Russia Reaps Gains From Bumper Grain Harvest and Rising Prices

By [The Moscow Times](#)

September 08, 2014

Russian wheat prices rose for a second straight week thanks to a record pace of August exports, high domestic demand and weak ruble that offset continuing harvesting, analysts said Monday.

Russia, one of the world's largest wheat exporters, has supplied 4.7 million tons of all grains including pulses to its customers abroad in August. Its top customers are in North Africa and the Middle East.

"It is the highest ever monthly export level," Russia's IKAR agriculture consultancy said in a note. Wheat exports also hit an all-time record of 4.2 million tons.

Russia is set to harvest the largest wheat crop in six years thanks to favorable weather this year and has already harvested 50 million tons from 62 percent of the planned area, according to Agriculture Ministry data.

IKAR expects the country to harvest 60 million tons of wheat, 20.2 million tons of barley and 12.7 million tons of maize.

Russian prices for milling wheat with 12.5 percent protein content were up $2 last week at $246 per ton, IKAR said. The quote was on a free-on-board, or FOB, basis in the Black Sea compared with a week earlier.

Barley prices were flat at $212 per ton, while maize prices fell $3 to $180 per ton, it added.

SovEcon, another Russian agriculture consultancy, quoted FOB prices for wheat with 12.5 percent protein content up $0.5 at $248 per ton in deep-water ports.

The ruble was 0.44 percent weaker against the dollar at 37.08 on Monday as investors awaited details of new European sanctions against Russia over its role in Ukraine's crisis. It hit an all-time low of 37.50 against the dollar early last week.

As for other crops, SovEcon said FOB Black Sea crude sunflower oil prices were at $750 per ton.

IKAR's white sugar prices index fell to $647 per ton from $659 per ton, the firm said.