

Ukraine Takes 'World's Largest Grain Exporter' Title From Russia

By [bne IntelliNews](#)

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Ukraine has exported 49.7mn tonnes of grain and is set to take the title of world's biggest exporter from Russia. **bne IntelliNews**

Russia has been the global grain exporter top dog for the last three years, but as the agricultural marketing year ended on June 30, it looks like Ukraine has snatched the title back from its rival.

Thanks to a bumper 70 million tons of grain harvest, Ukraine was able to push exports up to just shy of its official target and sold 49.7 million tons to other countries. The Ministry of Agrarian Policy and Food had predicted that exports would reach 50 million tons this year.

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That should pip Russia to the post, though Russia is also on track for a good harvest this year

that is forecast to reach 118 million tons. While Russia's final export numbers for this agricultural marketing year have not been released the official forecast for exports was only 46 million to 48 million tonnes this year and the harvest will be down slightly on last year's.

Rivalry aside, grain has become a major hard currency earner for both countries and this year's exports are worth circa \$20 billion for each country. The excess grain also provides the basis for the development of animal husbandry businesses, which are developing rapidly in both countries.

Ukraine's grain exports were up 26 percent year-on-year. Ukraine's corn exports shot up by 62 percent, hitting 29.8mn tons. Wheat fell by 9 percent, to 15.6mn tons. Barley fell by 18.6 percent, to 3.6 million tons, the UBJ reports.

Russia continues to favor the sector to spur further development. Last week the government announced that it is extending the term of the zero rate on wheat exports until July 1, 2021. According to a [decree](#) posted on the official government website: "The decision will facilitate the export of produce of the agro-industrial sector." The zero wheat export duty, introduced in Russia three years ago, was valid until July 1, 2018, with a subsequent extension until July 1, 2019.

During his recent Direct Line Q&A session, President Vladimir Putin said that Russia's agricultural exports are expected to double, reaching \$45 billion in the next five years. Moreover, Putin has ordered Russia develop a brand of "green" non-GMO grain to market on the international stage.

In 2016, Russia became the world leader in wheat exports. The country's share of the global wheat market has quadrupled since the early 2000s. Overall, Russian agricultural production surged by 20 percent over the past five years.

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