

Russia Fears Push Wheat Up by 5%

By [The Moscow Times](#)

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U.S. wheat leaped 5 percent Thursday, spurred by expectations of a sharp rise in grain imports from drought-hit Russia and U.S. weekly wheat exports at a fresh 34-month high.

Analysts estimate that Russia, usually a major grain exporter, may have to import 1.5 million to 2.2 million metric tons this year. But a report in Vedomosti said it could import at least 5 million metric tons.

The Agriculture Ministry quickly denied that it was planning to import up to 5 million metric tons in the 2010-11 crop year. "Nothing of the kind is being discussed here," a spokeswoman said.

Despite the denial, European and U.S. wheat prices rose sharply, lifted by Russian import prospects that come on the heels of an export ban for the rest of this year, aimed at conserving stocks and heading off inflation.

Imports of 5 million metric tons would put Russia almost on a par with Egypt, the world's

biggest wheat importer, as it competes in international markets, keeping up the pressure on U.S. grain prices that earlier in August soared to two-year highs.

The Agriculture Ministry is mulling a new cut to its grain forecast, spokesman Oleg Akseyonov said.

It's possible because of "abnormal weather conditions," Akseyonov said Thursday.

Russia's latest estimate was 60 million to 65 million metric tons on Aug. 9, down from a previous 70 million to 75 million metric tons on Aug. 3.

The grain crop will fall at least 36 percent this year and will not exceed 62 million metric tons, agricultural market researcher SovEcon said, citing calculations based on the government's harvest progress report.

Prices the regions charge Moscow for grain jumped 45 percent in August, a city official said Thursday.

Grain prices the city pays rose to 8,000 rubles (\$263) a ton from 5,500 rubles a ton a month earlier, said Viktor Olkhovoi, deputy head of the city's food department, RIA-Novosti reported.

(Bloomberg, Reuters)

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