



The Cambridge Security Initiative

NATIONAL INTEREST, DROUGHT DRIVING RUSSIAN GRAIN SALES

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Pandemic-driven stockpiling worldwide led Russian grain hauliers to hit second-quarter export quotas by [late April, 2020](#). Moscow announced restrictions on further exports, except to Eurasian Economic Union states, ending on 30 June. The announcement's context and timing suggest that geopolitics and drought drove the decision, positioning Russia in volatile times to advance key national interests outlined in the [2020 Food Security Doctrine](#).

As a [top grain exporter](#), Russia has long seen influence over global markets as a key interest, trying for years to create a “[grain OPEC](#)” to control prices – most recently in [autumn 2019](#), as Ukraine again topped export rankings. The restrictions on wheat, barley, corn, rye, soybean and sunflower will not actually affect [forecast exports](#) this year since Russian shippers would honour previous orders. The aims were to stabilise domestic prices and supplies, and shield Russia from external shocks. But Moscow's announcement undermines [global efforts](#) to reassure markets and consumers, despite [appeals](#) from multiple international organizations for food-supply stability.

Russia has destabilised grain markets through export restrictions before, most recently following a drought in 2010, which [contributed indirectly](#) to the Arab Spring. Now again, Russia's south (including the Black Sea region through which most grain exports flow) has [faced months of drought](#). Together with COVID-19's impact on Russia—it has the [third-highest](#) total of confirmed cases, with the spread expected to accelerate [from May on](#)—lower crop yields are likely this summer.

OUTLOOK

Pandemic quarantine measures have started affecting grain flows, with [South American](#) and [European](#) grain exporters having already faced COVID-19-related disruptions. Black Sea rail and port facilities are a logistical chokepoint for Russian grain exports. If similar stoppages happen there, either because of quarantine measures or simply due to [labour disputes or transport route obstructions](#), for example, shipments could be on hold well into the summer.

High demand, a weak rouble, and vast government strategic reserves continue to make Russian grain exports [appealing to global markets](#). However, the drought in Russia and Ukraine is driving prices up; if it continues it will likely lead to panic stockpiling by international bulk buyers, leading in turn to [shortages](#), particularly in [Southeast Asia, the Middle East and North Africa](#).

The outlook will depend on pandemic containment successes and upcoming global crop yields. The extent to which those yields will come from Russia will directly impact how much say it will have in markets mid-pandemic. If Russian yields still exceed expectations amid an overall global slump, expect the country to move quickly to corner more market share.