

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Ukraine

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Grain and Feed Update

Report Categories:

Grain and Feed

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Report Highlights:

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Another record corn crop, this year over 30 million metric tons, has set Ukraine firmly among the top five corn exporters in the world with the US, Argentina, and Brazil. Overall good production numbers for major agricultural commodities keeps Ukraine exporting high volumes of grain this season. The winter crop is in good condition despite winter storms and somewhat unfavorable fall planting conditions. Some legislative changes may affect the agricultural sector in the near future.

General Information:

Ukraine set another record for corn output this season, producing over 30 million metric tons (MMT). Area expansion and improving yields meant that corn drove total grain output upward, too, even as another main crop, barley, has seen declining production. Unfavorable world market prices for agricultural commodities have producers in Ukraine concerned about recovering their production expenses.

Table 1. Production of Grains in Ukraine, Marketing Year 2013/14 *

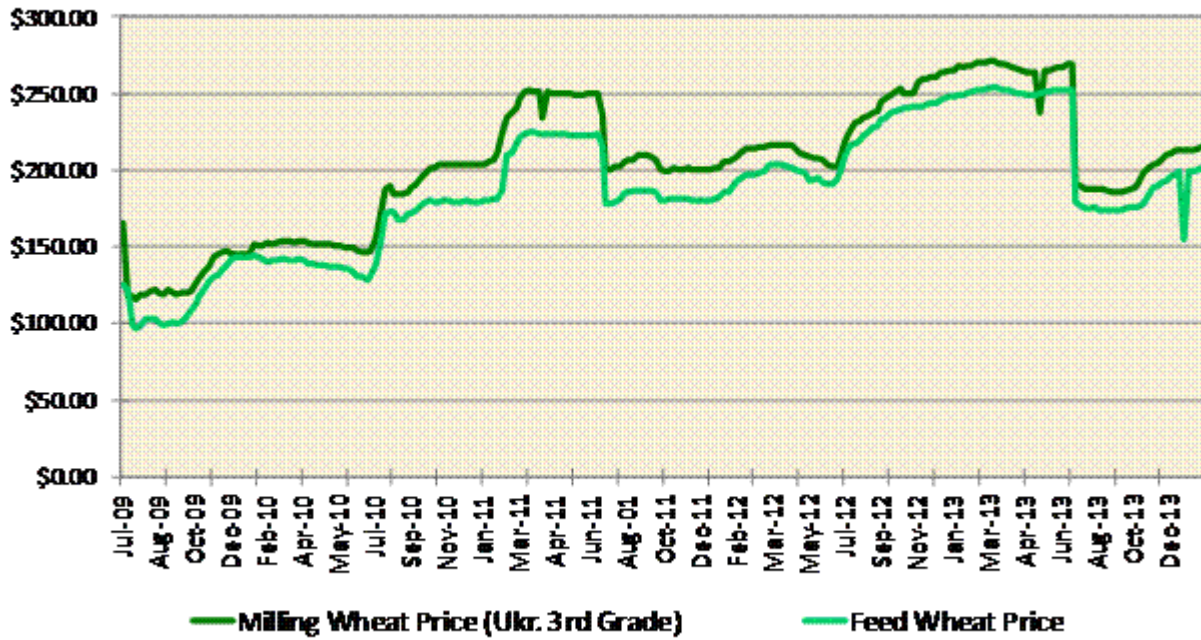
Crop	Production, 1000 MT		Area Harvested, 1000 ha		Yield, MT/ha	
	2013	Change 2013 to 2012 (%)	2013	Change 2013 to 2012 (%)	2013	2012
Barley	7560.9	9	3232.8	-2	2.3	2.1
Corn	30900.1	47	4825.1	10	6.4	4.8
Rye	637.7	-6	279.3	-6	2.3	2.3
Wheat	22277.5	41	6565.8	17	3.4	2.8

Source: State Statistics Committee of Ukraine

* - Preliminary harvest data

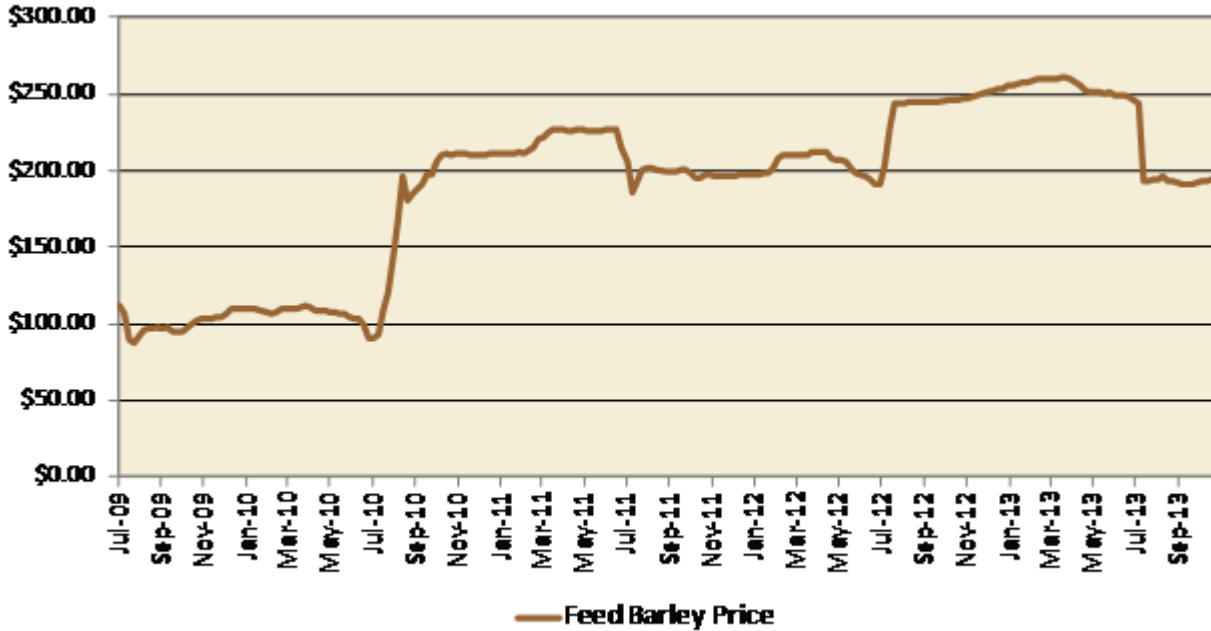
Domestic crop prices have declined significantly for all grains at the start of the season. Wheat prices showed upward an trend prior to the winter holidays. Corn prices have dropped and remain low reflecting large stocks and high trade volumes (see charts below).

Ukraine Domestic Wheat Price (EXW, \$/MT)



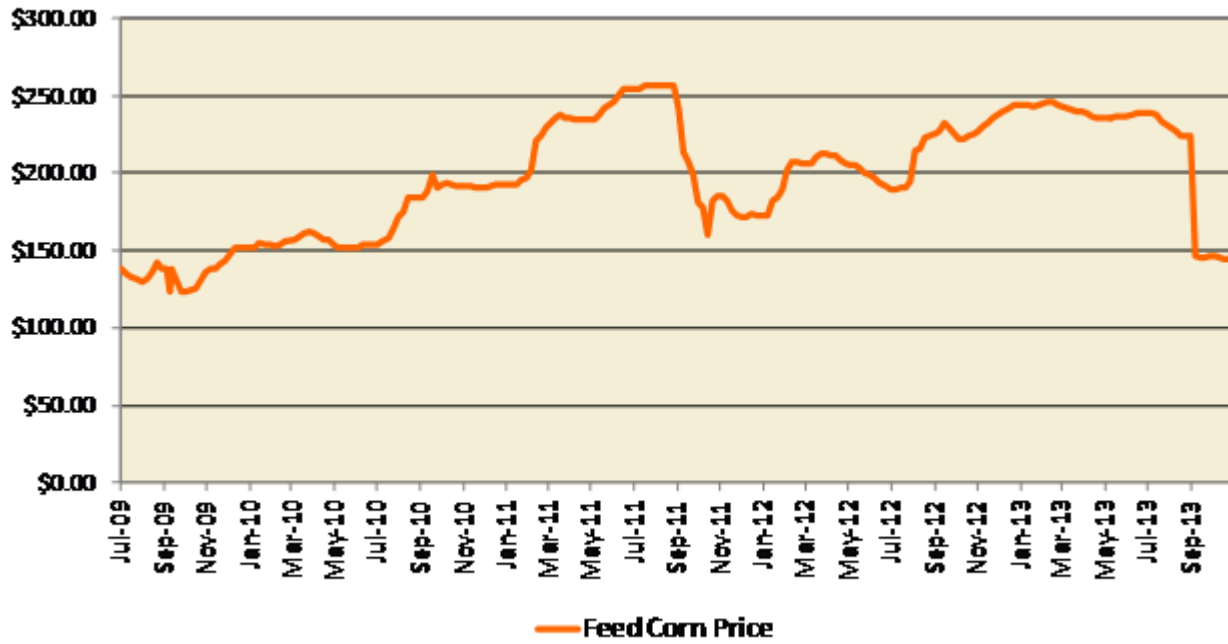
Source: Information Agency APK-Inform

Ukraine Domestic Feed Barley Price (EXW, \$/MT)



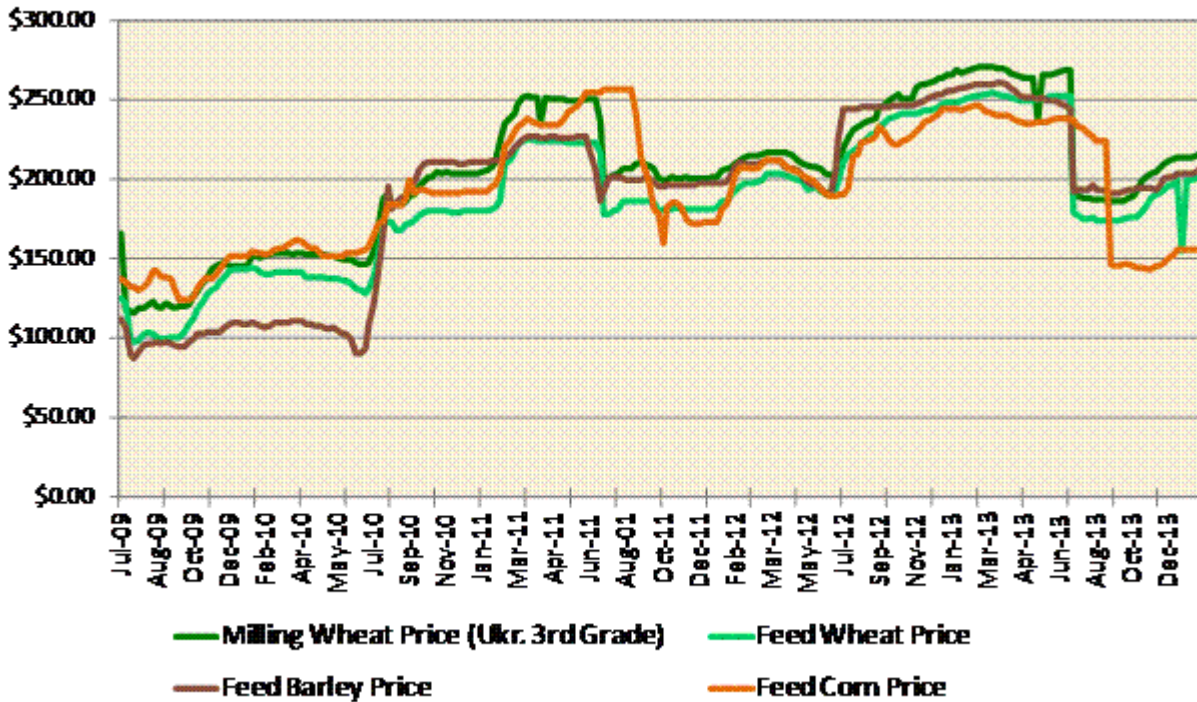
Source: Information Agency APK-Inform

Ukraine Domestic Feed Corn Price (EXW, \$/MT)



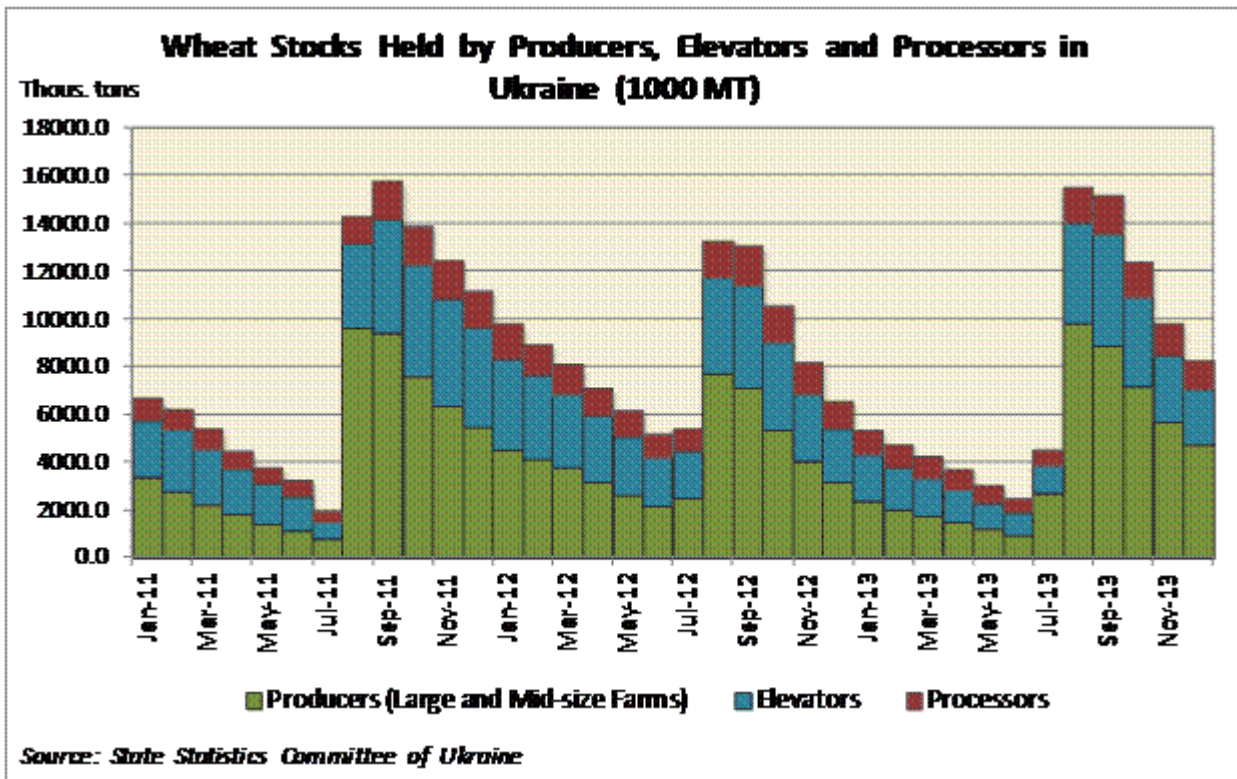
Source: Information Agency APK-Inform

Ukraine Domestic Grains Prices (EXW, \$/MT)



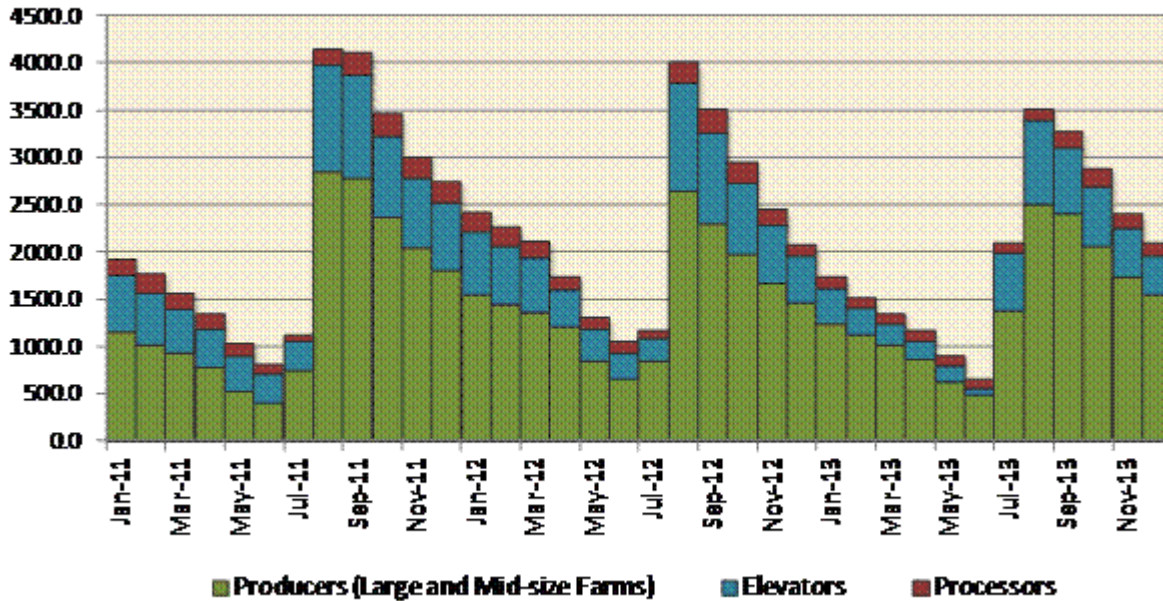
Source: Information Agency APK-Inform

Wheat stocks are relatively high compared to an average year. A strong export pace for wheat exports at the start of the season later shifted to corn when the record high crop was being harvested. As the market expectation for prices was to continue their downward trend, the trade rushed to sell corn earlier in the season. Somewhat limited storage capacity was also one of the factors in quicker exports, since Ukraine's infrastructure is not fully ready for expanded corn output. Barley stocks are low for this time of the year as overall production was not high and sales went well at the start of the season.



Barley Stocks Held by Producers, Elevators and Processors in Ukraine (1000 MT)

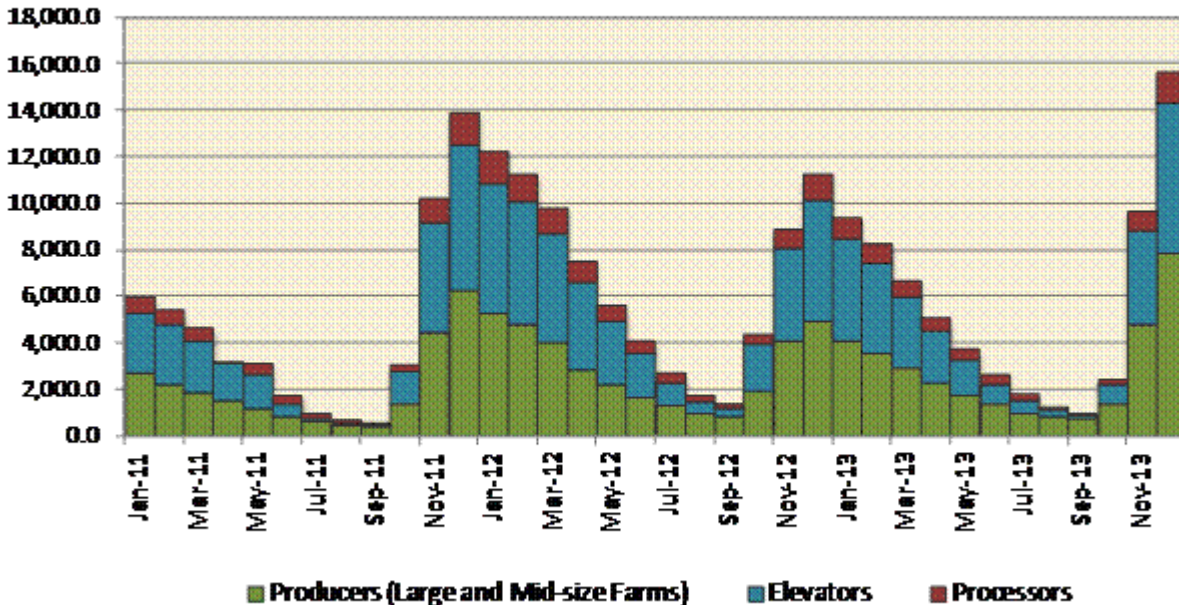
Thous. tons



Source: State Statistics Committee of Ukraine

Corn Stocks Held by Producers, Elevators and Processors in Ukraine (1000 MT)

Thous. tons



Source: State Statistics Committee of Ukraine

According to official sources, between July 2013 and beginning of January 2014, Ukraine has exported about 6.8 million metric tons (MMT) of wheat, 5.5 MMT of which was milling wheat, over two million tons of barley, and about 9.5 MMT of new crop corn. Experts project corn exports from Ukraine may reach up to 19-20 MMT this season. However, corn grain quality may be an issue this year.

Recent trade has been slow due to the winter holiday season in Ukraine that starts in late December 31 and lasts well into mid-January. However, trade activity may remain low due to the recent cold storm affecting most of the country.

Winter crops are reported to be in overall good condition. However, if the recent cold wave continues, the picture may change in some regions. The air temperatures have already dropped down to -15 degrees Celsius in mid January and are reaching below -20 degrees Celsius in some places this month. Adequate snow cover is observed in most of the main production regions in the country especially in Luganska, Kharkovska, and Sumska oblasts where it was the coldest. The temperatures at the tillering node so far have not gone below -13 degrees Celsius, which means the crops should be at no risk at this stage.