

Dvorkovich Confirms \$192M For Drought Relief

By [Howard Amos](#)

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The Agriculture Ministry now expects the grain harvest to come in at 71.7 million tons — down from forecasts of 90 million at the beginning of the year. **Maxim Stulov**

The government will distribute 6 billion rubles (\$192 million) to farmers hit by this summer's drought that blighted Siberia and Russia's southern regions, Deputy Prime Minister Arkady Dvorkovich said.

As the last crops are gathered across the country, the Agriculture Ministry now expects the grain harvest to come in at 71.7 million tons — down from forecasts of 90 million at the beginning of the year. The 2011 harvest was 94.2 million tons.

"Everything's agreed, the changes are in the budget," Dvorkovich said Friday when asked about compensation for farmers Friday, RIA-Novosti reported.

The measure to help mitigate the effects of drought, however, is just one of several in recent

weeks to have received official approval.

State intervention on grain markets to control rising prices will begin later in October. The sale of about one million tons from government grain reserves will be enough to stabilize prices by the end of the year, the president of the Russian Grain Union Arkady Zlochevsky said Friday, RIA-Novosti reported.

Offering his congratulations to those marking Sunday's holiday for Agricultural and Manufacturing Workers, President Putin admitted that 2012 had been a challenging year.

"This harvest season was really difficult," Putin said, according to a transcript on the Kremlin website. "[But] the demands of the internal market ... are, of course, our priority. And agricultural producers dealt with that task."

The blanket grain export ban feared by international markets earlier this summer now looks remote. Putin said Wednesday that there were no discussions about taking such a step.

Agriculture Minister Nikolai Fedorov has reassured farmers that state assistance for agriculture will not fade. Suggestions that Russia's accession to the World Trade Organization could hit financing were "nonsense," he said Thursday, RIA-Novosti reported.

About \$4.8 billion is earmarked from the budget to support agriculture through 2020, he added.

Russia and Ukraine have agreed to create a coordinating body for operations on international grain markets, Interfax reported Friday. The inter-governmental structure will offer information and consulting services.

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