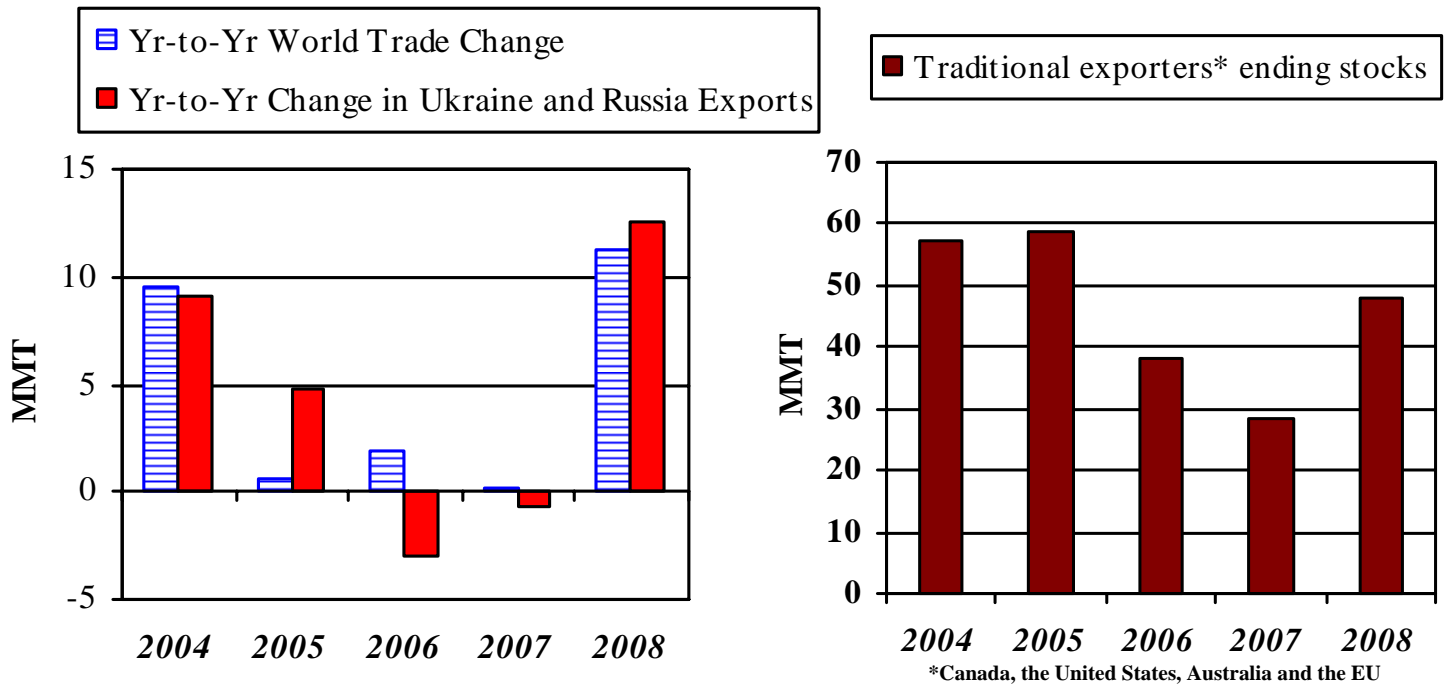




# Grain: World Markets and Trade

## Russia/Ukraine Fill Global Wheat Demand as Traditional Exporters Rebuild Stocks



Russia and Ukraine are capturing the growth in world wheat demand this year as both countries are projected to export record quantities. Although most major exporters (except Argentina) have ample exportable supplies, Russia and Ukraine's comparative freight advantages, combined with very aggressive pricing, have enabled them to expand in areas usually dominated by other suppliers. Reduced exportable supplies from Kazakhstan, which normally compete for Black Sea port facilities, has also enhanced Russia and Ukraine's shipping flexibility and competitiveness. Russia has already exported significant quantities to the Middle East, as well as expanding its market share in Egypt. Ukraine has exported significant quantities of feed-quality wheat to the EU and Israel, and as far away as the Philippines and South Korea.

Meanwhile, ending stocks for Australia, EU, Canada and the United States are expected to jump by 20 million tons or 60 percent from last year's extraordinarily low levels. Those projected larger stocks will thus provide a buffer to potential crop shortfalls and help moderate world wheat prices.































































































































