



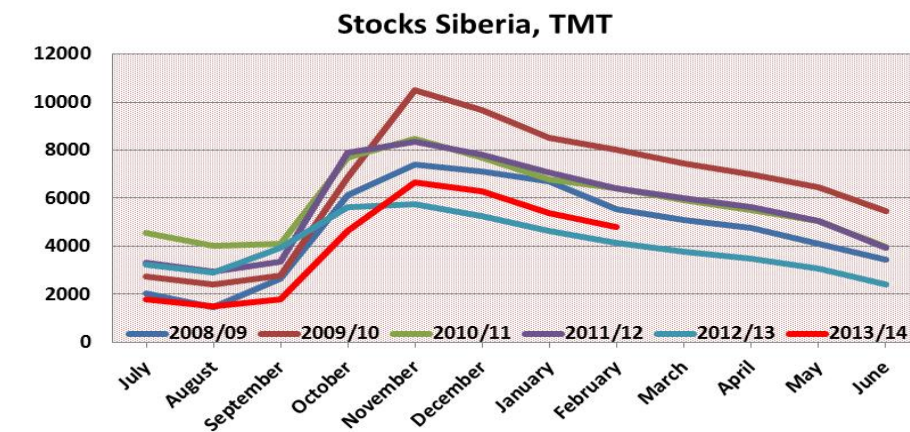
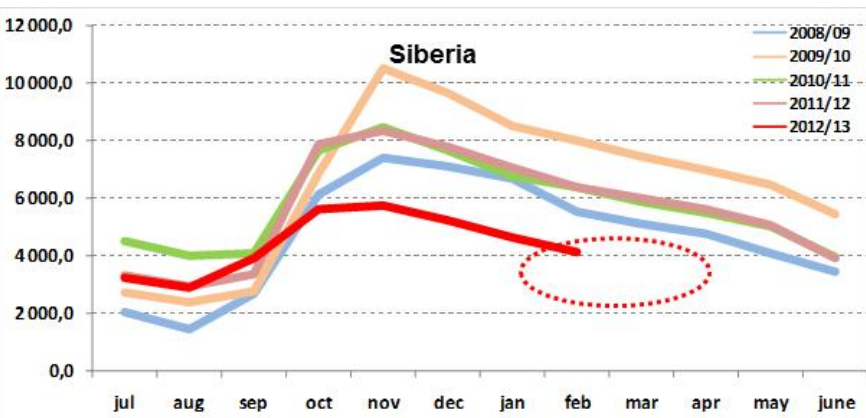
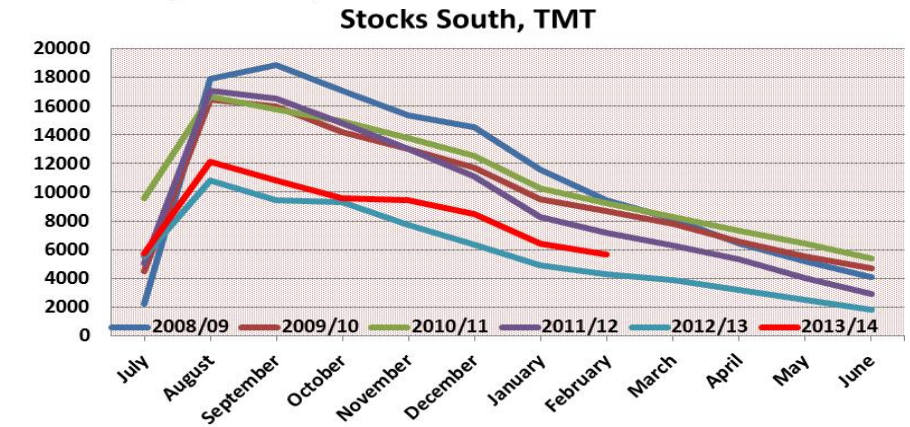
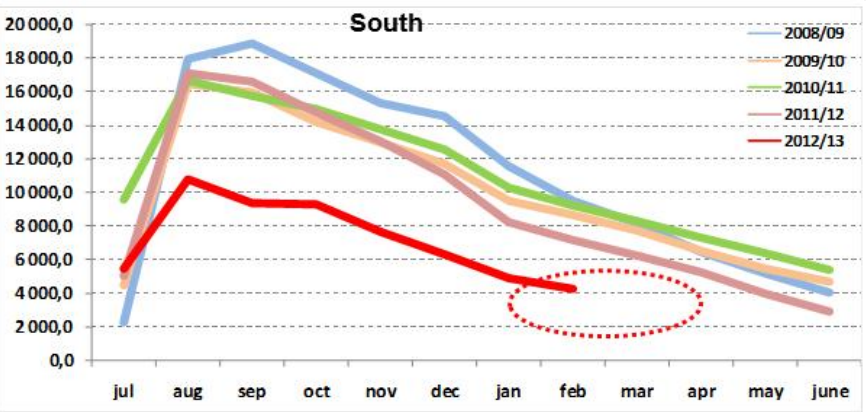
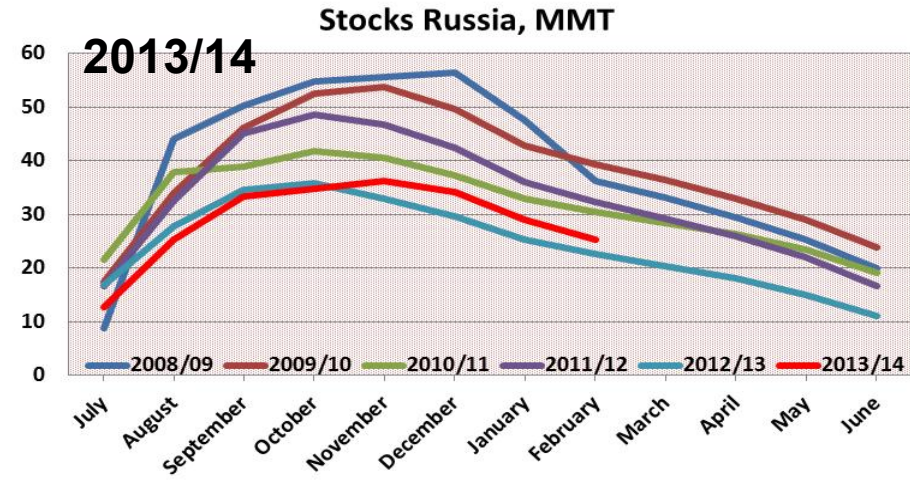
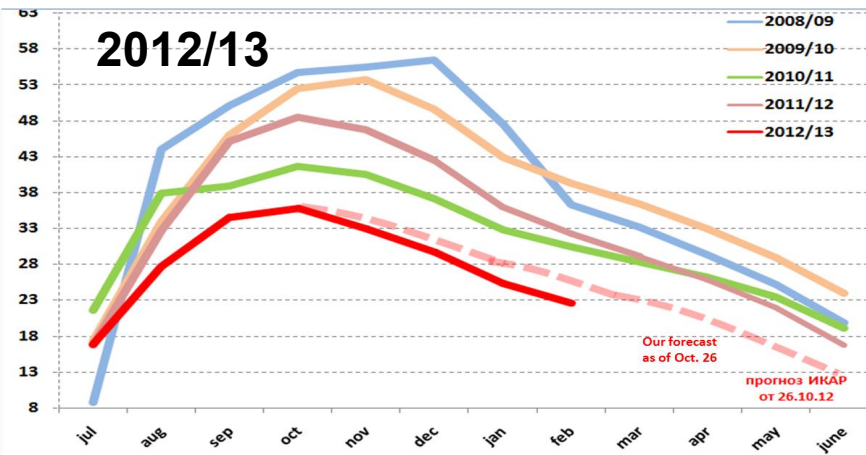
Dmitry Rylko
General director
IKAR
Moscow, Russia

Russian grain market in 2013/14 and prospects for 2014/15

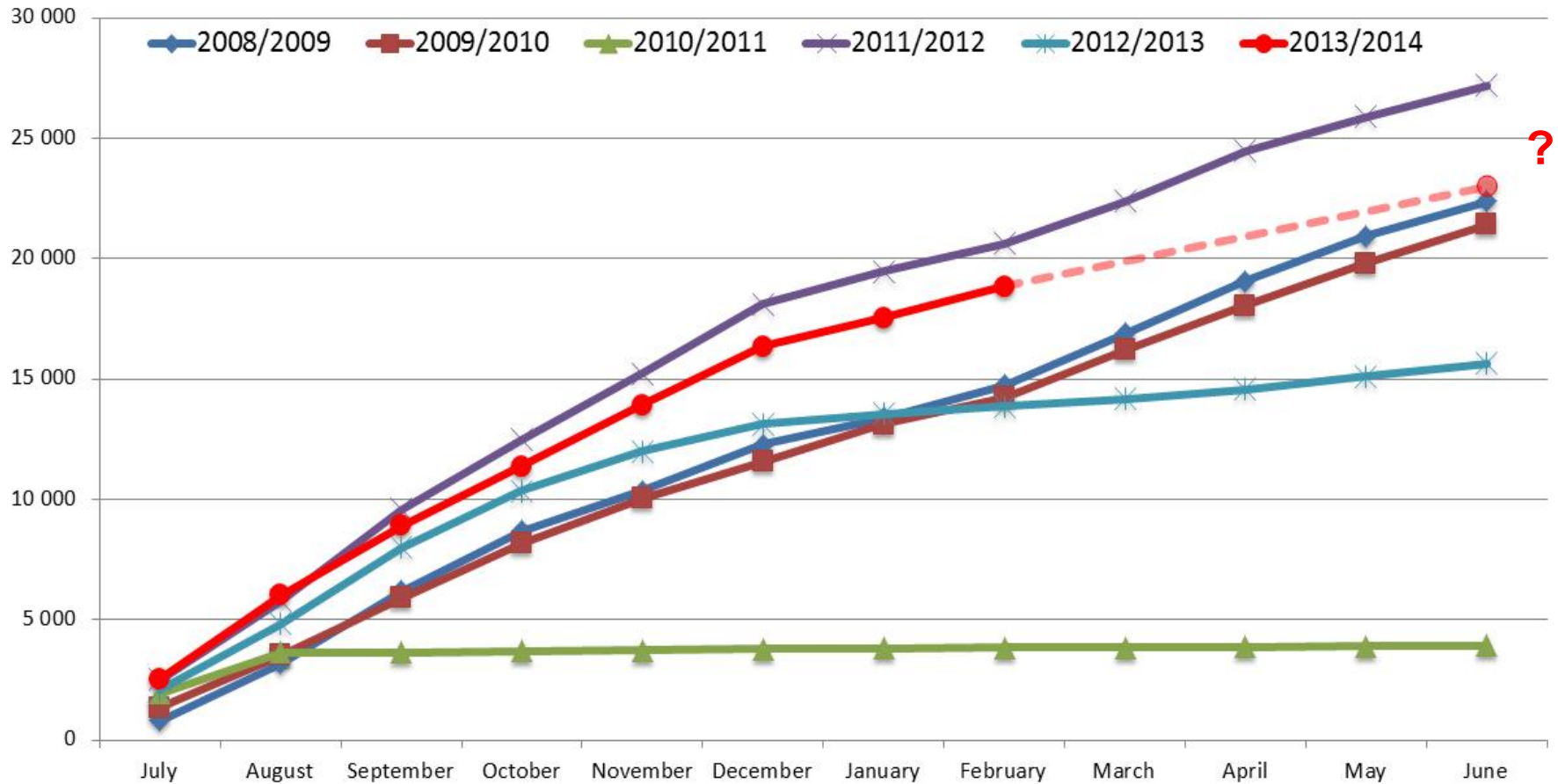
Belek, March 14, 2014

Current season: very “average” in outward aggregated figures, but very unusual and challenging inside...

Russian stocks: fundamental difference between 2012/13 & 2013/14

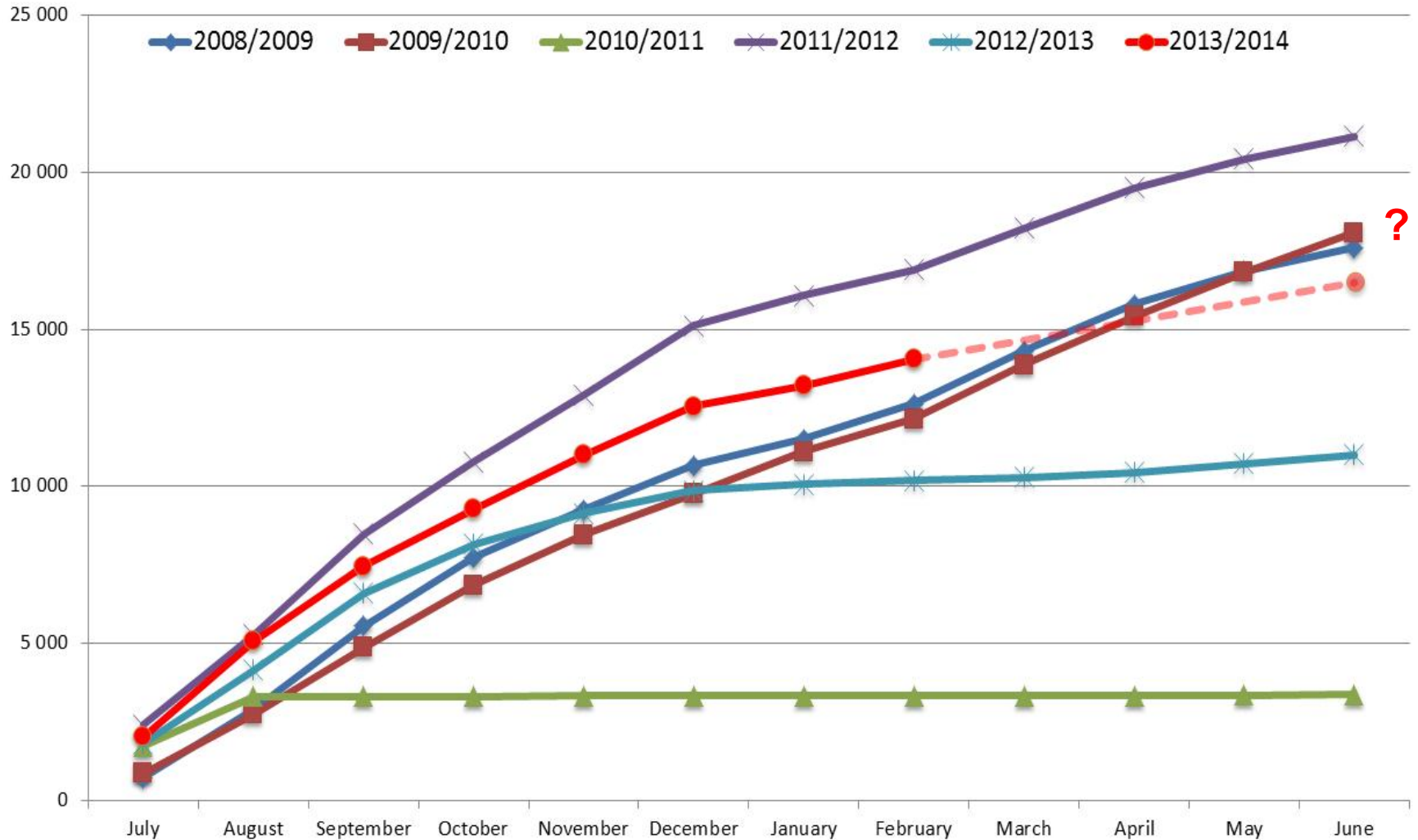


Grain cumulative export, TMT



There is a (high) probability that final export figures will be higher than our current forecast (23.0 MMT)

Wheat cumulative export, TMT

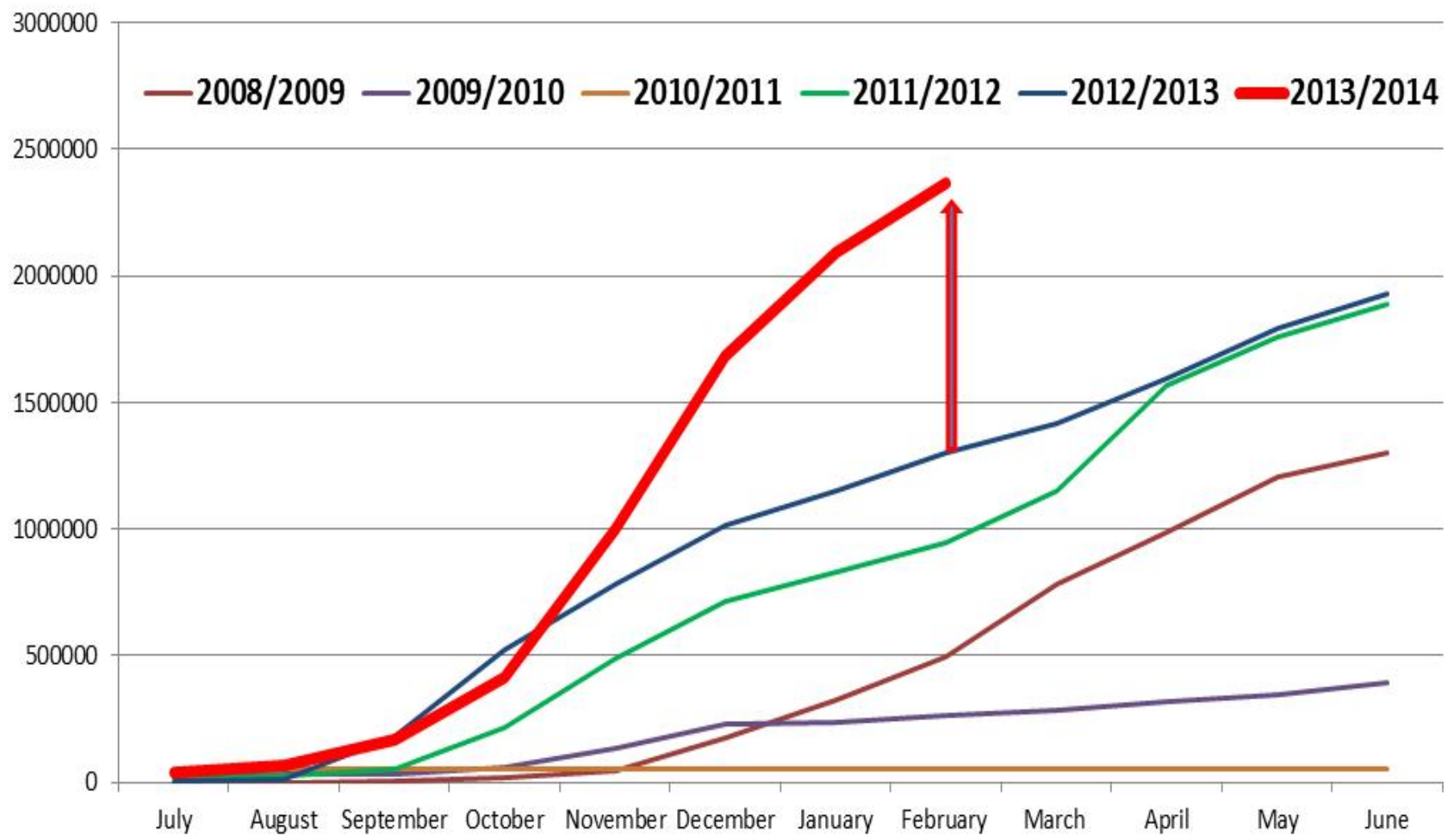


There is a probability that final export figures will be higher than our current forecast of 16.5 MMT (!)

Russian July – February grains export, MMT

| | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2012/2013 | 2013/2014 |
|---------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Wheat | 12,63 | 12,15 | 3,33 | 16,91 | 10,20 | 14,06 |
| Barley | 1,55 | 1,71 | 0,27 | 2,48 | 1,97 | 1,98 |
| Corn | 0,50 | 0,26 | 0,05 | 0,95 | 1,30 | 2,51 |
| Rice | 0,02 | 0,09 | 0,16 | 0,11 | 0,22 | 0,11 |
| Pulses | 0,09 | 0,22 | 0,14 | 0,61 | 0,54 | 0,38 |
| Others | 0,03 | 0,01 | 0,01 | 0,16 | 0,18 | 0,12 |
| Total | 14,82 | 14,45 | 3,96 | 21,21 | 14,40 | 19,16 |

Russian export records: corn, MT

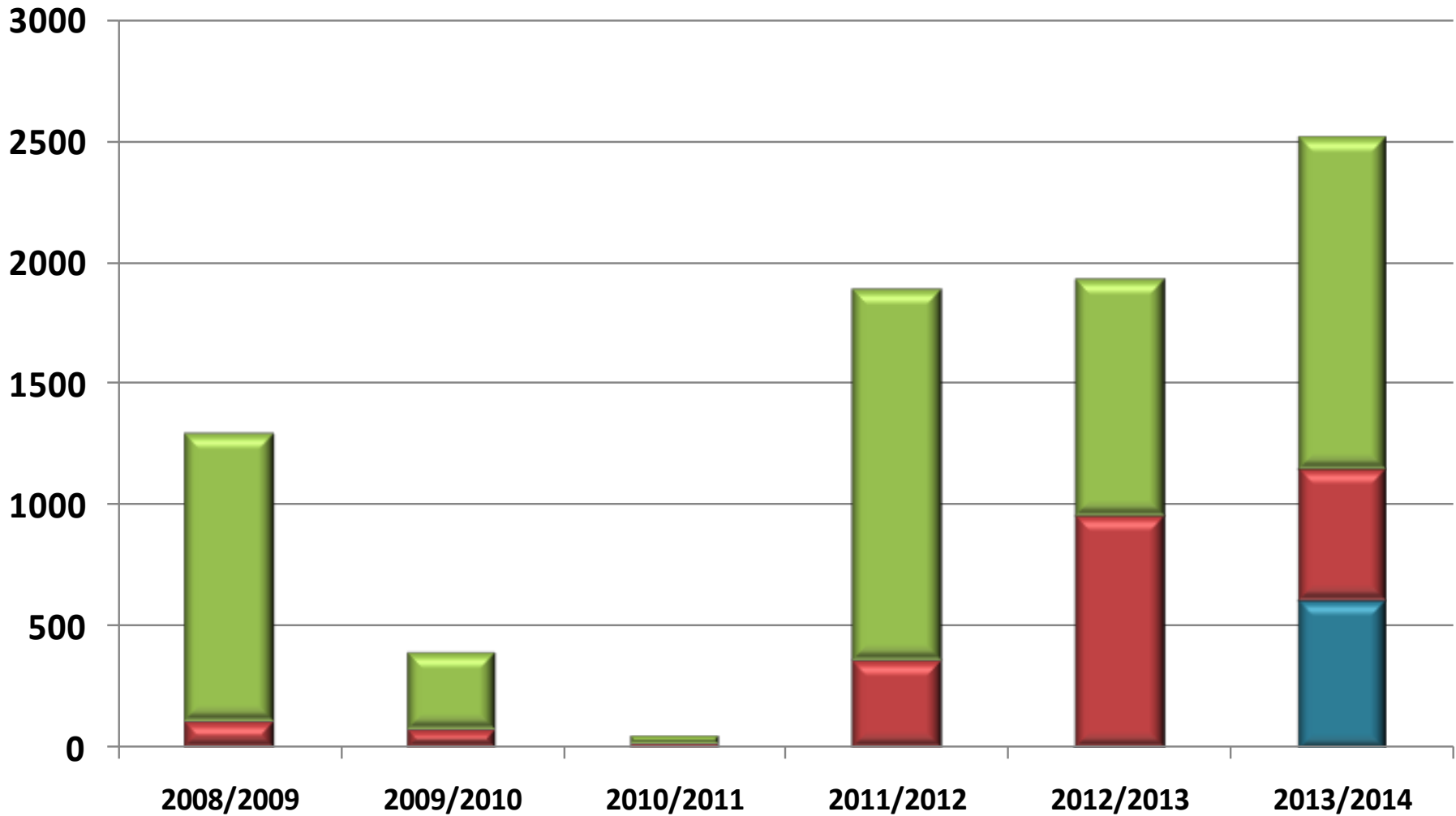


This season Russia will export record high corn volume: 3.3-3.5 MMT

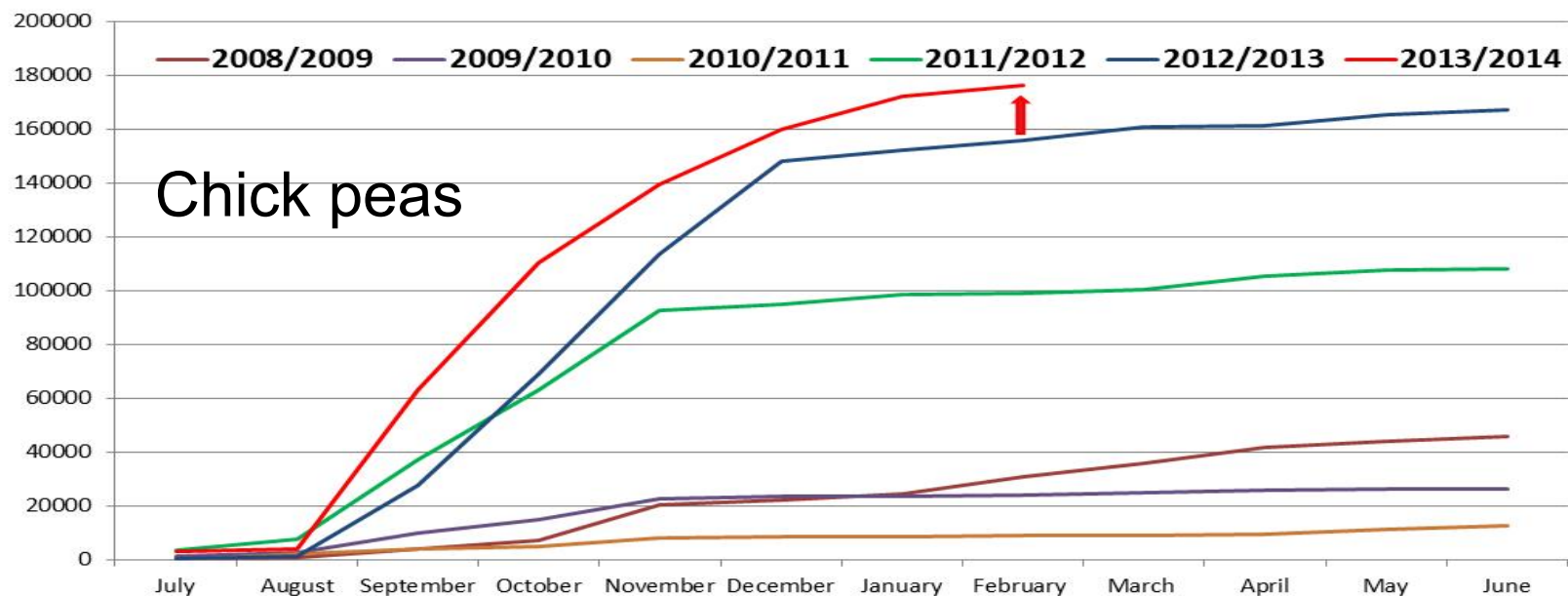
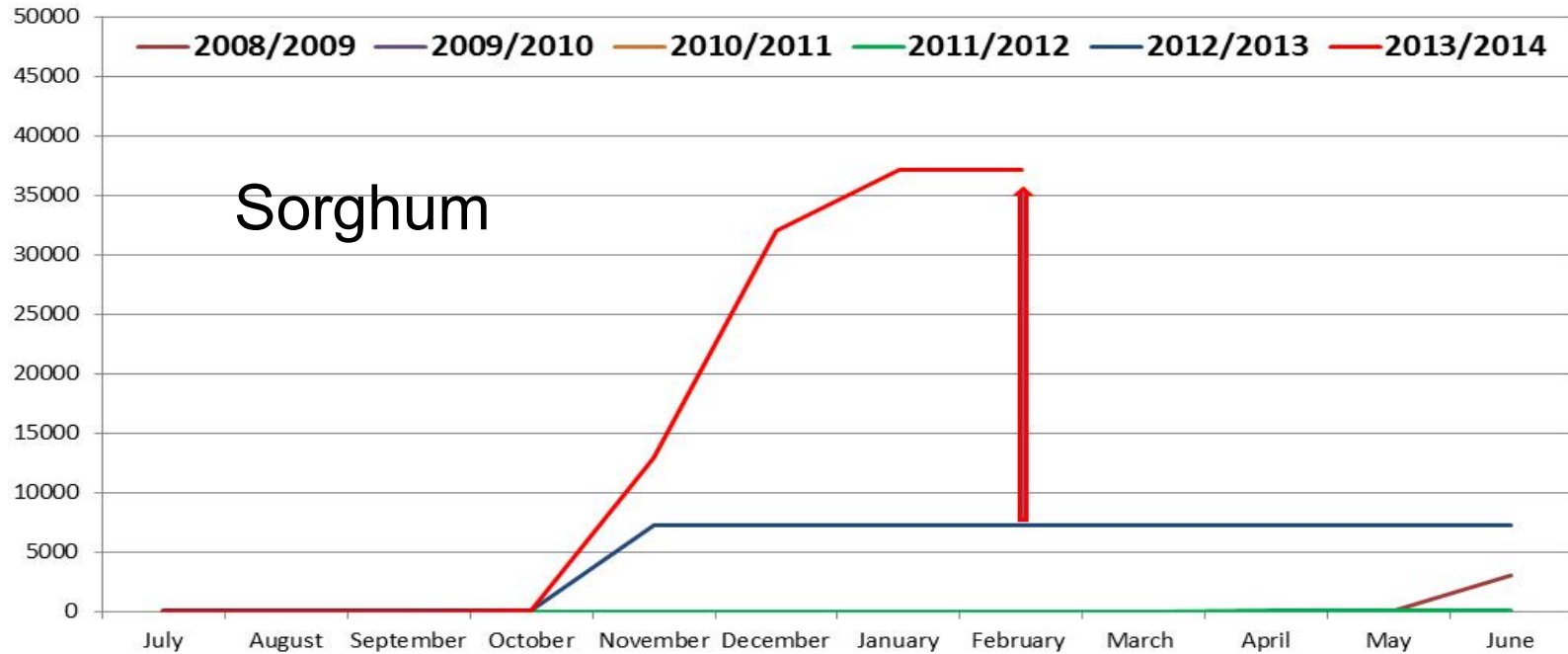


Russian corn export break-downs

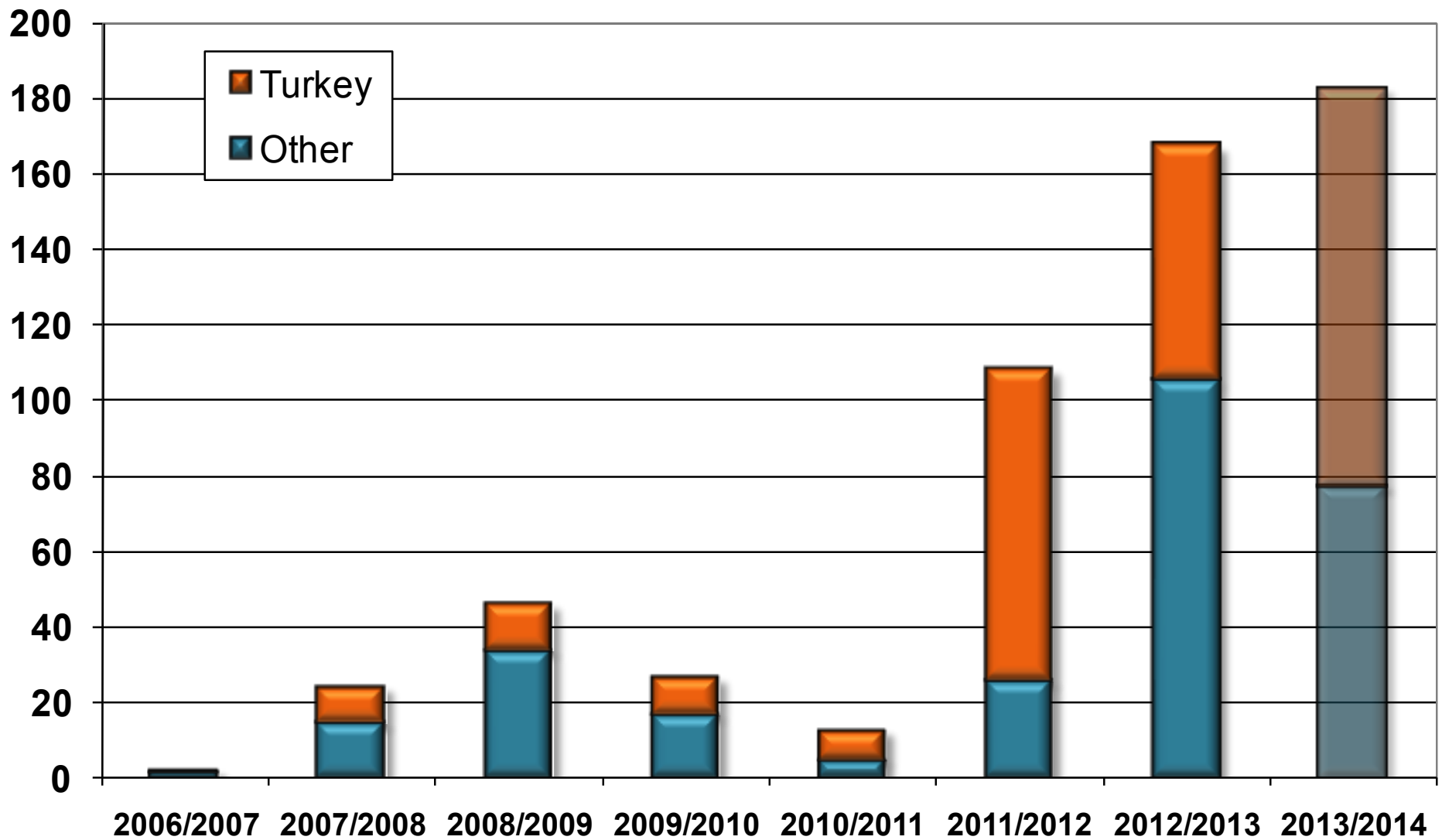
■ Korea ■ Turkey ■ Other



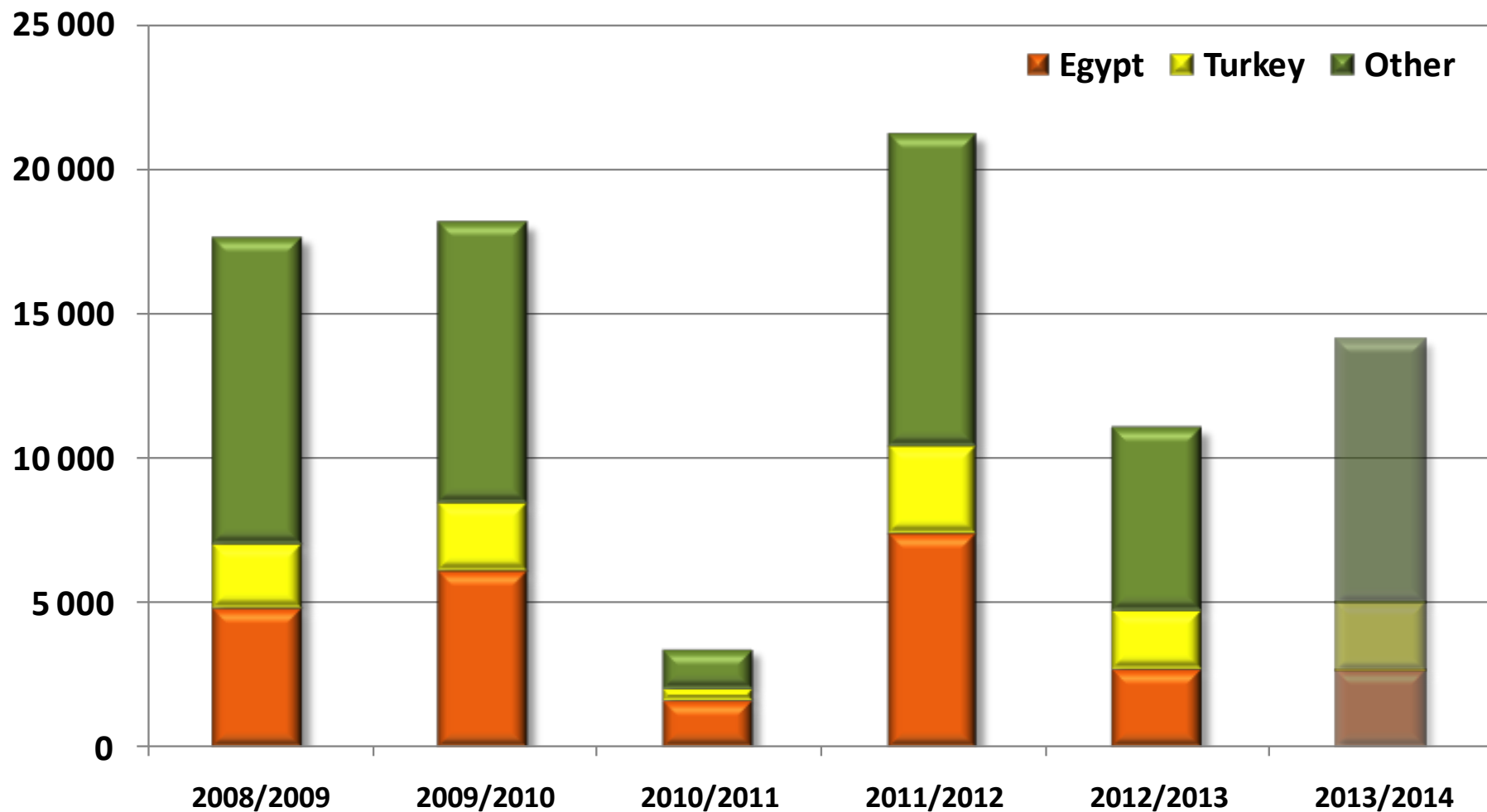
Russian export records: sorghum, chick-peas, MT



Russian chick peas export, TMT

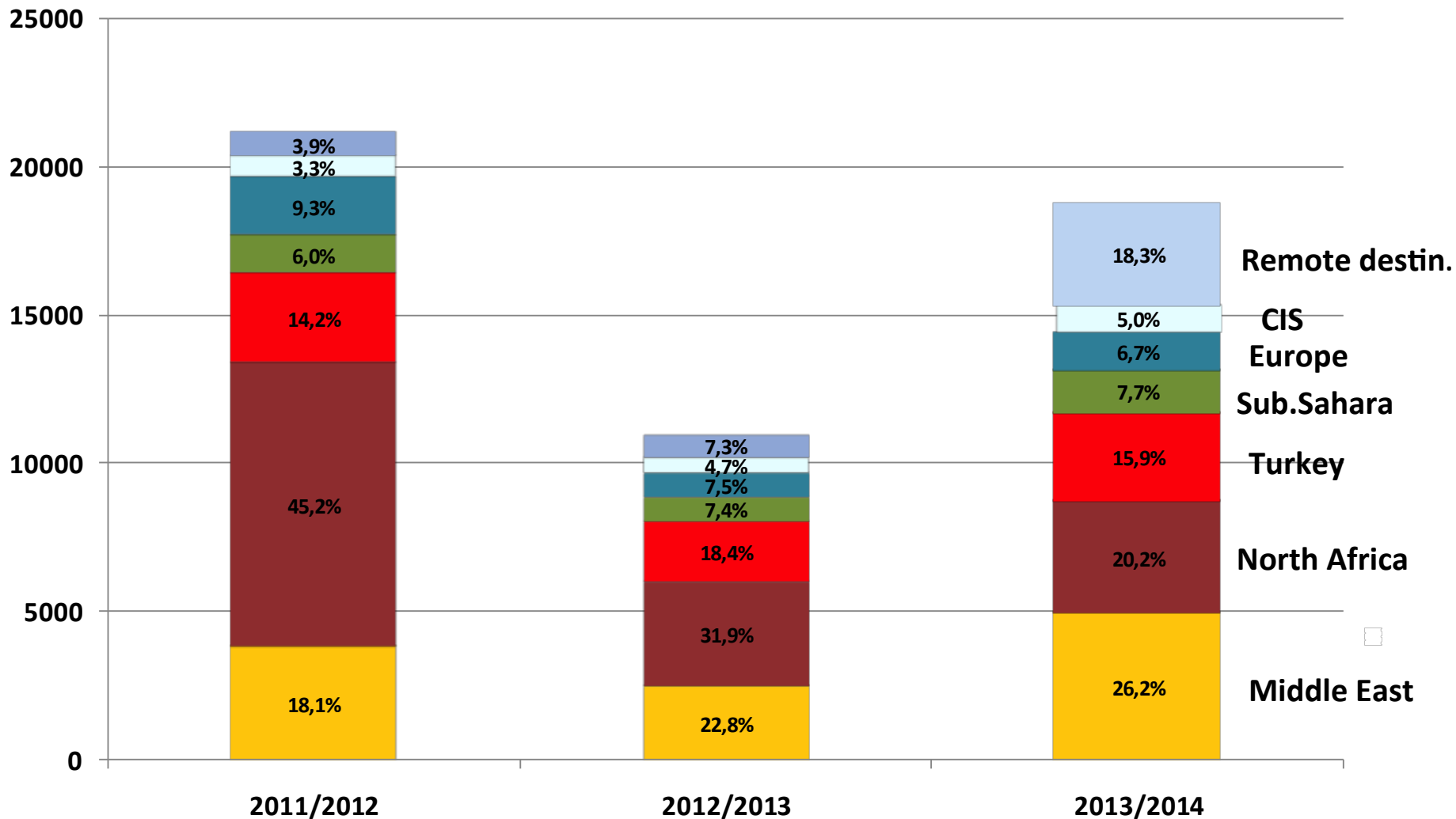


Russian wheat exports (2013/14 – up-to-date)





Russian wheat export per regions, TMT



The key feature of 2013/14 is unusually high share of remote destinations in Russian wheat export (Indonesia – 273, Peru 325, Mexico, 221, etc.)

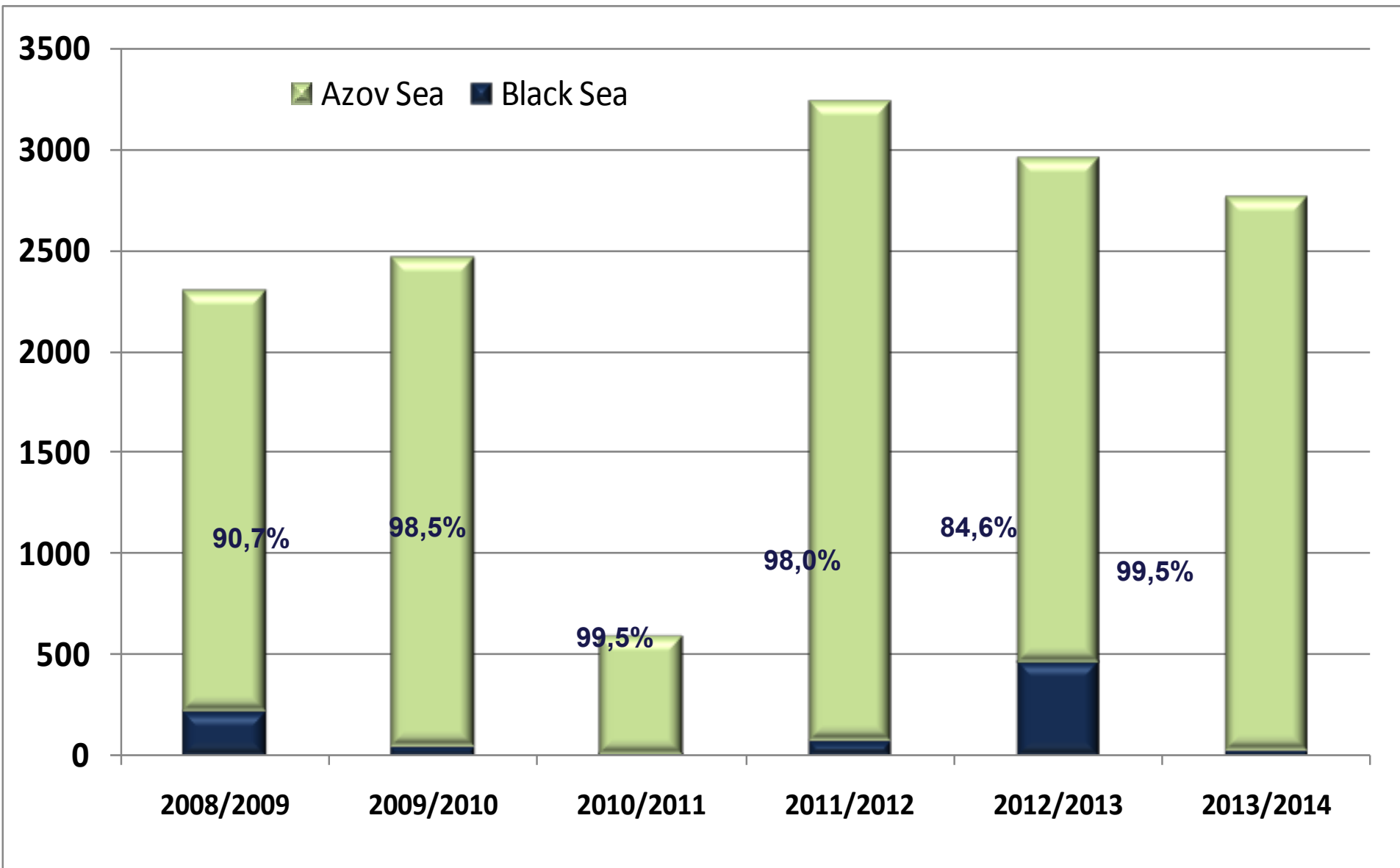
Wheat import of Turkey by origin



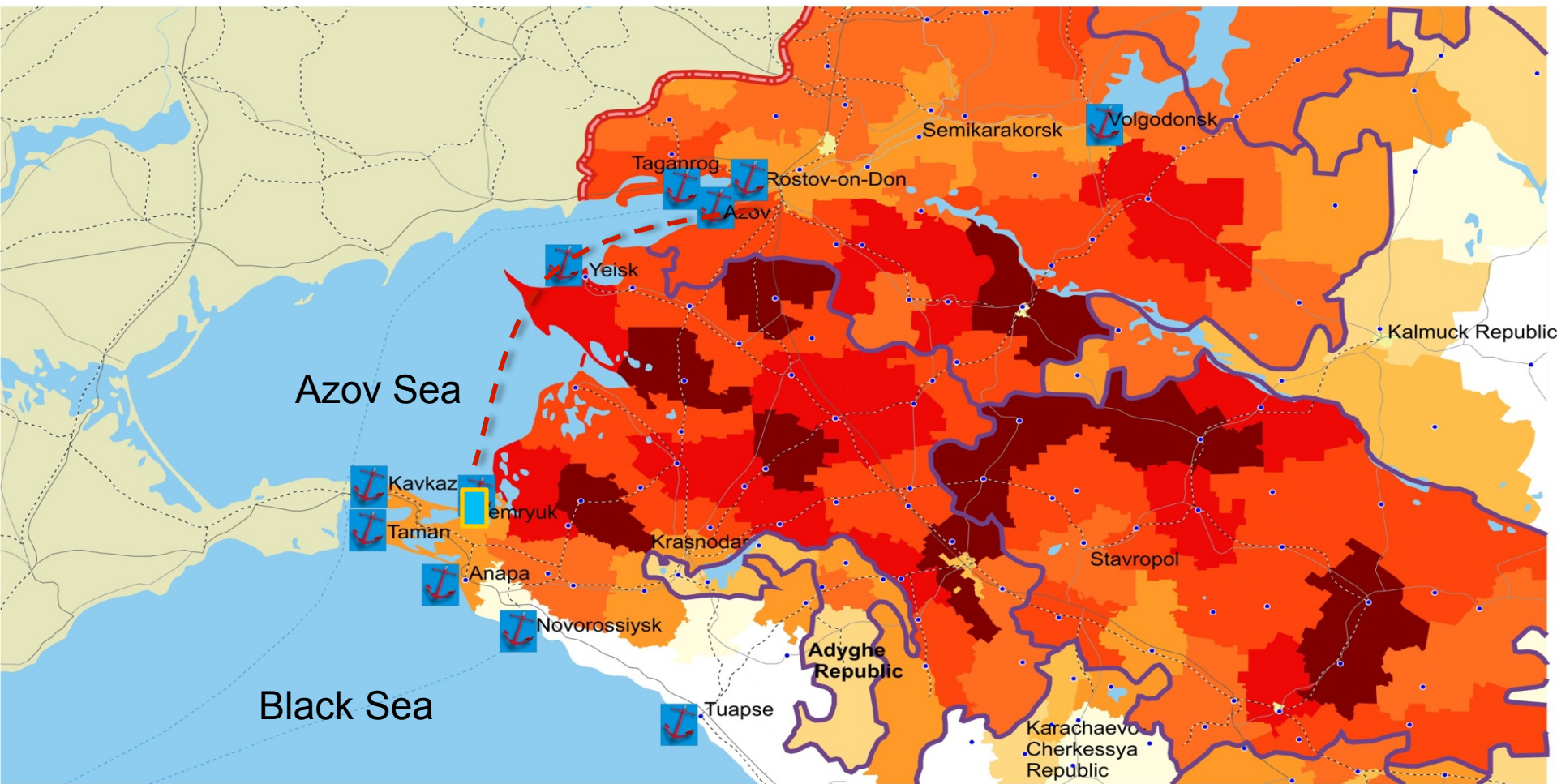
Russian share in Turkish import is quite stable (with only exception of 2010/11): between 63% and 73%...



Some logistical details: Turkey fully relies on Azov sea ports...



Kerch raid transshipping: 6-th Russian virtual Black Sea “terminal”



In 2013/14 estimated Kerch transshipping reached record high level of ~4 MMT...

Kerch raid transshipping



Kerch raid transshipping



Kerch raid transshipping



Why Kerch scheme? – strengthening Novo trucks weight control + too high Black Sea terminals tariffs + very strong Kerch port raid service level...

Kerch transshipping operations compete with direct coasters destinations, such as Turkey...

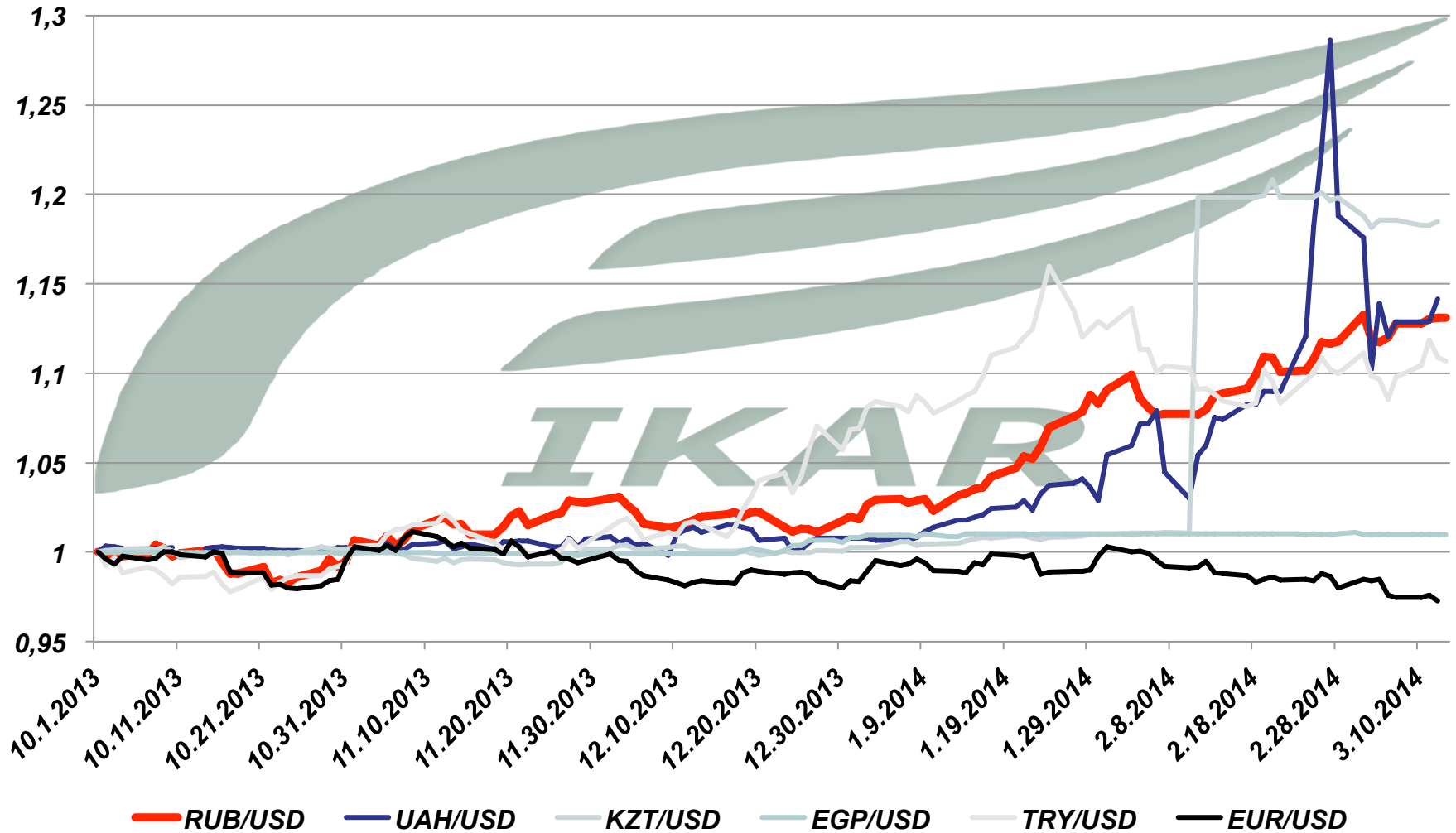
New 2014/15 season's contours

Russian – Ukraine tensions

Macroeconomics

State of crops

Evolution of exchange rates



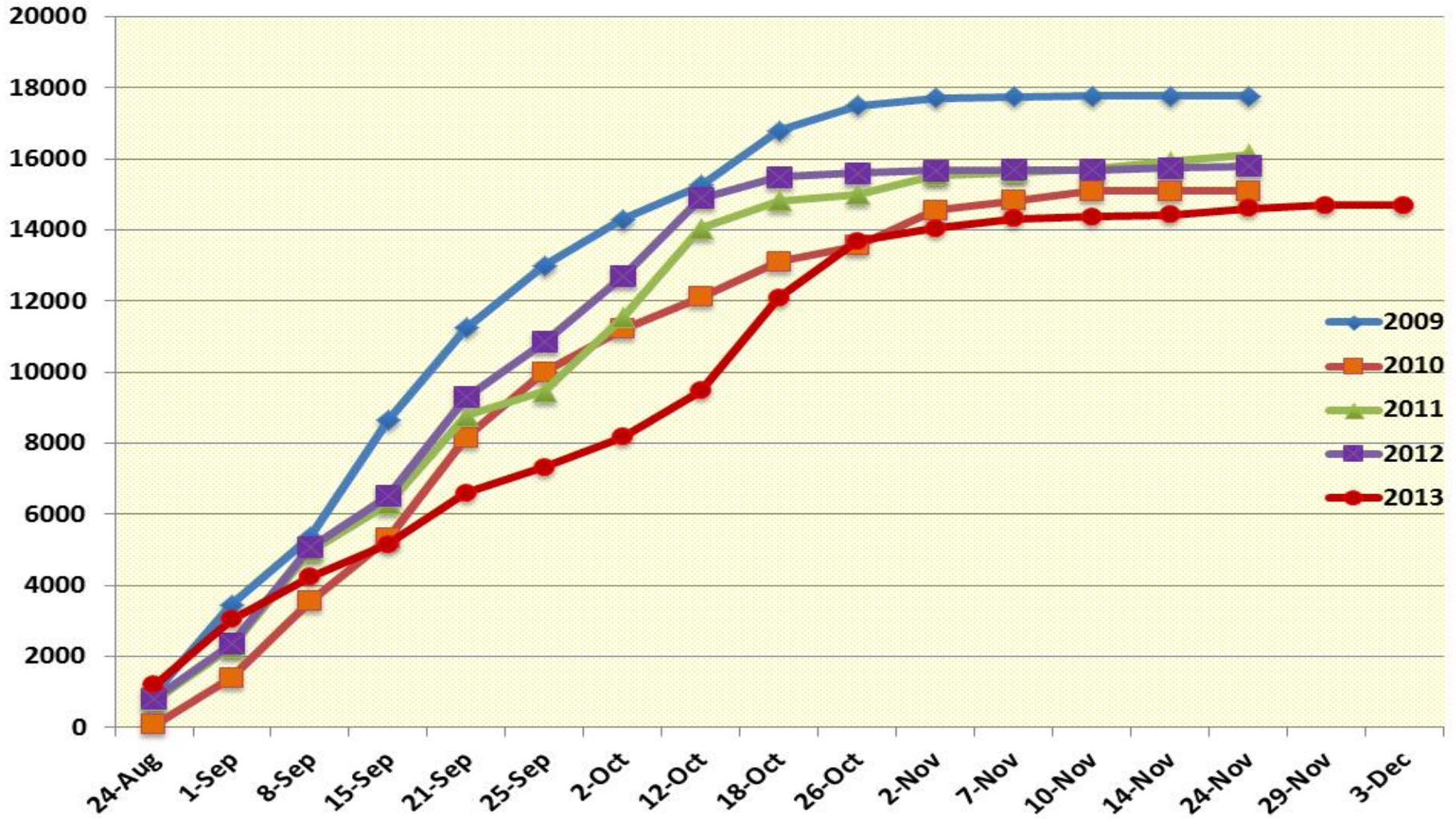
Intervention fund stocks, MT

| | Wheat 3 rd cl. | Wheat 4 th cl. | Wheat 5 th cl. | Rye | Barley | Total |
|---------------|---------------------------|---------------------------|---------------------------|---------------|-----------------------|-----------------------|
| South | | 72765 | 18676 | | | 91441 |
| N.Caucasus | | 113400 | 5281 | | 2565 | 121246 |
| Central | 1857 | 42036 | | | 270 | 44163 |
| N.West | | 801 | | | | 801 |
| Volga | 192202 | 36217 | 3070 | 99118 | 37126 | 367733 |
| Urals | 96735 | 26190 | | | | 122925 |
| Siberia | 628381/ 253685 | 97875/ 97065 | 31050/ 31050 | 1215 | 107055/ 107055 | 865576/ 488855 |
| Total: | 919175 | 389284 | 58077 | 100333 | 147016 | 1613885 |

Total/**incl. 2013/14 campaign**

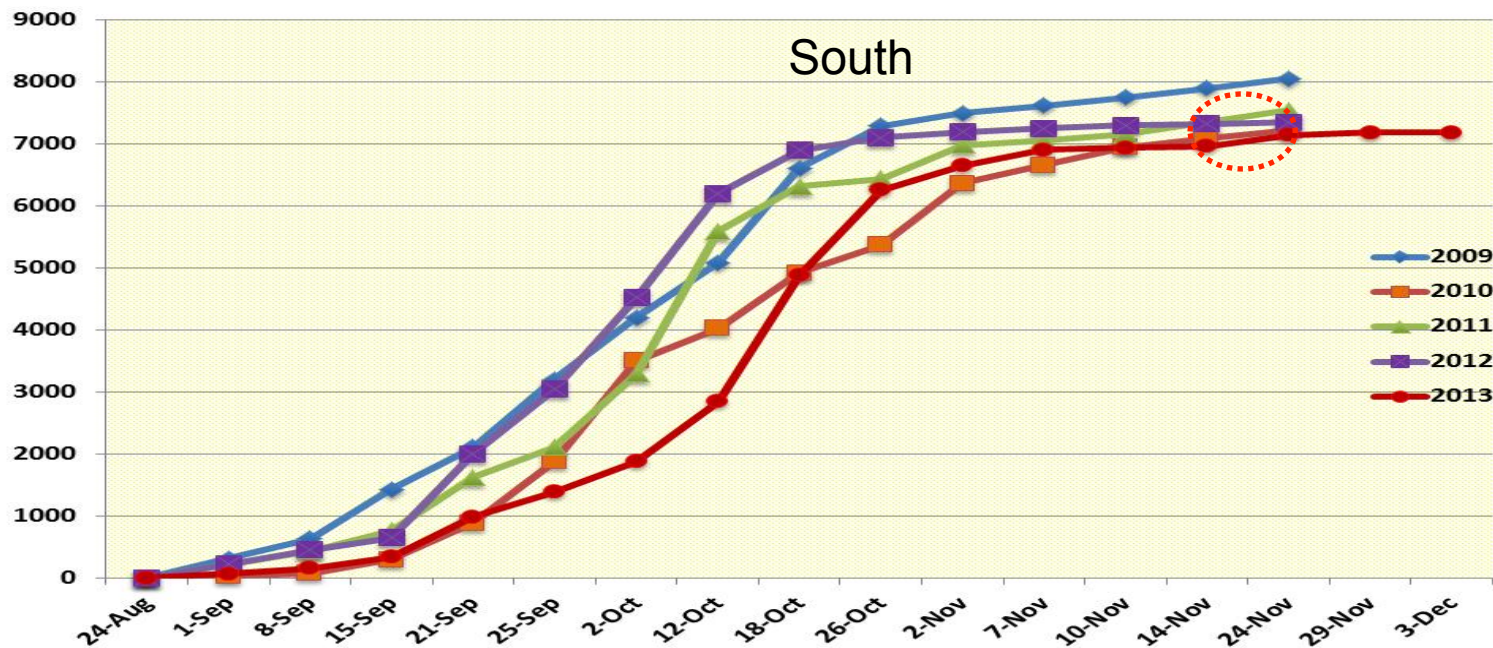
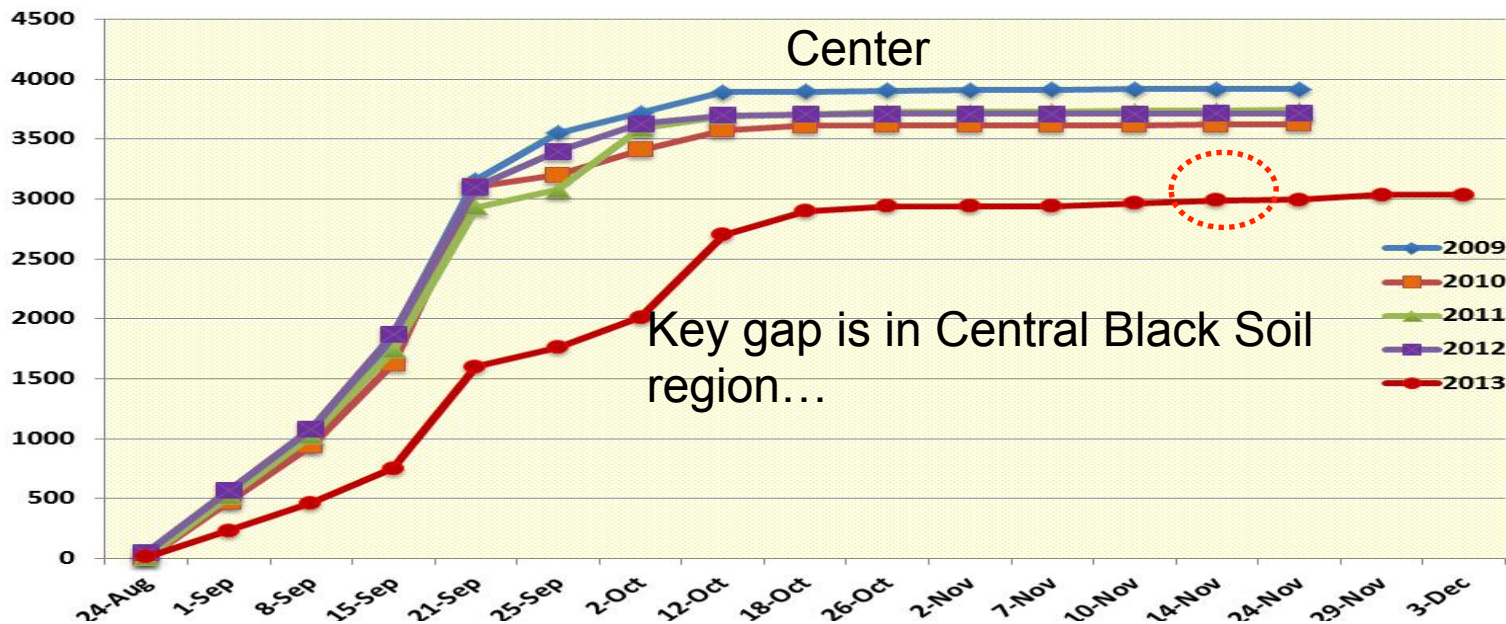
In 2013/14 Russian government basically failed to make a restocking of Intervention fund, as its purchase prices turned out to be below market...

Russian winter sowing, THA

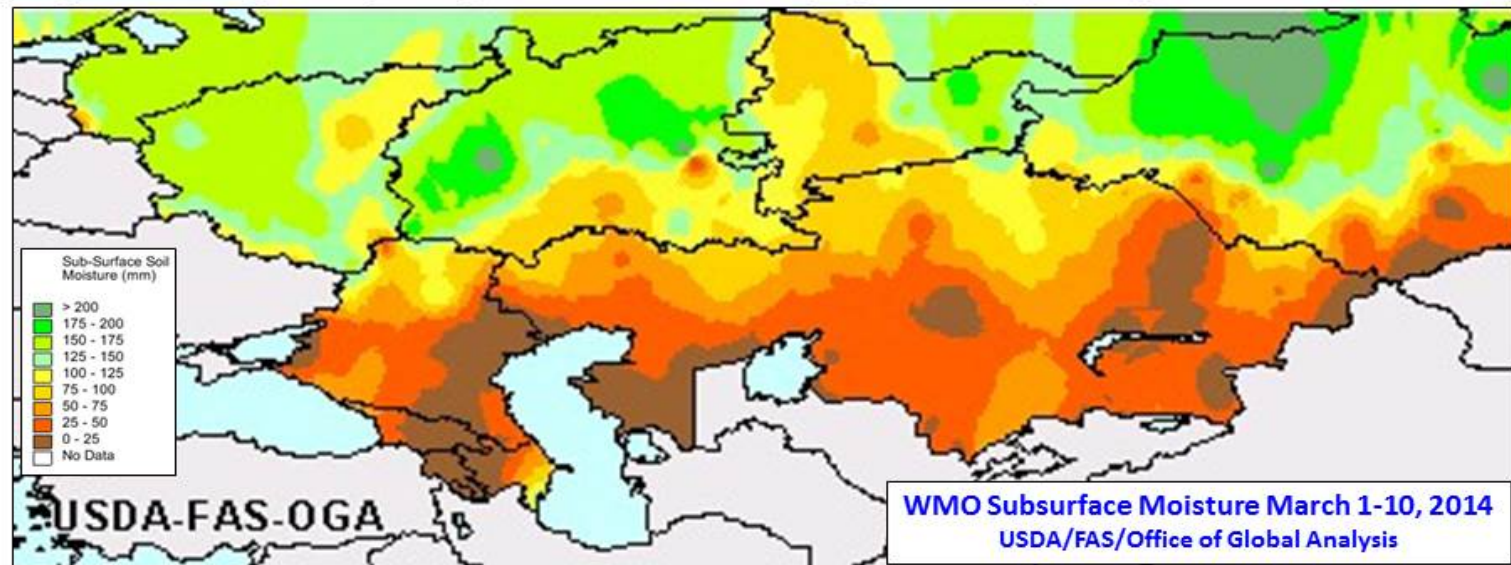
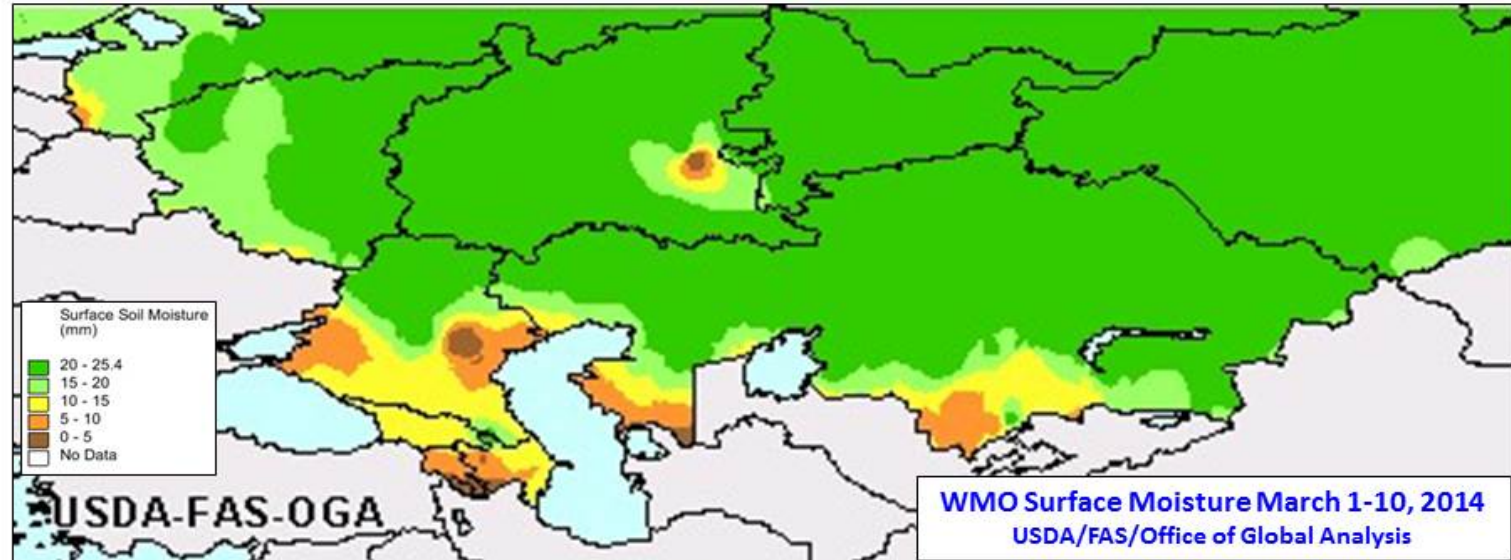


2014/15 winter sowing was below average...

Winter sowing in key production regions, THA

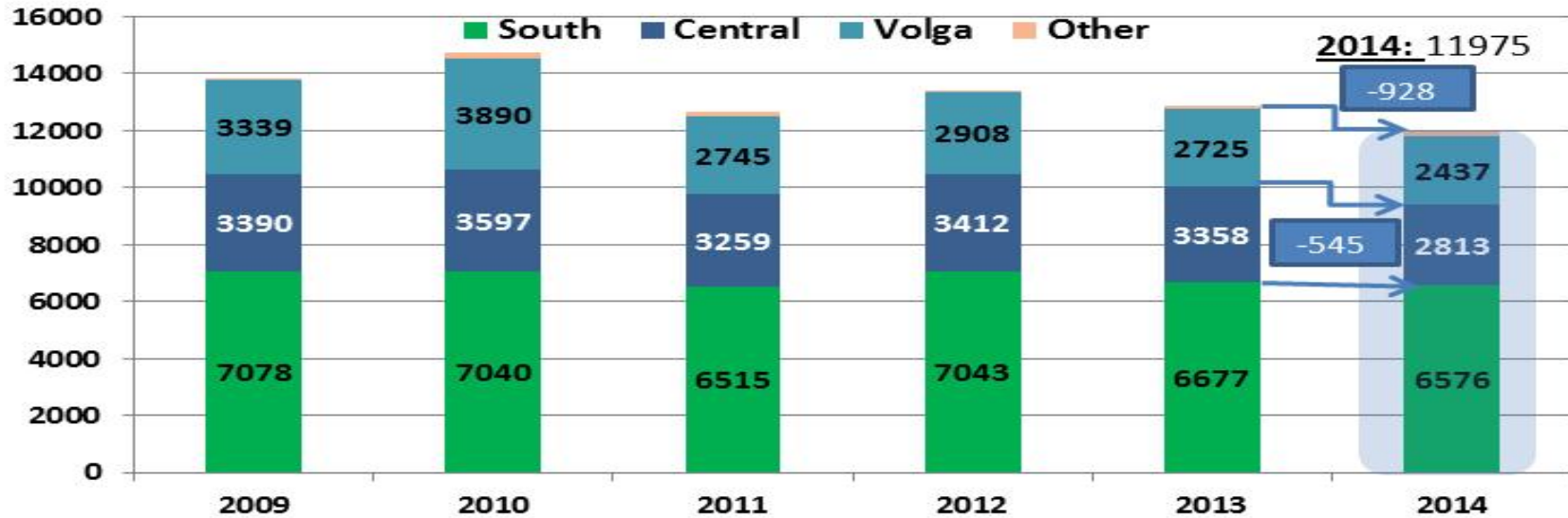


Russia moisture level

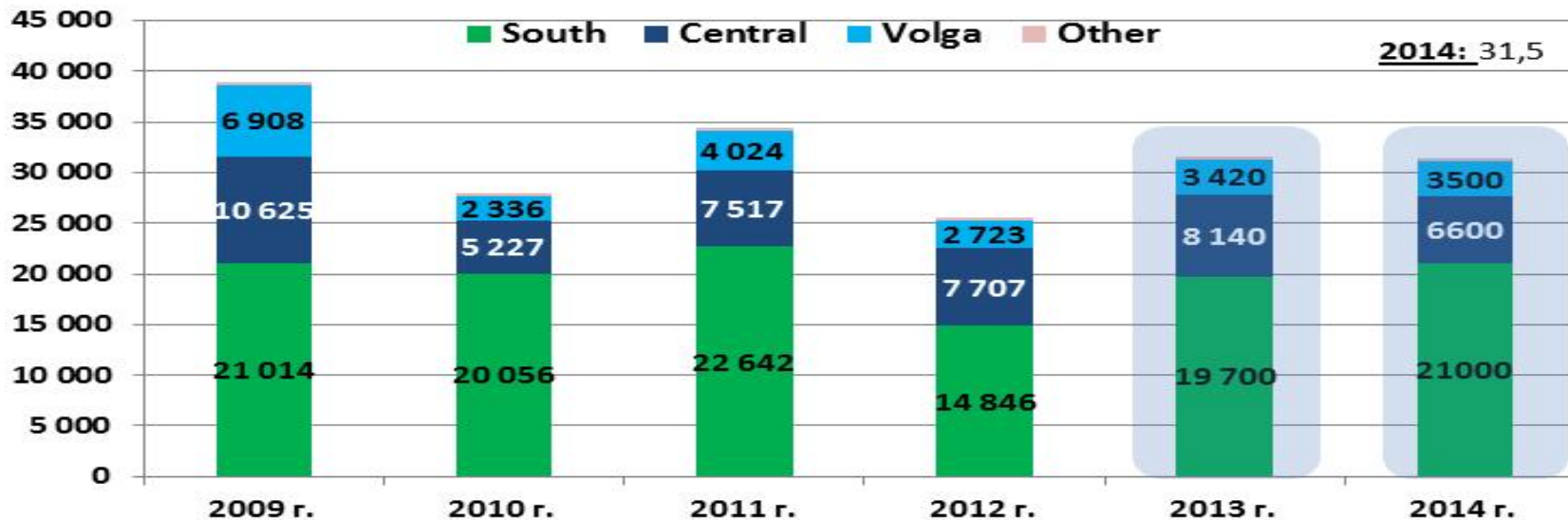


Precipitation and (sub)-soil moisture levels in South and Central look as major risks so far...

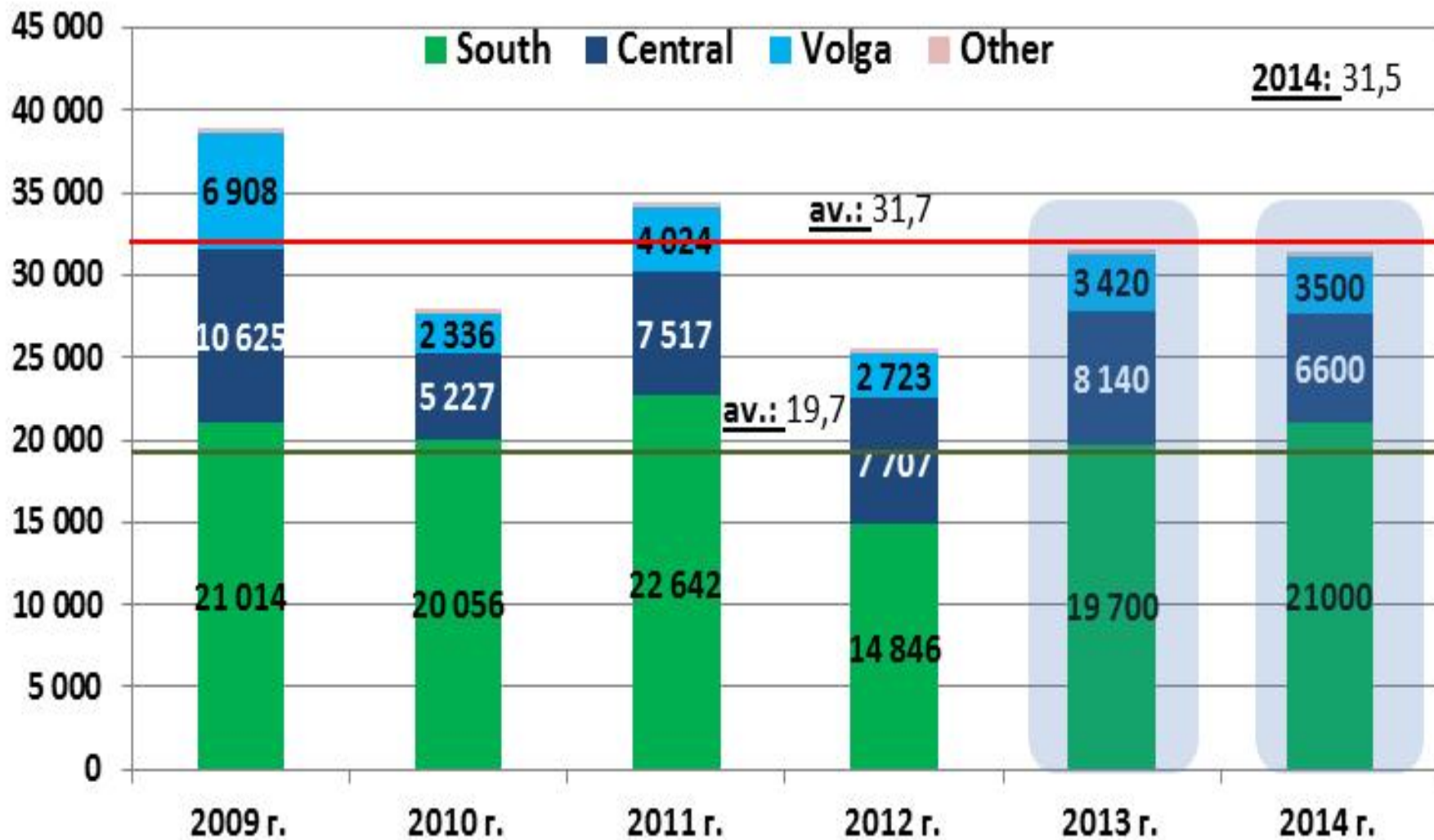
Winter wheat sowing, THA



Winter wheat production, TMT



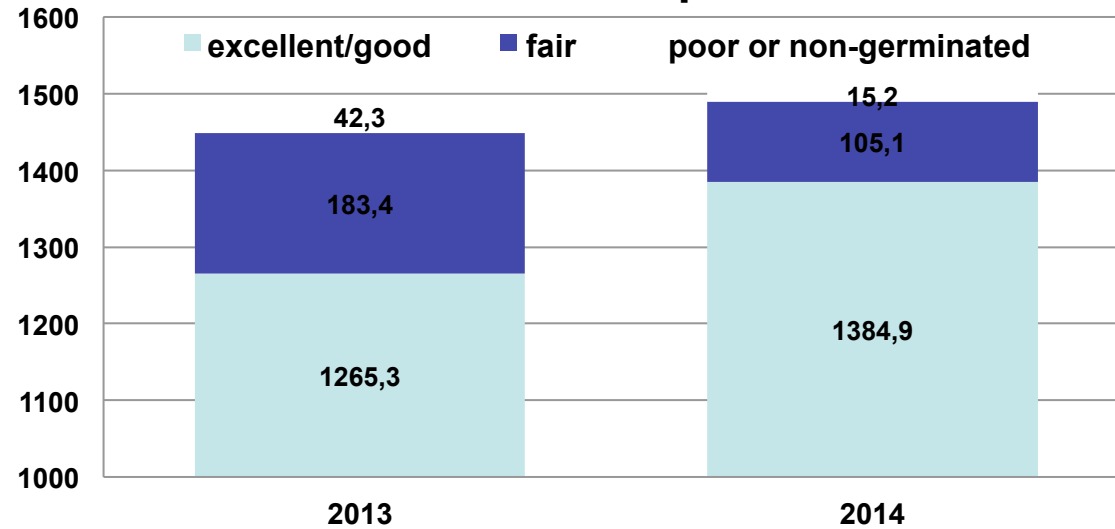
Winter wheat sowing, THA



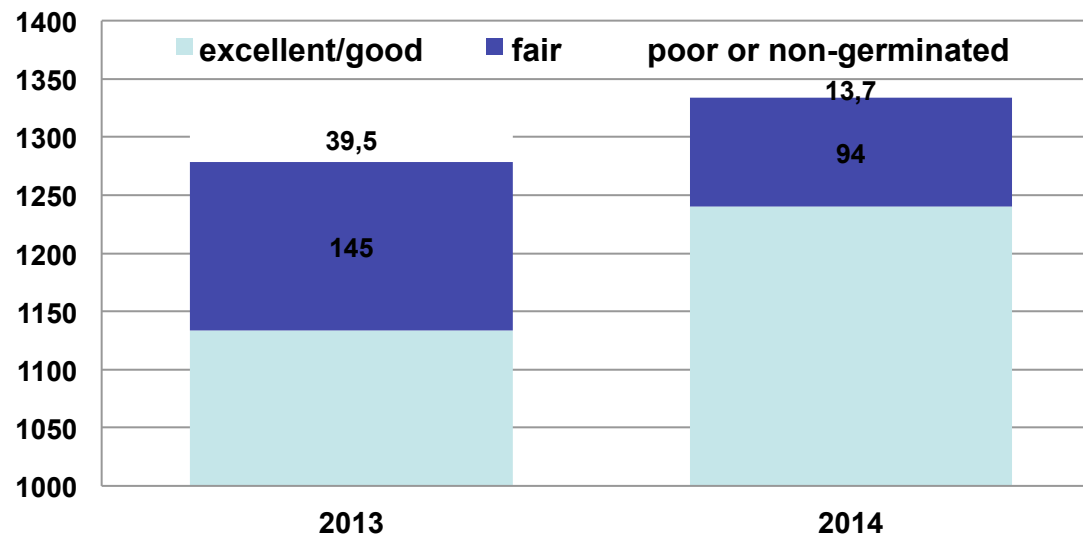
There is still a probability of getting mega-harvest in the Russian South...

So far so good...Krasnodar winter crop condition, THA

Krasnodar winter crop condition

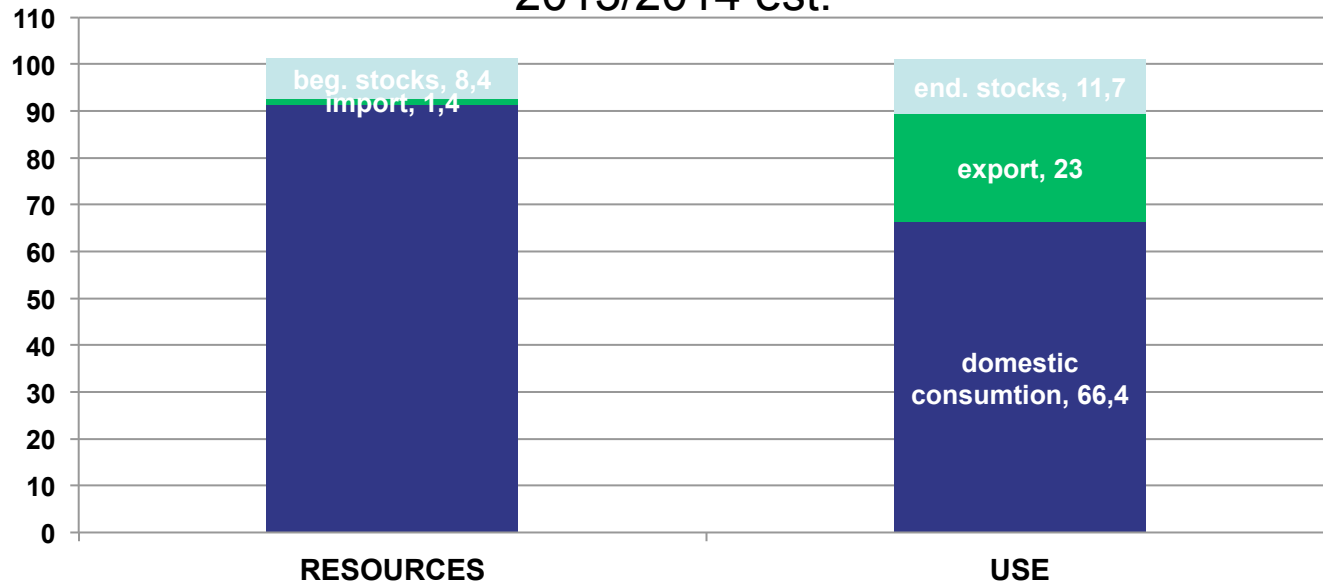


Krasnodar winter wheat condition

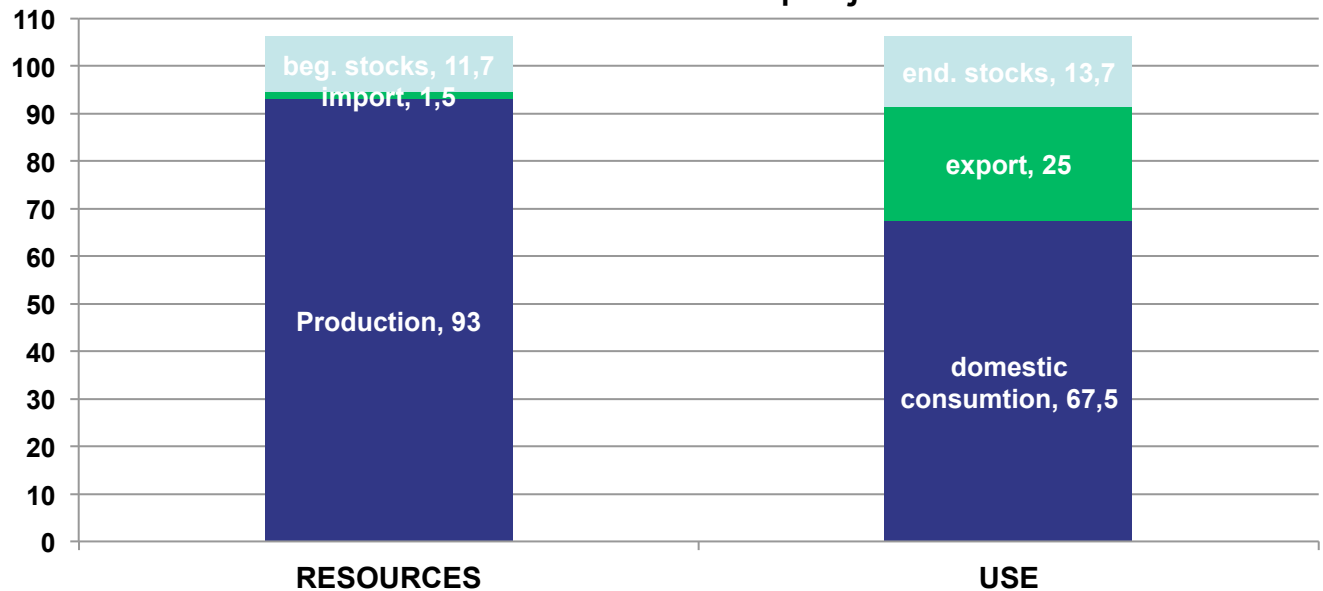


Grain: resources and use

2013/2014 est.

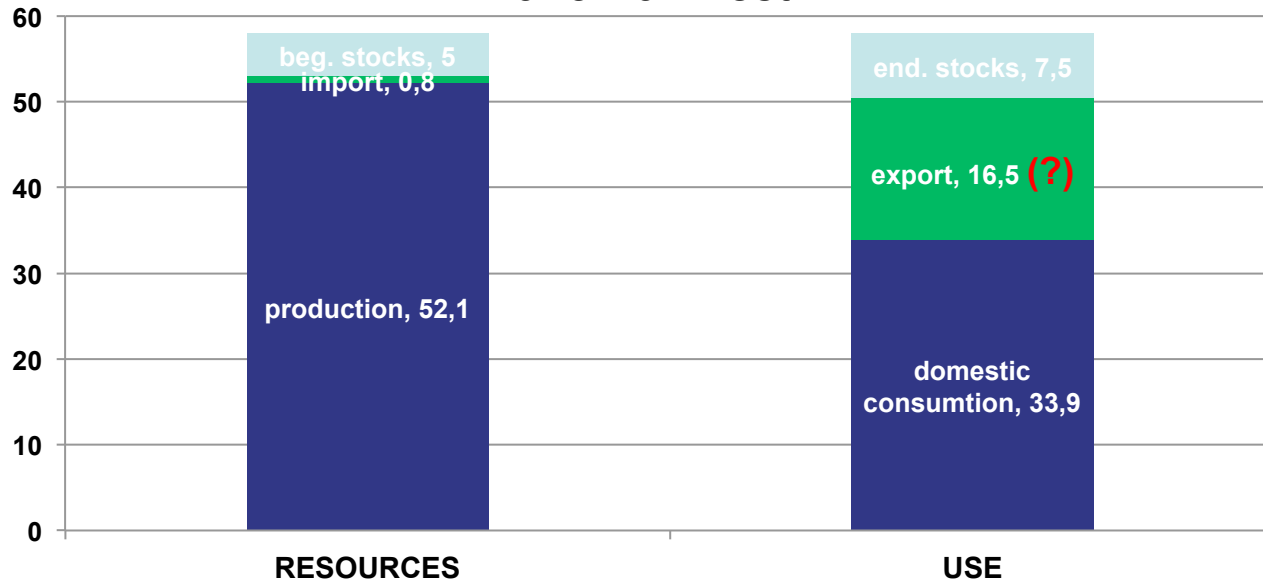


2014/2015 proj.

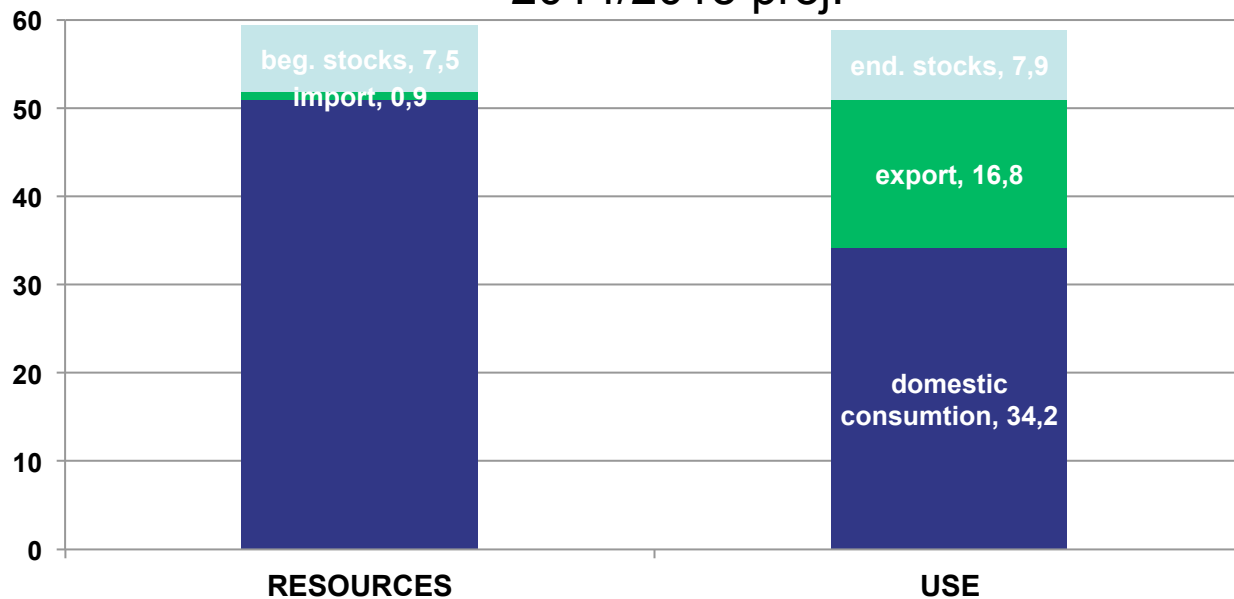


Wheat: resources and use

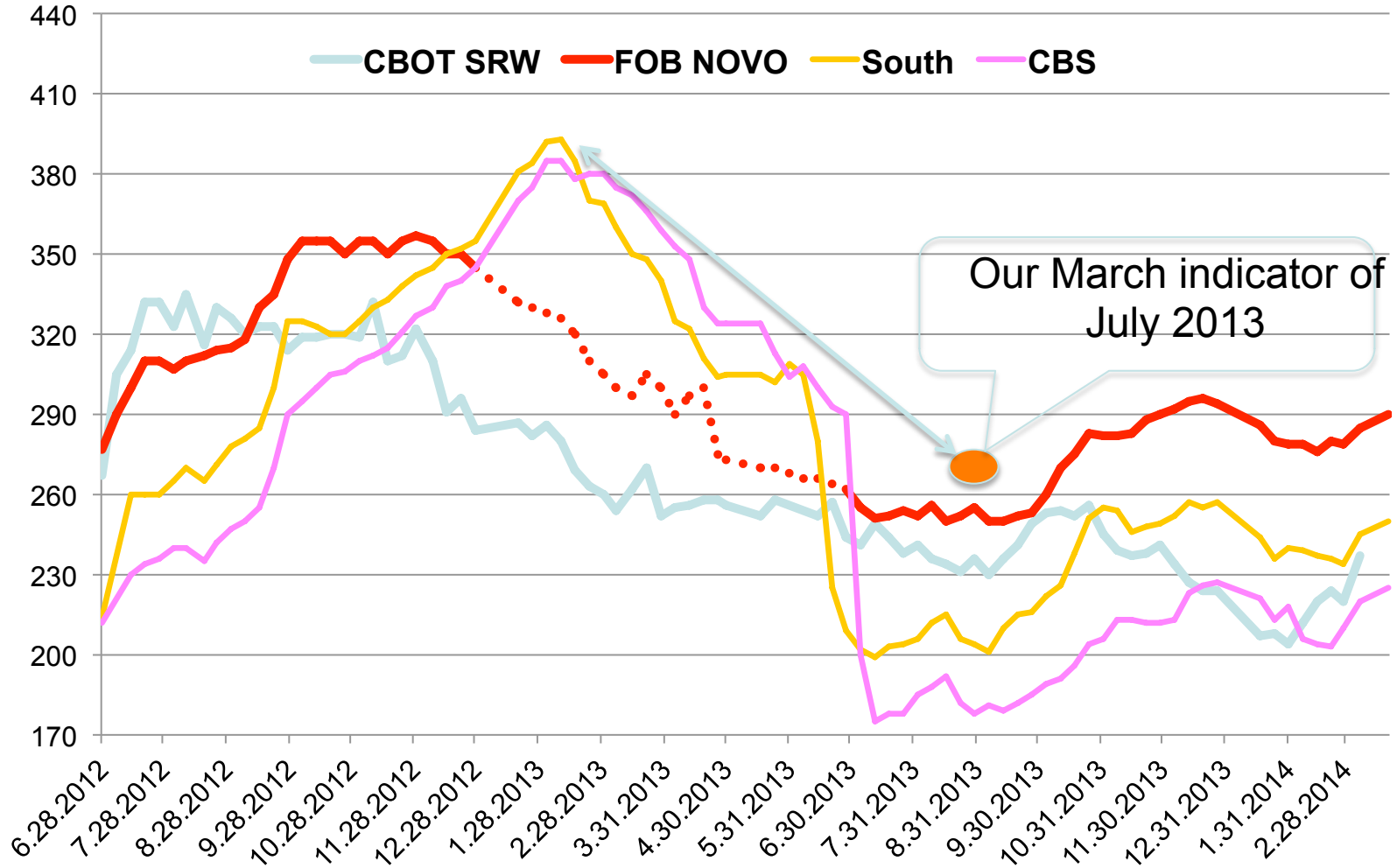
2013/2014 est.



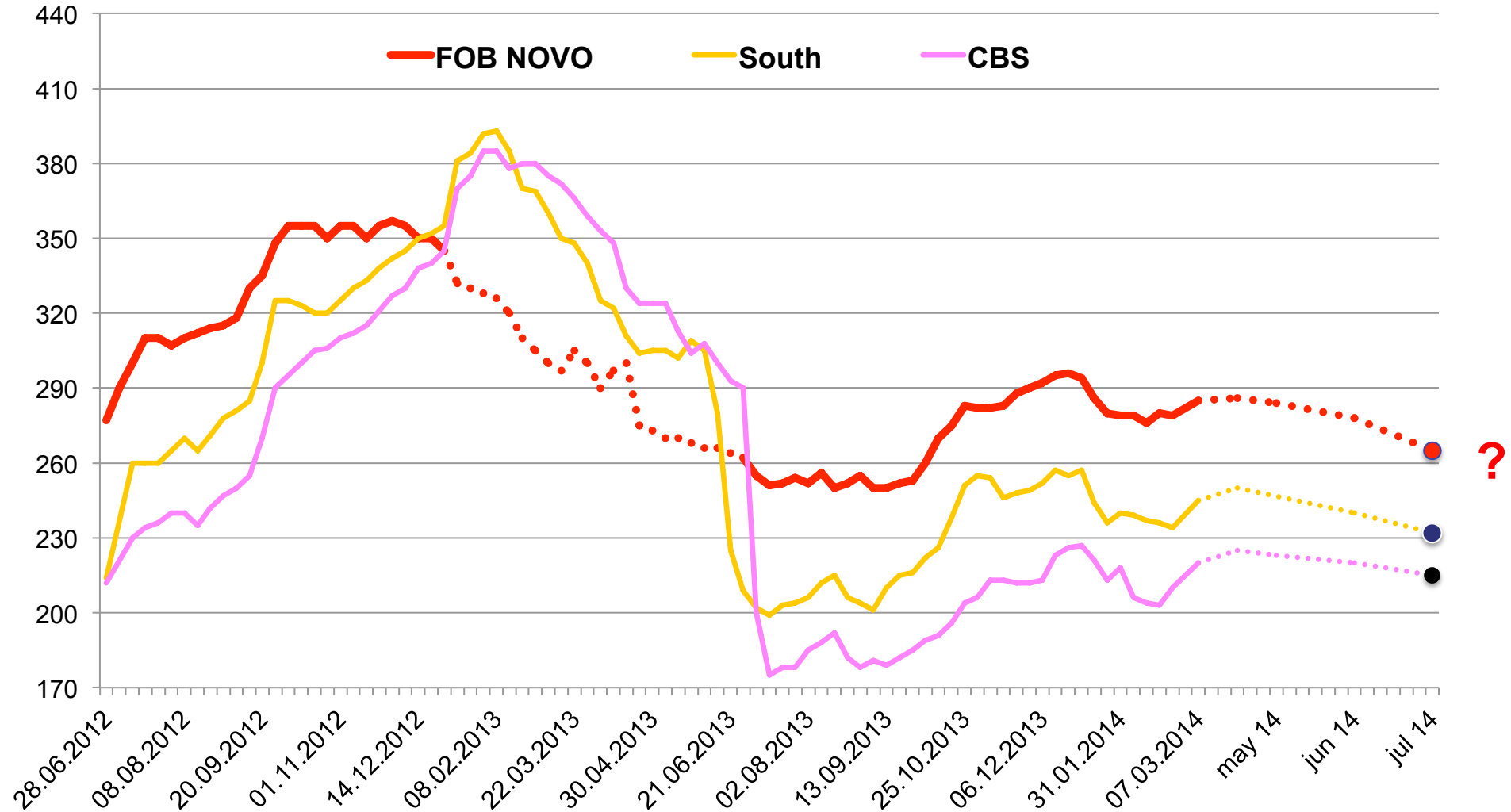
2014/2015 proj.



Year after: did our last year price forecast work?



New 2014/14 wheat crop price fixing...





Tesekurler!

Thank you!

Spasibo!

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