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Russian Farmers Pin Hopes on Spring Harvest as Food Prices Soar

By The Moscow Times

March 04, 2015



Russian farmers have started spring grains sowing campaign with prospects for the 2015 crop brighter than first thought, the Agriculture Ministry said Wednesday.

Russia, one of the main key wheat exporters to North Africa and the Middle East, needs a good crop after a sharp drop in the ruble has boosted domestic food prices.

"In general there are reasons to consider the situation as satisfactory," Agriculture Minister Nikolai Fyodorov told President Vladimir Putin during a meeting of senior government officials.

Russia's 2015 grain crop may come in at up to 100 million tons, the high end of a previous forecast range and down from a near-record crop of 104 million tons a year ago, after winter left plantings in a better condition, Fyodorov said.

"The area of winter grains, which were hit during the autumn, is being reduced," the minister added.

Last autumn, amid cold weather and a lack of rain, Russian farmers sowed 16.8 million hectares for winter grains, up 5 percent year on year.

Previously the ministry had said that about 21 percent of winter grains were in bad condition and expected the 2015 grain crop to range from 85 million to 100 million tons.

However, the latest data showed an improved condition of winter grains on 400,000 hectares of land in Russia's Southern Federal District, where the main wheat-exporting regions are, Fyodorov said.

"This adds more than 2 million tons of grains," he said.

In total, about 19.7 percent of winter grains are in poor condition, the Agriculture Ministry said in a separate statement.

Winter grains usually have higher yields than spring grains and contribute the bulk of the wheat crop that Russia exports. They are also more weather-resistant.

The ministry also said that farmers have started the spring sowing campaign in Russia's Krasnodar and Stavropol regions a few days ago. Under the current plan, spring grains and pulses will be sown on 31.0 million hectares in total, down more than 2 percent year-on-year.

The ruble's fall by 47 percent against the dollar since early 2014 has inflated farmers' costs for imported seeds, fertilizers and for borrowing. Russia's Grain Union, a farmers' lobby group, has said that costs rose 40 percent, year-on-year.

In an effort to ease that pressure, officials have agreed with fertilizers producers to cut domestic prices by a third. The government is also compensating for part of interest rates to farmers, Fyodorov said.

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