AHDB cereal exports ***competitor report***

Russia

Harvest

The main wheat-growing areas in Russia are the south-western regions, such as Voronezh, Volgograd and Tatarstan, and southern regions, such as Krasnodar, Rostov and Stavropol.

Winter barley is mainly grown in the southern regions and can, therefore, be very badly impacted by hot, dry weather. Spring barley is more evenly distributed across Russia, with only 10 per cent grown in the south of the country.

Russian agricultural consultancy IKAR reduced its 2021/22 season wheat crop forecast to 74–75 million tonnes. Lower-than-expected yields in the country's Central, Volga and Ural regions were the worst hit by below-average rainfall, which has seen production plummet from 85 million tonnes in 2020.

IKAR pegged the Russian barley harvest in the 17–18 million tonnes range.

Harvest 2021 – average results, soft wheat quality

- Test weight – 78 kg/hl
- Protein – 12.7%
- Hagberg Falling Number – 315 seconds
- High gluten content – 21.1%
- Grains damaged by Eurogaster – 1.0%

Source: FSI, 'Centre of Grain Quality Assurance'/ Rosselkhoznadzor

Exports

Russian wheat exports are estimated to total around 35 million tonnes, and barley exports at 4.5 million tonnes in the marketing year 2021/22, according to USDA.

A floating export duty system for wheat, maize and barley has been in force since 2 June 2021, replacing the system of flat export duties enacted in late January 2021 (FPMA Food Policy).

Because there is a duty for barley export, export volumes are predicted to be reduced to 4.5 million tonnes in 2021/22. Saudi Arabia is the largest importer of Russian barley, receiving up to 4 million tonnes in 2019 and 2020 combined.

Russia has expanded its global market presence, with rising barley exports to Africa, Southeast Asia and some countries in the Western Hemisphere.

Russia has become a major competitor in recent years to all other wheat exporting countries due to its large export volume and competitive prices. A key challenge is with respect to infrastructure. There is an acute need to advance the throughput of grain elevators, but with the current pace of investment this would take several years. Until then, moving grain internally remains a challenge, especially for various types of rail cars and trains.

Russia's war with Ukraine has destabilised exports. The country ships grain from ports in the Black Sea, which could face disruption from any military operations or sanctions. Russia is the world's number one wheat exporter, with around 35 million tonnes exported around the world. Most economies in the MENA markets are heavily dependent on wheat imports from Russia. Egypt and Turkey rely on combined Russian/Ukrainian imports for 70 per cent of their wheat supply. Russia is also the source of a large percentage of wheat for many sub-Saharan African countries, including Nigeria and Sudan.*

*https://www.vox.com/future-perfect/2022/2/27/22950805/russia-ukraine-food-prices-hunger-invasion-war

Main ports in Russia

Grain exports from Russia are at a record high, while dedicated port facilities, fleet and infrastructure are not sufficient for this amount of grain. Major international and domestic grain houses are looking into large-scale investments into construction of new terminals and vessels for grain exports.

Over 90 per cent of all grain exports are shipped by sea. The ports in the Sea of Azov and Black Sea are an important channel through which grain is being exported from Russia, and account for about 94 per cent of all grain transhipped for exports. However, deliveries of grain to the ports are made primarily by road to the Sea of Azov and Black Sea ports, primarily to the deep-water port of Novorossiysk.

Infrastructure there need to be developed: specifically new motorways and railway links need to be built to improve the transport accessibility to the ports. To expand access railroad links for the Sea of Azov–Black Sea ports, Russian Railways is implementing a project to expand the throughput capacity of the railway access links for these ports. As for road access to the Black Sea and Sea of Azov ports, the renovation and expansion of sections of several motorways, and construction of new motorways − all of which lead to access roads to major Russian ports − are in the pipeline.

Classification of Russian wheat

Grades	Protein	Wet Gluten	Export quality specifications – 12.5% milling wheat	
1	14.5% min	32%	Protein	12.5% min
2	13.5% min	28%	Specific weight	77kg/hl min
3	12.5% min	23%	Wet gluten	25% min
4	11% min	18%	Hagberg Falling Number	250 secs min
5	Feed wheat	No minimum protein/gluten	W	180
			Moisture	14%

Source: USDA

Russian wheat and barley exports

Wheat

Units = tonnes	2020		2019
Egypt	8,254,553	**Turkey**	6,916,123
Turkey	7,888,700	**Egypt**	6,129,971
Bangladesh	1,940,854	**Bangladesh**	2,580,301
Azerbaijan	1,384,804	**Azerbaijan**	1,285,440
Sudan	1,333,409	**Sudan**	986,954
Pakistan	1,173,080	**Yemen**	880,507
Nigeria	998,131	**Nigeria**	894,730
Yemen	796,103	**United Arab Emirates**	735,853
Tanzania	700,911	**Vietnam**	604,543
UAE	674,558	**Tanzania**	516,097
Kenya	602,137	**Kenya**	513,232
Georgia	587,991	**Latvia**	539,195
Philippines	554,743	**Morocco**	453,923
South Africa	554,208	**South Africa**	453,129

Israel	541,126	**Georgia**	445,974
Vietnam	464,393	**Indonesia**	412,242
Kazakhstan	453,446	**Lebanon**	403,976
Oman	429,095	**Cameroon**	385,115
Morocco	426,486	**Oman**	384,995

Source: IHS Maritime & Trade – Global Trade Atlas ® – Federal Customs Service of Russia

Barley

Units = tonnes	2020		2019
Saudi Arabia	2,810,557	**Saudi Arabia**	1,255,586
Jordan	422,113	**Iran**	808,424
Turkey	391,655	**Jordan**	448,200
Tunisia	263,056	**Libya**	264,281
Libya	199,782	**Belarus**	183,506
Kuwait	166,437	**Turkey**	172,910
UAE	141,242	**Israel**	94,093
Belarus	137,149	**Lebanon**	86,532
Israel	124,242	**Kazakhstan**	53,305
Kazakhstan	59,109	**Qatar**	44,949
Azerbaijan	57,869	**Norway**	28,091
Georgia	41,787	**Latvia**	27,010

Source: IHS Maritime & Trade: Global Trade Atlas ® – Federal Customs Service of Russia

Supply and demand

As at Feb 2022 Units = thousand tonnes	2020/21 Wheat	2020/21 Barley	2021/22 Wheat (forecast)	2021/22 Barley (forecast)
Beginning stocks	7,228	743	11,382	757
Production	85,354	20,629	75,500	17,500
Imports	400	44	500	50
Total supply	92,982	21,416	87,382	18,307
Exports	39,100	5,691	35,000	4,500
Feed domestic consumption	19,000	9,500	18,500	8,900
FSI consumption	23,500	4,900	23,250	4,400
Domestic consumption	42,500	14,400	41,750	13,300
Ending stocks	11,382	757	10,632	507

Source: USDA