

Egypt Rejects Russian Wheat

By The Moscow Times

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Egypt, the world's biggest wheat buyer, said it will exclude Russian grain from its tenders for now, a sign that the exporter is failing to win back some customers after imposing a 10-month ban on shipments.

Russia plans to resume shipments from July 1 after the government predicted total grain output may rise as much as 48 percent this year. While the country has 4 million metric tons of last year's wheat crop available for export, as much as 2 million tons of it may not be of a good enough quality to ship, according to the Grain Union, the largest lobby group for cereal exporters.

"Last year the Russians failed to ship some quantities that were agreed upon even before the ban came into effect, and that is why I am wary of the Russian side," Nomani Nomani, vice chairman of Egypt's state wheat buyer, the General Authority for Supply Commodities, or GASC, said by phone Monday. "When we are sure that the Russian side is stable, we will reinclude it." Egypt said it would only accept U.S. or French wheat in a tender earlier this month that resulted in GASC buying 120,000 tons from Cargill and Granite. It was the first tender since Feb. 23. Russia accounted for more than half of Egypt's wheat imports before its export ban started Aug. 15.

"I don't think the results of the first Egyptian tenders are a big problem," said Vadim Vikulov, chairman of Russia's National Association of Agricultural Products' Exporters. "There are still big buyers out there. And some countries will be more flexible."

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