

# State Grain Trader Keeps Export Plans

By [The Moscow Times](#)

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State grain trader United Grain Company said Friday that it still aimed to export no less than 1 million tons of grain this year, despite a severe drought that has damaged crops.

UGC said it exported 300,000 metric tons of grain in May to July through the country's biggest Black Sea port of Novorossiisk, including 81,500 tons in May, 65,500 tons in June and 151,500 tons in July.

The grain was shipped to Egypt, Jordan, Yemen and Saudi Arabia, UGC said in a statement.

In April, the government allowed UGC to sell up to 1 million tons of grain this year, permitting part of its 9.5 million tons of stock to be exported. UGC has repeatedly said it exported grain from sources other than the government stocks.

Analysts have said Russia, which has been hit by the worst drought in decades, will use most of its intervention grain stocks domestically rather than export them.

The government has already announced plans to sell some 3 million tons of grain, mainly feed grain, to domestic animal breeders and flour millers.

The Agriculture Ministry planned to start grain sales Aug. 4 but later decided to delay intervention auctions, examining a possibility to distribute part of the grain without tenders among regions worst hit by the drought.

The ministry declared a state of emergency in four more crop-producing regions because of the drought, bringing the total to 27, Rossiiskaya Gazeta reported Friday, citing an Agriculture Ministry official.

September-delivery wheat gained as much as 1.6 percent to \$6.375 per bushel on the Chicago Board of Trade, the highest price for a most-active contract since June 2009.

“Russia is spurring on the market,” said Maxime Jouenne, an analyst at Paris-based farm adviser Agritel. “The market is super-nervous, and operators are looking at the Russia situation,” including possible export restrictions, he said.

*(Reuters, Bloomberg)*

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