

Russian Farmers Struggle With High Debt and No Machinery

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Russian farmers' high debt levels and lack of machinery and fertilizers will hold back the 2014 harvest, the Agriculture Ministry said Wednesday as it downgraded estimates for the rise in grain production.

Russia, one of the world's major grain exporters via the Black Sea, is expected to increase its 2014 grain crop by 5 percent thanks to favorable weather, according to the latest ministry forecast.

The country will harvest 97 million tons of grains in 2014, up from 92.4 million tons a year ago, Deputy Agriculture Minister Andrey Volkov said Wednesday.

But Agriculture Minister Nikolai Fyodorov had previously predicted the 2014 grain crop would reach 100 million tons, the largest since Russia harvested a record 108 million tonnes in 2008.

"The minister is aiming for a harvest of 100 million tonnes," Volkov told a grain conference in Gelendzhik, a town on Russia's Black Sea coast. "But the condition of the spring grain

sowing campaign and the condition of winter grains allow us to expect ... this figure [97 million tonnes]."

High debts and a lack of machinery and fertilizers remain the main problems for Russian farmers and their crops, Volkov added. He did not say whether these factors had been taken into account in his crop forecast.

"The high debt burden is the number one illness now," Volkov said. "If it were possible to extend the debt for 30 years, then that would be a break." He did not state an overall figure for farmers' current debts but said the sector did not have enough money to buy fertilizers.

The technological weakness of Russia's agriculture sector makes it more dependent on weather conditions, according to the head of Russia's Grain Union, Arkady Zlochevsky.

"This year we were lucky with the weather, but when we are not lucky, there will be a sharp [crop] fall. We have not simply stopped developing the technology, we are rolling backwards," Zlochevsky told the same conference.

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