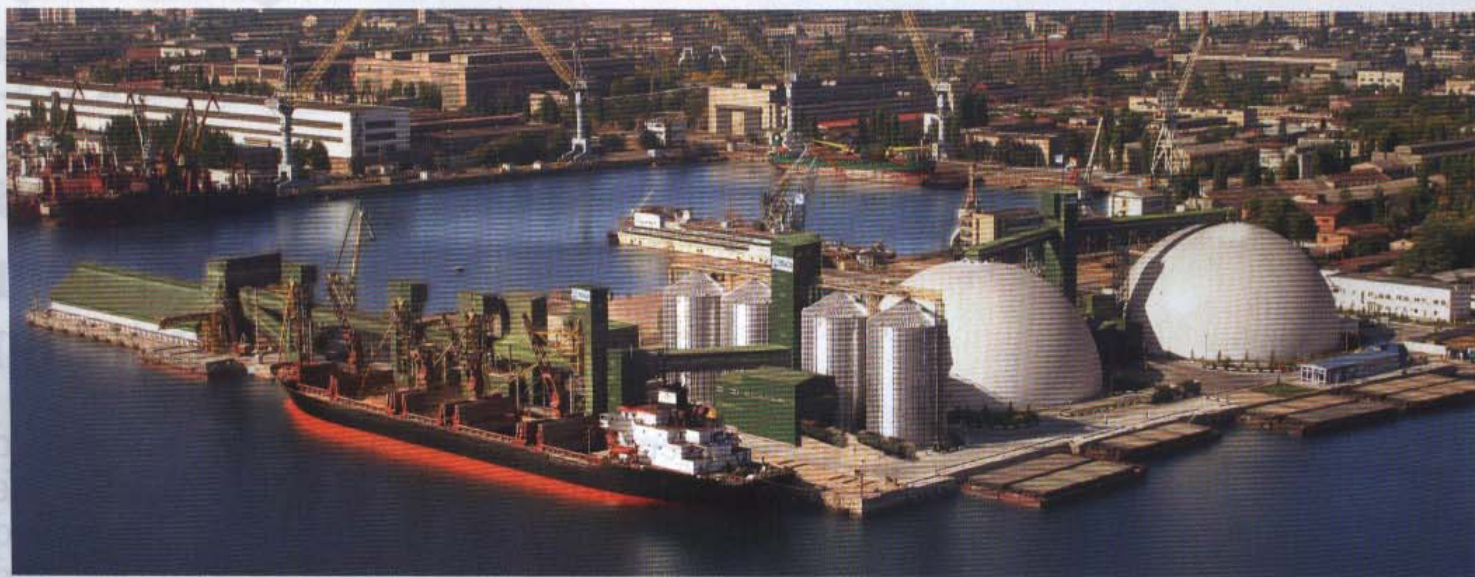


## News review

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# Ukraine facing shortage of grain storage facilities



An aerial view on Nibulon Ltd's grain export complex at Port of Nikolaev, Ukraine. Photo courtesy of Nibulon.

KIEV, UKRAINE — Local media reported Aug. 14 that a lack of storage space in Ukrainian grain silos has limited the country's 2008 grain purchases.

Ukrainian grain silos can reportedly store approximately 30 million tonnes of grains and oilseeds, but the forecast for the 2008 crop, together with remaining stocks from last year, is expected to reach up to 60 million tonnes. Farms in the Ukraine have harvested around 39 million tonnes of grain crop this year, while elevators reportedly

have stocks of at least 5 million tonnes from the 2007 harvest.

Grain elevators are reportedly declining early grain purchases to save space for late grain and oilseed harvests.

Premier Yulia Tymoshenko recently decided to simplify the process for approving land for grain silo construction. "For enterprises intending to construct elevators in the country (of any ownership form — state, cooperative, private) all land allocation procedures shall be simplified," she said.

"And interests on credits taken for constructing elevators shall be fully covered by the budget. In other words, we would like to interest as many enterprises as possible to construct elevators so that to double the country's elevator capacities for receiving grain." Tymoshenko said the government must prepare for even larger crops than the one harvested this year.

Grain analysts have said that poor storage conditions may reduce grain quality if farmers can't clean and dry grain properly.

## Cargill net earnings climb 55% in fiscal 2008

MINNEAPOLIS, MINNESOTA, U.S. — Net earnings for Cargill for the fiscal year ended May 31 were \$3.64 billion, up 55% from \$2.34 billion during the previous year. After factoring in a \$310 million gain on the sale of discontinued operations during the fourth quarter, full-year earnings totaled \$3.95 billion. Revenue for the year increased 36% to \$120.4 billion, while cash flow from operations rose 77% to \$7 billion.

"Cargill posted a record financial performance in a year of exceptionally strong commodity demand, market turbulence and price risk," said Greg Page, chairman and chief executive officer. "By bringing to bear our business diversity,



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the full capacity of our global assets, strong risk management and a significant increase in capital deployed, we operated successfully in the most volatile agricultural energy markets in decades. Despite tight stocks of many agricultural commodities, we maintained reliable supply chains for our customers and created value-adding solutions."

For the fourth quarter ended May 31, net earnings were up 18% to \$744 million from \$628 million during the same period last year. The company said the improvement was led by the origination and processing segment and the industrial segment, both of which were up substantially from the same period a year ago. Earnings in agriculture services, food ingredients and applications, and risk management, meanwhile, were down from the same period a year ago.