

Putin Does Not Rule Out Grain Intervention

By [The Moscow Times](#)

November 29, 2010

The  Moscow Times

Russia could sell grain from its stocks to curb price increases, Prime Minister Vladimir Putin said Monday, adding that purchases on the international market were also possible.

"We cannot tolerate sharp increases in food prices. What can we do about it?" Putin said at a meeting with regional leaders. "We can sell grain from the intervention stocks."

He added that the government had yet to determine the timing for any move.

Russia has 9.64 million tons of grain in its intervention stocks, about one-third of which is feed grain.

The president of the Russian Grain Union lobby group, Arkady Zlochevsky, said last week that the government could start grain sales in the first quarter of 2011, starting the process in January so that it could reach its destination by March.

The government intends to sell grain at low fixed prices to the regions worst hit by the most severe drought in more than a century.

Putin also said Russia could purchase further grain supplies on international markets, though he did not provide any specific details on volumes.

"If it is necessary, if we see prices rising we will implement these [import] agreements and will ship additional grain volumes to the Russian market," he said.

An Agriculture Ministry spokesman said Friday that Russia was in talks to buy 3 million tons of feed grain, including 2 million tons from Ukraine, 0.5 million tons from Kazakhstan and another 0.5 million tons elsewhere, most likely in the European Union.

Analysts said Monday that prices were rising but with little trade as holders of stock were reluctant to sell.

"Slow sales are explained by the legitimate desire of some farms, which had a good crop despite the drought, to raise money, awaiting the market rise ... and to sell on the expensive market," Putin said.

"But we are helping the agricultural producers, and we have the right to expect that they behave with responsibility," he added.

Russia's grain crop fell to an estimated 60.3 million tons this year from 97 million tons in 2009.

Original url:

<https://www.themoscowtimes.com/2010/11/29/putin-does-not-rule-out-grain-intervention-a3337>