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General director

Russia: back to 2013/14 global wheat and grains market with potentially strong harvest and export

Mardin, June 1, 2013



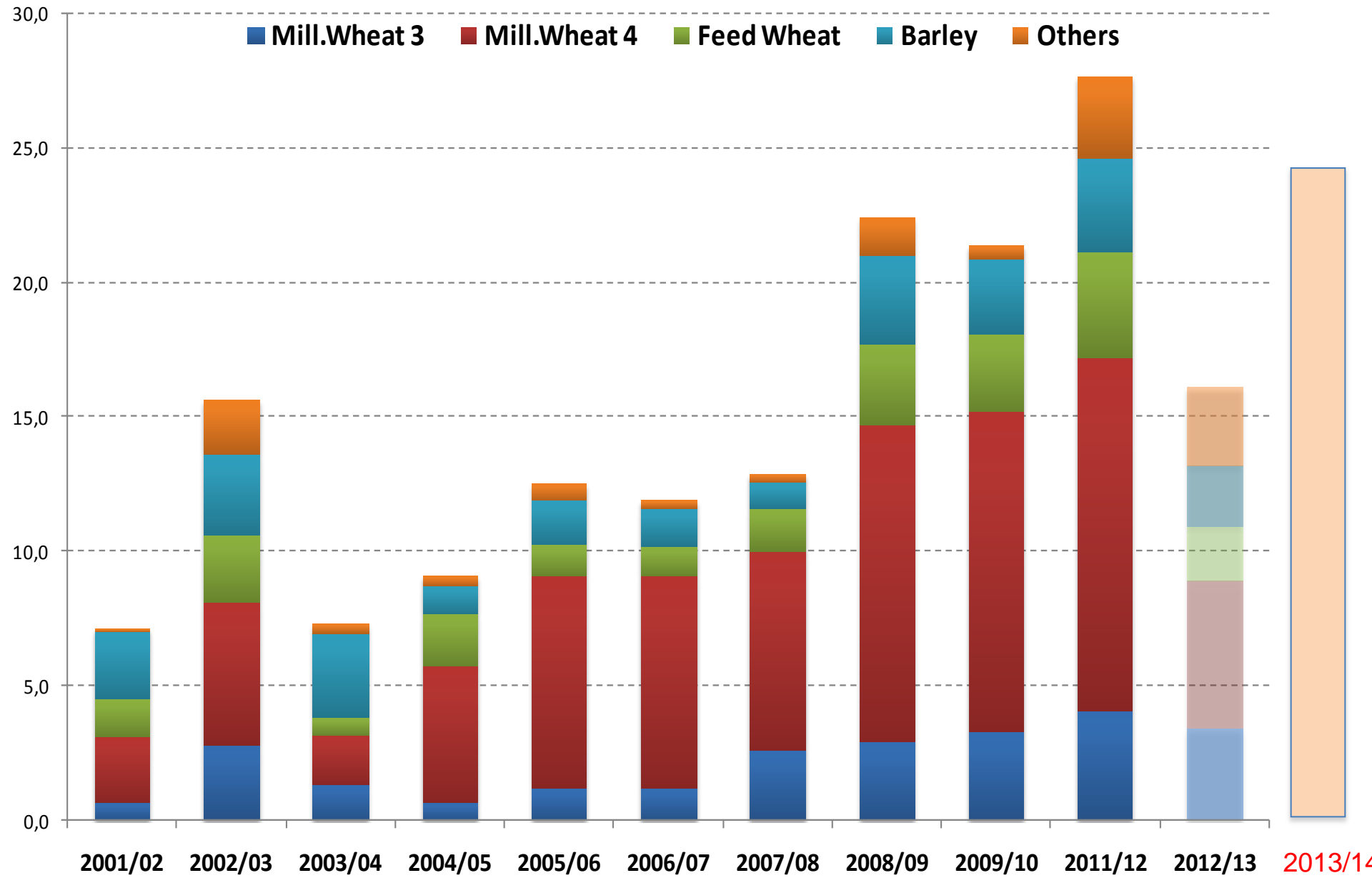
World wheat export, according to USDA, MMT

	2012/13	2013/14	
Russia	10.7	18.0	+7.3
Ukraine	7.0	9.5	+2.5
Kazakhstan	6.5	7.5	+1.0
TOTAL RUK	24.2	35.0	+10.8
EU-27	21.5	17.0	-4.5
US	28.0	25.5	-2.5
Canada	18.5	18.5	0.0
Argentina	7.5	6.5	-1.0
Australia	19.0	17.0	-2.0
India	8.5	8.0	-0.5
Others	16.5	15.5	-1.0
World total	143.7	143.0	-0.7

All wheat export gain may come from RUK! It's share to increase from 16.4 to 24.4% of total world wheat exports (!)



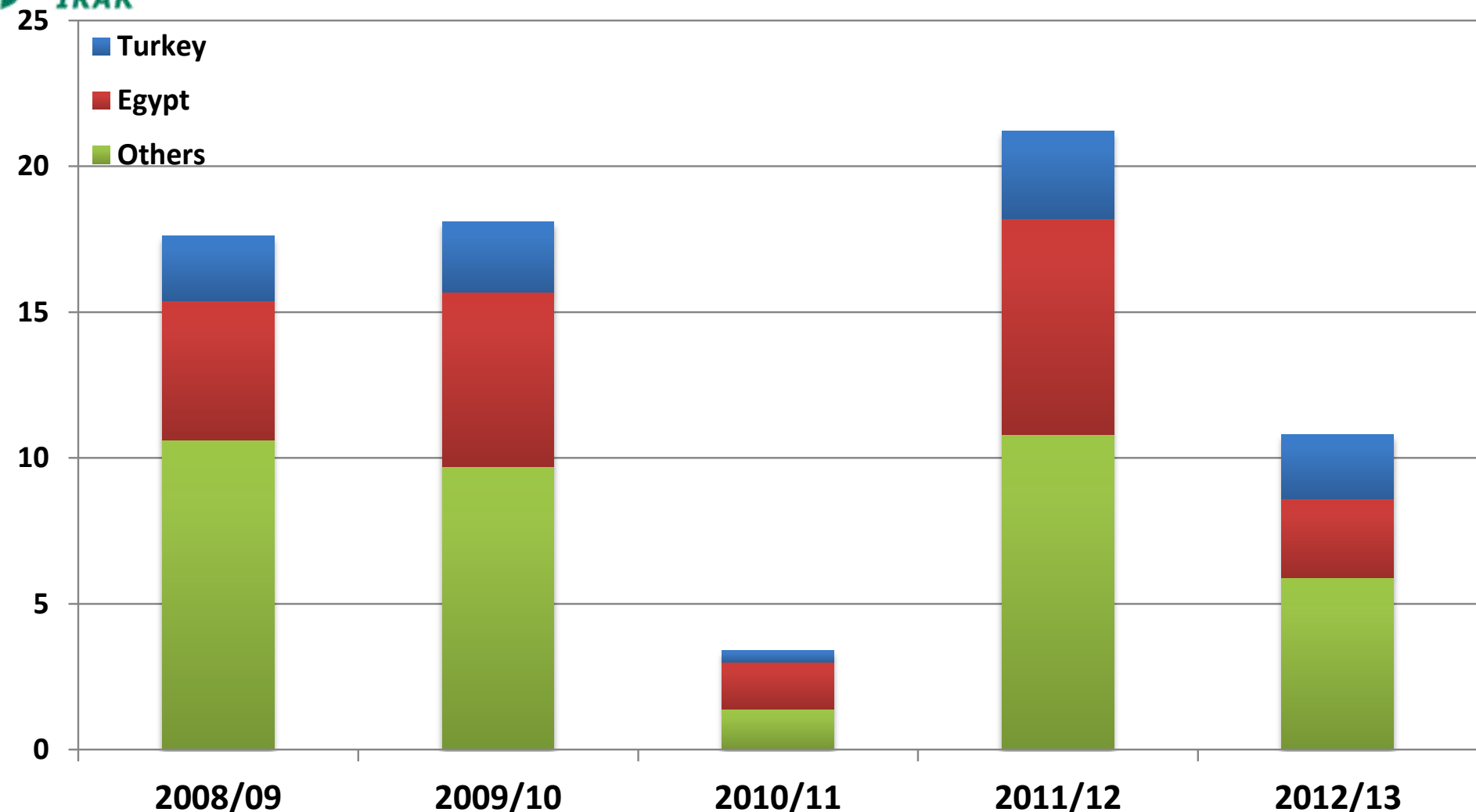
Russian all grains export level and structure



Our key specialization is export of ordinary protein milling wheat, but it's changing... est.



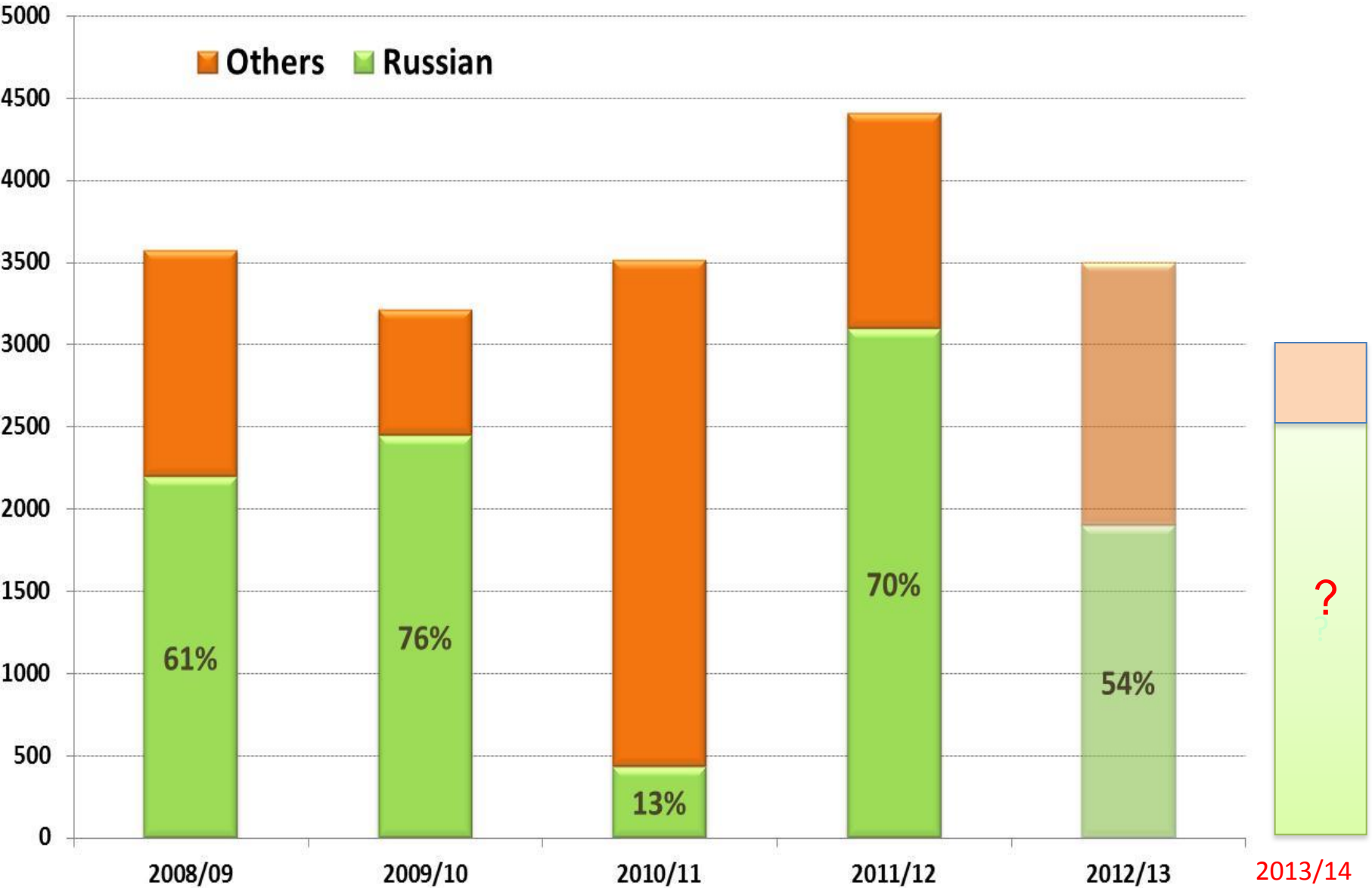
Russian wheat export structure by major buyers, MMT



Russia exports wheat to more than 60 countries, but only two countries are our key customers, accounting to almost 50% volume share ...



Russian wheat share in Turkish import, TMT





Changing Russian wheat export spectrum: towards higher proteins...

Case study for four leading exporters

Company 1
2011/12 **2012/13**

Company 2
2011/12 **2012/13**

Feed	5	0	10	0
11.5%	30	12	25	0
12.5%	55	73	50	75
13.5%	10	15	15	20
14.5%>	0	0	0	5

Company 3

Company 4

Feed	5	0	10	1
11.5%	20	12	20	0
12.5%	40	22	35	39
13.5%	25	35	30	40
14.5%>	10	35	5	15



Top grain exporters, 2011/12 and 2012/13 season

	2011/12	2012/13	Farming
Glencore	15	15	65 THA
Olam	2	9	
Yug Rusi	6	8	160 THA
Aston	7	6	~ 50 THA
Louis Dreyfus	9	5	
Cargill	6	4	
KZP-Expo	5	4	60 THA
Grainstream	1	4	
Osnova	2	4	
UGC	5	3	
Others	42	38	
Total	100	100	



Russian export terminals up-date

Azov Sea terminals continue to add nearby in-land storage capacity...

Caspian Sea: new 30 TMT export elevator in Astrakhan (controlled by Iran company)

Black Sea: Railway extension and additional storage capacity to KSK/Delo, third export terminal in Novo

Longer term plans: additional storage and loading capacities at NGT and NMC terminals in Novo

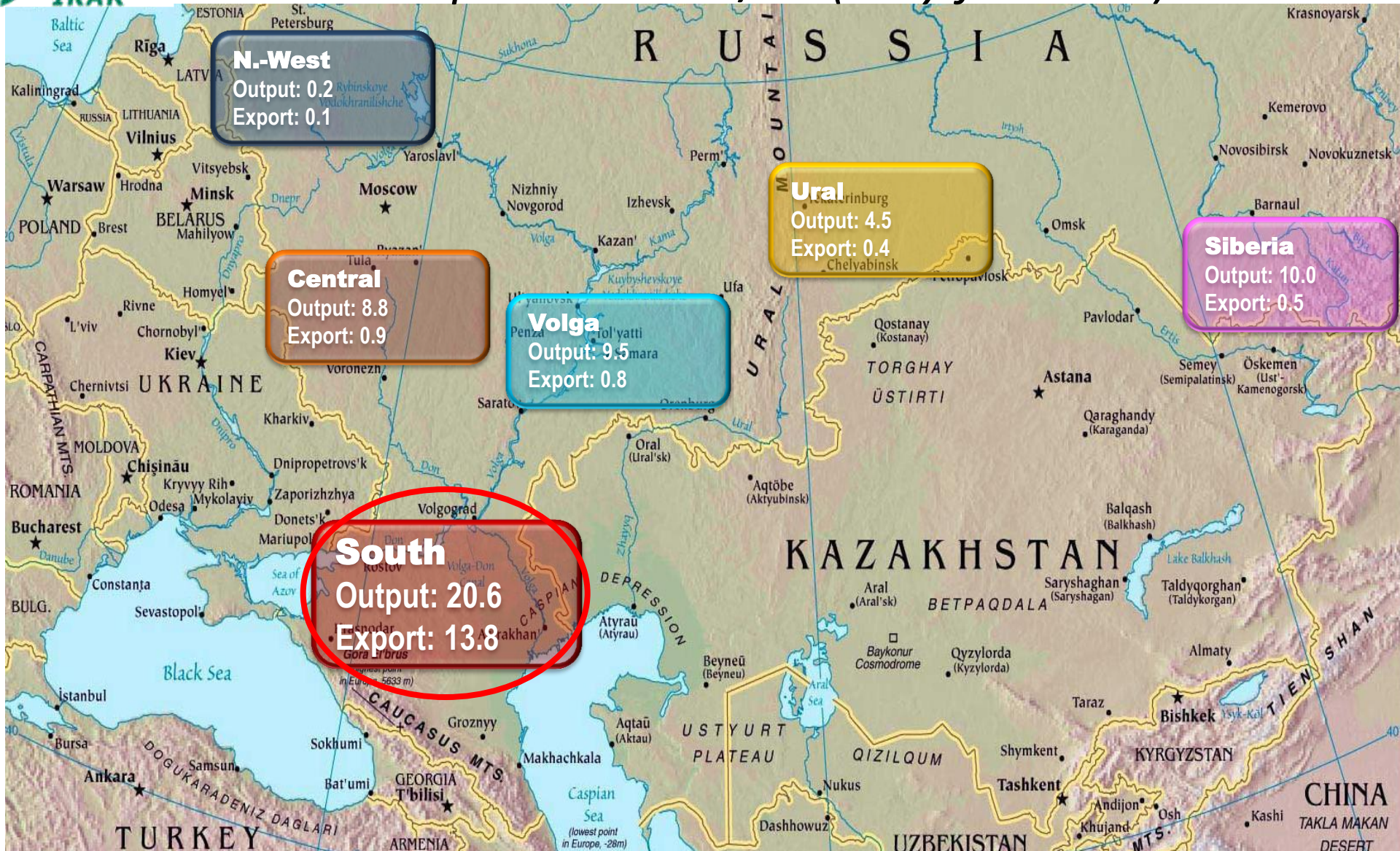


Regional break-downs of production and export of wheat in 2012/13



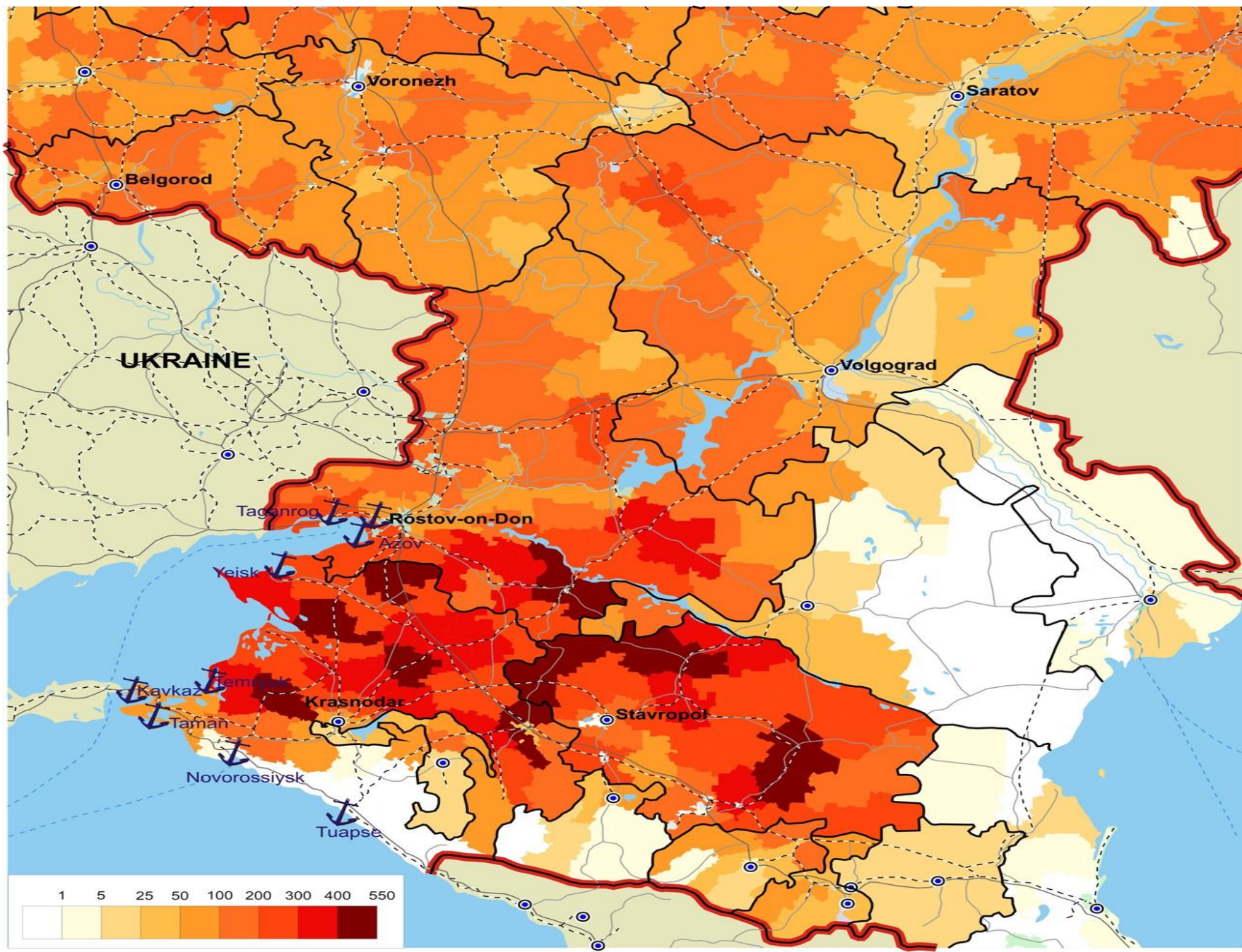


Regional break-downs of wheat production and exports in 2013/14 (May forecast!)



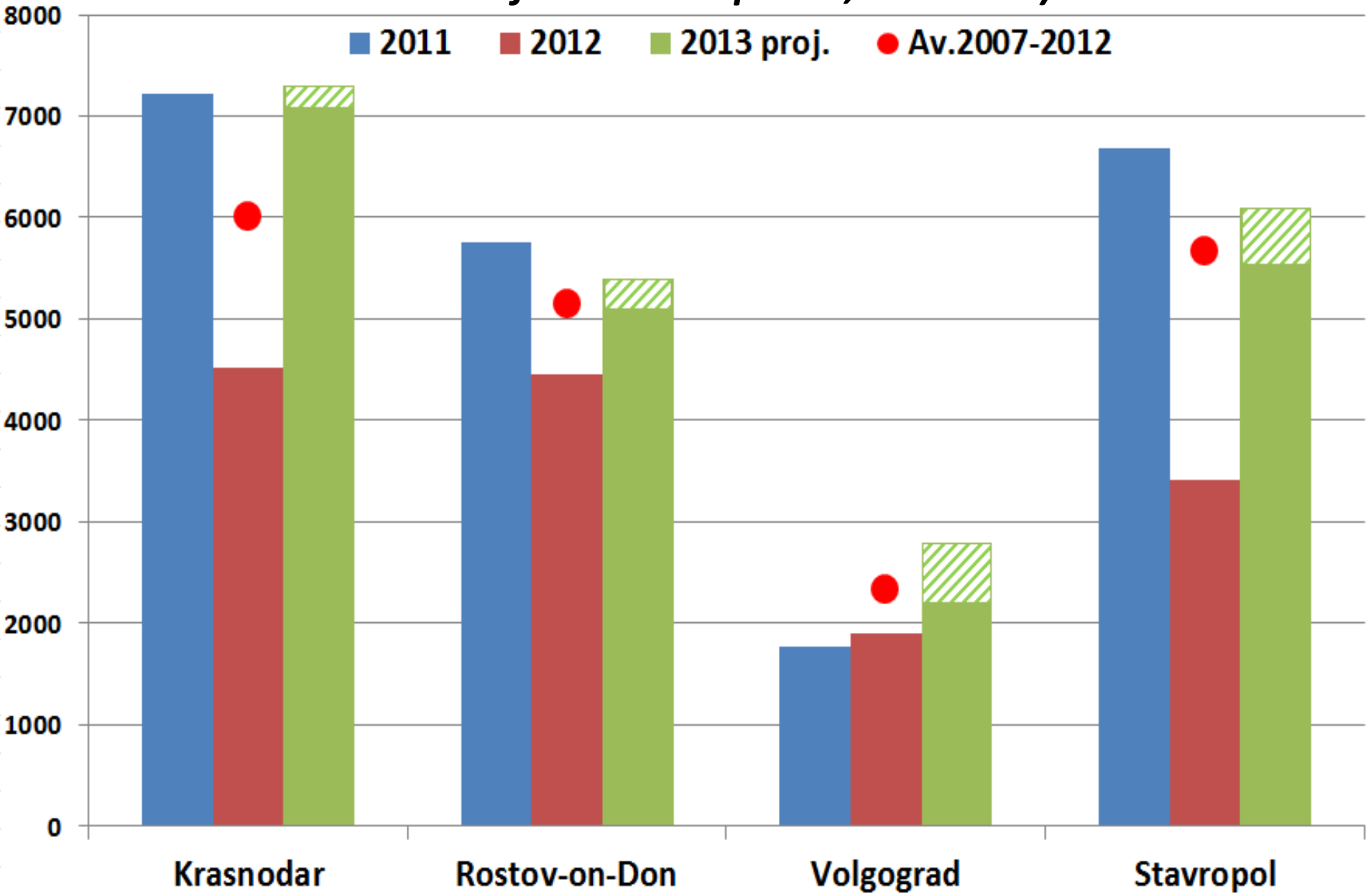
South Russia to occupy about 10% of the world wheat exports!

South Russian grains production map





South Russian wheat production, 5 years and 2013 (view before our crop tour, June 1-5!)





Rostov North: Wheat is low, thin, frail ear, yeald 1.7-1.8 tons/ha





Same field...





Rostov South: wheat is high, thick, strongly looking ear. Yield is 3.7-3.8 tons/ha...



Same field...





***What exporters and foreign buyers must also keep in
Mind this season...***

Dramatic price break between old and new harvests...

Domestic customers are hungry for new crop wheat...

From ~late August Russian government will start purchase interventions...

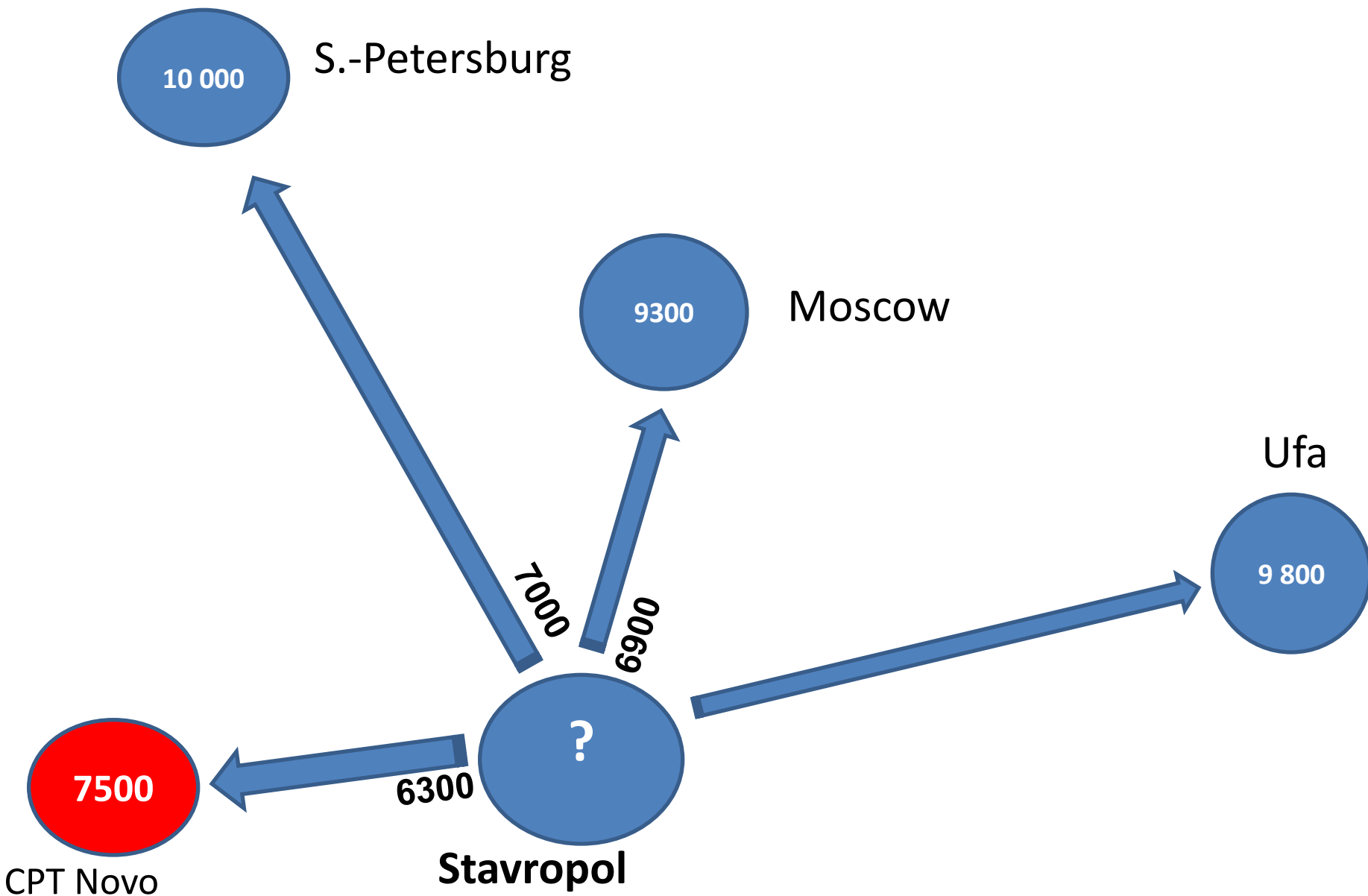


New harvest wheat forward export prices

pro.	CIF Marmara	FOB Azov	CPT-Azov, RUB/t	Current values
11,50%	257	230	7300	-
12,50%	260	233	7400	9200
13,50%	267	240	7640	9400

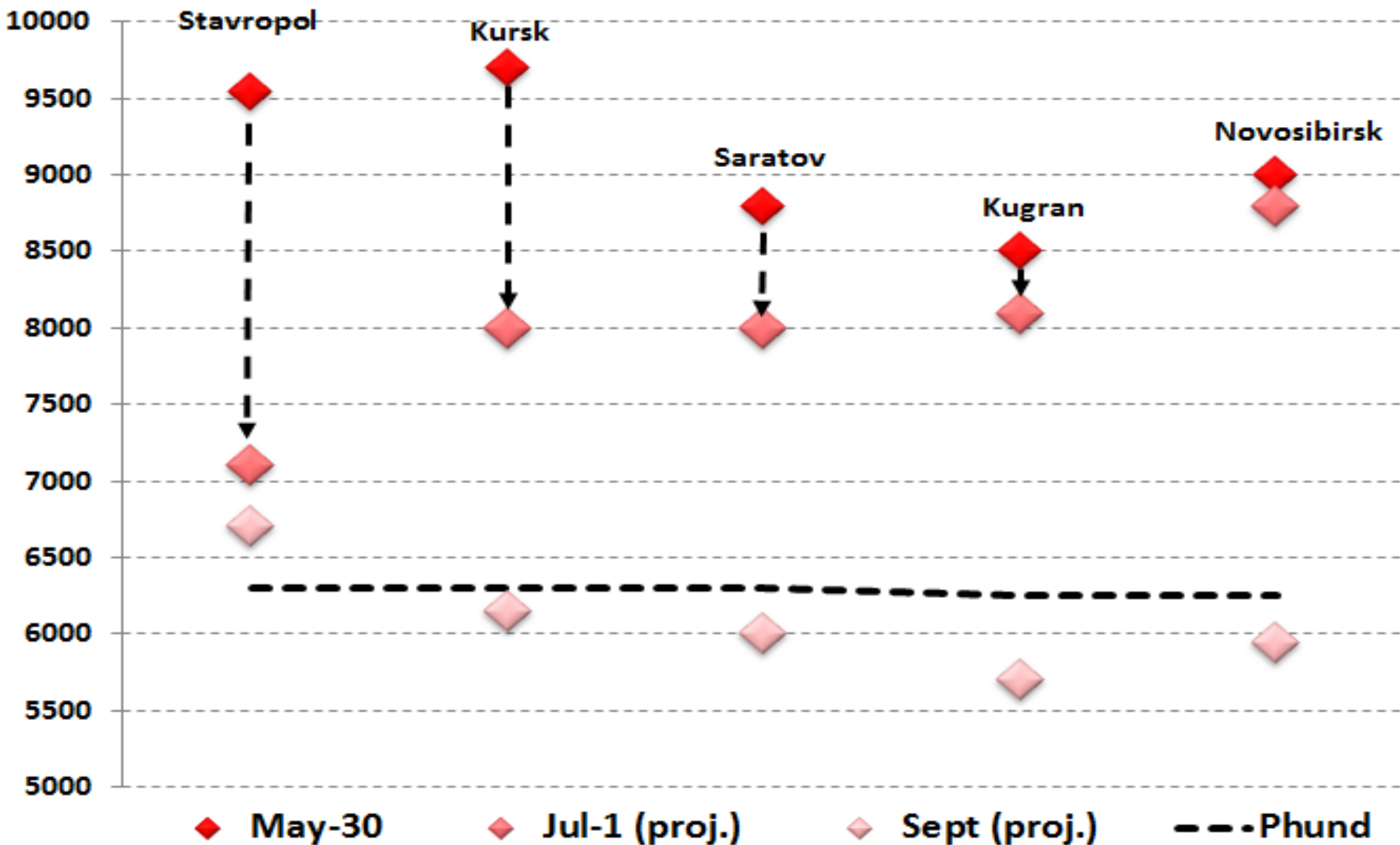


June 25 – July 15: possible competition of wheat export with wheat domestic markets...





Wheat 4 (11.5-12.5% protein): market prices and intervention prices across Russia: September 2013 vision





Tesekurler!

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