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# State May Cut Grain Forecast Again

By The Moscow Times

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The government may cut its forecast for the national grain harvest again as the country's worst drought in at least 50 years reduces the crop's quality, the Institute for Agricultural Market Studies said Wednesday.

"Harvesting conditions in Siberia" will determine whether the forecast is lowered, said Dmitry Rylko, director at the institute, or IKAR. "There's been some dryness, and rains coming in too early could also complicate the situation. Things will become clearer in a week."

The drought has spurred 28 crop-growing regions to declare a state of emergency, and the government last week barred grain exports as of Aug. 15. The national grain crop will fall as low as 60 million metric tons this year from last year's 97.1 million tons, Agriculture Minister Yelena Skrynnik said Wednesday.

The country has sufficient grain to supply domestic use, even if the total harvest falls to 60 million tons, Skrynnik told Prime Minister Vladimir Putin, according to a transcript on the government's web site.

The Ukrainian government is also considering curbing grain exports, although a final decision would be made next week, it said Wednesday.

The grain harvest in Ukraine, the world's No. 1 exporter of barley and sixth-largest of wheat, is likely to fall 13 percent to 40 million to 42 million metric tons this year from last, after severe winter frosts and a scorching summer heat wave. It needs more than half of that total for itself.

Russian wheat is of low quality this year, and grains are too small, Rylko said. Only "a little" wheat in drought-stricken areas is suitable for use in food, and most is of animal-feed standard, while the crop in the country's southern breadbasket is of "more or less decent" quality, he said.

Soil remains too dry for planting, potentially leading to a "tragic decline" in winter grain sowing, which normally makes up about 65 percent of the national wheat crop, Rylko said. Central Russia and the Volga Federal District need adequate rains before Sept. 5 to permit planting, while southern regions, where sowing can take place as late as November, will be able to "find a good window," he said.

The drought continues to damage late crops, according to Rylko, who predicted a 6.6 percent drop from last year in the Russian corn harvest to 3.7 million tons.

IKAR also cut its forecast for the sunflower-seed crop to between 6.5 million and 6.8 million tons from 6.9 million tons. Russia harvested 6.45 million tons of the seeds last year.

The National Millers Union said Wednesday that Russia may need to import rye for the first time in 15 years after drought slashed the crop.

The local rye harvest may come to between 2 million and 2.2 million metric tons, with as much as 20 percent of feed quality, the group said.

*(Bloomberg, Reuters)*

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