. was established in 1991 and is one of the largest grain market operators in Ukraine.