

United Grain and Dalport to Put \$160M in Pacific Terminal

By [The Moscow Times](#)

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State-owned United Grain Company said Tuesday that it agreed with privately held Dalport to invest up to 5 billion rubles (\$160 million) to build a grain terminal on the Pacific coast.

Under their memorandum of understanding, the terminal at the Vostochny port, near Nakhodka, will export up to 5 million tons of grain. They plan to start construction next year and complete the work by 2014.

"We see the potential of the Siberian and Far East federal districts to increase production and export of quality Russian grain," United Grain's chief executive Sergei Lyovin said in a statement. "But the existing infrastructure to handle grain in the Far East doesn't meet either the capacity of Russian growers or the demand of the dynamically developing Asian markets."

In order to increase eastbound exports, Russia also needs to build new silos and purchase grain ships, he said.

Southeast Asian countries are among "priority destinations" for the company to increase its exports, the company said recently. Russia's grain exports may reach at least 40 million metric tons by 2020, it said.

The company aims to raise cereal exports to 16 million tons in 2015.

United Grain plans six grain silos in Siberia with a total capacity of 1.5 million to 1.8 million tons a year, Aram Gukasyan, the company's deputy chief, said in the earlier statement.

The government created United Grain in March 2009 to increase exports and regulate the domestic market through purchases and sales. Russia now plans to sell a stake in United Grain to private investors and might eventually give up all ownership of the company.

President Dmitry Medvedev signed a decree on Nov. 7, which was published in the government's Rossiiskaya Gazeta, to sell a stake of 50 percent minus one share within six months of that date.

The government may relinquish all ownership of United Grain by 2017 under its privatization program, company spokesman Viktor Krupenin said, Bloomberg reported.

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