



The National Union
of Grain Producers

Russian Grain Market in 2010-2011: Prospects of the New Grain Year

**Turkish Milling Congress: Wheat, Licensed
Warehouses, Futures
10-13 March 2011, Turkey**





A vast drought in 2010 resulted in declined growth rate of Russian agroindustrial complex

Overview of the agroindustrial complex

- **43 Russian regions were affected by natural calamities**
- **More than 13 mln. ha. of crops failed**
- **More than 25 thousand farms suffered**
- **The damage is over 41 bln. roubles**

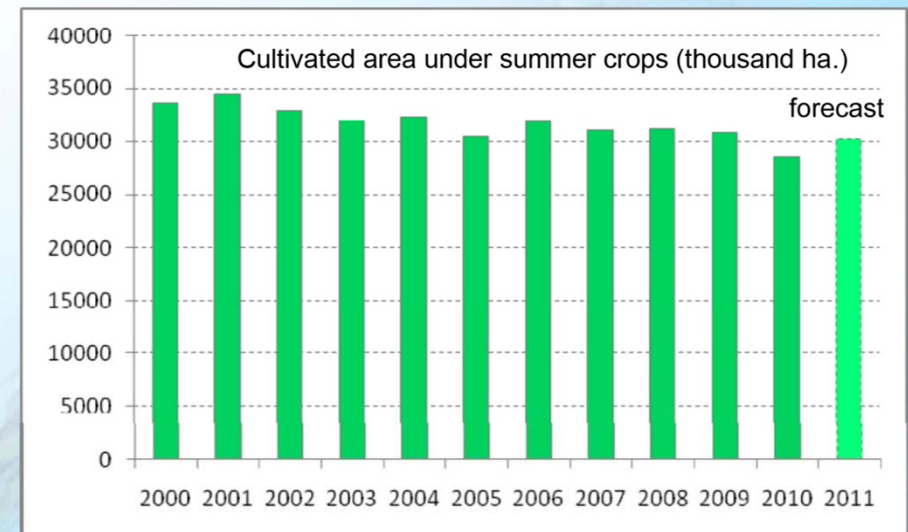
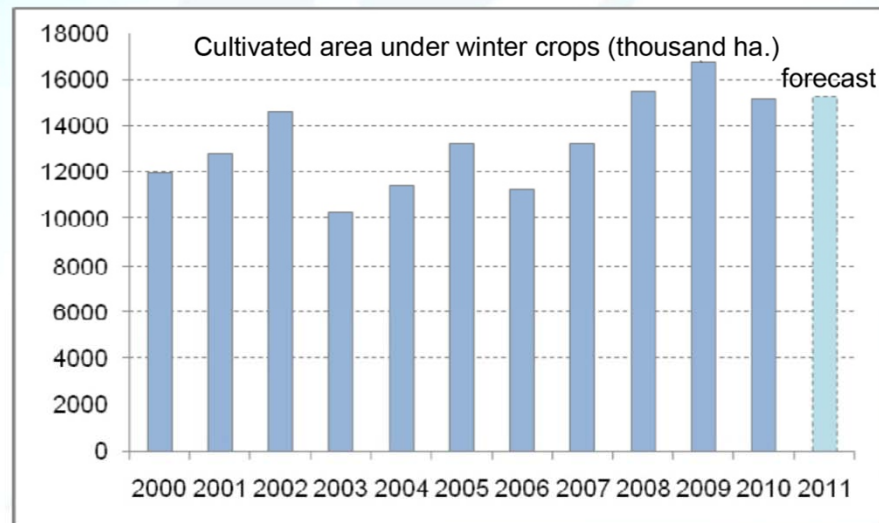
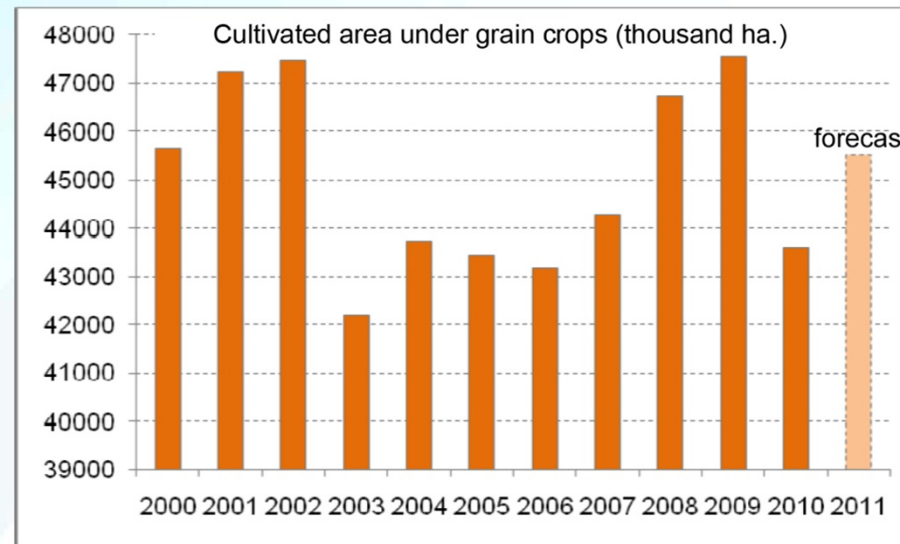
Grain industry

- **More than 30% of grain crops failed**
- **60.9 mln. tons of grain was produced in Russia - 63% of the 2009 level.**
- **The consequences of the drought reflected on the quality of autumn sowing, insufficient autumn amounted to 3 mln. ha.**

The 2011 spring sowing must be done on a huge area - about 50 mln. ha., out of which 30 mln. ha. are for grain crops.



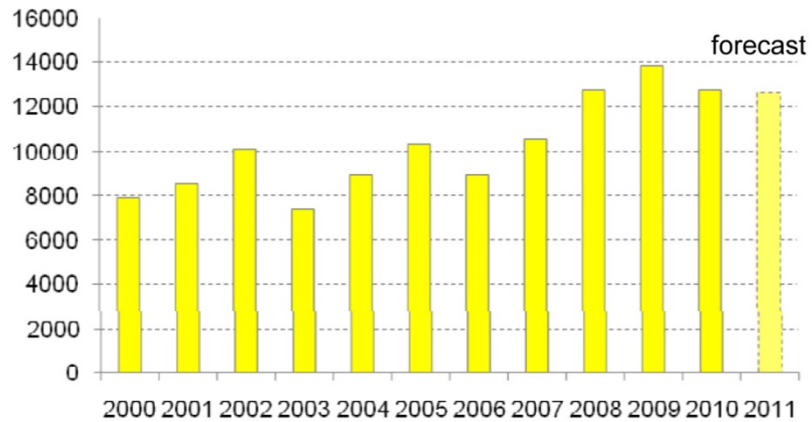
2011 grain crops sowing forecast



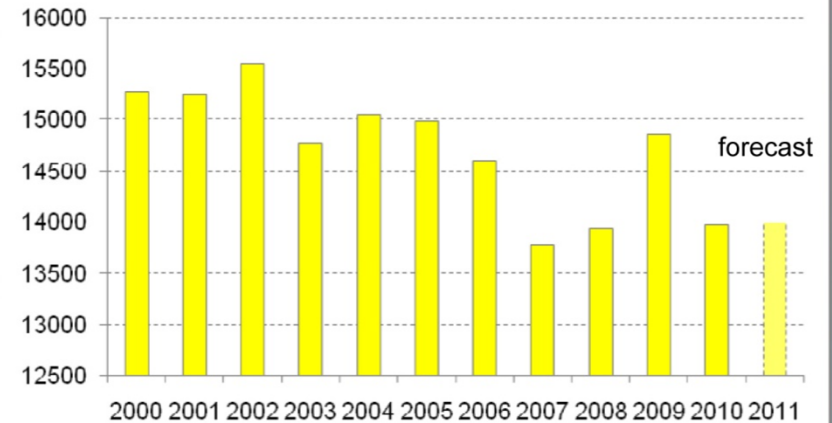


2011 grain crops sowing forecast

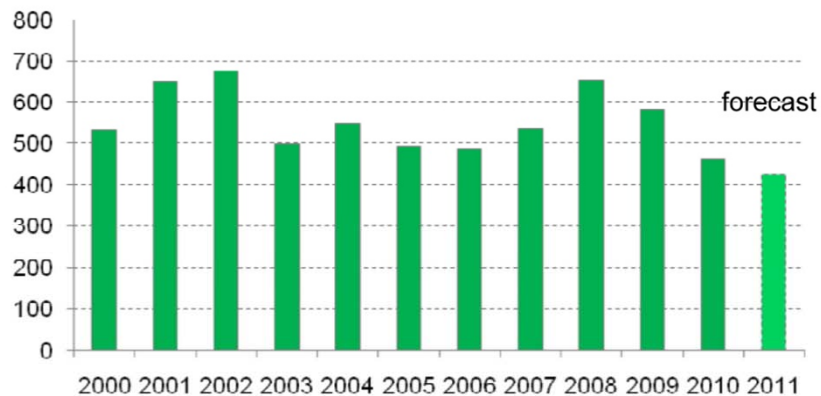
winter wheat (thousand ha.)



summer wheat (thousand ha.)



winter barley (thousand ha.)

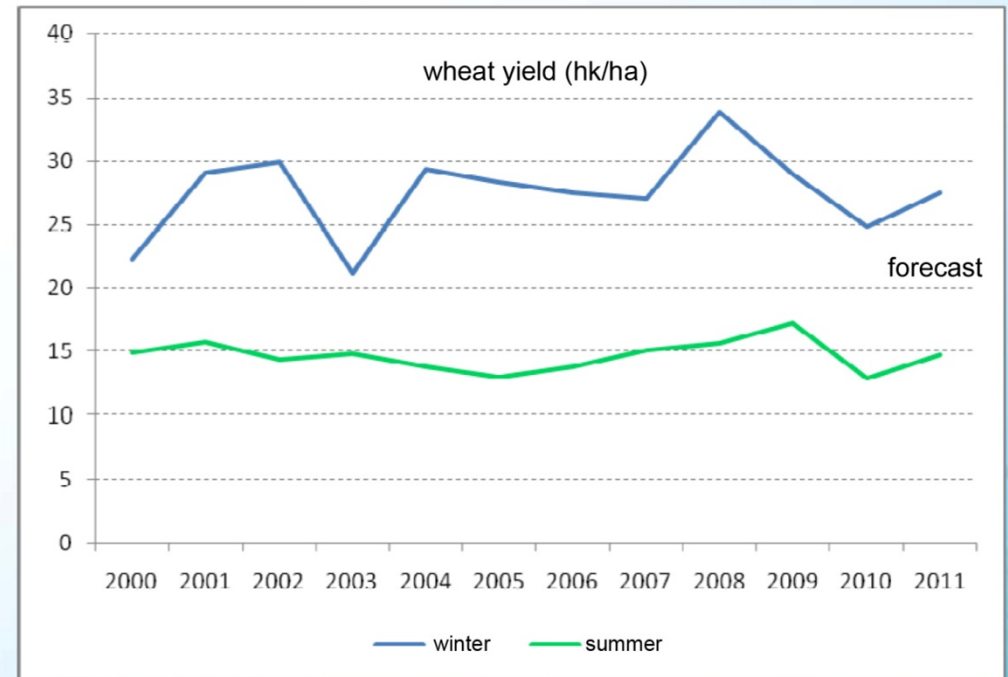
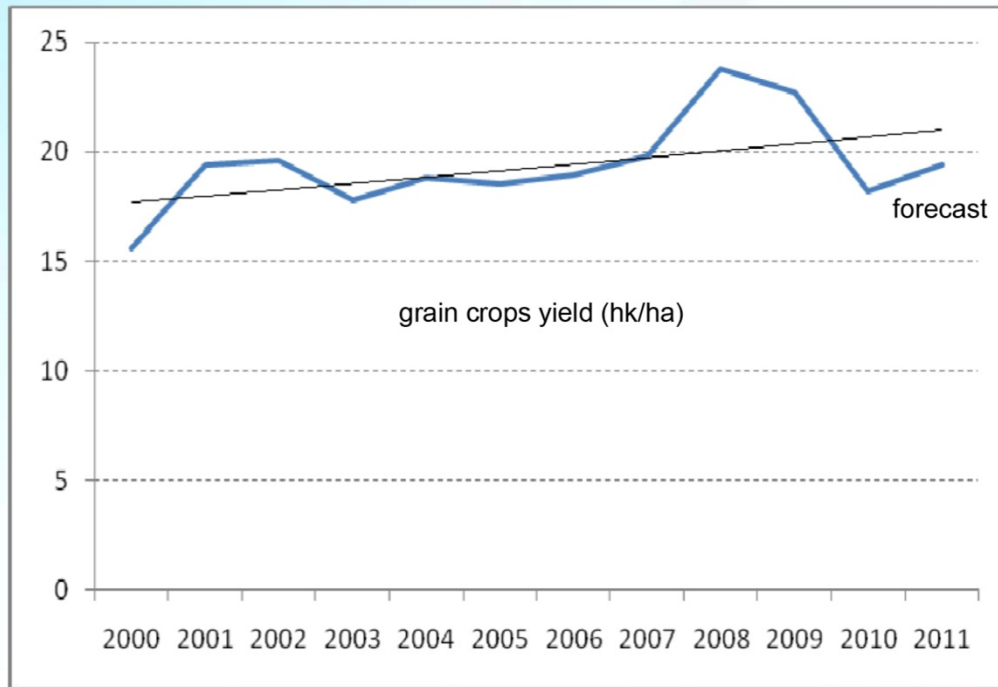


summer barley (thousand ha.)





2011 grain crops sowing forecast





Main prerequisites of integrated development of grain industry in the near future

Establishment of a production and economic system where the grain industry of Russia would provide:

- **Guaranteed volume and assortment in grain production;**
- **High quality indicators of grain and grain products;**
- **Guaranteed high profitability of grain marketing.**

System building factors:

- **Regional specialization;**
- **Targeted grain production;**
- **Organization of precise planning based on quantitative and qualitative analysis of demand for grain crops.**

OBJECTIVE: to form a forecast plan of grain crops production for two agricultural seasons (2011-2012)



Current state in grain production

GOAL: elimination of handicaps existing in production of grain crops

**Balance of production and the necessary volumes of grain
consumption
(information of the National Union of Grain Producers)**

	2006	2007	2008	2009	2010	Production, 5 year average	Domestic consumption	Total, (balance/ deficit)
Wheat	45,006	49,390	63,765	61,648	41,468	52,255	40,500	11,755
Barley	18,154	15,663	23,148	17,881	8,328	16,630	22,000	- 5,370
Rye	2,963	3,905	4,502	4,333	1,642	3,500	1,500	2,000
Millet	600	421	711	265	131	425	1,500	- 1,075



Forming a consolidated order for production of grain crops country-wide

Development of the structure plan of sowing autumn and spring crop areas broken down by constituent entities of the Russian Federation-regions-farms

PRINCIPLES:





- **Determining bioclimatic areas where production of certain crops will be reached at minimum production costs;**
- **Demand for agricultural products from the consumers (markets) during the current agricultural year (using the proposal of the National Union of Grain Producers under forward contracts, indicative planning of price indicators;**
- **Forming reserve stocks.**

Siberian Agrarian Holding Group of Companies



AGRICULTURE

-  Third largest agricultural holding in the Russian Federation in terms of owned land; managing 400,000 ha. of agricultural land
-  The most extensive climatic diversification in 4 federal districts (Siberian, Southern, Central and Volga)
-  Siberia's largest base for production and export of grain crops to Southeast Asia
-  Two Greenfield project have been successfully implemented in Tula and Ulyanovsk regions
-  Sustainable qualitative and quantitative growth of indicators




BREADMAKING

-  Russia's only federal-scale brand in the breadmaking sector
-  Up to 57% market share in certain regions, coverage in 11 regions and 5 federal districts
-  Implementing the "Lean Production" concept at the Khlebnitsa bakeries
-  Own design and construction service for building standard bakeries

TRADING

-  Ownership of 9 operational elevators and grain reception sites having total storage capacity of 631,000 tons in three federal districts of the Russian Federation. Construction of 3 new elevators (100,000 tons each)
-  Russia's first company to carry out container shipment of grain to Southeast Asia and buckwheat export to Japan

PROSPECTS

-  1,0 mln. ha. - bank of agricultural land under management, production of soya and corn at the Far East against order by Mitsui, Sojitz, Sumitomo, Itochu, outsourcing - growing barley and wheat for consumers from Saudi Arabia
-  Far-Eastern transport corridor, construction of Nakhodka-Vostochny grain terminal, penetrating into the markets of Jordan, Sirya, Saudi Arabia, construction of grain terminals in Jordan, Algeria
-  Social Bread project - up tp 15% of the bread market in the Russian Federation

SAHO's GEOGRAPHY



Thank you!



The National Union
of Grain Producers

107139 Moscow
1/11 Orlikov pereulok

Tel. (495) 745-55-62,
Fax (495) 745-85-74,
e-mail: nszr@inbox.ru.

www.nszr.ru

