

Special international report:

# Totting up the Russian harvest

*Matrix's Colin Hinchley puts yield figures to this year's Russian harvest which, in the case of grain, are up – and appreciably so. He also outlines how his company and the regional administrations are looking at ways of working together in the future*

**T**here's nowt like a good spring to set the scene for a healthy harvest. And that has certainly proved to be the case this year in Russia, where final grain yields show a marked improvement on recent seasons.

The Russian grain crop is due to be confirmed at 65m tonnes from the 46m hectares planted this year, an increase of around 25% on last year's yields. But to put this in perspective, domestic consumption remains at around 70m tonnes, thus still leaving a deficit of around 5m tonnes that must be shipped in, probably from Kazakhstan.

Breaking the figures down further, wheat accounts for around 30m tonnes of the grains' production, this being 7.2m tonnes up on last year. About 57% of the 2000 crop has been classed as bread making



*Modern equipment is finding its way into Russia, but support networks are still far from being properly established across the country.*

quality, up from 54% in 1999. Indeed, as it turned out, the wheat harvest progressed relatively smoothly, with initial concerns over the lack of suitable harvesting machinery fading because of largely favourable cutting conditions.



*The man himself, Lenin, keeps an eye on the agricultural progress of Colin Hinchley and Matrix director Richard Willows.*

**Despite the reasonable 2000 harvest, the winter wheat plantings for next year** are expected to be 14.6m hectares, down a further 1.8m hectares on the 1999/2000 plantings of 16.4m hectares. Sadly, this merely reflects the continuing downward



*Sugar beet is topped prior to lifting. The tops are used for animal fodder.*

trend of investment in Russian agriculture.

Switching to the likely yields from this year's sunflower crop, best estimates are that there will be a dramatic reduction on last year's returns. The production levels of 4.15m tonnes achieved in 1999 are expected to fall to 3.35m tonnes this year. This is mainly due to the reduction in planted area from 5.58m hectares to 4.38m hectares, these lower plantings a direct result of the fall in world vegetable oil prices as well as export duties levied within Russia.

**This year's sugar beet harvest is well under way throughout Russia,** and the predictions are for an estimated crop of around 14m tonnes. Last year's crop of 15.2m tonnes is unlikely to be matched, largely due to the reduced area planted of 811,000 hectares; yields per hectare, however, are expected to rise slightly. By early September

the average weight of beet was 368gm against 361gm for the same time last year.

**It's not all good beet news, though.**

The Union of Russian Sugar Producers (Soyuzrossakhar) claims that as much as 43% of this year's production may be lost due to very poor harvesting and transportation equipment. Limited amounts of harvesting equipment are being supplied from Ukraine manufacturers, but scope exists for more home-produced or imported equipment – and in considerable volumes.

So, despite a better grain harvest, Russian agriculture is still in a far from healthy condition. Nowhere is this better reflected than in the amount of cultivated Russian farmland, which has fallen to 46.6m hectares from a high of 73m hectares. There is clear scope and need for a more radical approach. With state financial support very slow to have any impact on the development of Russian agriculture, regional administrations and farm leaders are now looking for more radical and constructive support from finance, machinery and input suppliers.

Russian manufacturers and suppliers clearly do not have the resources to supply machines and crop inputs on deferred credit terms, so this has to come from the financial institutions and western companies with a real interest in developing these markets. Sound familiar? We have all heard of western companies claiming progress with the development of agricultural sales and service companies, but this has yet to have had an impact.

A longer term approach is needed. To begin to have any impact on the restructuring of Russian agriculture, more emphasis has to be placed on the development of regional structures that can support sustained growth rather than the sporadic

placement of machinery and input supplies that have occurred to date. Suppliers have to give seasonal credit to allow operators the opportunity to begin the process of returning to higher agricultural production. Matrix, for example, is working very closely with one regional administration to develop an investment programme that should provide sustainable growth for the investor, local agriculture and other supporting local businesses.

The project itself involves providing the management skills to increase the levels of production. This, in turn, generates the funds to finance the necessary mechanisation and inputs. It's not as if the natural assets of land, labour and administrative support aren't already there. And the demand for the finished product is also clearly high.

Under the project, areas of land will be made available from the regional administration for foreign investors to lease on a secure basis through Matrix, which will also supply all the necessary support required for a foreign investor to operate in Russia. Marketing of the produce and payment to the suppliers will be of key importance, a service also provided by Matrix.

**We have high hopes for this project.** After all, all of the main ingredients needed for the successful redevelopment of Russian agriculture, are there: The full involvement and support of the regional administration; the inclusion of local people and resources; the opportunity for the safe participation of foreign investment; and the opportunity for manufacturers and suppliers to develop a real platform for sustainable product sales and partnerships.

For more information contact [colin@matrixcoltd.demon.co.uk](mailto:colin@matrixcoltd.demon.co.uk)

*The key to Russian success is getting the crops in before temperatures fall. That means operating high-output kit such as this Cat Challenger and Väderstad Rapid drill.*



*Maize cob cleaning and storing for winter use.*

