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## Russian Federation

### Grain and Feed

### Official Data on 2008 Crop

### 2009

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**Report Highlights:**

The Russian State Statistical Service reported that in 2008 Russia's grain crop was 108.1 million metric ton (MMT), the highest since 1990. It included 63.7 MMT of wheat, 23.1 MMT of barley, 6.6 MMT of corn, 5.8 MMT of oats, 4.5 MMT of rye, and 4.2 MMT of other grains and legumes. In order to prevent a decrease in grain prices, the government intensified grain procurement interventions, and by the end of January purchased 6.6 MMT. By January 26, 2009, Russia exported 12.7 MMT, including 11.2 MMT of wheat and 1.5 MMT of barley. Devaluation of ruble has helped Russian exports. However, prospects for the further grain exports are not optimistic and carry-over stocks of grain by the end of MY 2008 might become a serious constraint for Russia's 2009 grain production.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Trade Report  
Moscow [RS1]  
[RS]

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## Executive Summary

The Russian State Statistical Service (Rosstat) issued the following data on 2008 grain production: total grain crop is 108.1 million metric tons (MMT), including 63.7 MMT of wheat (59 percent of the total grain), 23.1 MMT of barley, 6.6 MMT of corn, 5.8 MMT of oats, 4.5 MMT of rye, and 4.2 MMT of other grains and legumes. In order to prevent decreases in grain prices, and to stimulate production in 2009, the Russian government increased grain procurement intervention prices and attracted 6.6 MMT of grain into the state intervention fund by the end of January 2009. However, domestic price support through interventions has negatively impacted exports, and along with intensified government purchases, exports slowed in November – December. In January, 2009 grain exports increased slightly due to the sharp devaluation of ruble, but the effect of ruble devaluation was curbed by domestic grain prices increases brought on by additional intervention purchases in mid January, 2009. By January 26, 2009 Russia exported 12.7 million metric tons of grain, including 11.2 MMT of wheat, and 1.5 MMT of barley. However, prospects of significant further increases in exports are gloomy. Given that Russia's grain storage capacity is limited, and that domestic livestock and poultry production will develop slowly due to the financial crisis, big carry over stocks of grain by the end of MY 2008 might become a serious constrain for Russia's 2009 grain production.

## Production

According to the State Statistical Service of the Russian Federation, in 2008 Russia produced 108.1 MMT of grain, including 63.7 MMT of wheat (59 percent of the total grain), 23.1 MMT of barley, 6.6 MMT of corn, 5.8 MMT of oats, 4.5 MMT of rye, and 4.2 MMT of other grains and legumes. The data on Russia's grain crop in 2003 – 2008 is in the Table below.

**Table 1. Russia: Grain Production, 2000-2008, 1,000 Metric Tons**

	2003	2004	2005	2006	2007	2008 (prelim.)
Wheat, total	34,099	45,454	47,716	44,949	49,432	63,747
Barley, total	17,922	17,106	15,685	18,049	15,580	23,137
Rye	4,177	2,875	3,654	2,976	3,943	4,507
Oats	5,169	4,939	4,546	4,861	5,387	5,832
Corn for grain	2,002	3,346	3,025	3,483	3,766	6,645
Rice	445	467	567	677	701	734
Millet	978	1,117	457	599	417	711
Buckwheat	524	648	604	864	1002	924
Legumes	1,638	1,858	1,616	1,748	1,285	1,794
Other	33	43	28	36	43	74
Total	66,987	77,853	77,898	78,242	81,556	108,105

Source: Rosstat, "SovEcon"

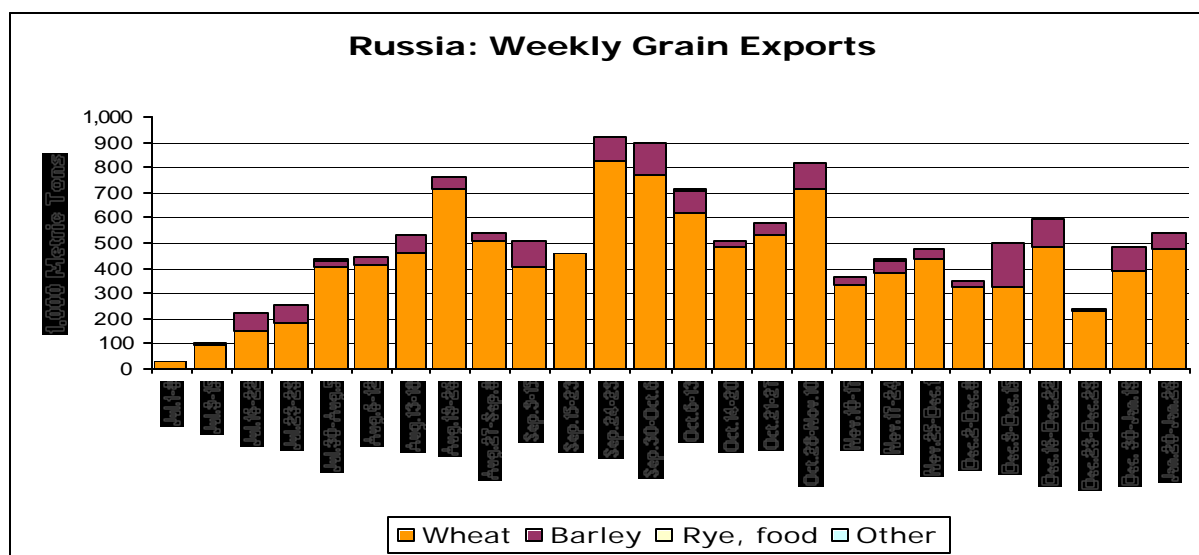
## Consumption

The Russian Deputy Prime Minister Viktor Zubkov reported that domestic grain consumption in MY 2008 will be 73 MMT. There are no official estimates of consumption by categories (food, feed, industrial, etc.). Some grain analysts consider that domestic grain consumption in MY 2008 may be lower than 70.0 MMT due to decreased feed consumption, while others, who forecast an increase in industrial and feed consumption of grain, estimate domestic grain consumption in MY 2008 at 85-88 MMT.

## Trade

According to the Russian Ministry of Agriculture (MinAg), by January 26, 2009, Russia exported 12.7 MMT of grain, including 11.16 MMT of wheat, 1.54 MMT of barley, and 11,000 metric tons of rye. MinAg's data does not include exports by countries. Analysts report that in July – December 2008, Russia exported 11.08 MMT of wheat and that 55 percent of wheat was exported to 5 countries: Egypt (2.87 MMT), Turkey (1.41 MMT), Azerbaijan (0.75 MMT), Iran (0.55 MMT), and Jordan (0.49 MMT). Wheat export data does not include exports of wheat flour. In July through December 2008, Russia exported 245,000 metric tons of wheat flour<sup>1</sup>, an equivalent of 343,000 metric tons of grain. The major recipients of wheat flour were Afghanistan, Uzbekistan, Azerbaijan, and Mongolia. In July – December Russia's barley exports were 1.51 MMT. Almost 70 percent of barley was exported to Syria and Saudi Arabia. The share of malting barley is less than 2 percent of exports, and malting barley was exported to Germany and Kazakhstan. In October 2008, Russia started corn exports, and in October-December exported 179,000 metric tons of corn, including 74,600 metric tons to Egypt, 26,300 metric tons to Armenia, 14,100 metric tons to Syria, 12,900 metric tons to Turkey, 12,400 metric tons to Lebanon, and 10,700 metric tons to Azerbaijan<sup>2</sup>. However, experts consider that corn exports will slow down in 2009.

**Graph 1. Russia's Weekly Grain Exports, by Types of Grain (Except Corn), 1,000 Metric Tons**



Source: Ministry of Agriculture of the Russian Federation.

## Stocks

Official data on the actual current stocks of grain at Russian farms, elevators, and processing enterprises are not available, and there are no official forecasts of the end-of-year stocks. The government is actively purchasing grain into the intervention fund, but it is not clear yet, what portion of procured grain will be left in stocks, sold, exported, or consumed by the end of the MY 2008.

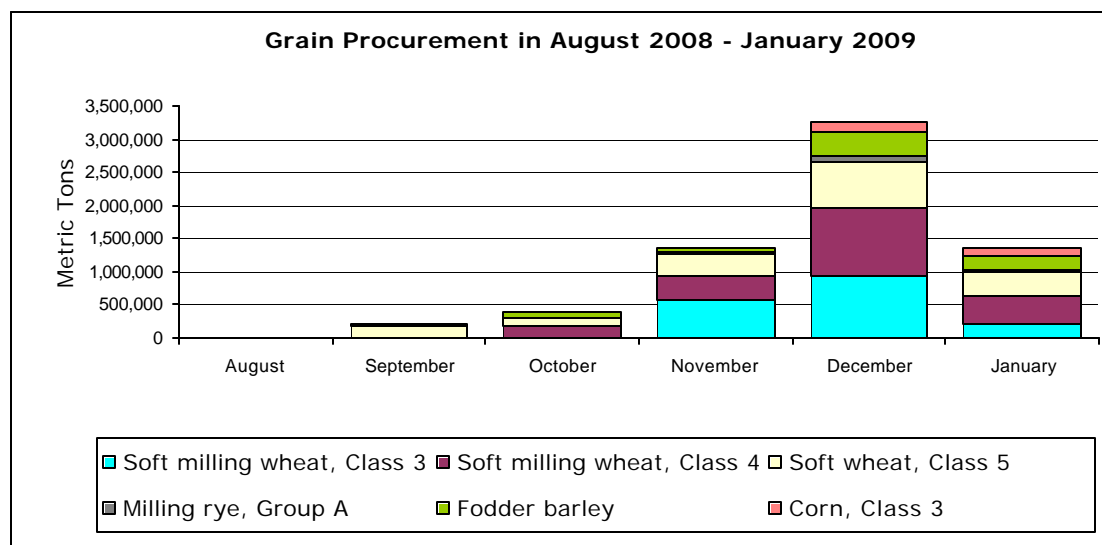
<sup>1</sup> Data on exports of flour in January 2009 are not available.

<sup>2</sup> Source: SovEcon

## State Intervention Stocks

As of January 30, 2008, the Government purchased 6.6 MMT of grain, including 1.73 MMT of soft milling wheat Class 3, 1.98 MMT of soft milling wheat Class 4, 1.70 MMT of soft wheat Class 5 (feed quality wheat), 135,135 metric tons of food quality rye, 792,825 metric tons of fodder barley, and 273,510 metric tons of corn, Class 3. The Government spent 31 billion rubles (\$886 million) for these interventions by the end of January 2009. Monthly purchases to the state intervention fund are shown in the Graph 2.

**Graph 2. Grain Procurement to State Intervention Fund, by Months**



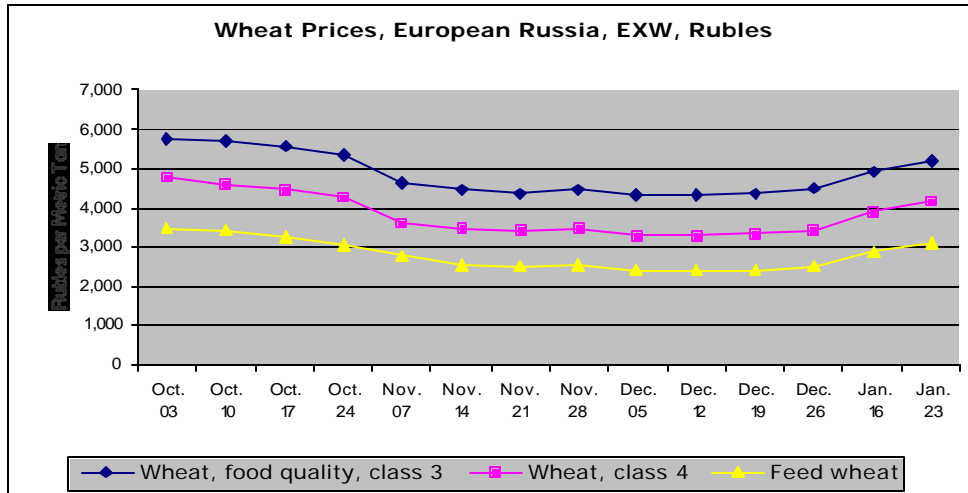
Source: NAMEX

According to the Russian Agricultural Minister Aleksey Gordeev, as of January 23, 2008, there were 372 accredited elevators. The storage capacity of accredited elevators was 11.2 MMT. As of January 23, 2009 the elevators actually accepted 3.2 MMT of grain from the procured 6.3 MMT by that date. The total number of accredited sellers of grain (producers or their representatives) was 1,587 from 35 provinces of the Russian Federation. The number of accredited elevators and the number of sellers of grain may increase in course of competitive selection held on a regular base.

## Prices

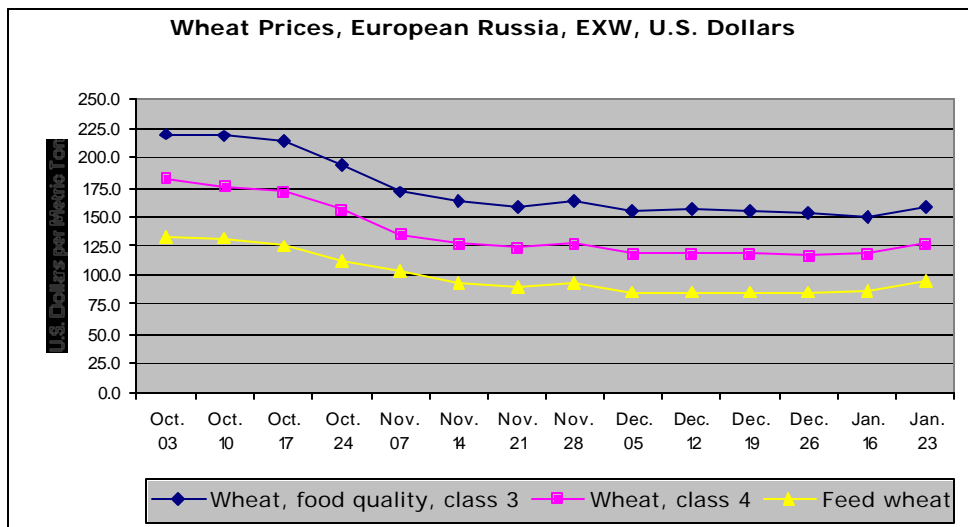
Grain procurement interventions helped to support grain prices in December and this upward price trend continued into January. At the same time, the devaluation of ruble helped to keep prices in US\$ equivalent low, and to stimulate grain exports. In the third week of January, 2009 devaluation slowed, and prices in dollars stabilized. However, in the final week of January, 2009, fall of ruble resumed resulting in another uptick in wheat exports.

Graph 3. European Russia: Wheat Prices, EXW, Rubles



Source: ProZerno

Graph 4. European Russia: Wheat Prices, EXW, U.S. Dollars



Source: ProZern

**PSD Tables**

PSD tables include recent Rosstat's data on production of grain crops.

Table 2. Russia: Wheat

Wheat Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Jul 2006			Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	23,700	23,700	23,700	24,500	24,500	24,500	26,700	26,000	26,000	(1000 HA)
Beginning Stocks	3,809	3,809	3,809	2,380	2,380	2,380	2,204	2,270	2,270	(1000 MT)
Production	44,900	44,900	44,900	49,400	49,400	49,400	63,000	62,500	63,745	(1000 MT)
MY Imports	861	861	861	344	350	350	400	300	300	(1000 MT)
TY Imports	861	861	861	344	350	350	400	300	300	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	49,570	49,570	49,570	52,124	52,130	52,130	65,604	65,070	66,315	(1000 MT)
MY Exports	10,790	10,790	10,790	12,220	12,160	12,160	15,000	14,000	15,000	(1000 MT)
TY Exports	10,790	10,790	10,790	12,220	12,160	12,160	15,000	14,000	15,000	(1000 MT)
Feed Consumption	14,100	14,100	14,100	15,050	15,050	15,050	19,500	19,500	19,500	(1000 MT)
FSI Consumption	22,300	22,300	22,300	22,650	22,650	22,650	24,000	24,300	24,000	(1000 MT)
Total Consumption	36,400	36,400	36,400	37,700	37,700	37,700	43,500	43,800	43,500	(1000 MT)
Ending Stocks	2,380	2,380	2,380	2,204	2,270	2,270	7,104	7,270	7,815	(1000 MT)
Total Distribution	49,570	49,570	49,570	52,124	52,130	52,130	65,604	65,070	66,315	(1000 MT)
Yield	2.00	2.00	1.89	2.00	2.00	2.02	2.00	2.00	2.45	(MT/HA)

Table 3. Russia: Barley

Barley Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Jul 2006			Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	10,000	10,000	10,000	9,800	8,360	8,360	9,700	9,400	9,400	(1000 HA)
Beginning Stocks	873	873	873	1,226	1,226	1,226	956	736	736	(1000 MT)
Production	18,100	18,100	18,100	15,650	15,665	15,665	22,500	22,000	23,135	(1000 MT)
MY Imports	200	200	200	176	175	175	200	100	100	(1000 MT)
TY Imports	200	200	200	200	175	175	200	100	100	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	19,173	19,173	19,173	17,052	17,066	17,066	23,656	22,836	23,971	(1000 MT)
MY Exports	1,547	1,547	1,547	1,046	1,030	1,030	2,500	2,100	2,600	(1000 MT)
TY Exports	1,691	1,691	1,691	1,277	1,030	1,030	2,500	2,100	2,600	(1000 MT)
Feed Consumption	11,800	11,800	11,800	10,450	10,700	10,700	12,200	12,200	12,300	(1000 MT)
FSI Consumption	4,600	4,600	4,600	4,600	4,600	4,600	5,100	5,100	5,100	(1000 MT)
Total Consumption	16,400	16,400	16,400	15,050	15,300	15,300	17,300	17,300	17,400	(1000 MT)
Ending Stocks	1,226	1,226	1,226	956	736	736	3,856	3,436	3,971	(1000 MT)
Total Distribution	19,173	19,173	19,173	17,052	17,066	17,066	23,656	22,836	23,971	(1000 MT)
Yield	2.00	2.00	1.81	2.00	2.00	1.87	2.00	2.00	2.46	(MT/HA)

Table 4. Russia: Corn

Corn Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Oct 2006			Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	1,000	1,000	1,000	1,300	1,300	1,300	1,650	1,550	1,550	(1000 HA)
Beginning Stocks	144	144	144	175	175	175	167	175	167	(1000 MT)
Production	3,600	3,670	3,670	3,950	3,950	3,950	6,800	6,200	6,645	(1000 MT)
MY Imports	108	108	108	341	250	341	100	100	100	(1000 MT)
TY Imports	108	108	108	341	250	341	100	100	100	(1000 MT)
TY Imp. from U.S.	9	9	9	8	0	8	0	0	0	(1000 MT)
Total Supply	3,852	3,922	3,922	4,466	4,375	4,466	7,067	6,475	6,912	(1000 MT)
MY Exports	77	77	77	49	50	49	300	150	350	(1000 MT)
TY Exports	77	77	77	49	50	49	300	150	350	(1000 MT)
Feed Consumption	3,100	3,170	3,170	3,650	3,550	3,650	4,800	4,800	4,800	(1000 MT)
FSI Consumption	500	500	500	600	600	600	700	700	700	(1000 MT)
Total Consumption	3,600	3,670	3,670	4,250	4,150	4,250	5,500	5,500	5,500	(1000 MT)
Ending Stocks	175	175	175	167	175	167	1,267	825	1,062	(1000 MT)
Total Distribution	3,852	3,922	3,922	4,466	4,375	4,466	7,067	6,475	6,912	(1000 MT)
Yield	4.00	4.00	3.67	3.00	3.00	3.04	4.00	4.00	4.29	(MT/HA)

Table 5. Russia: Rye

Rye Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Jul 2006			Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	1,800	1,800	1,800	2,100	2,100	2,100	2,200	2,200	2,200	(1000 HA)
Beginning Stocks	126	126	126	76	76	76	62	76	62	(1000 MT)
Production	3,000	3,000	3,000	3,900	3,915	3,915	4,400	4,200	4,505	(1000 MT)
MY Imports	50	50	50	5	5	5	0	0	0	(1000 MT)
TY Imports	50	50	50	5	5	5	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	3,176	3,176	3,176	3,981	3,996	3,996	4,462	4,276	4,567	(1000 MT)
MY Exports	0	0	0	119	120	119	100	50	50	(1000 MT)
TY Exports	64	64	64	86	120	86	100	50	50	(1000 MT)
Feed Consumption	100	100	100	650	620	650	650	650	650	(1000 MT)
FSI Consumption	3,000	3,000	3,000	3,150	3,180	3,165	3,375	3,245	3,375	(1000 MT)
Total Consumption	3,100	3,100	3,100	3,800	3,800	3,815	4,025	3,895	4,025	(1000 MT)
Ending Stocks	76	76	76	62	76	62	337	331	492	(1000 MT)
Total Distribution	3,176	3,176	3,176	3,981	3,996	3,996	4,462	4,276	4,567	(1000 MT)
Yield	2.00	2.00	1.67	2.00	2.00	1.86	2.00	2.00	2.05	(MT/HA)



Table 6. Russia: Oats

Oats Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Jul 2006			Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	3,600	3,600	3,600	3,700	3,320	3,320	3,700	3,200	3,200	(1000 HA)
Beginning Stocks	190	190	190	190	190	190	190	190	190	(1000 MT)
Production	4,900	4,900	4,900	5,400	5,410	5,410	5,400	4,700	5,830	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	5,090	5,090	5,090	5,590	5,600	5,600	5,590	4,890	6,020	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Exports	4	4	4	0	0	0	0	0	0	(1000 MT)
Feed Consumption	3,300	3,300	3,300	3,800	3,810	3,810	3,400	3,100	3,830	(1000 MT)
FSI Consumption	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	(1000 MT)
Total Consumption	4,900	4,900	4,900	5,400	5,410	5,410	5,000	4,700	5,430	(1000 MT)
Ending Stocks	190	190	190	190	190	190	590	190	590	(1000 MT)
Total Distribution	5,090	5,090	5,090	5,590	5,600	5,600	5,590	4,890	6,020	(1000 MT)
Yield	1.00	1.00	1.36	1.00	2.00	1.63	1.00	1.00	1.82	(MT/HA)

Table 7. Russia: Rice

Rice, Milled Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	163	163	163	163	160	160	164	170	170	(1000 HA)
Beginning Stocks	104	104	104	69	69	69	69	59	69	(1000 MT)
Milled Production	445	445	445	460	450	460	450	460	475	(1000 MT)
Rough Production	685	685	685	708	709	708	692	708	731	(1000 MT)
Milling Rate (.9999)	6,500	6,500	6,500	6,500	6,350	6,500	6,500	6,500	6,500	(1000 MT)
MY Imports	250	250	250	233	230	233	240	240	220	(1000 MT)
TY Imports	250	250	250	233	230	233	240	240	220	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	799	799	799	762	749	762	759	759	764	(1000 MT)
MY Exports	15	15	15	15	15	15	15	15	20	(1000 MT)
TY Exports	15	15	15	15	15	15	15	15	20	(1000 MT)
Total Consumption	715	715	715	678	675	678	675	675	675	(1000 MT)
Ending Stocks	69	69	69	69	59	69	69	69	69	(1000 MT)
Total Distribution	799	799	799	762	749	762	759	759	764	(1000 MT)
Yield (Rough)	4.00	4.00	4.20	4.00	4.00	4.43	4.00	4.00	4.30	(MT/HA)

Table 8. Russia: Millet

Millet Russia	2006			2007			2008			
	2006/2007			2007/2008			2008/2009			
	Market Year Begin: Jul 2006			Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	USDA official	Post Estimate	Data	
Area Harvested	700	700	700	500	375	375	500	500	500	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Production	600	600	600	425	420	420	700	500	710	(1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	600	600	600	425	420	420	700	500	710	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Consumption	300	300	300	225	220	220	400	300	410	(1000 MT)
FSI Consumption	300	300	300	200	200	200	300	200	300	(1000 MT)
Total Consumption	600	600	600	425	420	420	700	500	710	(1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Distribution	600	600	600	425	420	420	700	500	710	(1000 MT)
Yield	1.		0.8571	1.	1.	1.12	1.	1.	1.42	(MT/HA)

### Relevant Reports

RS9002 Government Strengthens Grain Market Control

<http://www.fas.usda.gov/gainfiles/200901/146327109.pdf>

RS8091 December Grain Update

<http://www.fas.usda.gov/gainfiles/200812/146306655.pdf>

RS8090 Russian Government Intends to Support Grain Exports

<http://www.fas.usda.gov/gainfiles/200812/146306735.pdf>