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Russia's Food Exports Earned Record Revenues Amid Soaring Global Food Prices

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Grain was the most valuable component of Russia's overseas sales. **meric tuna / unsplash**

Russia earned record revenues from food exports in 2021, maintaining its newfound status as a net seller of agricultural products for the second consecutive year.

The country exported $37.7 billion in foodstuffs, the Interfax news agency reported on Friday, citing stats from the AgroExport federal institute.

The previous record of $30.5 billion was set in 2020, the first year since the collapse of the Soviet Union that Russia was a net exporter of food supplies. The total volume, however, decreased from 79 million to 71.1 million tons due to Russia's floating tax rate on wheat exports designed to curb domestic prices.

Russia's largest agricultural export partner was the EU, which increased its purchases by 41% from the previous year to a total of $4.7 billion. The second largest market for Russian food

was Turkey, which increased its imports by 38% to $4.3 billion. China, Russia's third largest customer, reduced purchases by 12% to $3.6 billion.

Although grain was the most valuable component of Russia's overseas sales, its overall share fell slightly to around 30%. Oil and fats gained ground along with fish and seafood, with both categories representing nearly a fifth of all exports.

Russia's record overseas food deliveries came as global food prices climbed last year. The UN's Food and Agriculture Organization recorded an average 28.1% increase in year-on-year food prices each month in 2021, with the high costs expected to continue through 2022.

Increasing food costs are squeezing household budgets in Russia, where inflation has risen rapidly over the past 20 months.

In an effort to curb rising food prices, the government in December imposed an 8 million ton wheat export quota effective from February 15 to June 30.

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