

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 11/6/2012

GAIN Report Number: UP1234

Ukraine

Post: Kiev

Grain and Feed Update

Report Categories:

Grain and Feed

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Report Highlights:

During the July-October 2012 period, Ukraine exported about four million metric tons of wheat, almost 2.7 million metric tons of corn and a mere 1.5 million metric tons of barley. Wheat exports are expected to slow down in the near future as exportable supply tightens, and the trade is getting ready to move the large corn harvest. The Minister of Agrarian Policy and Food of Ukraine stated recently that wheat exports would be banned due to food security issues, but no formal action was taken and the Ministry later stated that there were no grounds for such action. Winter crop planting condition in most regions is in either a good or satisfactory state.

General Information:

In the beginning of November 2012, the harvest of grains in Ukraine was almost over with the Ministry of Agrarian Policy and Food of Ukraine reporting another record corn crop. The table below shows the official preliminary harvest data.

While Ukraine harvested a better-than-expected wheat crop, the pace of exports was high during the last few months. According to the official statistics, during the first four months of the Marketing Year (MY) 2012/13, Ukraine has exported about four million metric tons (MMT) of wheat, more than twice as much as in the same period last year, and a mere 1.5 MMT of barley, a decline of about 10 percent. Exports of corn during the same period were estimated at almost 2.7 MMT, compared to about 0.7 MMT by the same date in the prior marketing year.

Table 2. Exports of major grains and oilseeds from Ukraine*, Metric Tons

| Crop | July | | Percent change | August | | Percent change | September | | Percent change |
|--------|-----------|-----------|----------------|-----------|-----------|----------------|-----------|-------------|----------------|
| | 2011 | 2012 | | 2011 | 2012 | | 2011 | 2012** | |
| Barley | 157,094.0 | 30,035.0 | -80.9 | 627,150.0 | 478,377.0 | -23.7 | 668,282.0 | 750,000.0 | 12.2 |
| Corn | 33,342.0 | 939,088.0 | 2,716.5 | 12,800.0 | 245,823.0 | 1,820.5 | 62,635.0 | 275,000.0 | 339.1 |
| Wheat | 139,492.0 | 333,652.0 | 139.2 | 570,521.0 | 881,492.0 | 54.5 | 834,589.0 | 1,400,000.0 | 67.7 |

* FAS Kyiv Post Estimates as of November 2, 2012

** Export of grains from Ukraine up to November 1, 2012

Source: Ukraine Customs Committee, MinAg of Ukraine, and FAS Kyiv Post estimates

**Table 2. Exports of major grains and oilseeds from Ukraine*,
Metric Tons - Continued**

| Crop | October | | Percent change | Subtotal for July-Oct 2011 | Subtotal for July-Oct 2012 | % change 11/12 to 12/13 |
|--------|-----------|-------------|----------------|----------------------------|----------------------------|-------------------------|
| | 2011 | 2012** | | | | |
| Barley | 229,278.0 | 270,000.0 | 17.8 | 1,681,804.0 | 1,528,412.0 | 90.9 |
| Corn | 635,446.0 | 1,230,000.0 | 93.6 | 744,223.0 | 2,689,911.0 | 361.4 |
| Wheat | 142,847.0 | 1,440,000.0 | 908.1 | 1,687,449.0 | 4,055,154.0 | 240.3 |

* FAS Kyiv Post Estimates as of November 2, 2012

** Export of grains from Ukraine up to November 1, 2012

Source: Ukraine Customs Committee, MinAg of Ukraine, and FAS Kyiv Post estimates

On October 19, 2012, the Ministry of Agrarian Policy and Food of Ukraine (MinAg) met with grain trade representatives to discuss the issues of wheat exports. During this meeting, wheat balances were discussed as well as wheat export pace and sales prospects for the near future. The Memorandum of Understanding between MinAg and the grain trade had an updated limit on wheat exports set at five MMT. The public was informed that a share of upcoming wheat shipment contracts to date registered at the Ukrainian Agrarian Exchange brings the total anticipated wheat exports to about 5.4 MMT.

However, at the time of this report writing the Government of Ukraine officials announced that they would not ban exports or impose export quotas on wheat. Instead, it is expected that sales of wheat would significantly slow down.

Exporters are getting ready to shift their priorities to other commodities like corn, the exportable potential of which is estimated at over 12 million metric tons this season. A significant slowdown of exports of wheat from Ukraine in the coming months may result in the global market shifts as some wheat business between large North African buyers and Ukraine was usually conducted in January-February and later in the year. Also, corn exports from Ukraine may be expected to explore new directions in the East. Ukraine has been negotiating trade with China over the last several months.

Winter crop planting has been going well in Ukraine. Ukrainian Hydrometcenter rated over 90 percent of the crops as being in good and satisfactory condition through the country. There was some dryness observed in Southern and Eastern Ukraine and some winter crops in these regions have been developing slower. However, some mild temperatures and rain is expected to cover these regions in the coming week that would bring needed moisture.

Table 3. Area Planted Under Winter Grains for Summer 2013 Crop as of November 2, 2012

| Crop | Area Planted, 1,000 ha | | | | Change, 2012 to 2011 | |
|---------------------|------------------------|-------|----------------|------|----------------------|------------|
| | 2012 | % | 2011 | % | Area, 1,000 ha | % |
| Wheat | 6,626.0 | 100.0 | 6,377.0 | 97.0 | 249.0 | 3.9 |
| Barley | 1,075.0 | 89.0 | 1,155.0 | 94.0 | -80.0 | -6.9 |
| Rye | 303.0 | 99.0 | 327.0 | 99.0 | -24.0 | -7.3 |
| Total grains | 8,004.0 | | 7,859.0 | | 145.0 | 1.8 |

Source: Ministry of Agrarian Policy of Ukraine