

Drought Raises Concern Among Grain Exporters

By [The Moscow Times](#)

July 22, 2010

The  Moscow Times

Grain traders may hesitate to sign new export agreements on concern that a drought might spur the government to curb outbound shipments, SovEcon said Thursday.

“Most likely grain traders, especially those representing international grain companies, will be reluctant to enter new contracts on fears of possible export restrictions,” the research center said on its web site.

Twenty-three crop-growing regions in Russia have declared a state of emergency because of the drought, the worst in at least a decade. Sales to cattle breeders and millers of more than 3 million metric tons of stockpiled feed and food-quality grain in domestic tenders to help drought-stricken regions will begin Aug. 4, the Agriculture Ministry said Wednesday.

The timing of the start of the tenders may signal tight domestic supplies, SovEcon said. Concern that export curbs might accompany the sales is “legitimate,” it said.

The government has grain inventories of about 9.5 million tons.

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