THREE ESSAYS ON BLACK SEA GRAIN MARKETS

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ABSTRACT

Russia and Ukraine (often referred to as the Black Sea region) have recently emerged as major world grain exporters. Just in the 2011/12 marketing year, according to the USDA (2013) they were among the top ten global suppliers of wheat (27 mln. tons), of corn (17.2 mln. tons), and of barley (5.8 mln. tons). The conquest of the world markets, however, did not come with a similar openness in the approach of the Ukrainian and Russian governments to policy implementation. Until recently it has still been rather dominated by frequent and rather ad hoc policy interventions in the grain markets and especially export markets.

The purpose of this dissertation is to analyze the efficiency of Black Sea grain markets within the framework of price transmission models. The first essay investigates the magnitude and speed of horizontal price transmission of the Black Sea wheat and Ukrainian barley markets with world grain markets. The second essay investigates short- and long-run price transmission characteristics between world wheat prices and Ukrainian domestic wheat prices at both producer and consumer levels. The third essay uses the dynamic conditional correlation GARCH model to analyze the dynamics of wheat price volatility in the Ukrainian domestic market.