

Russia to slash grain harvest

Because of the catastrophic drought and wildfires

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MOSCOW: A catastrophic drought and wildfires that have hit much of Russia this summer may slash its grain harvest by more than a third against last year.

Prime Minister Vladimir Putin said Russia is likely to harvest 60 to 65 million tonnes of grain this year, compared with 97 million in 2009. Independent experts say the shortfall may be even more dramatic, as wildfires aggravated the drought.

"Wildfires have affected 40 per cent of the country's territory, not 10 percent as authorities reported," said Sergei Shugayev, head of "Rural Russia," an non-government organisation. "Therefore we will harvest a maximum 50 million tonnes."

A bad harvest may force the government to extend its ban on grain exports that Mr. Putin decreed from August 15 till the end of the year.

"It may not be worth counting on a quick removal of the export ban," Mr. Putin told a Cabinet meeting.

Last year, Russia exported 21.4 million tonnes of grain, which placed it among the world's leading wheat exporters.



SAVING AS MUCH AS POSSIBLE: Grain combine harvesters reap amid heavy smog in a field outside Yurkino, near Moscow on Tuesday. – PHOTO: REUTERS

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Though Russia consumes 78 million tonnes of wheat a year, Mr. Putin promised the country would not face shortages thanks to 21 million tonnes of grain left over from last year's record harvest.

However, Russia may face further grain problems next year because farmers in many regions cannot start sowing

winter crops due to continuing drought.

State of emergency

A state of emergency has been declared in a third of Russian regions, as drought has destroyed crops on 10.7 million hectares of the total sown 48 million hectares.

Experts fear a massive slaughter of cattle by small-

scale farmers, who account for half of Russia's cattle herd of 10 million head.

An all-time record heat wave in Russia that has triggered the worst drought in decades and destructive forest fires may cost the country 1 per cent of its GDP, or \$15 billion, in immediate losses, analysts at HSBC Bank Russia estimated.