

Ministry Says No Grain Imports in 2010

By [The Moscow Times](#)

August 22, 2010

The  Moscow Times

Russia will not import grain in 2010, an Agriculture Ministry spokesman said Friday, adding that traders had been spreading rumors of imports to heat up the market.

U.S. wheat futures slipped 0.33 percent Friday, tumbling more than 3 percent for the week, as Russia said it would not import grain this year and Statistics Canada forecast a bigger-than-expected crop.

Chicago Board of Trade September wheat closed down 2 1/4 cents at \$6.79 per bushel. It was the second straight weekly slide for wheat, which notched a contract high of \$8.41 on Aug. 6.

"Russia is saying they don't need to import anything. We all know that's not right, but that's what they're saying," said Roy Huckabay, an analyst for the Linn Group.

Analysts have said the world's third-biggest wheat exporter last year will have to buy millions of metric tons of grain abroad for the first time in more than 10 years after its worst drought in over half a century.

"Russia will not import grain in 2010. We have enough of our own grain," Agriculture Ministry spokesman Oleg Akseyonov said. "This rumor is being spread around in the interests of a group of dishonest grain traders in order to heat up the market," he added.

Akseyonov said the ministry planned no measures against the traders. "We are not the Prosecutor General's Office nor the Interior Ministry," he said.

The ministry officially estimates this year's grain crop to be 60 million to 65 million tons, compared with 97 million tons in 2009.

The ministry will have a better crop picture when grains in Siberia are harvested toward the end of September, Akseyonov said.

With carryover stocks of 24 million tons, Russia would comfortably cover domestic needs of about 77 million tons, even in the worst case scenario of about 60 million tons of grain harvested in 2010, he said.

Vedomosti reported Thursday, citing a source close to the Agriculture Ministry's leadership, that Russia could import at least 5 million tons of grain in the 2010-11 agricultural year.

The report, rapidly denied by Akseyonov, helped send wheat prices 4 percent higher in Thursday trading.

Abdolreza Abbassian, an economist and cereals analyst at the United Nations Food and Agriculture Organization, said Friday that wheat output in Russia was likely to fall to 42 million to 43 million tons in 2010, about 20 million tons less than in 2009.

The drought and heat wave in the Black Sea region, although declared to be over in Russia last week, is estimated to have destroyed a quarter of its grain crop. Ukraine is also ready to impose export quotas, which traders have criticized as overly restrictive.

Abbassian said in an interview that he expected wheat prices to remain high and volatile in the coming months but that they did not pose a threat of global inflation.

"To talk about food inflation when the bulk of the increase is in wheat is a bit too early," he said.

Abbassian had said Thursday that the FAO was set to cut its 2010 world wheat output outlook by 5 million to 7 million tons and trim its global wheat stocks estimate by a couple of million tons to take into account Russia's shortfalls.

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