

Export Ban Likely to Hurt Harvest

By [The Moscow Times](#)

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The country's grains harvest may drop below 70 million metric tons in 2012 if the grain-export ban remains in place, a decline of at least 16 percent from this year's forecast crop, SovEcon said.

Russia prohibited shipments from Aug. 15 until at least July 1 as drought wiped out more than a third of the country's crop last year, reducing the harvest to 60.9 million tons. Farmers may reap 83 million tons of grains this year as a further acute drought is unlikely, SovEcon managing director Andrei Sizov said Wednesday in an interview in New York.

Still, "there is a risk that if the export ban is in place and wheat prices on the local market are low, farmers may seriously reduce areas under wheat and, instead, sow more areas with sugar beets, sunflower and other oil seeds, as well as buckwheat," Sizov said.

The government will discuss the export ban after spring plantings, Agriculture Minister Yelena Skrynnik said April 28. The barley crop may be limited after the late onset of spring delayed planting, Sizov said.

"We don't expect any serious drought in Russia this year, it just can't happen for a third year in a row," Sizov said. Some Russian regions also suffered from dry conditions in 2009. "So far, the weather damaged the barley harvest outlook. The harvest will be low because of the late spring."

The area under wheat will likely fall this year, compared with 2010, SovEcon said on its web site Thursday, without giving a number. The area planted with sunflowers may match last year's record 7.15 million hectares, Sizov said May 3.

If the government lifts the export ban, Russia may export 10 million to 13 million tons of grain in 2011, mostly wheat, Sizov said.

Russia, hit by severe drought last summer, will see a "huge" recovery in grain crops this year as will its neighbor Ukraine, a senior economist and grain analyst at the UN's Food and Agriculture Organization, or FAO, said Thursday, Reuters reported. Agricultural commodities markets need "some degree of control" to cap excessive speculation that fuels price volatility, FAO's Abdolreza Abbassian told Reuters Insider in an interview.

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