



# **Russia and RUK as emerging superpower on the world grain and wheat market**

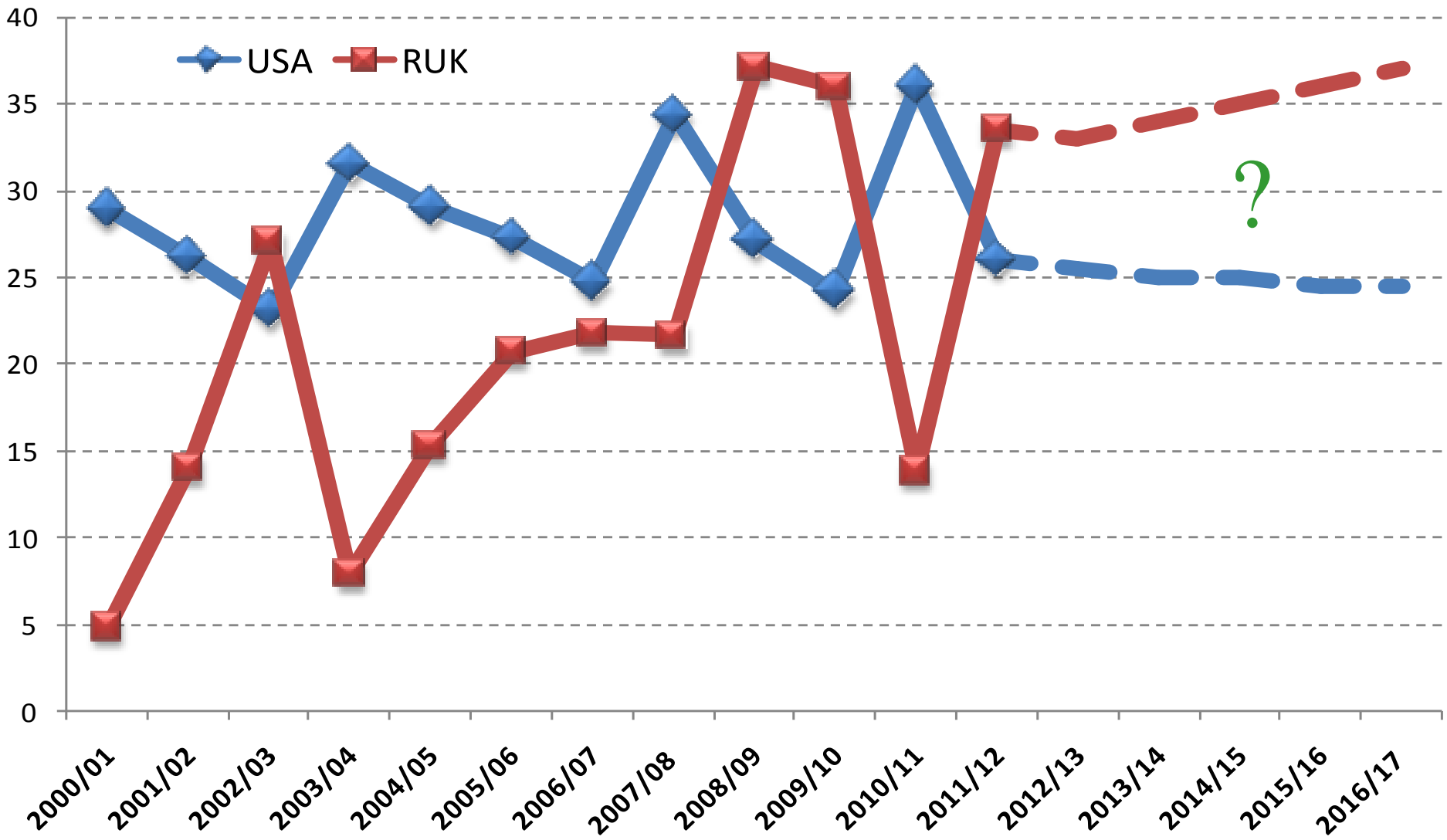
**Belek, TUSAF**

**March 30, 2012**



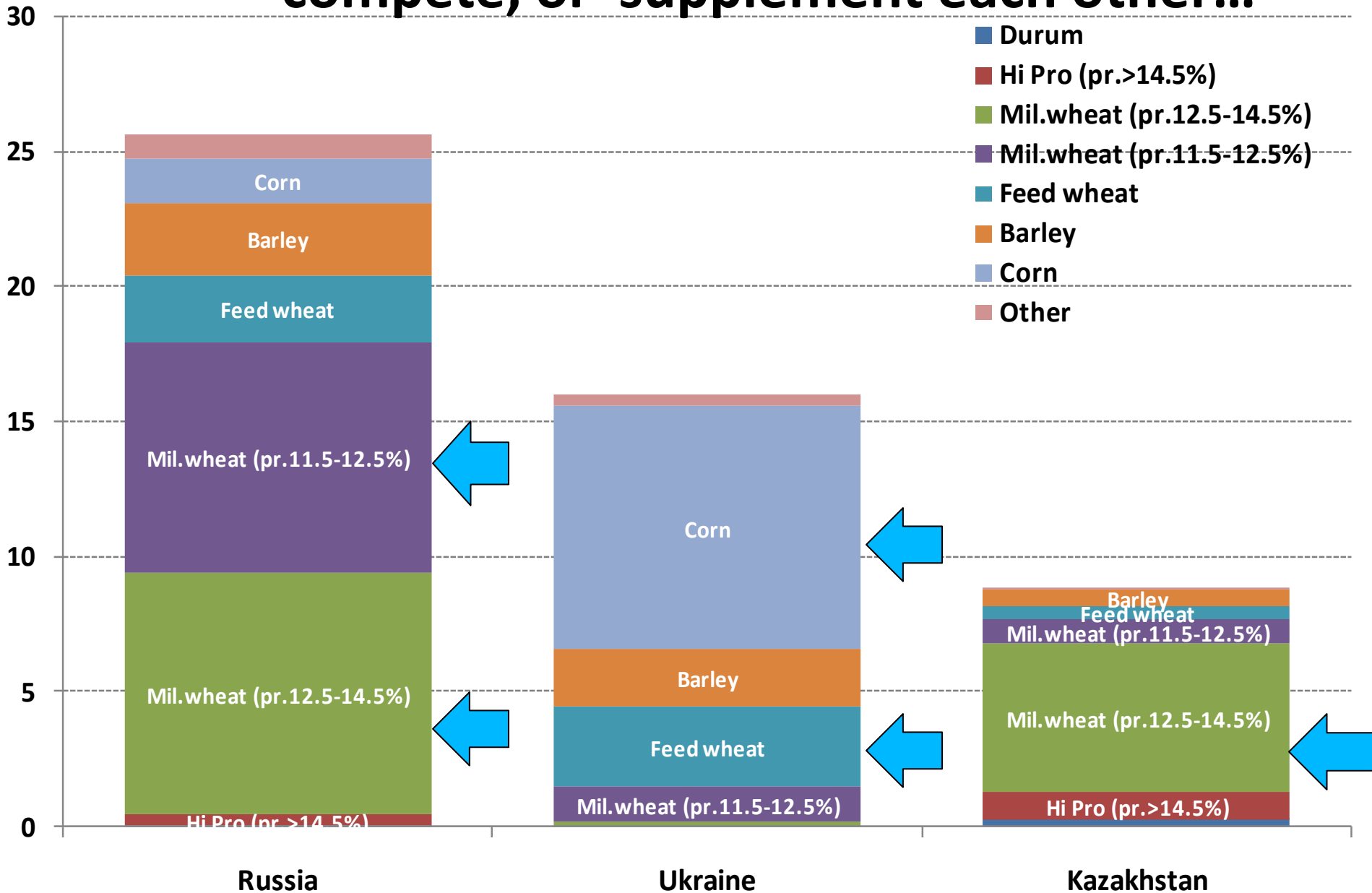
# From (US) GULF to (Black Sea) BASIN:

## RUK vs. USA wheat exports, MMT



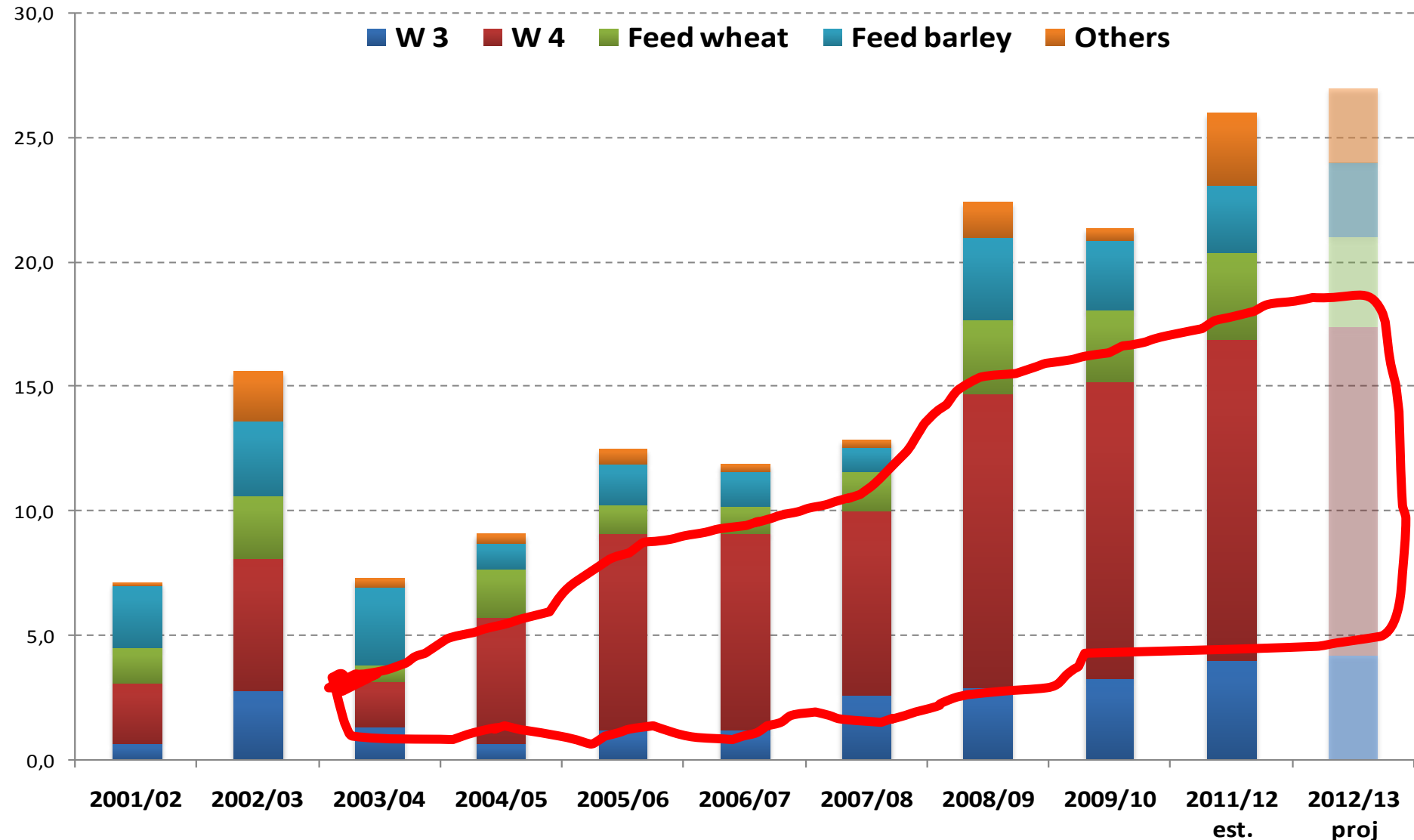


# RUK grain export product mix: do we compete, or supplement each other...





# Russian grain exports structure



Our key specialization is export of ordinary protein milling wheat...



# Regional wheat production & export 2011/12 est., MMT



**N.-West**  
Production: 0.2  
Export: 0.1

**CENTRAL**  
Production: 8.3  
Export: 1.0

**VOLGA**  
Production: 10.0  
Export: 1.5

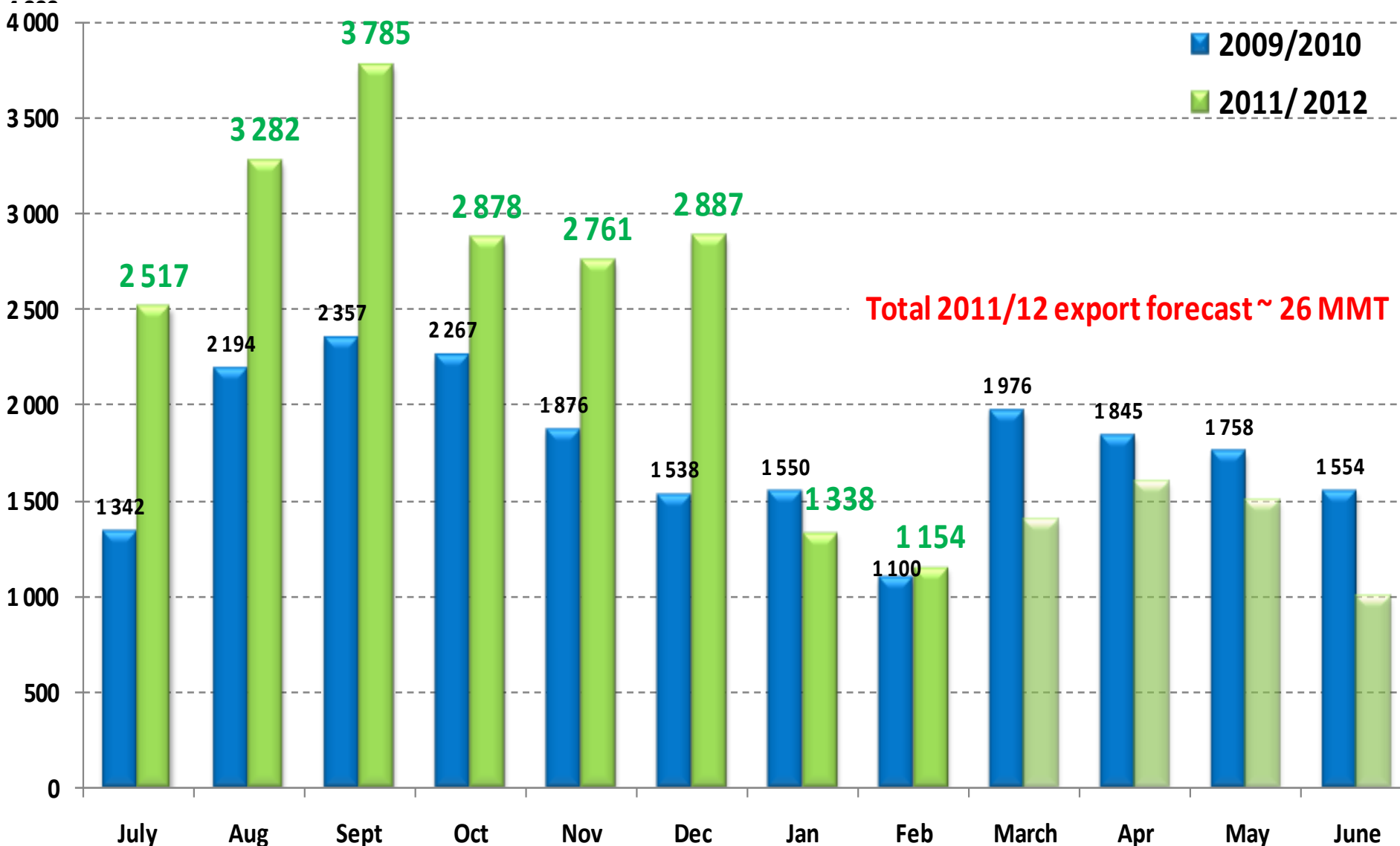
**URAL**  
Production: 5.0  
Export: 1.5

**SIBERIA**  
Production: 9.9  
Export: 1.0

**SOUTH**  
Production: 22.8  
Export: 14.5



# Russian grain export monthly dynamic, TMT



Total 2011/12 export forecast ~ 26 MMT

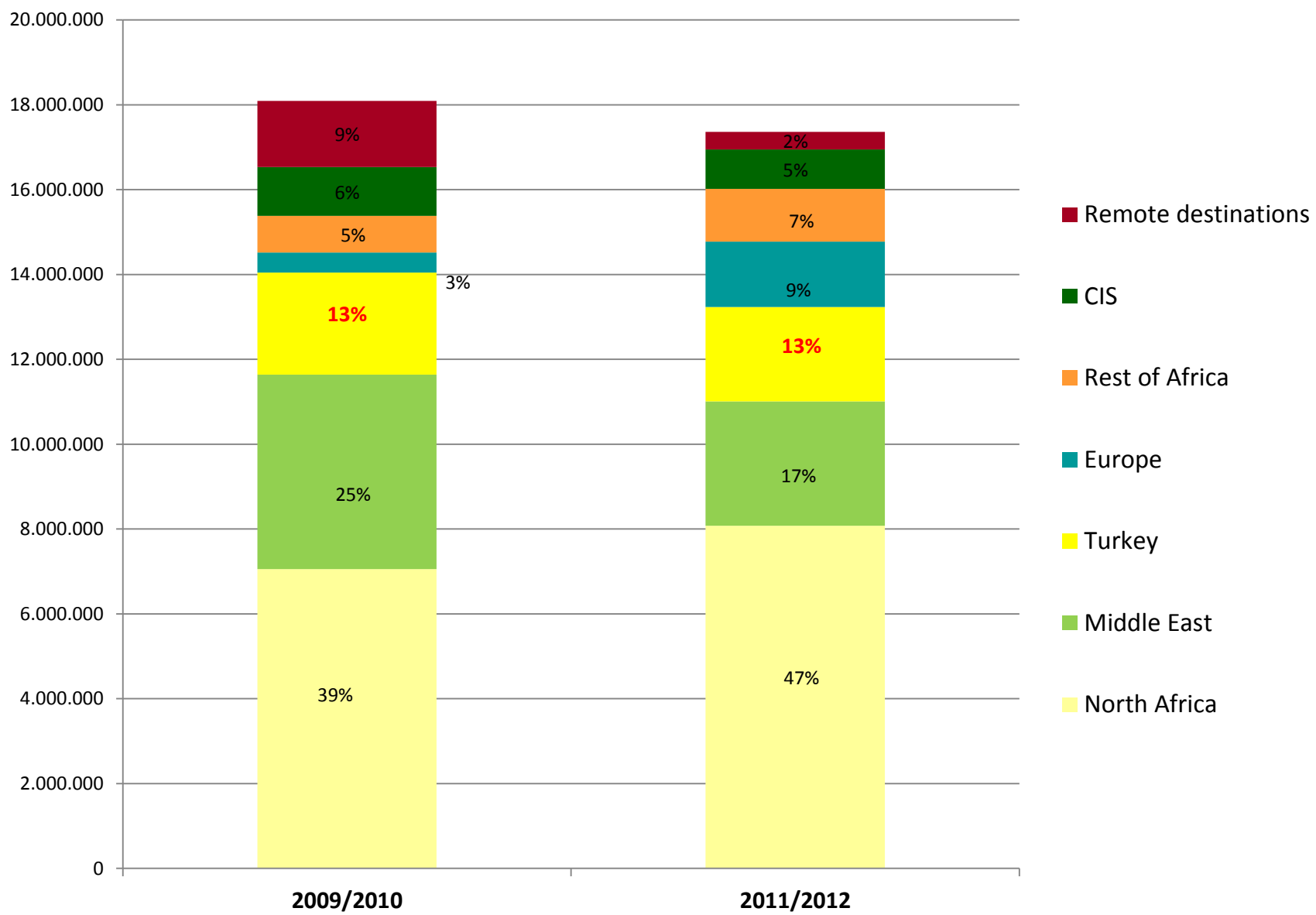


# Russian grain export July 1- March 15, TMT

|        | Year    | NOVO+Tuapse+<br>Taman | AZOV-DON-<br>cluster | Other | Total  |
|--------|---------|-----------------------|----------------------|-------|--------|
| Total  | 2009/10 | 7 900                 | 5 900                | 1 300 | 15 100 |
|        | 2011/12 | 10 500                | 8 300                | 2 400 | 21 200 |
| Wheat  | 2009/10 | 6 900                 | 5 000                | 1 000 | 12 900 |
|        | 2011/12 | 9 300                 | 6 800                | 1 300 | 17 400 |
| Barley | 2009/10 | 900                   | 700                  | 300   | 1 900  |
|        | 2011/12 | 1 000                 | 800                  | 800   | 2 600  |

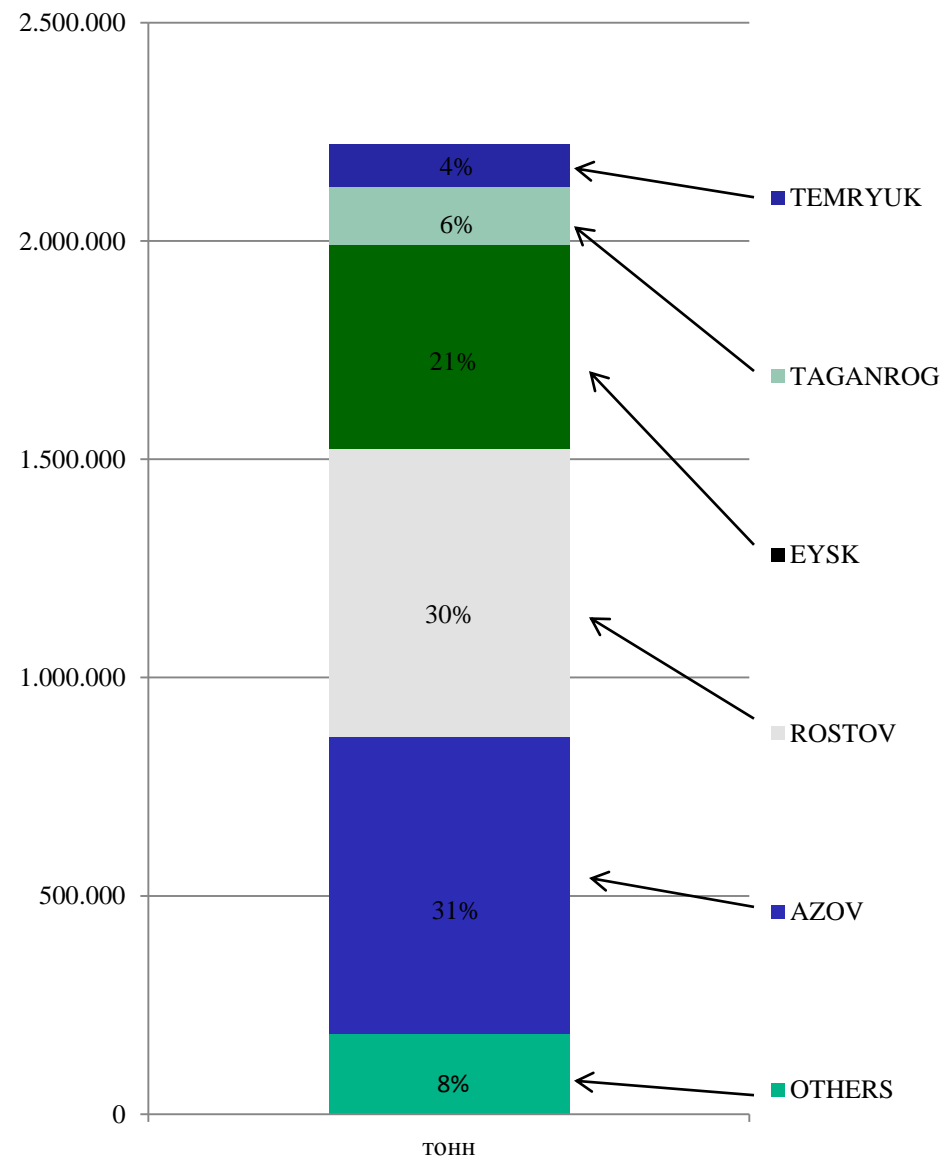


# Russian wheat export structure per regions...





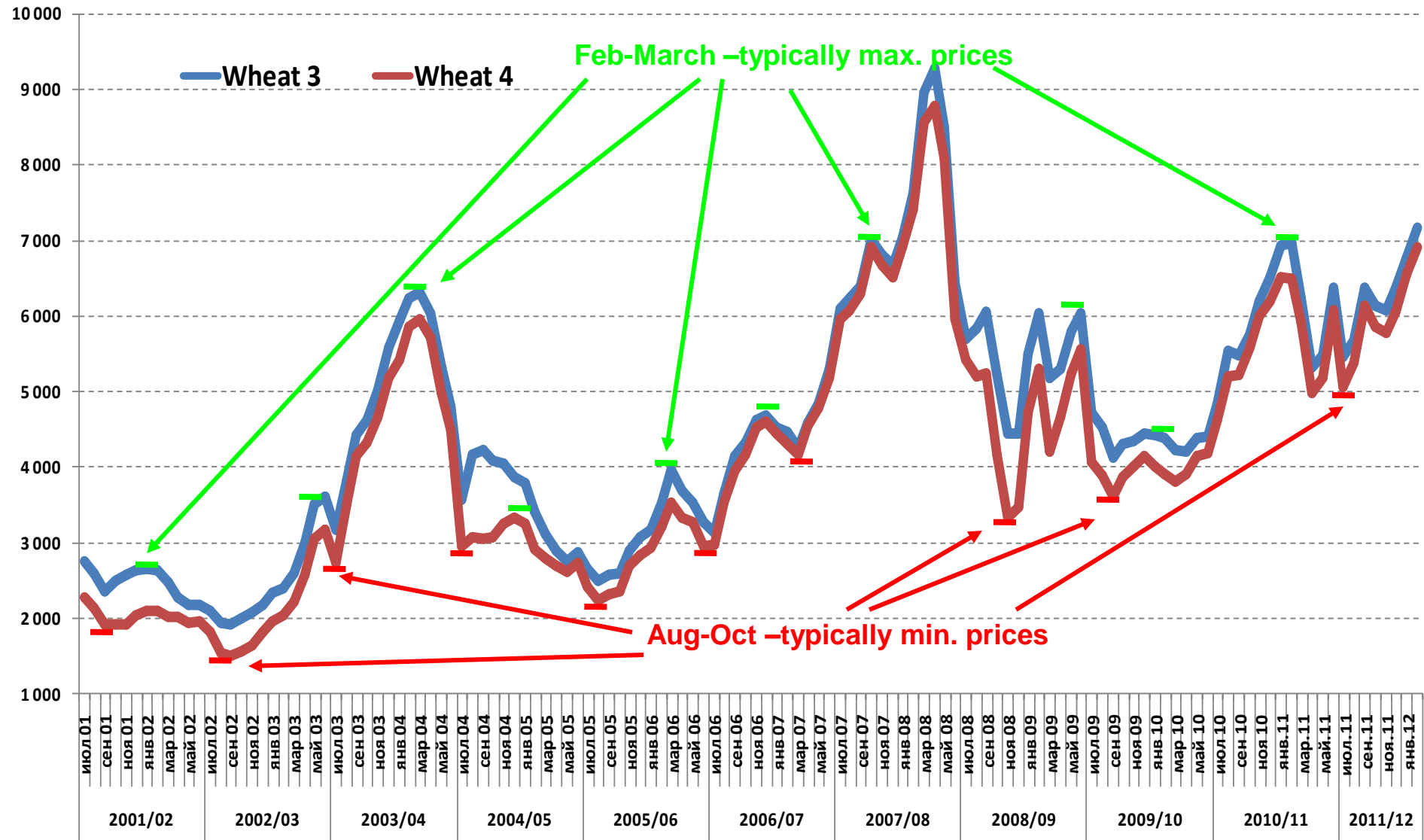
# Russian wheat export to Turkey: ports breakdown of 2250 TMT exported up-to-date



- Wheat exports to Turkey: 2250 TMT (up-to-date) or 70-75% of Turkey's import
- Contrary to other markets, full dominance of shallow water Azov Sea ports...
- Contrary to other markets, 13.5-14.5% protein occupies about 2/3 of our mutual trade!

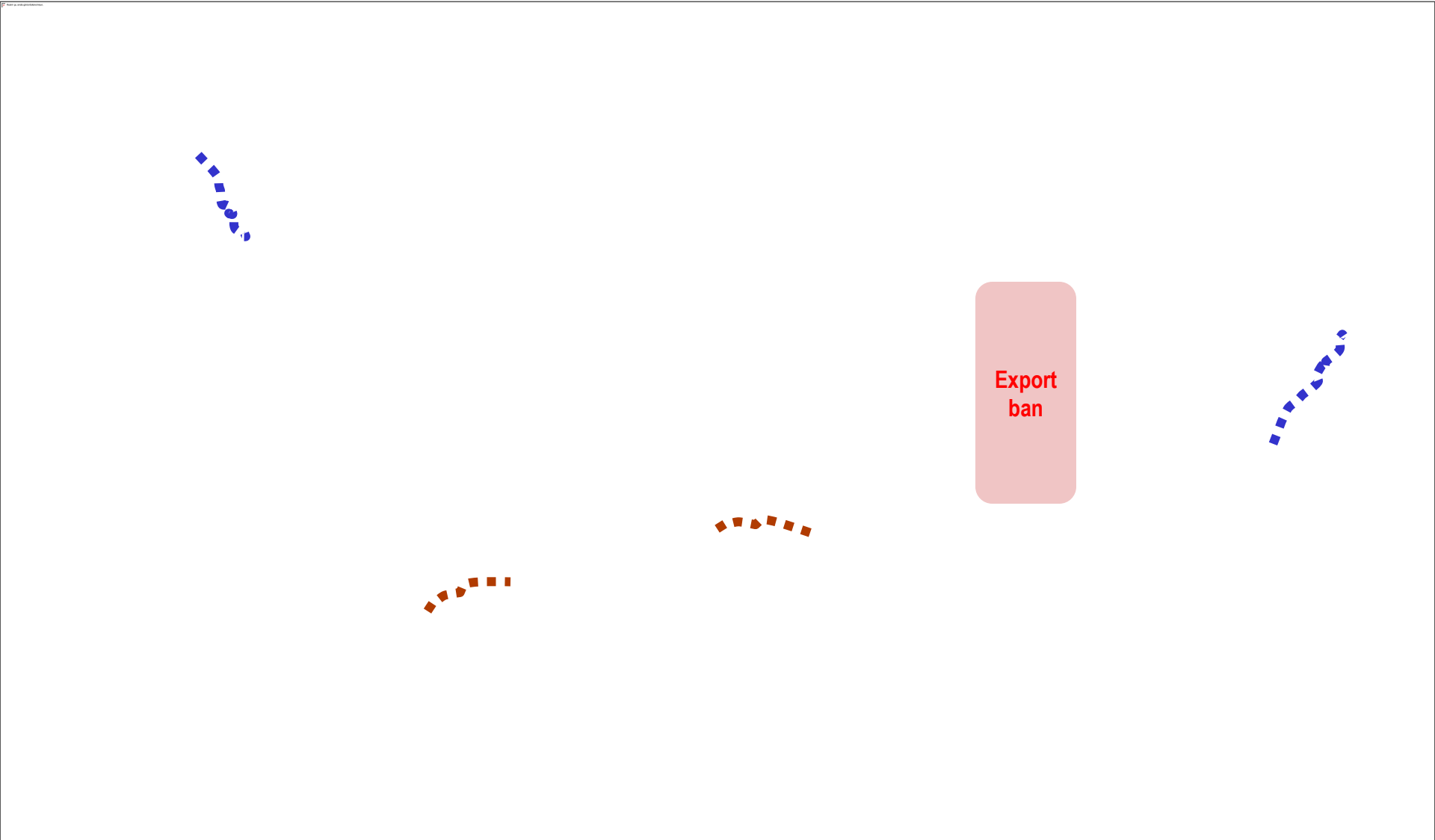


# South Russia ex-silo wheat prices dynamics



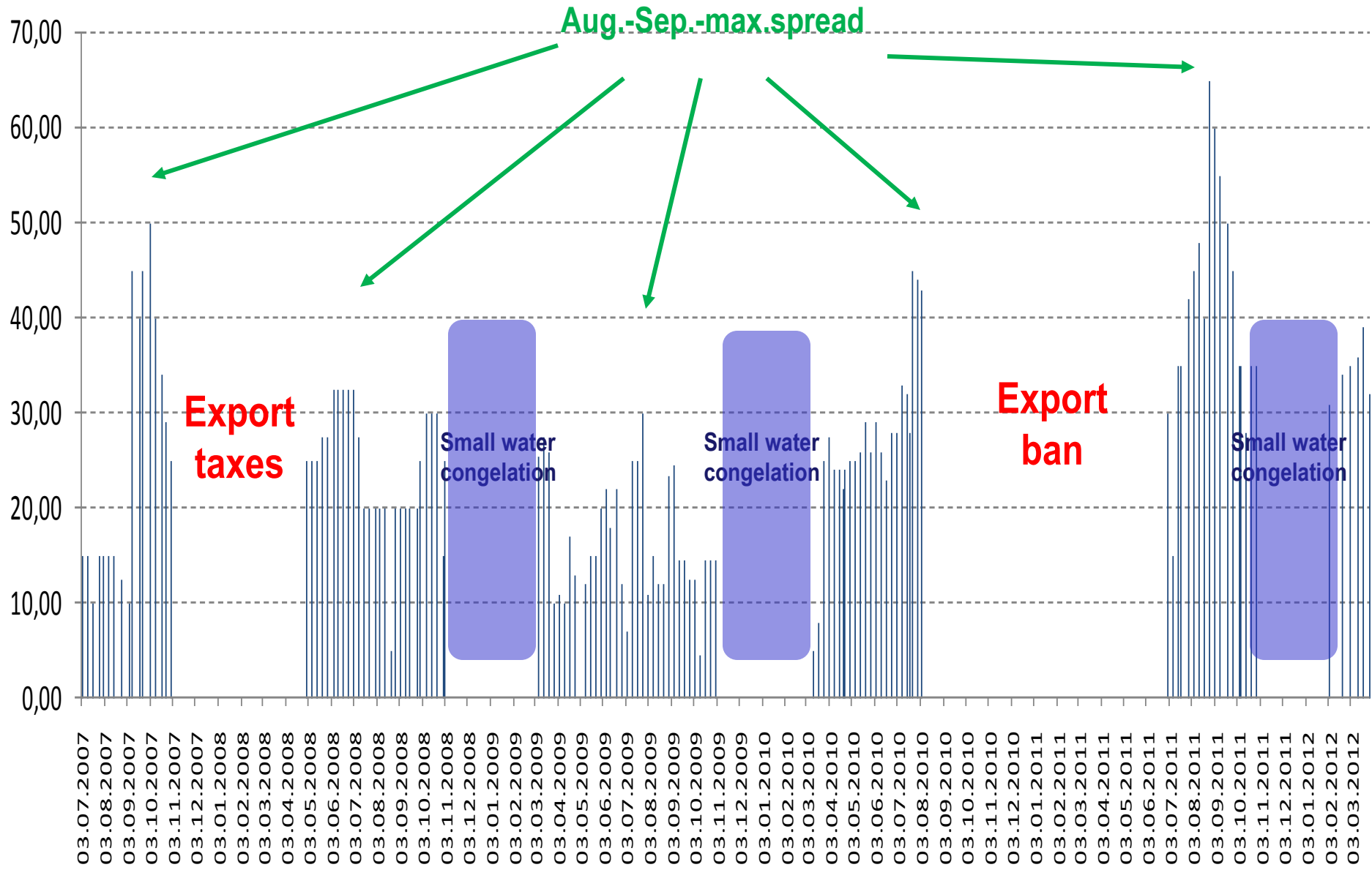


# Black vs. Azov Sea wheat prices





# Black vs. Azov Sea ports price spreads...

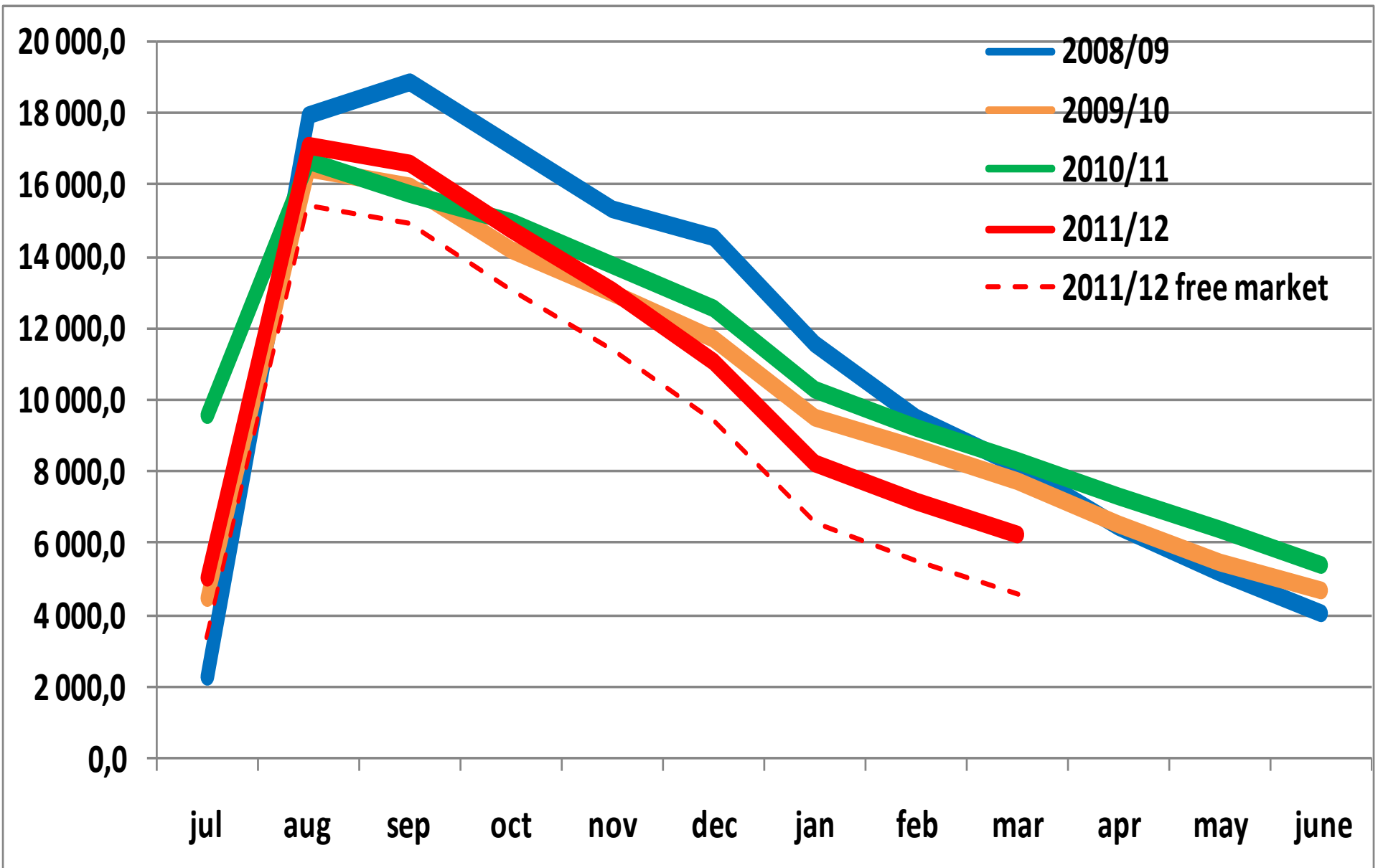




**End of 2011/12 season...**



# By March 1 South Russian grain stocks look exhausted...



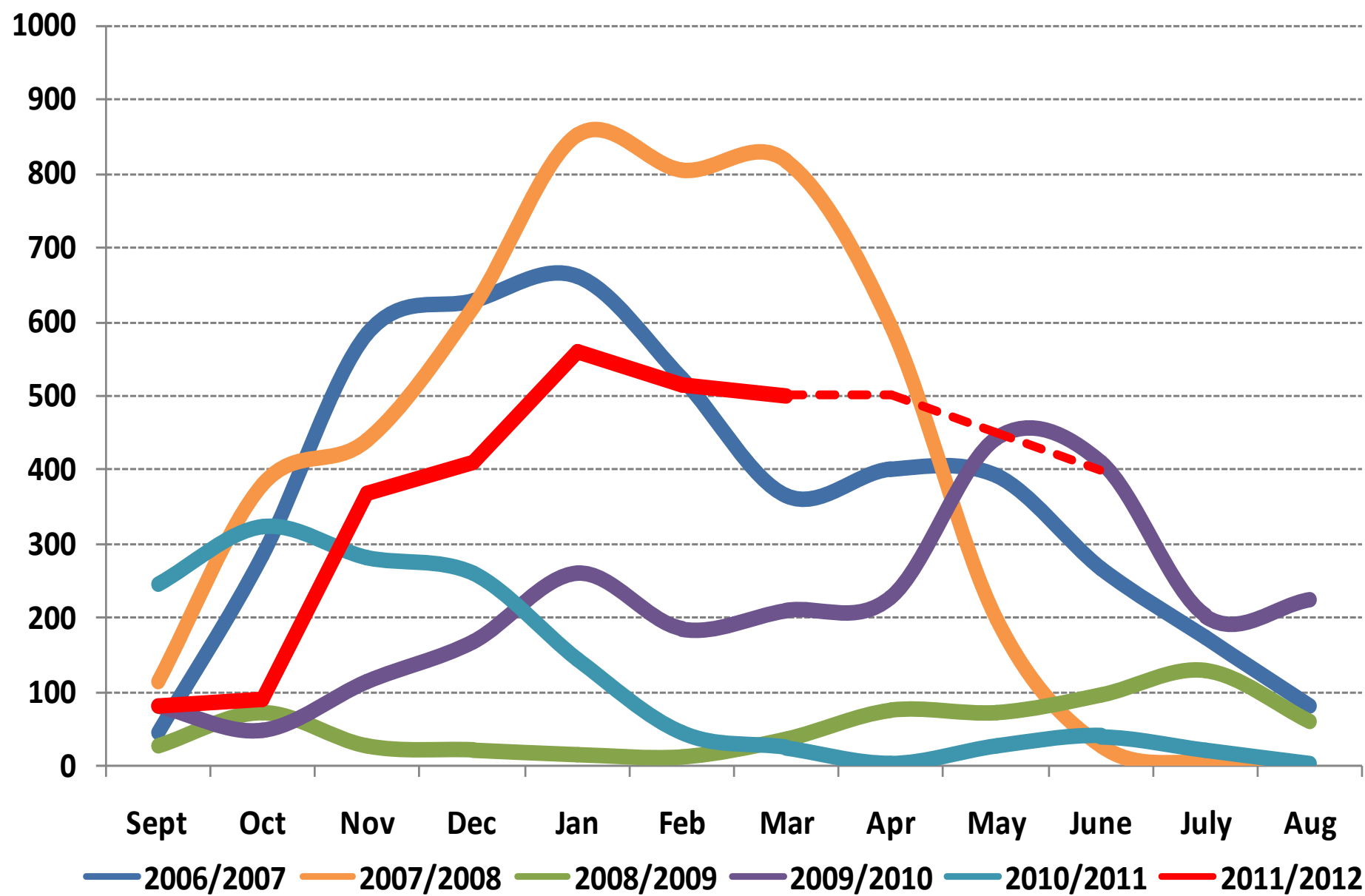


# Transportation cost: Kazakhstan looks more competitive than continental Russia...



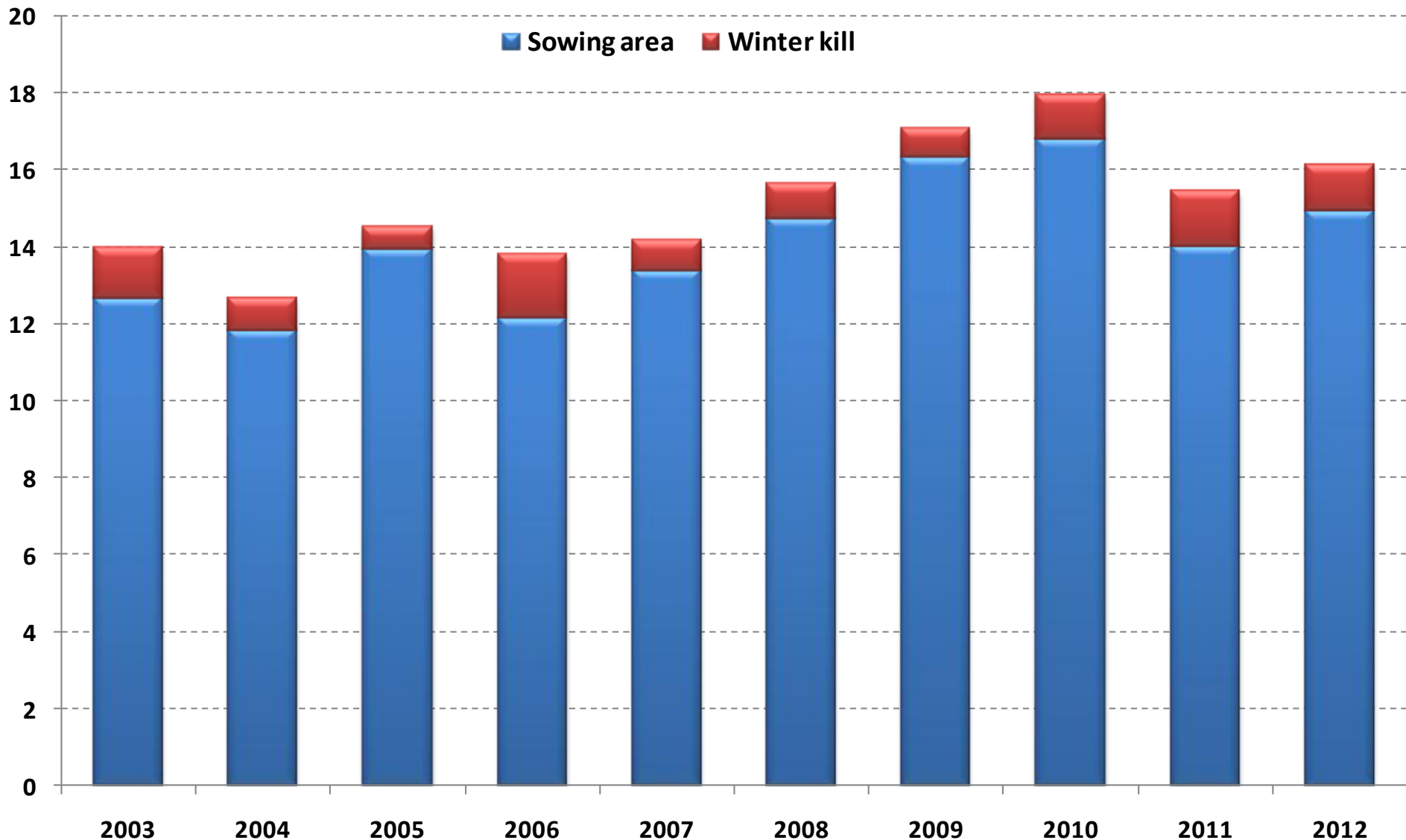


# Kazakhstan wheat transit via Russia, TMT





# New 2012/13 season: sowing and winter kill



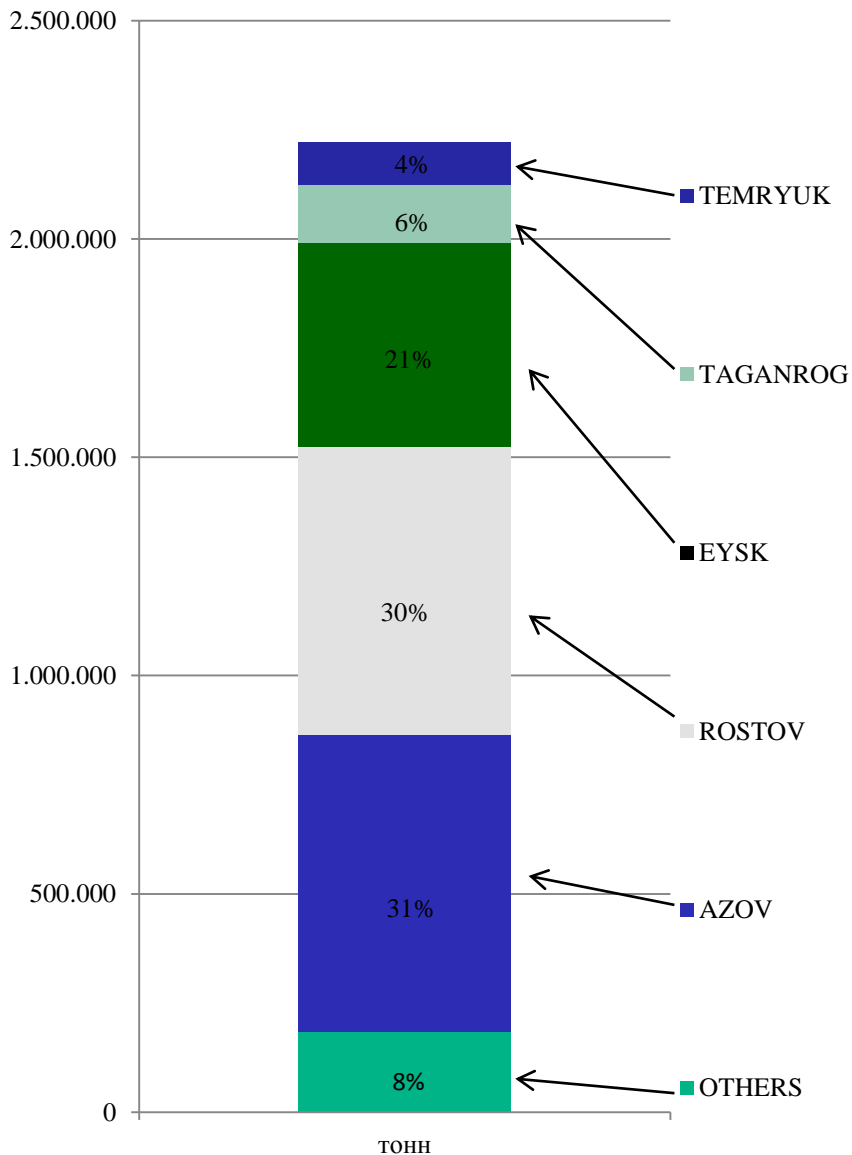
So far winter kill is estimated as average or below average...



# Instead of concluding remarks

## Some strategic issues

1. Would South Russia to become a ***sustainable*** supplier of 13.5-15% protein to Turkey market?
2. Would South Russia be able to shift from coasters to Black Sea handy-sizes in its wheat trade with Turkey?





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