
Cost of bread may rise to 50 qepicks (over 50 cents) in Azerbaijan

Today.Az - 19/4/2008

If the government takes correct steps, there will be no problems with supply of grain to the population in Azerbaijan.

The due announcement was made by MP Vahid Ahmedov, member of the permanent parliamentary commission on economic policy, commenting on Kazakhstan's application of a four months ban on grain import to protect local consumers from global grain deficit. According to him, the restrictions, applied by Kazakhstan, may influence grain supply of our country.

"The Ministry of Agriculture assures that grain reserves are sufficient for meeting the demand, nevertheless, the situation on the global market is too complicated, in particular, the European countries face problems in this area". He said anyway Azerbaijan has no problems with finances, therefore, it may import grain from any region of the world grain market. But according to him it is necessary to pay more attention to agriculture, invest into development and expansion of strategic production in the future. "We are raising this issue for the second year, yet we feel no due attention to the problem of agricultural development.

Sayad Verdiyev, entrepreneur and leader of the Head Department of Union of Agricultural Farms, considers that entrepreneurs, engaged in grain business, expect rise in the cost of grain.

"The most important which is expected is the further rise in the cost of bread up to 40-50 qepicks for a loaf". He said along with restrictions applied by Karabakh, Russia also restricts export of production, therefore, it is difficult to imagine possible results of such state.

It should be noted that Kazakhstan is the fifth larger grain exporter on the global market, which produces nearly 20,000,000 tons of grain per year. The main part of production is exported to the world market. By official data, Azerbaijan imported nearly 250,000 tons of mostly Russian grain in January-March of this year.

A week ago Prime Minister of Kazakhstan Karim Makhimov stated possible restriction or ban of grain export. He instructed the government to consider possible application of export tariffs on grain and prepare due proposals by the end of the week. In March of this year Kazakhstan, being one of the biggest grain exporters to Azerbaijan, considered possible application of export tariffs. The prices on worlds markets have already risen by 25% after the official information about Kazakhstan's intention.

However, official circles of Azerbaijan consider that the restrictions will not influence grain supply of the internal market of Azerbaijan. According to the Ministry of Agriculture, even in case of restriction of Kazakh grain import to Azerbaijan the country will not face problems with meeting internal demands for this strategic product, as last year the country produced over 2,000,000 tons of grain on the whole existing area of over 739,000 hectares. On the whole, the grain productivity has risen by 0.6 centner per a hectare and reached 27.1 centners per hectare from two years ago. At the same time, greater part of grain production fell on wheat production, making up 1,321,000 tons which is 64.4% of grain production.

Moreover, allocation of additional subsidies to grain producers in the

amount of AZN 40 per each hectare also had a positive influence. The wheat sown area expanded by 114,000 hectares and exceeded 600,000 hectares last year. The sown area of barley and other autumn cultures expanded by 134,000 hectares last year.

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