

Grain Yields Continue to Fall

By The Moscow Times

August 23, 2012



Falling yields are painting an even bleaker outcome than anticipated for Russia's wheat crop, while longed-for rainfall in Ukraine and Kazakhstan won't rescue drought-hit harvests across the Black Sea area, forecasters and analysts said on Thursday.

Declining yields in Siberia and the Urals region prompted Moscow-based analyst group SovEcon to cut its Russian wheat crop forecast to 39 million tons from 39-41 million tons.

"With a sharp decline in the contributions from Siberia and the Urals, estimates for the Russian wheat harvest are falling significantly — lower, perhaps, than even the most conservative market expectations," SovEcon said in a note.

Wheat yields in Siberia and the Urals have fallen below 1 ton per hectare. Citing ministry data, SovEcon pinpointed yields in the Chelyabinsk region at 0.6 tons per hectare and in Omsk region at 0.8 tons per hectare.

Parts of Siberia are expecting cold night-time temperatures over the next few days, as low as

minus 2 degrees Celsius, the Federal Hydrometeorological Center said on its website in a weather forecast for Aug. 23-25.

It said the possibility of wildfires remained very high in the Novosibirsk and Altai regions, despite forecast rain.

Russian Agriculture Minister Nikolai Fyodorov forecast the country's grain crop this year at the lower end of its previous range of between 75 million and 80 million tons, saying trends in the weather were "not very favorable."

The minister did not give a new forecast for the wheat crop.

Russia had harvested about 50 million tons of grains as of Aug. 23, data published on the ministry's website, www.mcx.ru, showed.

Sharply reduced crop forecasts from Russia — which harvested 94 million tons of grain last year, including 56.2 million tons of wheat — have given rise to concerns the country might once again ban exports, helping drive global prices higher.

Fyodorov, who last week ruled out an export ban, reiterated his position in an interview with state TV channel Rossia 24.

"We are categorically against any measures that would destroy the market," he said. "We need to make very cautious moves."

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