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Grain Shipment Fees Jump 45% in August

By The Moscow Times

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Prices the regions charge Moscow for grain shipments jumped 45 percent in August because of the drought, as analysts lower their forecasts for this year's grain harvest, a city official said Thursday.

Grain prices the city pays rose to 8,000 rubles ($263) a metric ton from 5,500 rubles a ton a month earlier, said Viktor Olkhovoi, deputy head of the city's food department, RIA-Novosti reported.

The city has 150,000 tons of grain stockpiled, enough to last 150 days without additional purchases, he said.

The grain crop will fall at least 36 percent this year and will not exceed 62 million metric tons, agricultural market researcher SovEcon said, citing calculations based on the government's harvest progress report.

The crop is set to decline after the worst drought in 50 years ruined more than 8 million hectares of grain plantings, the researcher said.

Drought destroyed about 17 percent of plantings and cut yields 23 percent compared with the previous year, SovEcon said. As a result, production will be at least 35 million metric tons lower than the 97.1 million-metric-ton crop last year, it said, adding that high temperatures in the first two weeks of August may have exacerbated the damage.

The Agriculture Ministry is considering lowering its grain-crop forecast again amid the worst drought in at least 50 years, said ministry spokesman Oleg Aksyonov.

It's possible because of "abnormal weather conditions," Aksyonov said Thursday. Russia's latest estimate was 60 million to 65 million metric tons on Aug. 9, down from a previous forecast of 70 million to 75 million metric tons on Aug. 3. Aksyonov denied that the ministry is discussing importing more grains.

(Bloomberg, Reuters)

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