

Early harvesting temporary boosted agricultural value added growth



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- According to the Derzhkomstat, during January-June, 2007 the real GDP growth did not change and was reported at 7.9% yoy. The key feature of the growth in June is a rapid acceleration in the growth of agricultural value added, which occurred after a slowdown in this sector that lasted several months. During January-June, 2007 the growth in agriculture was 5.7% yoy, compared to 2.3% yoy in the first five months of this year.

The major reason is the early harvesting of cereals due to a draught earlier this spring. According to the Ministry of Agrarian Policy, last year cereals harvesting started on the 27 of June and 88 thousand tons of cereal crops were harvested by the 29 of June. This year harvesting season started much earlier and 3300 thousand tons of cereals were harvested by the 3 of July, which is dozens of times more than during the same period last year.

However, according to marker players the grain crop this year will be much lower than last year. Thus, it is expected that this acceleration in agricultural value added growth would soon cease to exist.