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Report Highlights:

Post forecasts total grain production in 2004 at 73.2 million metric tons (mmt), a six mmt increase from last year's winter-kill affected crop of 67 mmt. This increase is due to the better condition of winter grains at the beginning of April and an expected larger area sown to spring grains. Carry-over stocks will be quite low, meaning consumption and exports will be fairly stable. Total exports will be 6.1 mmt, composed mainly of 3.5 mmt of wheat and 2.3 mmt of barley.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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General Outlook for the MY 2004

Production

Post forecasts total grain production at 73.2 mmt, a six mmt increase from last year, given normal weather conditions and assuming that attractive prices will improve input supply and farm management. The area sown to all grains is forecast to increase by 2.0 – 2.5 million hectares from a record low of 42 million hectares in 2002. This increase in area is expected in spring grain fields, while the area sown to winter grains is lower than last year. Winter grains are sown on 13.6 million hectares, 1.3 million hectares less than last year due to rains in the fall and a delayed and hectic harvest late into the fall that switched farmers and their resources from sowing. However, the winter crop survival is 1.8 million hectares better than last year, so the final area for winter grains will be close to last year's level, and given the better status of the winter grain crop as of mid-March 2004, yields will be higher. According to weather data, this summer may be dry in the European part of Russia meaning yields of spring grain may be lower.

The federal Ministry of Agriculture (MinAg) is trying to increase the total harvested area to 45 million hectares (3 million hectares up from the last year). In order to do this, MinAg initiated the "Resolution of the Government on Support of Spring Sowing Works". However, high grain prices will be the main stimuli to increase grain area. High wheat prices will stimulate farmers to increase spring wheat sown area first of all, and Post forecasts that production of less important grains like millet, buckwheat, and legumes will decrease from 3.1 mmt in MY 2003 to 2.4 mmt in MY 2004.

Input Supply

The financial status of grain farmers improved in 2003, but access to essential inputs continues to be limited. Input supply prices, in many cases, increased faster than grain prices and most farmers have to divide returns from sales between many urgent needs including seeds, fertilizer, chemicals, fuel, and electricity. The prices of machines and spare parts increased from twenty to over forty percent in 2003 and fertilizer prices (ammonium nitrate) skyrocketed by eighty percent. According to estimates, for spring work farmers need to repair 230,000 tractors, 100,000 trucks, and about 270,000 pieces of planting and plowing equipment, the cost of which is estimated at 23.0 billion rubles.

Agricultural Machinery

Last year's high prices are expected to result in increased purchase of new agricultural machinery, which are typically not at the top of farmer's purchase list. The main producer of harvesters in Russia (Rostov grain combines) plans to double production in 2004 to over 3,000 new harvesters. However, this is still less than ten percent of the plant's production capacity as decreasing planted area and continued financial constraints of farmers has led to lower demand for agricultural machines in spite of the rapid deterioration of existing machinery. Domestic production of agricultural machines has declined by 40-45 percent within the last two years and in 2003 only 8,000 tractors were produced compared with 15,200 tractors two years ago. Production of plows decreased from 3,100 units to 1,000 units and production of grain harvesters shank from 9,000 units to 6,500 units.

According to estimates of the Russian Academy of Agricultural Sciences, in 2003 Russian agricultural enterprises had 600,000 tractors (27 percent less than in CY 2000), 198,000 plows (17 percent less than in CY 2000), 159,000 grain harvesters (20 percent less than in CY 2000), and 44,500 green mass choppers (25 percent less than in CY 2000). According to "Rosagrosnab", currently Russia is short 700,000 tractors, 200,000 grain harvesters, 380,000

plows, 170,000 cultivators, 220,000 planters and 30,000 feed harvesters (green mass choppers), five percent less than the year before. The average age of tractors in Russia is 15-16 years, while the standard depreciation period should not be longer than ten years.

Seeds

Last year's smaller crop has decreased the availability of "saved" planting seeds used by most farmers in Russia, especially for wheat, and is expected to negatively affect output in 2004. However, structural changes in the processing industry and high prices may result in improvements in seed use in commercial farms that produce durum wheat for pasta processors and malting barley for beer companies. Production of grain on contract with processors usually leads to improvement of agronomic practices, first of all the use of better seeds, but these practices have not yet become popular in grain production as a whole and for most farmers, being supplied with adequate quality seeds this year will be a problem. For more information, please, see Planting Seeds Annual Report RS4010.

Fertilizer and Chemicals

The price of fertilizer increased based, according to some experts, to some extent on government efforts to subsidize the price of fertilizer to farmers. The subsidies were given to fertilizer companies which used them to increase exports instead of decreasing domestic prices. The federal government will discontinue subsidizing fertilizer in 2004, but higher returns to farmers and regional support should increase the supply, especially in the Southern Federal District. However, grain production in Russia in general is not a fertilizer or chemical intensive industry.

Fuel

Fuel prices continue to increase and the fuel supply is one of the biggest constraints for sowing and harvesting. Oblast administrations have better contacts and more influence on oil companies and can use administrative resources to stimulate the latter to sell fuel to farmers on better terms (in many cases through the Food Corporations or similar companies affiliated with the oblast and regional administrations).

Consumption

Post forecasts total grain consumption will decrease by 1.56 mmt to 69.44 mmt including a decrease in feed consumption from 33.05 mmt to 31.46 mmt due to decreasing domestic poultry operations. A slight increase in food domestic consumption to 22.85 mmt (80,000 tons up from the lowest level of 22.7 mmt in 2003) will not offset the decrease in feed consumption. These fluctuations in food consumption do not create shortages, but are reflected in prices.

Trade

Post forecasts grain exports will decrease to 6.1 mmt, one million tons lower than in 2003, and less than forty percent of the historic high exports in MY 2002 due to low stocks and changes in foreign markets. Demand for Russian grain in Europe, one of the largest markets for Russian exports during the last two years, will decrease due to a better EU crop and the upcoming expansion of the Union. According to some Russian analysts, the average annual export of Russian grain to the Baltic States over the last several years has been roughly 600,000 metric tons and about 300,000-400,000 metric has been exported to the other seven countries that will join the E.U. on May 1, 2004. The EU has not increased grain import quotas for Russia in spite of the increased membership and Russia will be able to

export to all EU member countries only about 200,000-250,000 metric tons within this quota, 800,000 less than last year.

Rapidly growing freight rates will also be disadvantageous for Russian grain exports. Competition with domestic grain consumption will not be high because demand for food grain is stable, while domestic wheat-feed consumption is forecast to decrease reflecting the decreasing tendencies in the domestic livestock and poultry production. At the same time grain trading companies have already invested in expansion and construction of port facilities and in foreign trade operations, and so will engage in some exports irrespective of domestic grain production and stocks. Overall port structure and capacity will be adequate for all exports. For more information on ports and other transportation infrastructure, see GAIN reports RS3009 and RS 3012.

Imports are forecast at 2.4 mmt, including 1.0 mmt of wheat, 400,000 metric tons of barley and 600,000 metric tons of corn, conditioned on the continuation GMO corn registration. Larger imports from the U.S. are expected.

Tariffs

In order to stimulate imports of feed grain and to curb exports of food quality grains, temporary changes were made to grain export and corn import duties. Starting January 27, 2004 corn grain (HS number 1005 90 000 0, other) will be imported duty free for the next nine months, according to the Resolution of the Government of the Russian Federation #771 of December 23, 2003. Another resolution of the Government of the Russian Federation #749 of December 11, 2003 introduces temporary (from January 16, 2004 through May 1, 2004) tariffs of 0.025 Euro per kg on wheat (HS number 1001) and rye (HS number 1002) exported from the territory of the Russian Federation to countries outside of the Customs Union. For more information on these resolutions and their effect on the trade see Gain reports RS3052, RS3054, and RS3056.

Stocks

Post forecasts total grain stocks will be less than 4.27 mmt by the end of MY 2004 close to the 4.24 mmt estimate for MY 2003. These stocks are considered marginal by all Russian experts. This issue is addressed in the draft of the new agricultural law with interventions viewed as the main tool to guarantee adequate carry-over stocks. However, the new agricultural law, if adopted in CY 2004 will not influence the grain situation in MY 2004.

Policy

The GOR has approved the traditional scheme of seasonal (spring sowing) support of agricultural producers a month earlier than usual. In the Resolution of the Government of February 18, 2004 the following measures were approved for "provision of seasonal field agricultural works": in February-April 2004 the Ministry of Agriculture, Ministry of Energy and Ministry of Economic Development and Trade will undertake measures to provide to the regions with fuel and lubricants, including 6.1 million tons of diesel fuel, and 2.45 million tons of automobile gas (with monthly distribution) for the "timely fulfillment of spring agricultural works". The Ministry of Finance will allocate in the first half of 2004 1.7 billion rubles (0.5 million rubles more than last year) for compensation of cash shortfalls connected with seasonal financial support to agricultural producers. Additionally, the GOR recommended to the Russian Agricultural Bank to allocate 400 million rubles in loans to organizations that repair and provide technical and inputs supply services to agriculture. The GOR also recommended the regional administrations take measures to increase area sown to grains and legumes.

MinAg referred to idle agricultural lands, especially arable land, as the main resource of increasing grain production at present. According to estimates, thirty million hectares of agricultural land, including 18-20 million hectares of arable land are not in use.

Finance

In the 2004 budget allocations for agricultural loans, interest rates subsidies will increase and MinAg plans to attract up to 50 billion rubles in agricultural credits (up 12 billion from the last year).

During late 2003 and early 2004, grain prices went up (for more information see Post reports RS3046, RS3055, and RS4008) and for the first time the GOR conducted intervention sales, selling grain from state reserves to millers. In the draft of the new agricultural law, grain interventions are seen as one of the permanent tools to regulate prices and stabilize production. However, the terms and prices of the procurement intervention for the 2004 crop have not been outlined yet and this piece of government policy will have very little influence on the crop.

Marketing

The share of grain sold commercially by farmers is increasing, although official data is not available. Vertical integration between grain producers and grain processors is not significant and is present only in small shares of durum wheat-pasta processing and barley-malt-beer production chains. Flour and feed mills usually purchase grain from farmers and what-may-be-called integration is present only when these purchases go through local food corporations that finance farmers and get payments in grain. Grain trading companies also work mostly on buy-sell terms with grain producers. Trade through grain exchanges is not significant, although intervention purchases and sales conducted through commodity exchanges will make this type of marketing more popular in the future.

A Final Look At 2003

Planted and Harvested Area, Production, Yields

Official final data on the crop is 67.2 mmt, a twenty-two percent decrease from the year before, including a thirty-three percent decrease in wheat production and a forty-two percent decrease in rye production. The sharp decline in wheat production was due to decreased area sown to winter wheat coupled with high winterkill. Barley production was only 0.1 mmt lower than in 2002, because barley is primarily a spring crop that did not suffer as significantly as wheat.

Table 1. Total Grain Area Planted, 1995-2002, 1,000 Hectares

	1996	1997	1998	1999	2000	2001	2002	2003 (prel.)*
Wheat, total	25721	26056	26101	23022	23204	23765	25662	22100
- winter	9321	8944	8246	7609	7926	8525	10113	7500
- spring	16400	17112	17855	15413	15278	15240	15549	14600
Barley, total	11853	12517	11285	9855	9237	10127	10279	10100
- winter	460	490	345	419	533	648	677	400
- spring	11393	12027	10938	9436	8644	9479	9602	9700
Rye	4129	4005	3777	3393	3559	3634	3804	2350

Oats (spring)	6929	6438	5229	5336	4581	4869	4269	3750
Corn for grain	954	918	787	704	813	684	625	720
Rice	173	151	146	173	175	154	149	150
Millet	1228	1086	975	1610	1588	1214	581	830
Buckwheat	1369	1112	1226	1339	1577	1594	837	730
Legumes	1430	1340	1185	1098	922	1076	1214	1270
Other	919	11	0	24	-20	103	604	0
Total	54705	53634	50711	46554	45636	47220	47474	42000

Source: Goscomstat, "SovEcon"

Table 2. Grain Production, 1996-2003, 1,000 Hectares

	1996	1997	1998	1999	2000	2001	2002	2003
Wheat, total	34917	44258	26908	30961	34455	46871	50609	34030
- winter	16680	20550	13255	16178	17178	24400	29751	n.a.
- spring	18237	23758	13653	14817	17277	22471	20858	n.a.
Barley, total	15900	20786	9780	10604	14079	19466	18738	17946
- winter	1300	1286	900	1446	1767	2300	2554	n.a.
- spring	14600	19500	8880	9156	12312	17166	16184	n.a.
Rye (winter)	5934	7478	3270	4781	5445	6613	7139	4155
Oats (spring)	8300	9387	4583	4395	6008	7723	5694	5177
Corn for grain	1087	2675	820	1067	1530	831	1541	2114
Rice	389	328	413	444	586	497	483	448
Millet	446	1219	451	924	1123	548	292	975
Buckwheat	485	630	464	578	998	570	304	525
Legumes	1793	1780	954	881	1199	1802	1764	1644
Other	89	12	127	71	83	262	48	136
Total	69340	88553	47770	54706	65506	85183	86612	67150

Source: Goscomstat, "SovEcon"

Grain Quality

Grain quality was better in 2003 than in 2002, but given the lower crop, the volume of milling wheat (class three) was not bigger than 2002. The Grain and Bread Inspection Service (Rosgoskhlebinspectsiya) controls quality, and conditions for storing and moving grain and grain products in the domestic market. However, methods and parameters used for quality control do not meet international requirements and with increasing exports, Russian traders insist on changes in the parameters of grain grades, i.e. on inclusion of protein and exclusion of gluten content from grain classification. In accord with the present Administrative reform, the status of the Grain Inspection Service may yet change.

Consumption

Grain domestic consumption in MY 2003 is estimated at 71.2 mmt. Wheat domestic consumption shrank to 35.3 mmt in MY 2003, mainly at the expense of a sharp decrease in feed consumption, while barley domestic consumption increased from 15.5 mmt in MY 2002 to 18.4 mmt in MY 2003. In many cases barley started to replace wheat in feeding formulas, although harvesting of barley is an expensive process that requires special equipment, and many poultry producers prefer a decrease in production of poultry to more ample use of

barley. Corn consumption increased due to a relatively high domestic corn crop. Rice consumption is kept at stable level – around 700,000 metric tons (milled rice), half of which is imported rice.

Stocks

Post estimates grain stocks at the end of MY 2003 at 4.2 mmt, more than a 3-fold decrease from the previous year, including a decrease in stocks of wheat from 5.6 mmt to 1.6 mmt, a decrease in stocks of barley from 4.7 mmt to 1.6 mmt, and a decrease in stocks of rye from 4.7 mmt to 1.6 mmt. Stocks of corn remain fairly stable at 113,000 metric tons. Only big feed millers and starch and syrup producing companies can afford to import corn and maintain carry-over stocks for their needs.

Trade

Grain imports are expected to double from MY 2002 reaching 2.0 mmt, the increase composed mostly of wheat imports from Kazakhstan. Grain exports are estimated at 7.0 mmt, given that by January 2004 Russia already exported over six mmt.

Wheat for 2004

Post forecasts wheat production at 39 mmt. Due to extremely low levels of carry-over stocks, consumption and exports will remain at levels similar to last year. Post does not foresee a large export program like the one in 2002 during the upcoming marketing year.

Table 3. PSD, Wheat, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2002		07/2003		07/2004
Area Harvested	25700	25700	21500	21500	0	23000
Beginning Stocks	6479	6479	5633	5633	1633	1633
Production	50550	50550	34000	34030	0	39000
TOTAL Mkt. Yr. Imports	545	365	1000	1000	0	1000
Jul-Jun Imports	545	365	1000	1000	0	1000
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	57574	57394	40633	40663	1633	41633
TOTAL Mkt. Yr. Exports	12621	12621	3500	3900	0	3500
Jul-Jun Exports	12621	12621	3500	3900	0	3500
Feed Dom. Consumption	16000	14700	12500	11455	0	11900
TOTAL Dom. Consumption	39320	39140	35500	35130	0	36233
Ending Stocks	5633	5633	1633	1633	0	1900
TOTAL DISTRIBUTION	57574	57394	40633	40663	0	41633

Table 4. Import Trade Matrix, Wheat, 1,000 Metric Tons.

Import Trade Matrix			
Country	Russian Federation		
Commodity	Wheat		
Time Period	July-June	Units:	1,000 MT
Imports for:	2002		2003
U.S.	0	U.S.	15
Others		Others	
Kazakhstan	340	Kazakhstan	765
Lithuania	9	Lithuania	15
Germany	4	Estonia	3
Finland	4		
Greece	3		
Russia	2		
Country Unknown	2		
Estonia	1		
Total for Others	365		783
Others not Listed	0		202
Grand Total	365		1000

Table 5. Export Trade Matrix, Wheat, 1,000 Metric Tons

Export Trade Matrix			
Country	Russian Federation		
Commodity	Wheat		
Time Period	July-June	Units:	1,000 MT
Exports for:	2002		2003
U.S.	6	U.S.	0
Others		Others	
Italy	1758	Ukraine	1350
Egypt	1692	Romania	539
Algeria	1001	Unknown	383
Greece	826	Georgia	350
Spain	687	Egypt	220
Israel	613	Israel	162
Morocco	580	Greece	143
Ukraine	533	Italy	129
Turkey	528	Albania	124
Syria	467	Moldova	120
Total for Others	8685		3520
Others not Listed	3930		380
Grand Total	12621		3900

Barley for 2004

Domestic production of malting barley should remain stable at the relatively high level of 17.9 mmt meaning imports should remain flat. According to the Russian Brewers Union, the sector's malt needs are estimated at 1.2 mmt a year. Currently, domestic companies produce no more than 400,000 tons annually, however, the leading brewing companies in Russia, including Baltika (St.Petersburg) and Ochakovo (Moscow) are building their own malting facilities, each capable of turning out 100,000 tons. Cargill is also planning to launch a malting facility in Tula oblast, which will utilize locally supplied material and the output will be sold to local brewing companies. In spring 2002 Baltika began construction of its own malting plant in Tula, where this company has built one of its plants at a cost of \$32 million. The capacity will be 100,000 tons of malt a year. The plant will be open in beginning of 2004, and will meet their entire needs. In 2003, seventy percent of the necessary malt Baltika received from the Russian-French malting plant "Suffle".

Table 6. PSD, Barley, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Barley				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2002		07/2003		07/2004
Area Harvested	10250	10250	10500	10500	0	10500
Beginning Stocks	4387	4387	4706	4706	1606	1606
Production	18700	18700	17900	17946	0	17900
TOTAL Mkt. Yr. Imports	251	251	400	300	0	300
Oct-Sep Imports	275	275	400	300	0	300
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	23338	23338	23006	22952	1606	19806
TOTAL Mkt. Yr. Exports	3132	3132	2800	2900	0	2300
Oct-Sep Exports	3066	3066	2800	2900	0	2400
Feed Dom. Consumption	10700	10700	13700	13700	0	11900
TOTAL Dom. Consumption	15500	15500	18600	18446	0	16300
Ending Stocks	4706	4706	1606	1606	0	1206
TOTAL DISTRIBUTION	23338	23338	23006	22952	0	19806

Table 7. Import Trade Matrix, Barley, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Barley		
Time Period	July-June	Units:	1,000 MT
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Denmark	88	Kazakhstan	80
France	38	Denmark	70
Kazakhstan	19	France	35
Sweden	18	Netherlands	15

Lithuania	9	Sweden	10
United Kingdom	4		
Total for Others	176		210
Others not Listed	75		90
Grand Total	251		300

Table 8. Export Trade Matrix, Barley, 1,000 Metric Tons

Export Trade Matrix			
Country	Russian Federation		
Commodity	Barley		
Time Period	July-June	Units:	1,000 MT
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Saudi Arabia	1405	Saudi Arabia	1100
Israel	266	Country Unknown	580
Ukraine	237	Israel	310
Greece	208	Cyprus	190
Italy	192	Libya	170
Cyprus	187	Italy	95
Algeria	95	Greece	80
Morocco	84	Ukraine	60
Libya	83	Lebanon	40
Syria	75	Romania	30
Total for Others	2832		2655
Others not Listed	300		245
Grand Total	3132		2900

Rye for 2004

Table 9. PSD, Rye, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Rye				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2002		07/2003		07/2004
Area Harvested	3750	3750	2300	2300	0	3000
Beginning Stocks	1096	1096	1805	1805	255	255
Production	7150	7150	4200	4155	0	6500
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0

Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	8246	8246	6005	5960	255	6755
TOTAL Mkt. Yr. Exports	291	291	350	220	0	250
Oct-Sep Exports	414	414	350	220	0	250
Feed Dom. Consumption	1750	1750	1000	1140	0	1500
TOTAL Dom. Consumption	6150	6150	5400	5485	0	5950
Ending Stocks	1805	1805	255	255	0	555
TOTAL DISTRIBUTION	8246	8246	6005	5960	0	6755

Table 10. Export Trade Matrix, Rye, 1,000 Metric Tons

Export Trade Matrix			
Country	Russian Federation		
Commodity	Rye		
Time Period	June-July	Units:	1,000 MT
Exports for:	2002		2003
U.S.	0	U.S.	
Others		Others	
Ukraine	162	Ukraine	75
Israel	32	Israel	60
Lithuania	12	Spain	20
Italy	7	Italy	17
Check Rep.	4	Turkey	15
		Syria	5
		Norway	3
Total for Others	217		195
Others not Listed	74		25
Grand Total	291		220

Corn for 2004

Post forecasts corn imports will increase to 600,000 metric tons given that several lines of GMO corn are registered in Russia for feed use and a certain threshold for advantageous GMO presence has been determined for imported corn. This will decrease importers' risks and will help maintain the Russian feed industry and poultry production. These amendments to the present feed corn import requirements will increase imports of corn from the U.S.

Table 11. PSD, Corn, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Corn				(1000 HA)	(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post

	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Area Harvested	550	544	700	700	0	700
Beginning Stocks	76	76	113	113	113	113
Production	1550	1550	2000	2115	0	1850
TOTAL Mkt. Yr. Imports	99	99	500	385	0	600
Oct-Sep Imports	99	99	500	385	0	600
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1725	1725	2613	2613	113	2563
TOTAL Mkt. Yr. Exports	12	12	0	0	0	0
Oct-Sep Exports	12	12	0	0	0	0
Feed Dom. Consumption	1200	1200	2100	2100	0	2010
TOTAL Dom. Consumption	1600	1600	2500	2500	0	2450
Ending Stocks	113	113	113	113	0	113
TOTAL DISTRIBUTION	1725	1725	2613	2613	0	2563

Table 12. Import Trade Matrix, Corn, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Corn		
Time Period	Oct-Sept	Units:	1,000 MT
Imports for:	2002		2003
U.S.	13	U.S.	50
Others		Others	
Ukraine	40	Ukraine	250
Hungary	26	China	15
Kazakhstan	14	Kazakhstan	15
China	3		
Serbia	1		
Argentina	1		
Latvia	1		
Total for Others	86		280
Others not Listed			55
Grand Total	99		385

Oats for 2004

Table 13. PSD, Oats, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Oats				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA	Post	USDA	Post	USDA	Post

	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]
Market Year Begin		07/2002		07/2003		07/2004
Area Harvested	4400	4400	4300	4300	0	4300
Beginning Stocks	1176	1176	580	580	180	180
Production	5700	5700	5200	5177	0	5200
TOTAL Mkt. Yr. Imports	4	4	0	0	0	0
Oct-Sep Imports	2	2	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	6880	6880	5780	5757	180	5380
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	4600	4600	3900	3900	0	3700
TOTAL Dom. Consumption	6300	6300	5600	5577	0	5280
Ending Stocks	580	580	180	180	0	100
TOTAL DISTRIBUTION	6880	6880	5780	5757	0	5380

Rice for 2004

The rice crop in Krasnodar Kray is lower than expected and less than last year, in spite of a larger planted territory and better preparations. Two factors are to blame. First, low water and varieties with longer vegetation period were left without water during the critical times, and, second, a shortage of machines for harvesting during the height of the harvest. The average yield in Krasnodar Kray is 4.07 tons per hectare (4.7 tons in 2002). From 112,000 hectares of sown area (8,000 hectares more than in 2002) Krasnodar producers got only 430,000 metric tons, nine percent below last year. However, rice growers tried to initiate an extension of the current temporary restrictive import duty on rice. The Rice Association of Russia asked the government commission for protective trade measures and customs tariff policy to extend the current rates for import duties on rice and milled rice products, the Economic Development and Trade Ministry said. The GOR last June 20 issued a nine-month resolution that preserved the existing 10% import duty on rice and milled rice products, but also introduced a restriction under which the duty could not be less than 0.03 euros per kg. The Association thinks the latter restriction "made it possible to stabilize the rice market and played a significant tactical role in the behavior of rice importers." The Ministry said the situation on the retail market remains stable. "The rise in prices has been proportionate to changes in the average weighted price for grain products," the ministry said.

Table 14. PSD, Rice, 1,000 Metric Tons, 1,000 Hectares

PSD Table						
Country	Russian Federation					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Area Harvested	129	129	130	130	0	130
Beginning Stocks	339	339	308	308	233	233
Milled Production	314	314	300	290	0	300
Rough Production	483	483	462	446	0	462
MILLING RATE (.9999)	6500	6500	6500	6500	0	6500

TOTAL Imports	385	385	350	360	0	400
Jan-Dec Imports	385	385	350	360	0	400
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1038	1038	958	958	233	933
TOTAL Exports	20	20	10	10	0	10
Jan-Dec Exports	20	20	10	10	0	10
TOTAL Dom. Consumption	710	710	715	715	0	730
Ending Stocks	308	308	233	233	0	193
TOTAL DISTRIBUTION	1038	1038	958	958	0	933

Table 15. Import Trade Matrix, Rice, 1,000 Metric Tons

Import Trade Matrix			
Country	Russian Federation		
Commodity	Rice, Milled		
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2003		2004
U.S.	2	U.S.	5
Others		Others	
China	235	China	230
Vietnam	112	Vietnam	100
Thailand	29	Thailand	20
Kazakhstan	4	Kazakhstan	3
Belgium	3		
Total for Others	383		353
Others not Listed	0		2
Grand Total	385		360

Other Grains and Legumes for 2004

Post forecasts a decrease in the production of other grains (millet, buckwheat, etc) and legumes in MY 2004 to 2.5 mmt from 3.1 mmt. This decrease is due to bigger stimuli to produce wheat, barley and corn, and given limited input supplies, farmers will expand the area sown to main grain crops at the expense of shrinking area under "other grains".