



EU as importer of Russian Grains

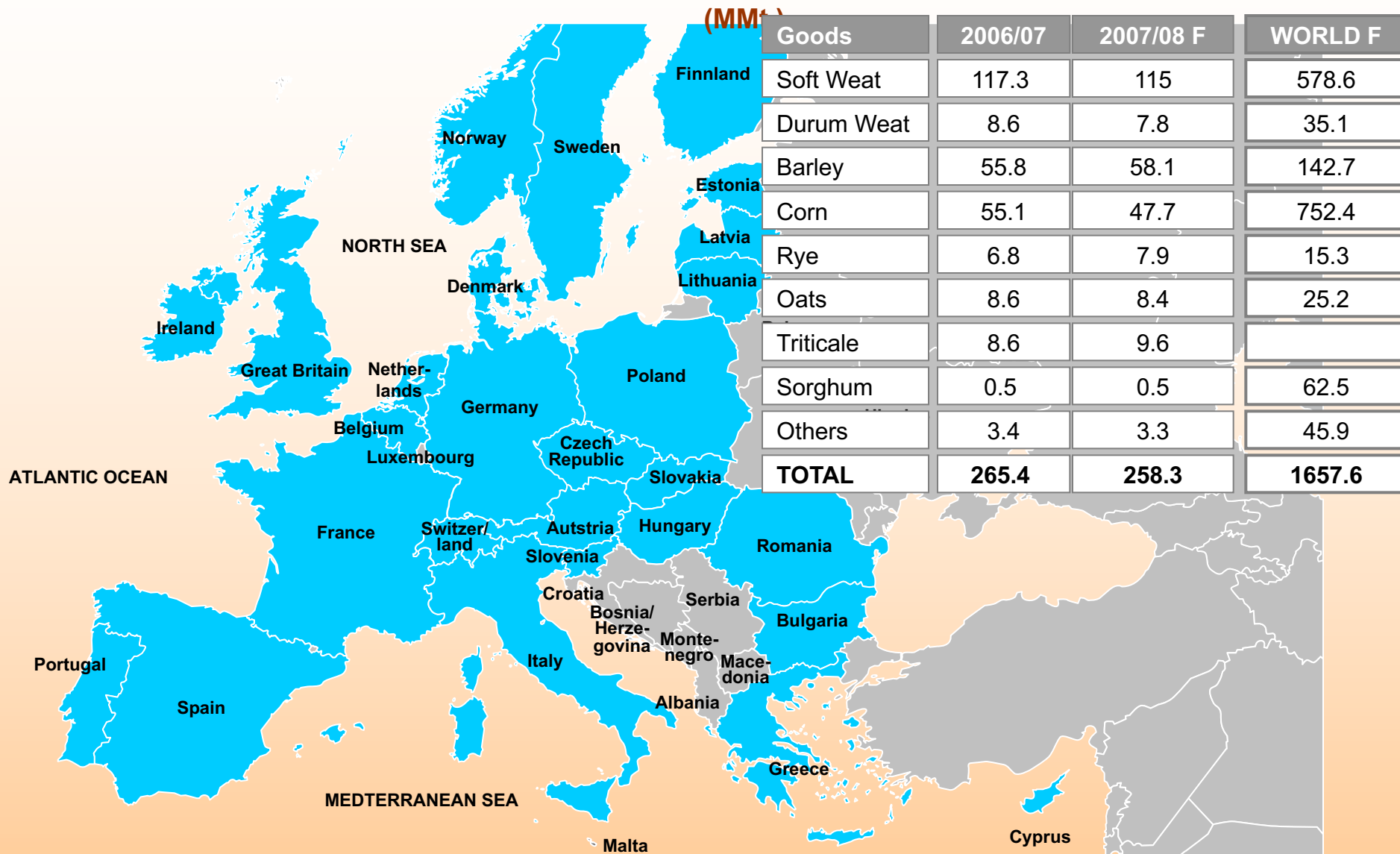
Rostov-On-Don september 6-7 th 2007

Jesús Fernández Albéniz



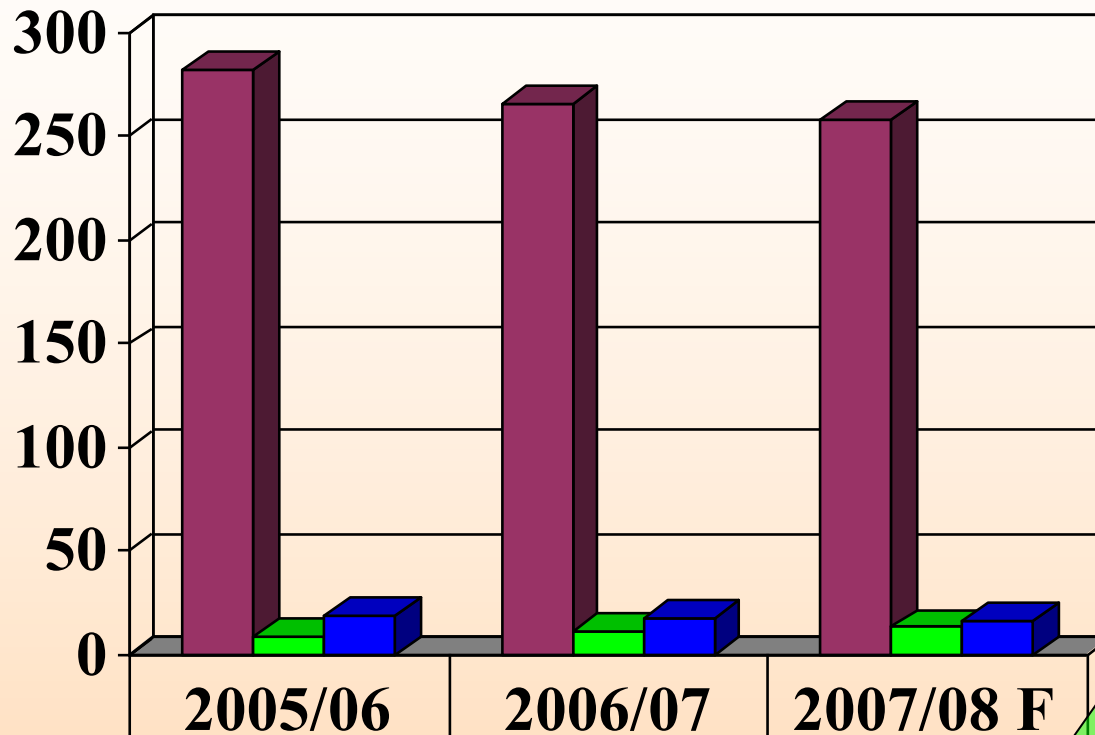
- 1. UE 27 Grain Production 2007/08**
- 2. Balance Import – Export**
- 3. What does UE 27 Import and Export ?**
- 4. Where UE 27 import from?**
- 5. Tariff system in EU 27. TQR**
- 6. Wheat clasification in the EU Custom**
- 7. CORN**
- 8. SORGHUM**
- 9. BARLEY**
- 10. WHEAT**
- 11. EU 27 Projections 2007-2014**
- 12. Conclusions**

1. UE 27 Cereal Production: Total Grains



2. Import – Export (EU 27): Total Grains

MMT.



June 28th
Forecast:
275.7 MMt !!
(- 17.4)

■ Production	281,7	265,4	258,3
■ Import	9	11,5	13,3
■ Export	18,6	17,5	16,6



3. EU - 27 Export & Import

Wheat (MMt)

Export

Import

	TOTAL*	DURUM
04/05	13.6	1.4
05/06	14.3	1.17
06/07	13	1.2
07/08 F	11.5	1.2



	TOTAL*	DURUM
04/05	7.1	1.753
05/06	6.3	2
06/07	5.6	1.7
07/08 F	6.5	2.1

* Durum included

3. EU-27 Export & Import



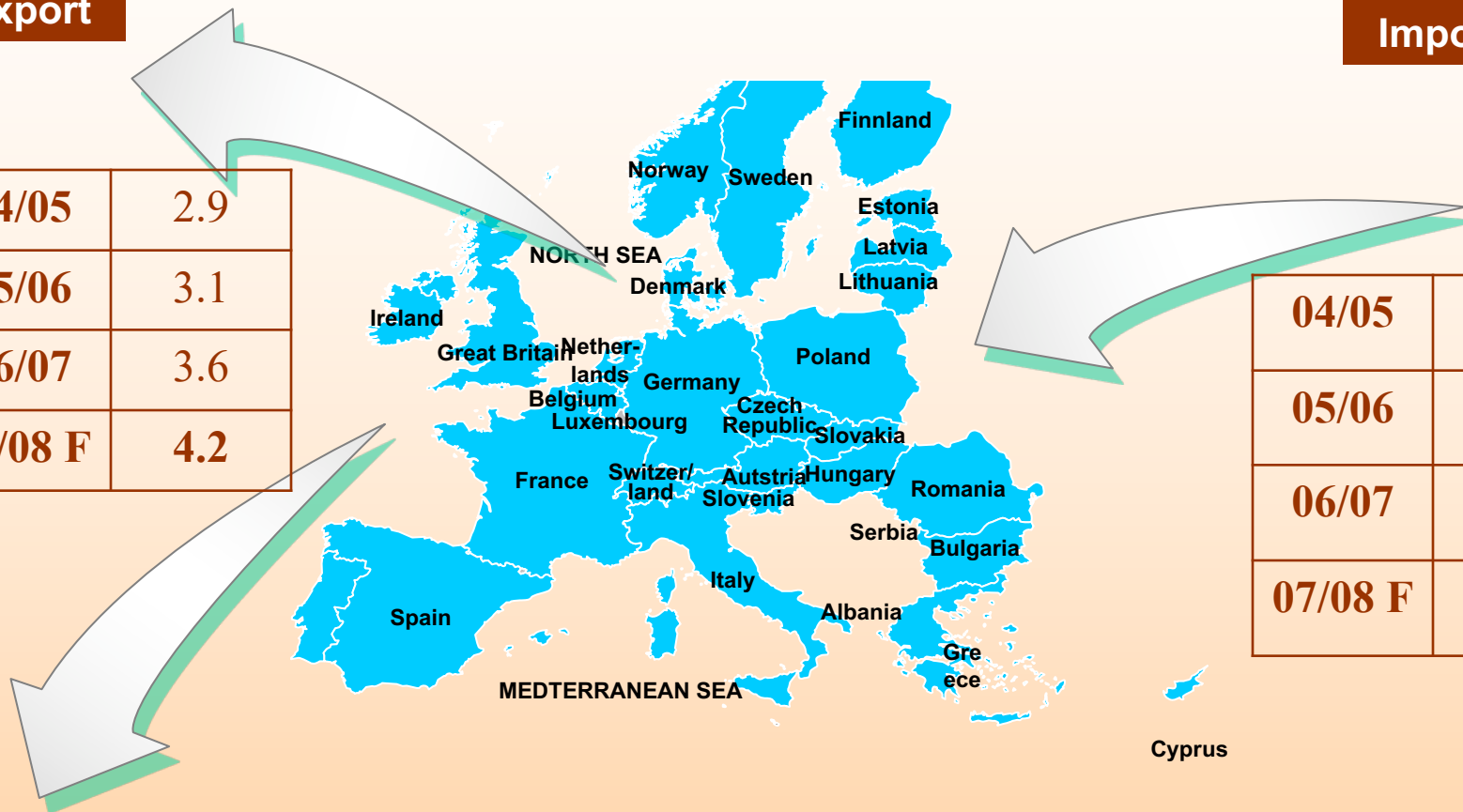
Barley (MMt)

Export

04/05	2.9
05/06	3.1
06/07	3.6
07/08 F	4.2

Import

04/05	0.5
05/06	0.2
06/07	0.4
07/08 F	0.2





3. EU-27 Export & Import

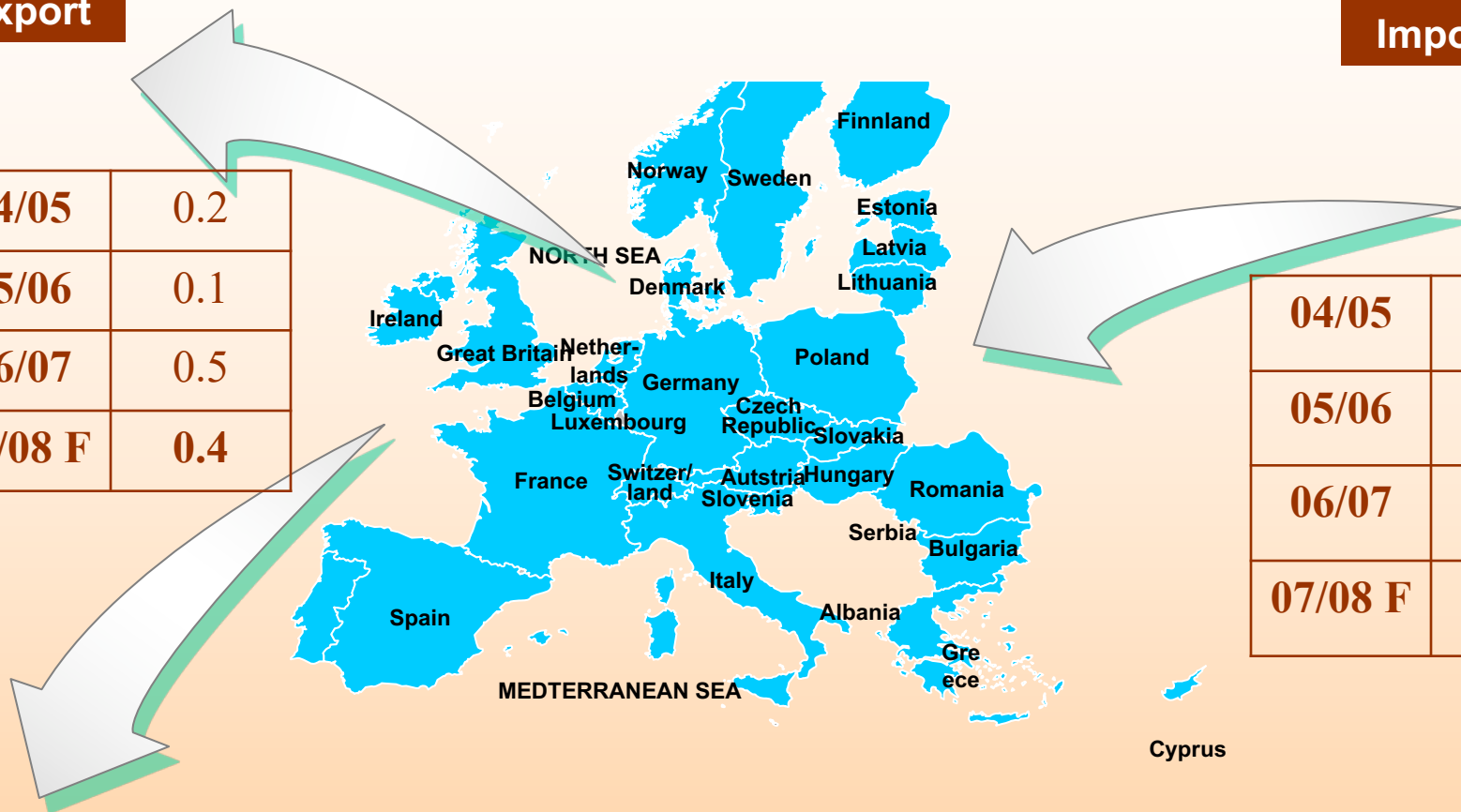
Corn (MMt)

Export

04/05	0.2
05/06	0.1
06/07	0.5
07/08 F	0.4

Import

04/05	2.8
05/06	2.7
06/07	5.2
07/08 F	5.7





3. EU-27 Export & Import

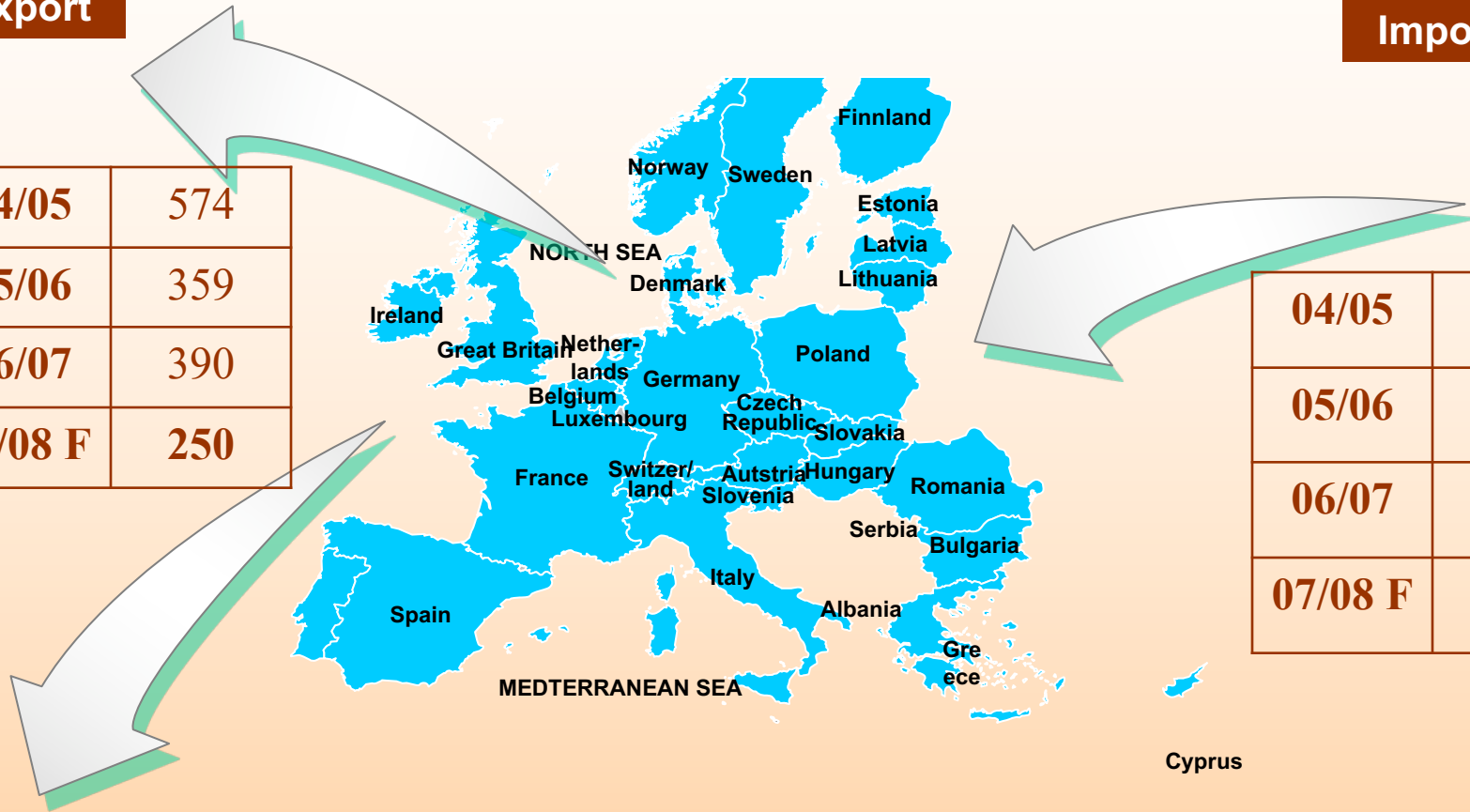
Rye (x 1.000 Mt)

Export

04/05	574
05/06	359
06/07	390
07/08 F	250

Import

04/05	1
05/06	5
06/07	20
07/08 F	10





3. EU-27 Export & Import

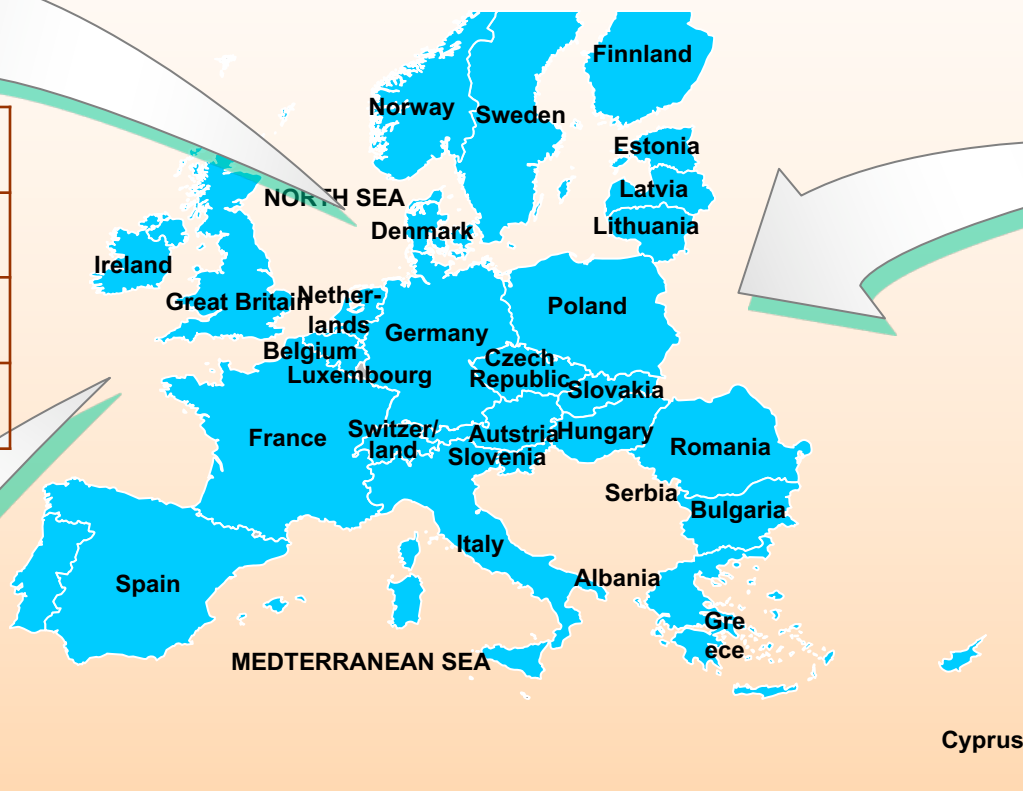
Oats (x 1.000 Mt)

Export

04/05	349
05/06	276
06/07	20
07/08 F	250

Import

04/05	0
05/06	0
06/07	0
07/08 F	0





3. EU-27 Export & Import

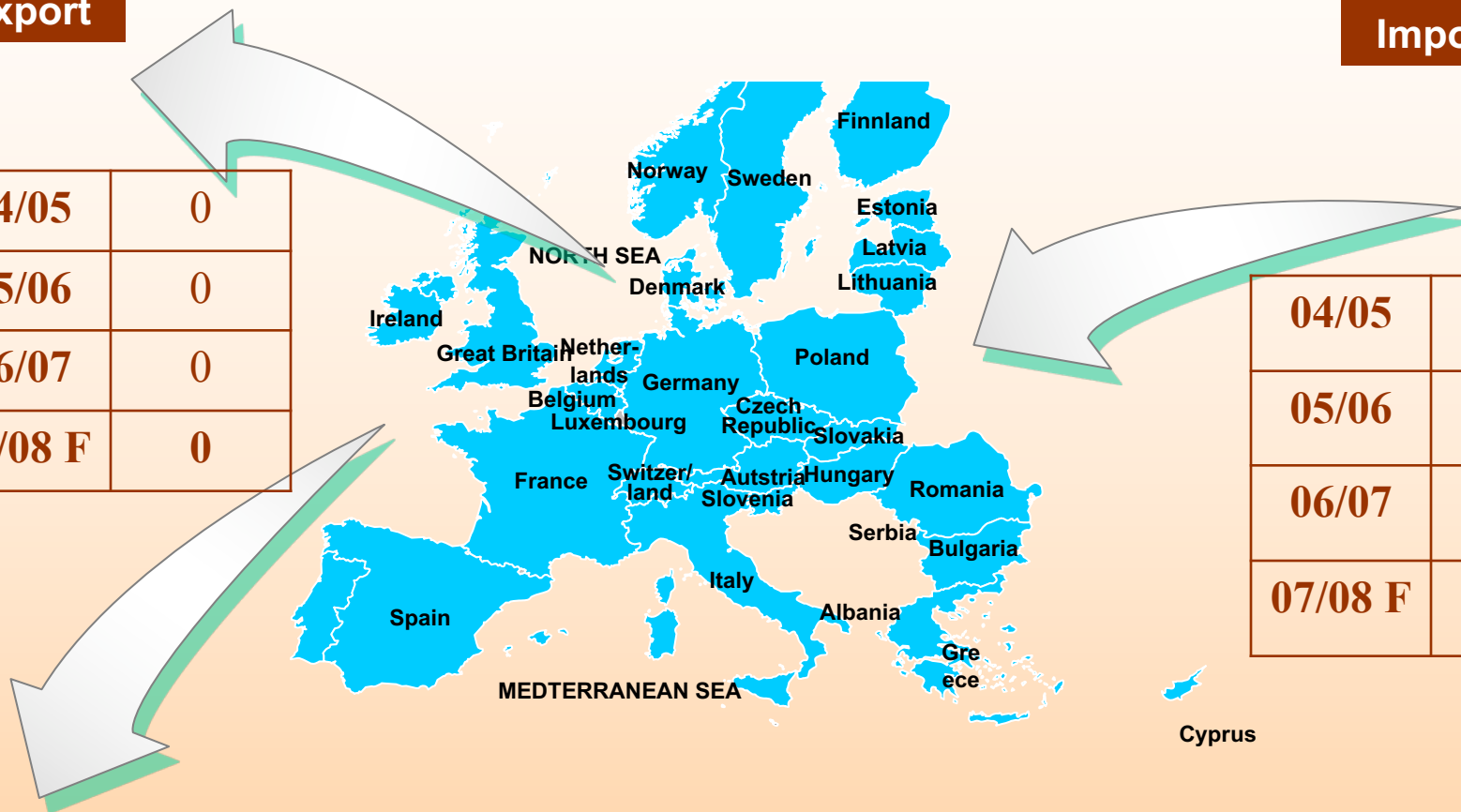
Sorghum (x 1.000 Mt)

Export

04/05	0
05/06	0
06/07	0
07/08 F	0

Import

04/05	206
05/06	79
06/07	700
07/08 F	900



4. UE-27 Import by Major Origins



DURUM WHEAT	05/06	jul/mar 06/07
Canadá	1.003.000	759.400
USA	347.300	259.700
Mexico	54.500	132.900
Australia	239.100	98.400
Syria	156.000	98.300
Turkey	205.400	57.100
Kazaklstan	23.000	27.000
Russia	16.900	3.000

BARLEY	05/06	jul/mar 06/07
Russia	71.623	124.903
Moldava	-	33.694
Ukraine	5.654	33.504

SORGHUM	05/06	jul/mar 06/07
USA	39.733	442.401
Argentina	-	30.540
Ukraine	-	8.819

SOFT WHEAT	03/04	04/05	05/06	jul/mar 06/07
Canada			752.800	624.800
Russia	1.076.000	1.270.000	717.300	616.900
Ukraine	15.000	1.985.000	1.227.400	439.500
USA			1.095.100	344.000
Kazaklstan			217.700	208.600
Australia			151.900	68.700
Moldova			12.000	50.900
Croatia			-	42.900
Serbia			33.800	15.100
Others			13.900	13.000
Brasil			291.400	-

CORN	05/06	jul/mar 06/07
Brasil	-	1.450.307
Argentina	821.734	942.905
Servia	384.325	403.730
Paraguay	-	112.602
Croatia	141.865	59.501
USA	25.551	19.003
Ukraine	424.973	10.299
Moldova	14.884	5.639
Turkey	24.983	-

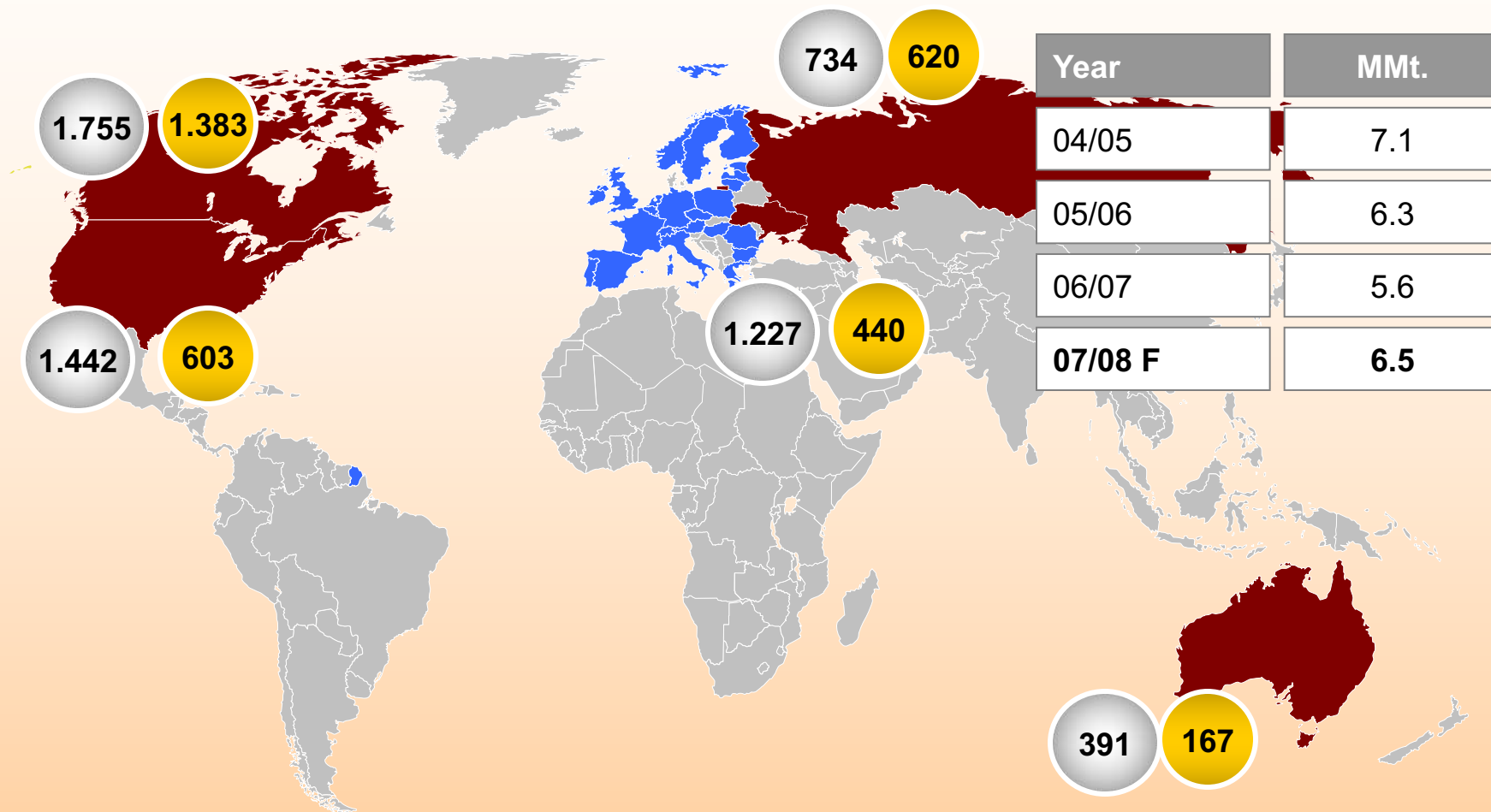
4. UE - 27 Import by Major Origins



05/06

Jul/Mar
06/07

Total Wheat (x 1.000 Mt)



4. UE - 27 Import by Major Origins



05/06

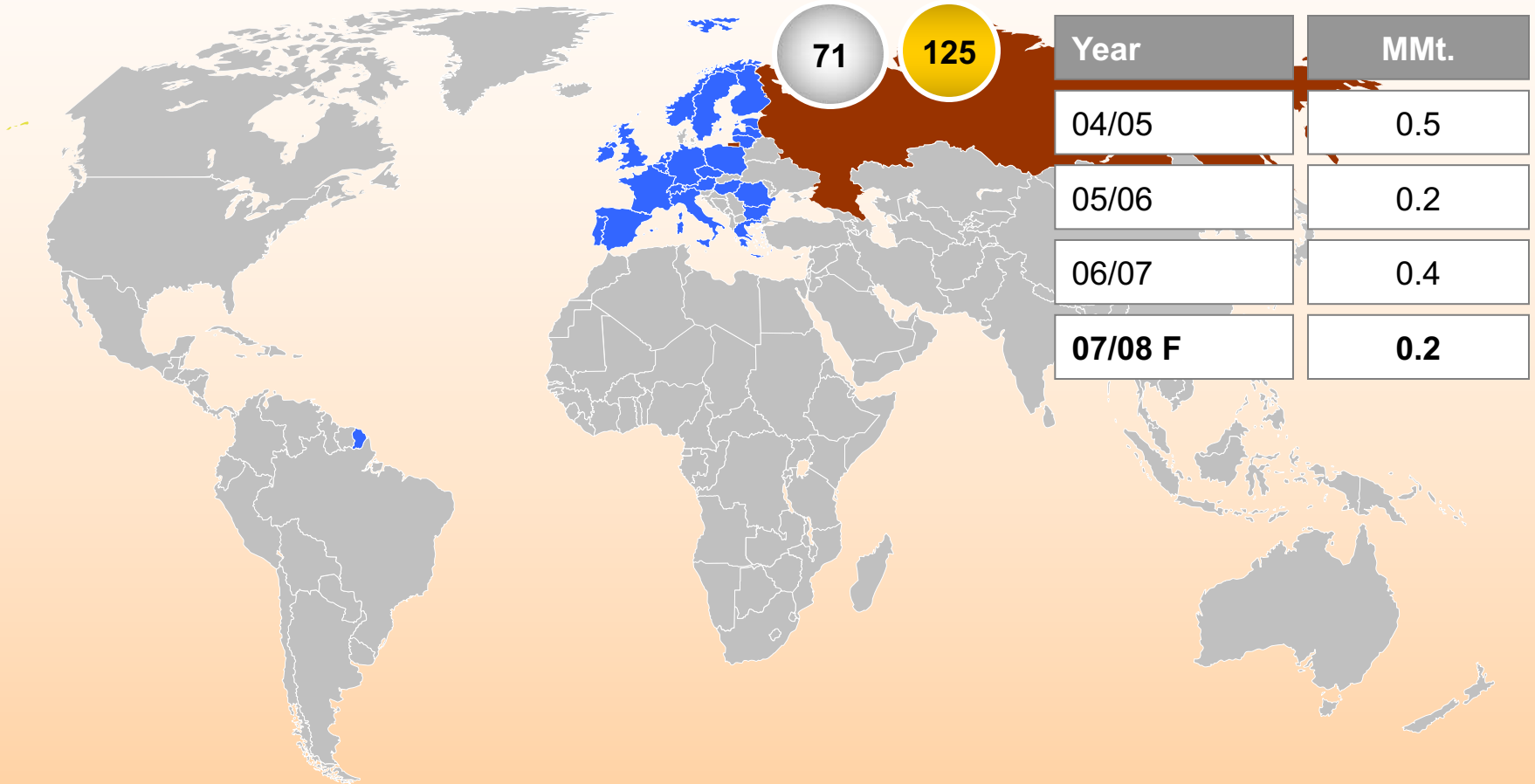
Jul/Mar
06/07

Barley (MMt)

71

125

Year	MMt.
04/05	0.5
05/06	0.2
06/07	0.4
07/08 F	0.2



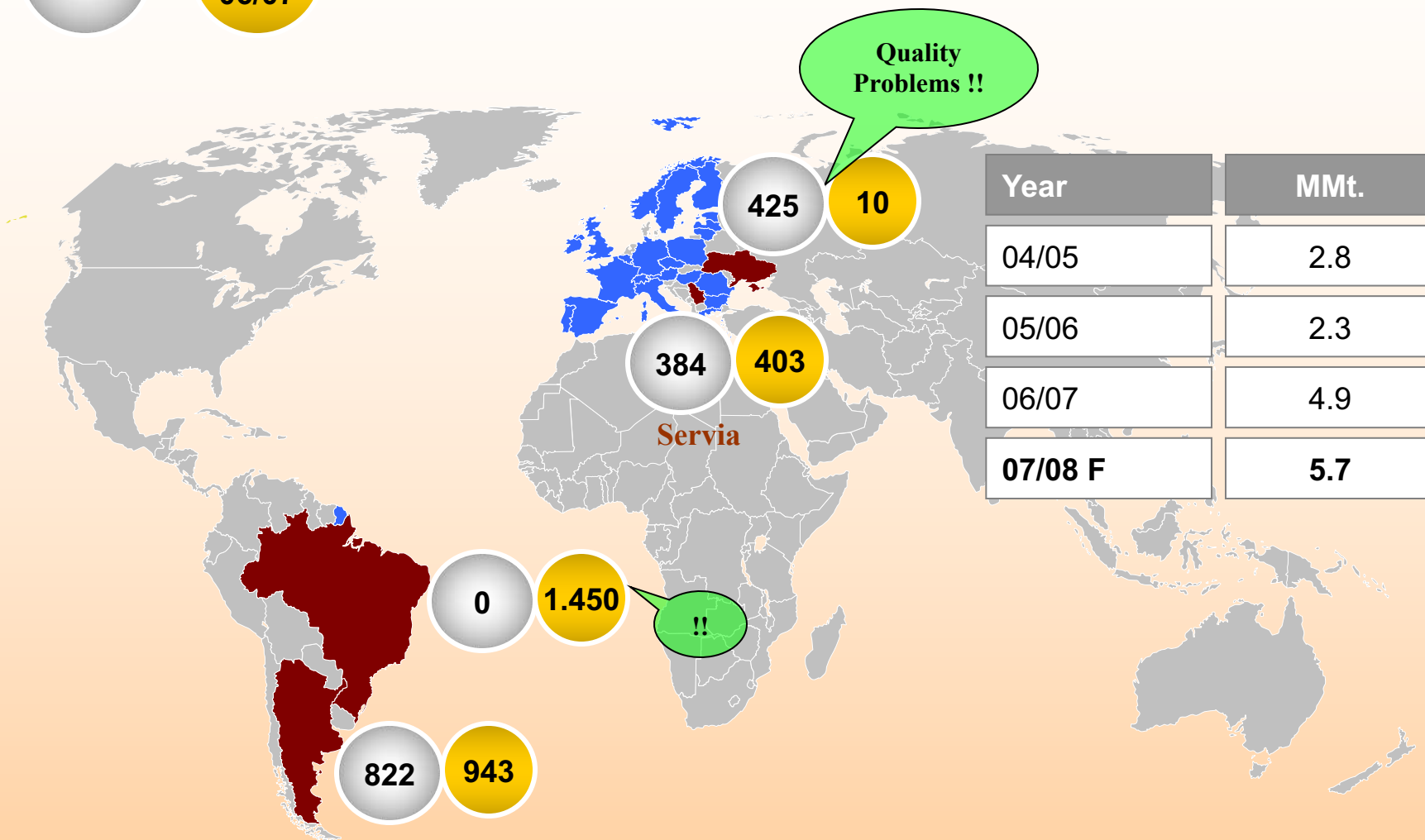
4. UE - 27 Import by Major Origins



05/06

Jul/Mar
06/07

Corn (x 1.000 Mt)



Year	MMt.
04/05	2.8
05/06	2.3
06/07	4.9
07/08 F	5.7

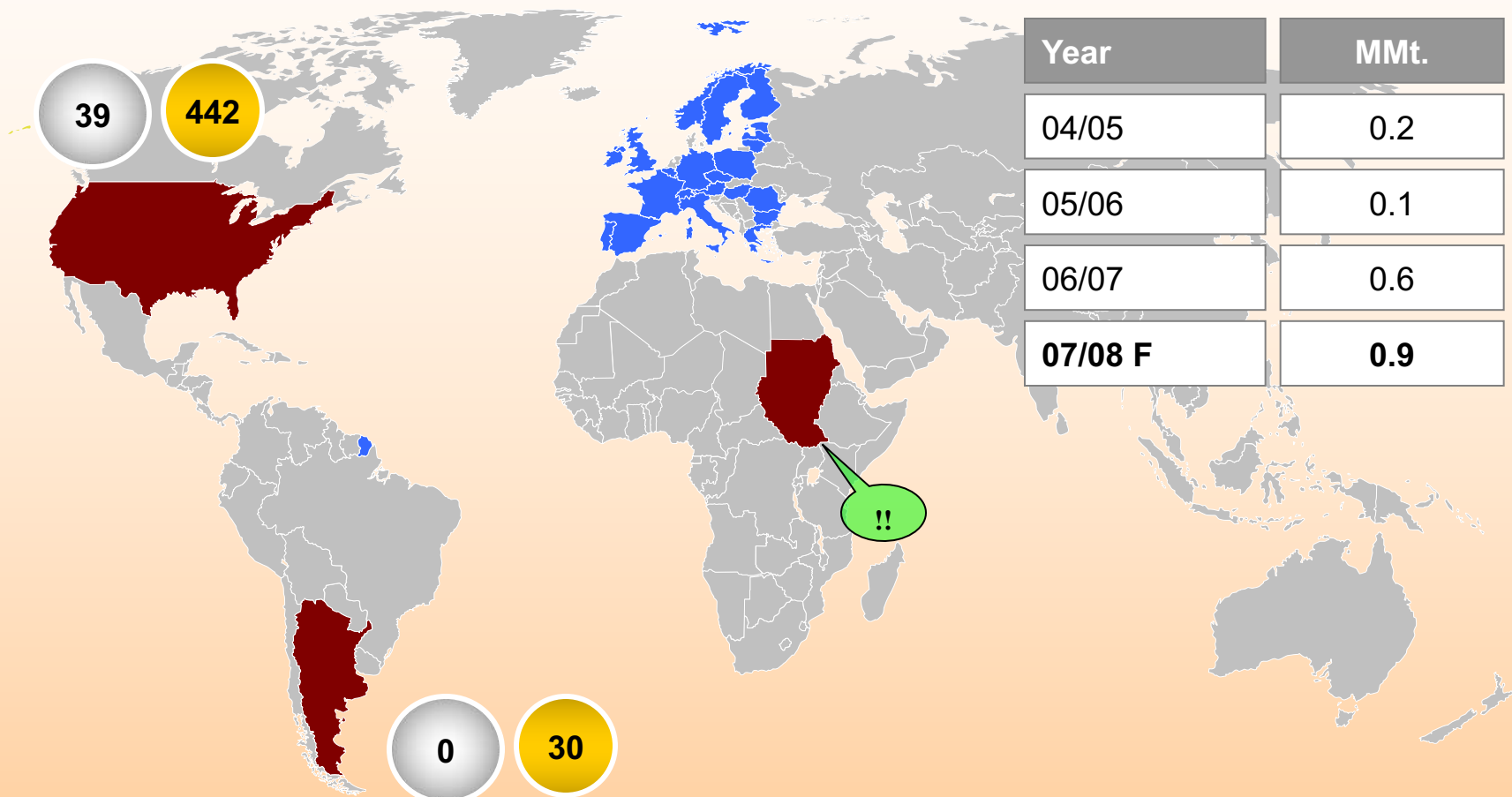
4. UE - 27 Import by Major Origins



05/06

Jul/Mar
06/07

Sorghum (MMt)





5. Custom system in EU 27. TRQ

- **Farmer's protection: import taxes**
- **System:**
 - **+ 55 % intervention price (101 €/Mt.)**
= 156.55 €/Mt. x 1.36 = 212.9 \$/Mt.
 - **UE Commision: revision levy each 14 days**
- **Low & Medium quality wheat: 2.989.240 Mt.**
Any Origin: 2.371.600 (subquotas: 592.000
Mt./Quarter Year)
+ 572.000 Mt. USA + 38.853 Mt. Canada

5. Custom system in EU 27. TQR



Description	Volume (tonnes)	IQR
Durum wheat	50.000	0%
Wheat	300.000	0%
Grain sorghum	300.000	Reduced by tender
Millet	1.300	7 €/Tm
Worked Oats	10.000	0%
Bran, sharps and other residues	475.000	30.6-62.25 €/Tm
Common wheat (total)	2.989.240	12€/Tm
Common wheat (USA)	572.000	12€/Tm
Common wheat (Canada)	38.853	12€/Tm
Common wheat Others)	2.371.600	12€/Tm
Common wheat (erga omnes)	6.787	12€/Tm
Barley	306.215	16 €/Tm
Malting barley	50.000	8 €/Tm
Mixture of malt sprouts and barley screenings (code 91)	100.000	0%
Mixture of malt sprouts and barley screenings (code 90)	20.000	0%
Preparation of a kind used in animal feeding	5.500	7%
Corn gluten (USA)	10.000	16%

Description	Volume (tonnes)	IQR
Maize (Spain)	2.000.000	Reduced by tender
Maize (Portugal)	500.000	Reduced by tender
Maize	242.074	0%



6. Wheat clasification in the custom

Quality	High	Allowance	Medium/low
Protein min	14%	-0,7	11,50%
Test Weight min	77 Hg/Hl	-0,5	74 Kg/Hl
Foreing Matter	1,50%	0,5	1,50%

6. Custom system in EU 27. Consequences

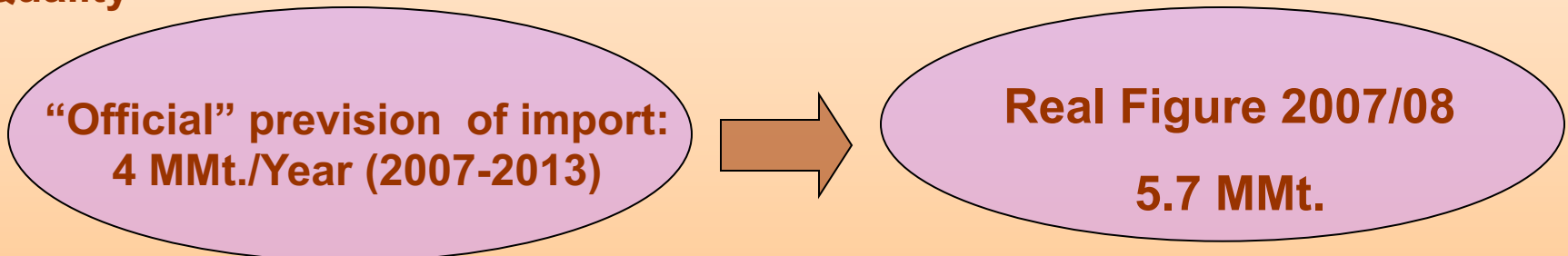


- **Document's complication**
- **Financial's complication**
- **EU establishment needed**
- **Not easy for Russian local companies.**

7. CORN : Export Rusia → UE27



- **Abatimento System:** Levy reduced by tender to Spain & Portugal: 2.5 MMt. Total
- **GMO**
- **Current Levy:** each 14 days. 3.2 MMt. 2007 Forecast
Competence: Argentine, Brasil, EU East countries
- **Price Observatory:** FOB Constanza, Rouen (Fr), Arg-Bra
- **Quality:** TW 72/73; Moisture 15 %; Foreign Matter 2 %. Broken 5%
- **Problems:** Difficult to obtain prices for long term deliveries.
Quality





8. SORGHUM : Export Rusia → UE27

- **Abatimento System:** Levy reduced by tender to Spain & Portugal: 300.000 Mt. Total
- **Current Levy:** each 14 days. Free quantities
- **Competence:** USA, Argentine – Brasil
- **Price Observatory:** FOB Gulf, Argentine, Brasil
- **Quality:** TW 70; Moisture 15 %; Foreign Matter 2 %. Tanins 0,5%
- **UE is net importer of sorghum**

9. BARLEY Export Russia → UE27



- **TQR: 306.215 Mt.** Levy 16 €/Mt.
Out of TQR 93 €/Mt.
- **Standart Quality:** TW 62-63 Kg./Hl.
Moisture: 15 %
Foreing Mater: 2 %
- **Price Observatory:** FOB Rouen (Fr), Rostock (Ge).
- **UE 27 is net exporter of barley**

10. WHEAT Export Russia → UE27



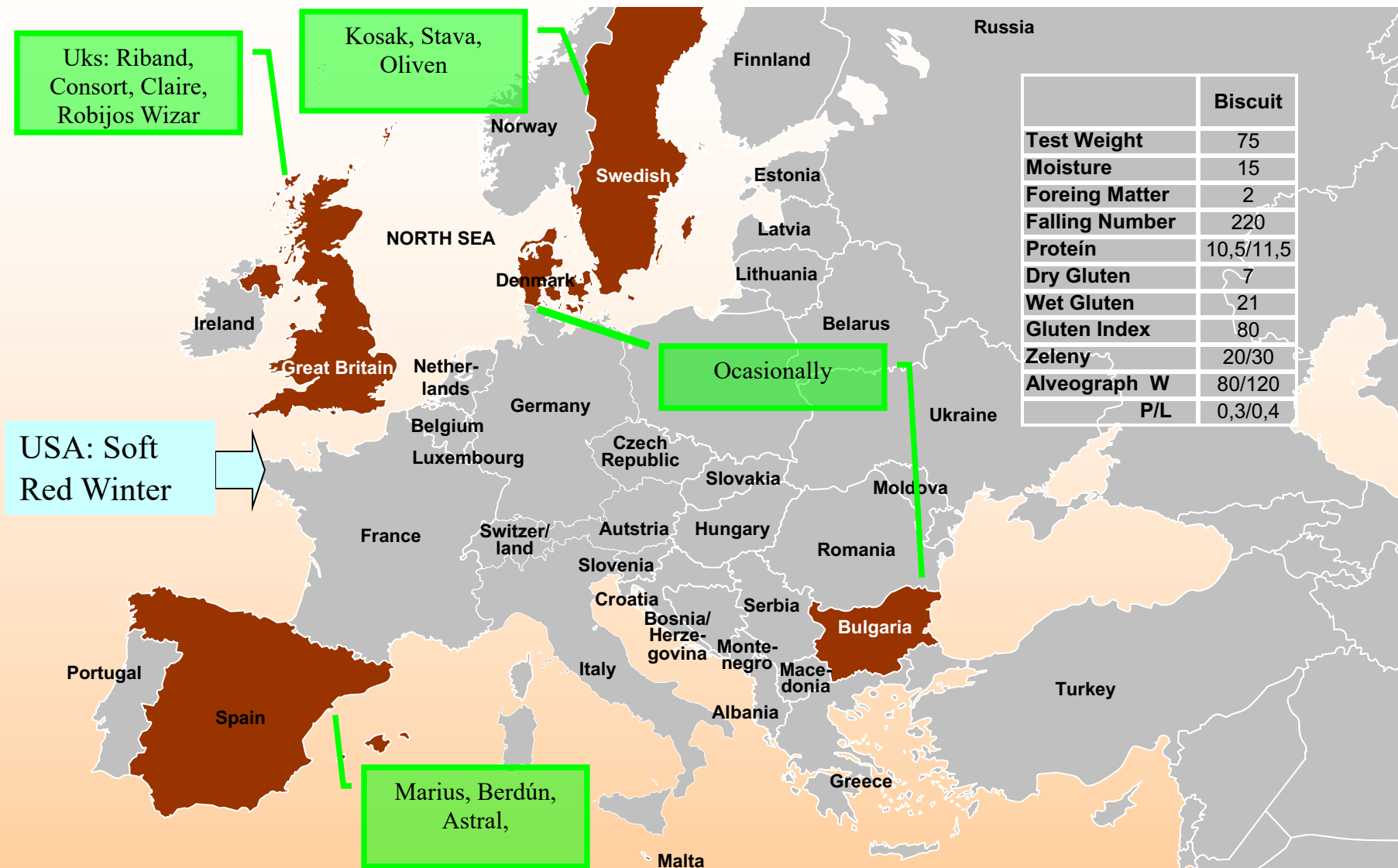
➤ **TQR: 2.989.240 Mt.** **Levy 12 €/Mt.**

Out of TQR 95 €/Mt.

➤ **Comercial Standard Qualities**

	Feed	Biscuit	Normal Milling	Medium Quality	High Quality
Test Weight	72/73	75	76	77	78
Moisture	15	15	15	14,5	14,5
Foreing Matter	2	2	2	2	2
Falling Number		220	250	275	300
Proteín		10,5/11,5	11/12,5	13/14,5	14,5/16
Dry Gluten		7	8	9	10
Wet Gluten		21	24	27	30
Gluten Index		80	85	90	95
Zeleny		20/30	30/40	40/50	50/60
Alveograph	W	80/120	150/200	200/250	300/400
	P/L	0,3/0,4	0,5	0,6	0,7

10. Comercial Qualities-Countries-Varieties: BISCUIT WHEAT

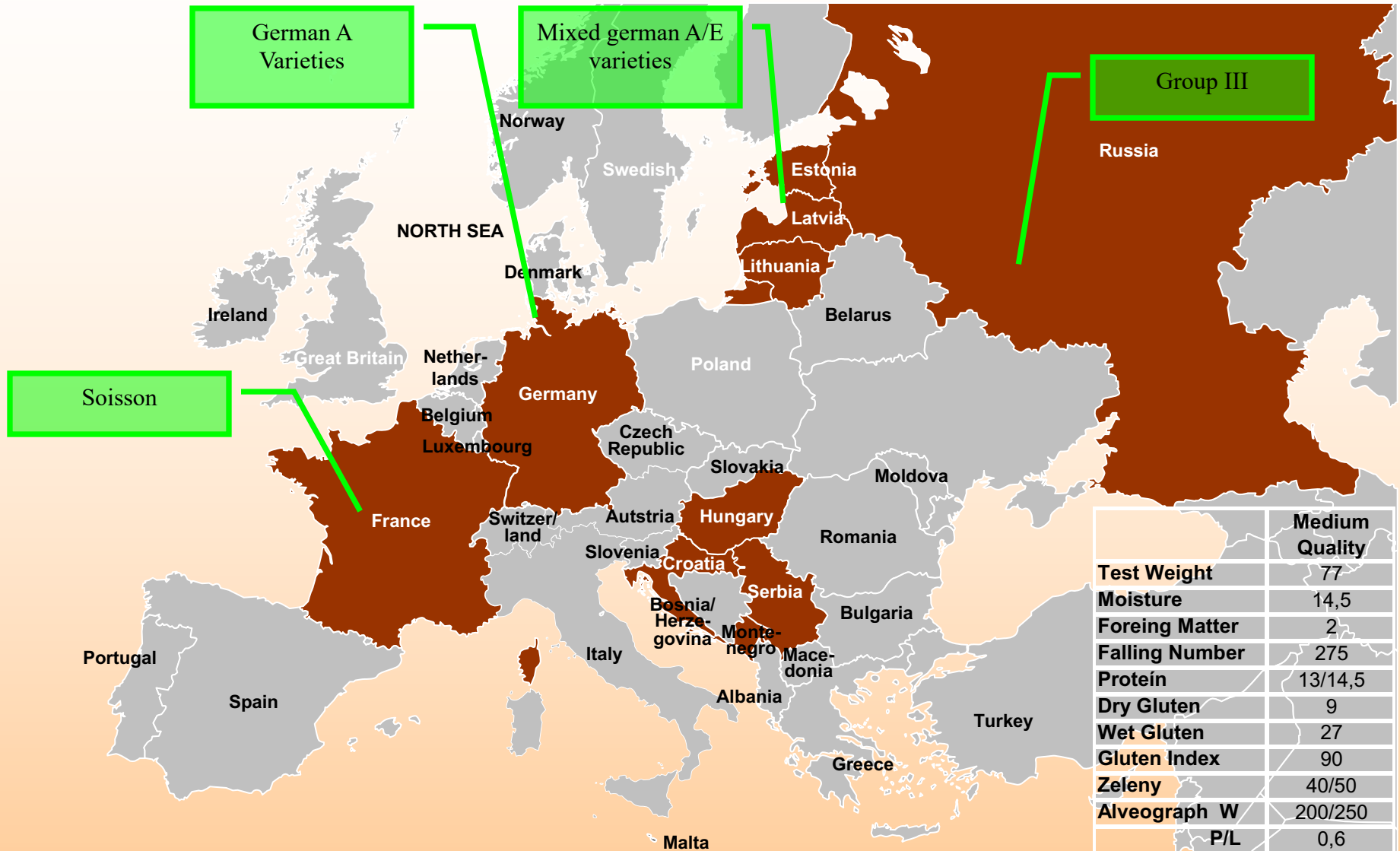


10. Comercial Qualities-Countries-Varieties: NORMAL MILLING WHEAT

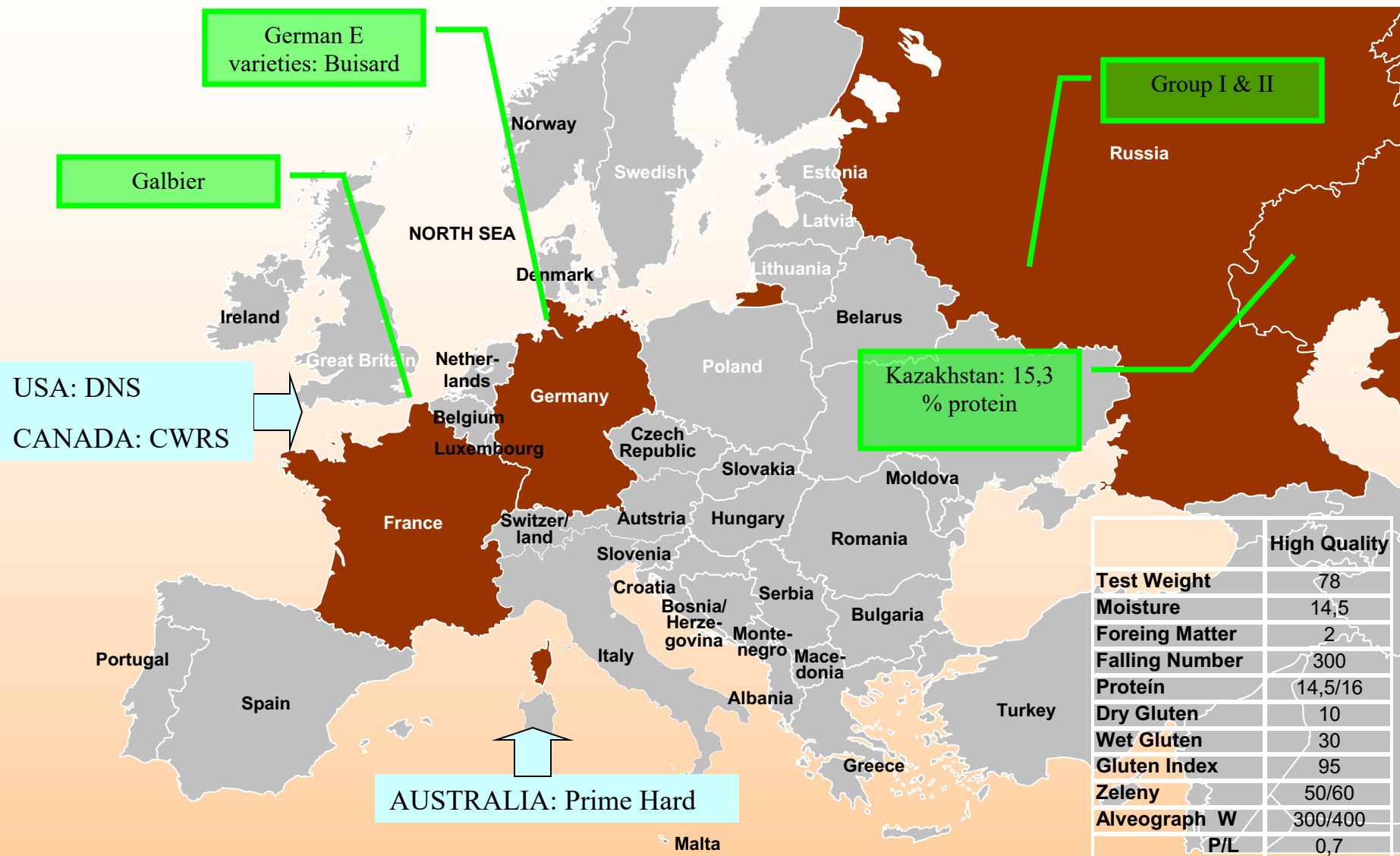


	Normal Milling
Test Weight	76
Moisture	15
Foreing Matter	2
Falling Number	250
Protein	11/12,5
Dry Gluten	8
Wet Gluten	24
Gluten Index	85
Zeleny	30/40
Alveograph W	150/200
P/L	0,5

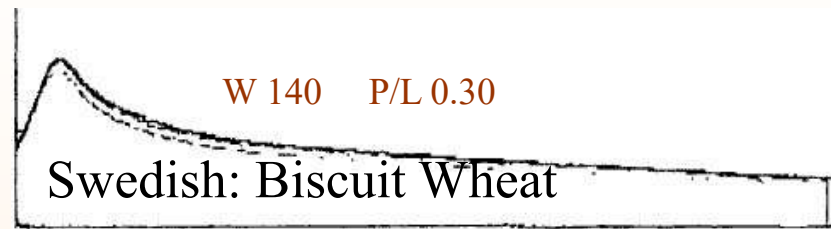
10. Comercial Qualities-Countries-Varieties: MEDIUM QUALITY WHEAT



10. Comercial Qualities-Countries-Varieties: HIGH QUALITY WHEAT



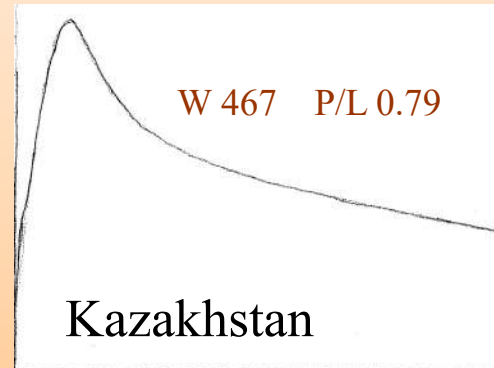
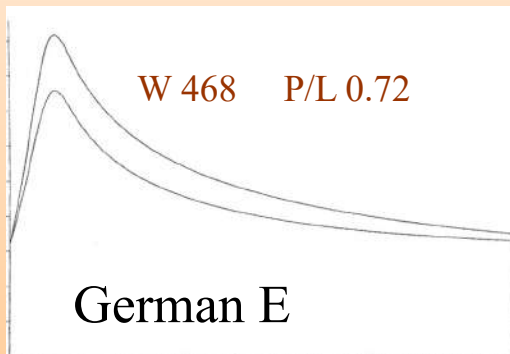
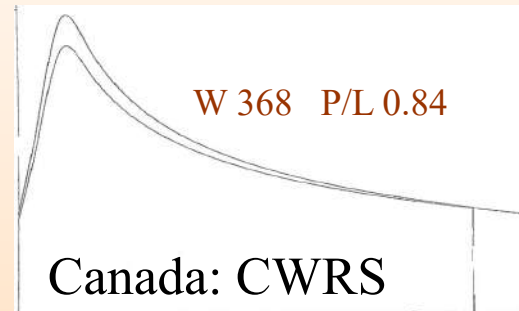
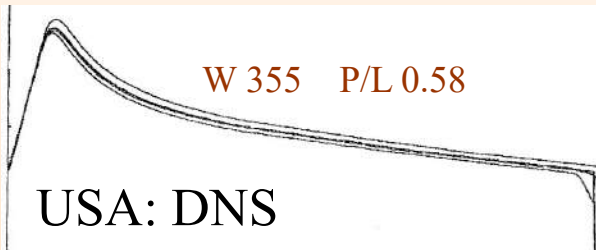
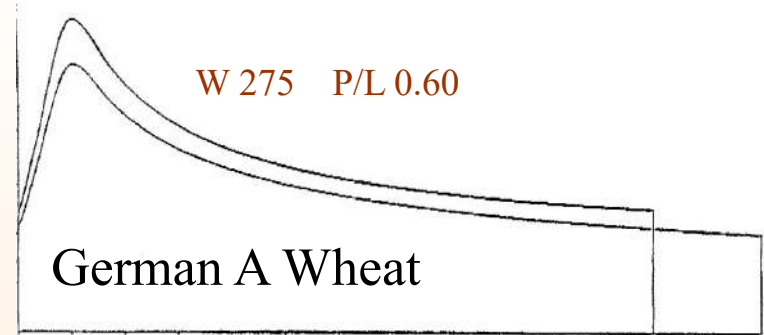
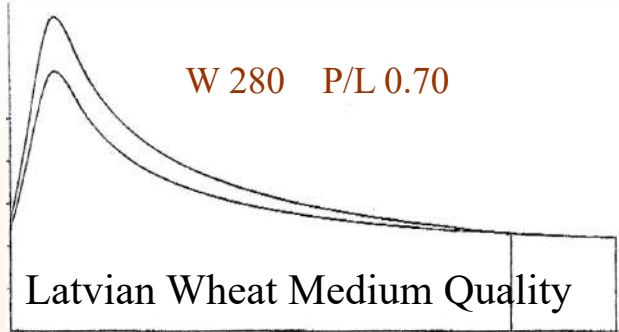
10. ANALYSIS CHOPIN (I)



10. ANALYSIS CHOPIN (2)



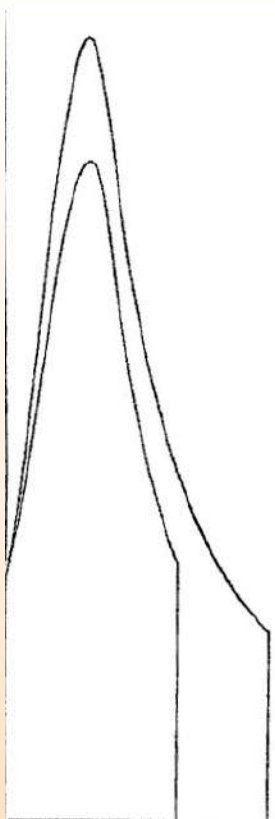
High Quality Wheats



10. ANALYSIS CHOPIN (3)



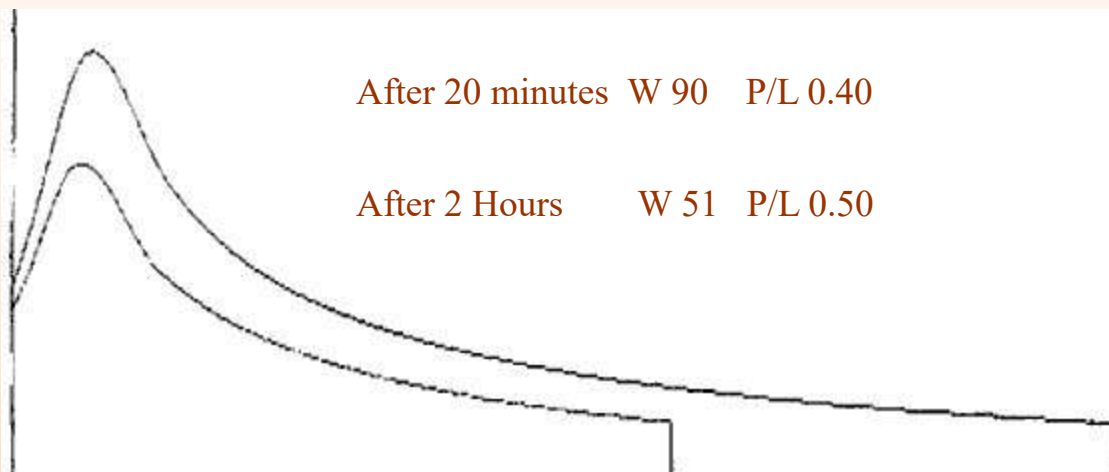
Damaged Wheats



W 165 P/L 3.34

German Wheat

Dried too fast



Bulgarian Wheat

Bug Damage

10. Typical flour by spanish mills

	COMMERCIAL FLOUR NAMES EXAMPLE							
FLOUR PARAMETERS	SOFT BLUE	BLUE	GREEN	RED	WHITE	EXTRA RED	YELLOW	HIGH QUALITY
W	80-100	100-130	130-160	160-190	190-220	220-290	300-380	400 MIN
P	30-40	35-45	45-55	50-65	55-70	60-75	75-110	85-110
L	120-160	115-150	110-150	110-140	110-140	110-140	100-140	100-140
P/L	0,25-0,35	0,25-0,4	0,3-0,5	0,35-0,6	0,4-0,7	0,5-0,75	0,7-1,1	0,75-1,2
ASH	0,65 MAX	0,65 MAX	0,65 MAX	0,65 MAX	0,65 MAX	0,65 MAX	0,65 MAX	0,65 MAX
PROTEIN	10,5% MIN	10,5% MIN	10,5% MIN	10,5% MIN	11% MIN	11,5% MIN	12,5% MIN	13,5% MIN
WET GLUTEN	27% MIN	2,5% MIN	27% MIN	27% MIN	27,5% MIN	29% MIN	30% MIN	32,5% MIN
DRY GLUTEN	9% MIN	9% MIN	9% MIN	9% MIN	9,5% MIN	10% MIN	10,5% MIN	11,5% MIN
WATER ABSORTION	51% MIN	51% MIN	53% MIN	54% MIN	54% MIN	56% MIN	58,5% MIN	60,5% MIN
FALLING NUMBER	320-400	320-400	320-400	320-400	330-400	350-450	350-450	350-450
USE	PASTY	BISCUIT	BREAD	DIRECT BREAD	DIRECT BREAD	FROZEN BAGUETE	BAKERY	SANDWICH

FAIRY CAKES
BREAD

FERMENTED BREAD

RUSTIC BREAD
TXAPATA

RUSTIC BREAD
PIZZA

CROISSANTS

SANDWICH



11. EU 27 Projections (July 07)



Total cereal market projections for the European Union 2007-2014 (MMt)								
	2007	2008	2009	2010	2011	2012	2013	2014
Usable production	270,9	284,8	289,4	290,4	292,1	295,1	298,7	299,9
of which EU-15	200	202,9	206,8	206,8	208,4	210,4	212,5	214,4
EU-10	53,9	57,6	58,2	58,9	58,5	59,2	60,8	61,1
EU-2	17	24,4	24,4	24,7	25,2	25,5	25,4	24,4
Consumption	268,1	269	270,1	270,1	272,5	274	275,8	277,8
of which food and industrial	82,1	82	81,9	82,1	82,3	82,4	82,6	82,8
of which feed	169,2	168,8	166,9	164,4	164,3	164,6	164,9	165,1
of which bioenergy	4,5	7,7	10,2	12,6	15,1	16,4	17,7	19,3
of which EU-15	197,6	201,1	202	201,6	203,8	204,6	204,9	206,6
EU-10	50,4	48,5	48,9	49	48,7	48,9	48,8	49,5
EU-2	20	19,4	19,1	19,5	20	20,5	22,1	21,7
Imports	12	10,3	9,9	9,6	10,4	10,1	10,2	11,1
Exports	21,3	23,3	25,3	26,8	27,5	28,9	33,6	34,5
Beginning stocks	53,2	46,8	49,5	53,4	56,6	59,1	61,3	60,9
Ending stocks	46,8	49,5	53,4	56,6	59,1	51,3	60,9	59,7
of wich intervention	0,7	4,2	4,7	7,2	9,2	10,3	11,2	10,9
of which EU-15	0,4	1	0,6	1,5	2,3	3,1	4,3	4,7
of which EU-10	0,3	1,9	2,5	4	5	4,7	4,4	3,9
of which EU-2	0,1	1,3	1,6	1,7	2	2,6	2,6	2,4

11. EU 27 Projections_(July 07)



Total wheat market projections for the European Union 2007-2014 (MMt)								
	2007	2008	2009	2010	2011	2012	2013	2014
Usable production	128,6	136,1	140,1	140,1	141,3	143,6	145,8	147,6
of which EU-15	101,8	105,5	108,9	108,4	109,8	111,5	113,1	114,9
EU-10	20	21,5	22	22,5	22,1	22,6	23,2	23,7
EU-2	6,8	9,1	9,2	9,2	9,4	9,5	9,5	9
Consumption	124	125,2	126	126,3	128,2	128,8	129,3	130,7
of which food and industrial	59,3	59,8	60,4	60,9	61,4	62	62,4	63
of which feed	57,8	56,2	54,3	52,5	51,9	51,4	50,7	50,5
of which bioenergy	2	4,2	6	7,9	9,8	10,4	11,1	12,1
of which EU-15	97,9	100,8	102,2	102,7	104,7	105,7	106,3	107,6
EU-10	19	17,4	16,9	16	16,5	16,2	16	16
EU-2	7,1	7	6,9	7	7	7	7	7
Imports	6,7	6,4	6,3	6,2	6,1	6	5,9	5,8
Exports	13	15,3	17,2	17,5	18	18,6	22,6	23,4
Beginning stocks	23,5	21,8	23,8	27,1	29,7	30,8	33	32,7
Ending stocks	21,8	23,8	27,1	29,7	30,8	33	32,7	31,9
of wich intervention	0,1	2,8	4,1	5,5	6,6	6,8	6,5	5,8
of which EU-15	0	0,3	0	0	0,1	0	0	0
of which EU-10	0,1	1,4	2,5	3,8	4,5	4,2	3,9	3,4
of which EU-2	0,1	1,1	1,6	1,7	2	2,6	2,6	2,4

11. EU 27 Projections (July 07)



Total Soft wheat market projections for the European Union 2007-2014 (MMt)								
	2007	2008	2009	2010	2011	2012	2013	2014
Usable production	120	126,9	130,8	130,7	131,8	134	136	137,8
of which EU-15	93,3	96,3	99,7	99	100,4	102	103,4	105,2
EU-10	20	21,4	22	22,5	22,1	22,6	23,1	23,6
EU-2	6,7	9,1	9,2	9,2	9,4	9,4	9,5	9
Consumption	114,1	115,3	116	116,4	118,3	118,9	119,4	120,8
of which food and industrial	49,9	50,5	51	51,5	52	52,6	53,1	53,6
of which feed	57,4	55,8	53,9	52,1	51,6	51	50,3	50,2
of which bioenergy	2	4,2	6	7,9	9,8	10,4	11,1	12,1
of which EU-15	88,6	91,5	92,9	93,5	95,4	96,4	97	98,3
EU-10	18,4	16,8	16,3	16	15,9	15,6	15,5	15,5
EU-2	7,1	6,9	6,9	6,9	7	7	7	7
Imports	4,7	4,7	4,7	4,7	4,7	4,7	4,7	4,7
Exports	12	14,3	16,2	16,5	17	17,6	21,6	22,4
Beginning stocks	21,7	20,4	22,4	25,7	28,3	29,4	31,6	31,3
Ending stocks	20,4	22,4	25,7	28,3	29,4	31,6	31,3	30,5
of which intervention	0,1	2,8	4,1	5,5	6,6	6,8	6,5	5,8
of which EU-15	0	0,3	0	0	0,1	0	0	0
of which EU-10	0,1	1,4	2,5	3,8	4,5	4,2	3,9	3,4
of which EU-2	0,1	1,1	1,6	1,7	2	2,6	2,6	2,4

11. EU 27 Projections_(July 07)



Total Barley market projections for the European Union 2007-2014 (MMt)								
	2007	2008	2009	2010	2011	2012	2013	2014
Usable production	58,5	57,9	58	58,2	57,6	57,6	57,6	57,5
of which EU-15	48,2	46	46,1	46,1	46,1	46	46	45,9
EU-10	8,6	9,7	9,8	9,9	9,4	9,5	9,5	9,6
EU-2	1,7	2,1	2,1	2,1	2,1	2,1	2,1	1,9
Consumption	54,5	51,9	50,4	50,1	50,1	49,3	48,6	49,1
of which food and industrial	8,3	8,2	8,2	8,1	8	8	7,9	7,8
of which feed	41,4	38,1	36,8	36,5	36,4	35,7	35	35,5
of which bioenergy	1,5	1,6	1,7	1,7	1,8	1,9	2	2,1
of which EU-15	44	42,8	41,6	41,2	41	40,2	39,3	39,9
EU-10	8,7	7,5	7,5	7,5	7,7	7,7	7,8	7,8
EU-2	1,9	1,4	1,4	1,4	1,4	1,4	1,4	1,4
Imports	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3
Exports	5,8	5,4	5,7	6,9	7	7,6	8,2	8,3
Beginning stocks	10,6	9,1	10,1	12,3	13,8	14,6	15,7	16,7
Ending stocks	9,1	10,1	12,3	13,8	14,6	15,7	16,7	17,2
of wich intervention	0,4	0,7	0,6	1,7	2,7	3,6	4,8	5,2
of which EU-15	0,4	0,7	0	1,5	2,2	3,1	4,3	4,7
of which EU-10	0	0	0	0,2	0,5	0,5	0,5	0,5
of which EU-2	0	0	0	0	0	0	0	0

11. EU 27 Projections (July 07)

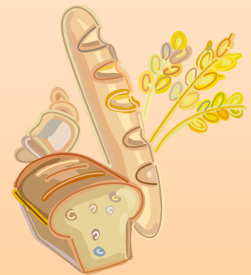


Total Maize market projections for the European Union 2007-2014 (MMt)								
	2007	2008	2009	2010	2011	2012	2013	2014
Usable production	53,9	59,4	59,8	60,7	61,7	62,6	63,9	63,1
of which EU-15	34,3	35,1	35,5	36	36,1	36,4	36,8	36,9
EU-10	11,5	11,6	11,6	11,7	12,3	12,7	13,6	13,2
EU-2	8,1	12,7	12,7	13	13,3	13,6	13,5	13
Consumption	58,1	60,1	61,6	61,8	62,1	63,9	65,6	65,7
of which food and industrial	8,7	8,5	7,5	8,7	9,9	8,3	8,7	6,1
of which feed	47,9	49,1	51,1	49,6	48,2	51,2	52	54
of which bioenergy	1	1,9	2,6	3	3,5	4	4,6	5,1
of which EU-15	38,4	40,1	40,8	40,1	40,4	41	41,3	41
EU-10	9,2	9,5	10,4	11	10,7	11,3	11,2	12
EU-2	10,5	10,5	10,3	10,7	11,1	11,6	13,1	12,7
Imports	4	3	2,6	2,5	3,2	3,1	3,4	4,4
Exports	2,1	2,1	2,2	2,2	2,3	2,5	2,5	2,5
Beginning stocks	15	12,7	13	11,6	10,8	11,2	10,5	9,6
Ending stocks	12,7	13	11,6	10,8	11,2	10,5	9,6	8,9
of wich intervention	0,2	0,7	0	0	0	0	0	0
of which EU-15	0	0	0	0	0	0	0	0
of which EU-10	0,2	0,5	0	0	0	0	0	0
of which EU-2	0	0,2	0	0	0	0	0	0

12. Conclusions: Russia's export potential to EU-27



- **WHEAT low & medium quality:** Maximun Export 2.9 MMt.
Under TQR
- **WHEAT high quality:** Free Quantities
- **Durum WHEAT:** Free Quantities
- **CORN:** 2.5 MMt. Under Abatimento. Forecast 2007: 2.5 MMt
Current Levy
- **BARLEY:** 0.3 MMt. Under TQR
- **SORGHUM:** 0.3 MMt. Under Abatimento.
Free Quantities under current levy
- **RYE:** Free Quantities under current levy



EU as importer of Russian Grains

Rostov-On-Don september 6-7 th 2007

Thanks for your kind attention

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