



By: *Tomorrow's Affairs Staff*

# The Black Sea grain deal is at a crossroads - a dangerous compliance with Russian blackmail



The clock has been rapidly ticking towards the expiry of the current two-month extension of the Black Sea grain deal, thus triggering potential for a new round of blackmail from Russia, blocking grain exports and causing a new food crisis.

There are no tangible indications that the duration of the agreement on the unblocking of grain exports via the Black Sea will be extended after its expiry on July 17.

However, there is every possibility that Russia will reemphasise the conditions and deploy blackmail for the extension of the agreement, similar to the way it acted last year.

Moscow officials did not announce whether they would accept the agreement extension after July 17, but their demands for conditions will mark the coming days.

Russia is holding on to this agreement, reached last July, with the mediation of the UN and Turkey, as one of the few, if not the only, remaining mechanisms which it can use to impose conditions on the international community.

Russian attempts to turn energy sources - gas and oil - into weapons of influence failed last year because Europe freed itself from dependence on Russian energy sources through savings and diversification of their supply.

## Russia seeks constant tension over grain exports

The export blockade of Ukrainian grain using the Black Sea remains the only issue on which Moscow expects concessions for its military campaign against Ukraine, and considers it

crucial.

Every previous extension of the Black Sea grain deal has been accompanied by significant tensions from Moscow.

Last May, the validity period was reduced from three months to two at Russia's request, which revealed its tendency to make the arrangement as temporary and unstable as possible, with a constant threat of its cancellation.

A major food crisis, which significantly affected African and Asian countries, was remedied by opening the Black Sea ports for grain exports.

Throughout the duration of the agreement, in a little less than a year, about 32 million tonnes of grain have been loaded in nearly a thousand ships and delivered.

However, the next two weeks will again be a period of Russia's imposing conditions. The Russians hinted at this at the beginning of June, when they announced that a new extension of the deal's validity was excluded under the current conditions.

"It is impossible to update this deal, and under these conditions, I believe, it is also impossible to extend it because the limit of our patience and desire to implement it has been exhausted", said Valentina Matviyenko, speaker of the upper house of the Russian parliament, on that occasion.

## A crack in financial sanctions

Although Western sanctions do not cover grain and fertiliser shipments, Russia has been persistently demanding more. It has

demanding easing and lifting of sanctions on financial operations and logistics necessary for the export of agricultural products.

It is, in fact, blackmail that would cause cracks in the Western sanctions regime because Moscow thinks that after this win, they could ask for new concessions and create new cracks.

Moscow must be encouraged by unofficial reports that the EU has been considering the possibility of lifting sanctions on the Russian agriculture bank to enable it to make international payments.

It is part of the Russian conditions presented at the negotiations in the UN. Russia proposed that this large bank establish a subsidiary, which would be allowed to return to the international payment system SWIFT, from which all large Russian banks have been excluded.

This is an attempt to open the door to Russia's gradual release from hard line international sanctions, which have shut its economy out of the global financial system.

Meeting this request of Moscow would automatically mean the emergence of new ones, and the goal would be the same.

The Russian agriculture bank is a direct instrument of the Kremlin's influence, since it is state-owned.

The former chairman of its board is Dmitry Patrushev, son of Nikolai Patrushev, Vladimir Putin's closest associate, and head of the National Security Council.

Easing the sanctions on this bank, which is less of a financial entity and more of an instrument

for financing Russian aggression against Ukraine, would be a day for celebration in the Kremlin and a powerful boost to its faltering propaganda campaign.

Ukraine has announced it would react "strongly" if the EU gives in to Moscow's demands.

"We should not make any concessions to Russia in order to preserve the grain corridor", said Dmytro Kuleba, head of Ukrainian diplomacy.

## The danger of failure of this year's harvest

The July deadline for the Black Sea grain deal extension is more significant than the previous ones because it would directly affect the start of this year's grain harvest in Ukraine.

If there is no agreement extension, thanks to Russia, when this year's Ukrainian harvest starts, it could soon fail.

It would instantly create a new food crisis, affecting millions of people.

Under the constant impositions of export controls, the accumulation of stocks and the destruction of almost 15% of Ukraine's storage capacity, such a dark scenario is one step closer to becoming a reality.

This gives Moscow even greater blackmail capacity ahead of the deadline for the grain deal renewal, and it would use it without hesitation.

The forthcoming two weeks will be the first

major diplomatic challenge for the new head of Turkish diplomacy, Hakan Fidan, who recognised this and has already discussed the Black Sea grain deal with UN Secretary-General António Guterres last week.

Turkey and the UN led to the conclusion of the agreement a year ago, and have been its influential patrons all along, but their involvement in the coming weeks will be more demanding than before.

Blackmail from Russia is thus expected, more so than before, because the stakes for Moscow are increasing over time, and its scope for imposing conditions is getting smaller.

All that is definite is that yielding to Moscow's demands would only mean ushering in a new series of conditions and complying with threats to cause a new global food crisis.