

Grain and processed products market

Key influencers

- According to the Ministry of Agrarian Policy, as of October 7, 2021, 49.4 million tons of grain were harvested in Ukraine from 11.2 million hectares with an average yield of 44.1 centners/ha. In particular, 32.3 million tons of wheat, 9.6 million tons of barley and 576 thousand tons of peas were threshed. The harvest of buckwheat continues: 86.4 thousand tons were threshed with the average yield of 13.2 c/ha. 160.2 thousand tons of millet were threshed with an average yield of 23.2 c/ha. Also, 4.17 million tons of corn were harvested from 14.4% of the harvested area with a yield of 53 c/ha;
- According to the State Customs Service, as of October 8, 15.375 million tons of grains and legumes were exported from Ukraine since the beginning of 2021/22 MY, which is 2.36 million tons more than on the same date last season. Wheat supplies amounted to 9.737 million tons (+601 thousand tons), barley - 3.912 million tons (+854 thousand tons), rye - 50.8 thousand tons (+49.1 thousand tons), corn - 1.498 million tons (+724 thousand tons). In addition, 37.5 thousand tons of grain flour (including 37.1 thousand tons of wheat) were exported abroad, which is 14.8 thousand tons less than the corresponding figure for the previous season;
- According to operational data, as of October 4, 3.5 million hectares were sown with winter crops in Ukraine, which is 44% of the forecast. The bulk of the area was sown with wheat - 3.1 million hectares (45.9% of the forecast), 252.2 thousand hectares (24.7%) were sown with winter barley, 105.7 thousand hectares - with winter rye (65/8%);
- According to the Ukrainian Grain Association, a record wheat harvest in 2021/22 MY in the amount of 33.1 million tons will allow exporting 26 million tons of grain without any threat to the country's food security;
- The duty on the export of wheat from Russia from October 13 to 19 will increase to 58.7 \$/ton against 57.8 \$/ton a week earlier, the Ministry of Agriculture of the Russian Federation reported. The export duty on barley will increase from 43.1 to 49.4 \$/ton, the corn duty will increase from 45.2 to 47.2 \$/ton;
- Torrential rains in France have hindered the pace of maize harvesting, according to FranceAgriMer. As of October 4, grain was threshed only by 7% of the planned area (+ 5% per week), while a year earlier this figure reached 47%;
- Export sales of US wheat in the last week of September totaled 333,2 thousand tons, the USDA said, down 19% from the four-week average. Wheat sales in the three months since the beginning of the season reached 11.4 million tons, which is 21% less than in the same period last season. Weekly corn sales jump to 1.3 million tons;
- The Egyptian GASC announced the purchase of 180 thousand tons of Russian and 60 thousand tons of Romanian wheat at a tender on October 6, with delivery in the period of November 11-20, 2021. The purchase price, according to traders, amounted to 350.47 \$/ton C&F Romanian and 351.99 \$/ton C&F Russian grain. Ukrainian wheat at the tender was expensive (321.35 \$/t FOB). At the previous tender on September 8, GASC purchased 300 thousand tons of Ukrainian and Russian wheat at an average price of \$344.93 \$/tons C&F;
- Trade Corporation of Pakistan has announced a tender for the import of 90 thousand tons of wheat. According to the terms of the tender, grain supplies should be carried out in January 2022. The closing of the tender is scheduled for October 13.

Dynamics of international markets

Last week the global wheat and corn markets stopped moving in a single price trend and diverged depending on the conjuncture of specific regional trading floors.

On the eve of the release of the October USDA report, which is due to be published tomorrow, October 12, December wheat and corn futures on the Chicago Stock Exchange fell in value for the week. The prices for both grains also decreased on the US spot market. Although at the same time, experts expect a further reduction in wheat stocks at the end of the season and the volume of US grain exports. On the other hand, in Europe and specifically in the Black Sea region, prices for both wheat and corn increased, including due to a decrease by the Ministry of Agriculture of the Russian Federation in forecasts for the export of Russian wheat, as well as delays in harvesting corn on the continent.

In particular, on CBOT for December futures on soft red wheat, the price of which was 277.93 \$/ton last Monday, October 4, on the last working day of the week fell to 269.70 \$/ton. On EURONEXT in Paris, the price of the December wheat contract during the week, on the contrary, increased from 265.25 €/ton on Monday to 269 €/ton on Friday.

Prices for Ukrainian grain in Black Sea ports on FOB terms

Product	FOB Price Black Sea, USD / t (demand)		FOB Price Black Sea, USD / t (offer)	
	min	max	min	max
Wheat 12.5% pr.	306	312	310	312
Wheat 11.5% pr.	302	307	306	310
Feed wheat	290	294	292	295
Barley	260	267	265	268
Corn	266	274	272	277

Export prices for the main products of wheat processing in Ukraine

Product	min	max	avr	Δ,%
Flour, EC, FCA	242	245	242	0.0%
Wheat bran, FOB	136	140	138	0.0%

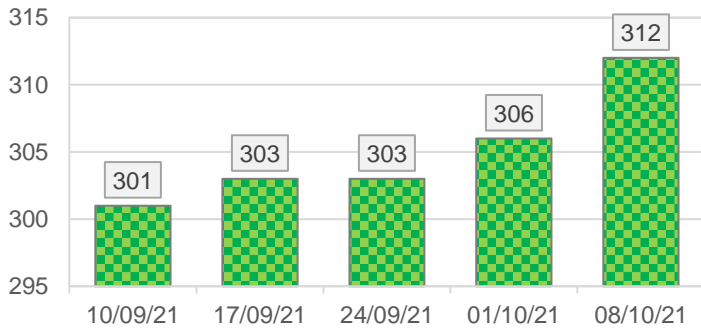
Also, the December corn futures at CBOT last week fell from 212.82 \$/ton Monday to 208.81 \$/ton the last working day of the week. On EURONEXT the price of corn contracts with the execution in November, which on 4 October was 237.25 €/ton, on Friday, 8 October, rose to 250 €/ton.

Prices for Ukrainian flour and wheat bran				
Product	USD / t (demand)		USD / t (offer)	
	min	max	min	max
Flour, EC, FCA	240	243	242	245
Wheat bran, FOB	135	138	136	140

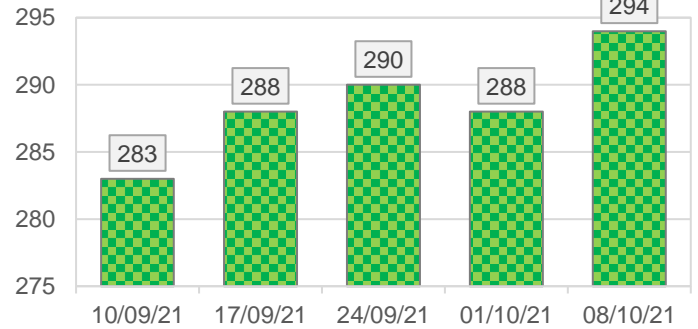
Grain contract prices in the main ports of exporting countries, delivery period November 2021/January 2022

Cereal	min	max	avr	Δ,%
Price FOB USD / t				
Wheat 12.5% protein, Ukraine Black Sea	310	313	312	2.0%
Wheat 11.5% protein, Ukraine Black Sea	304	307	306	1.0%
Wheat feed, Ukraine Black Sea	290	297	294	1.9%
Wheat HRW 11% protein, USA NOLA	332	335	334	-4.2%
Wheat SRW, USA NOLA	314	317	316	-2.8%
Wheat Superior, France Rouen	320	322	321	1.6%
Wheat 12.5% protein, Romania Constanța	312	315	314	1.5%
Wheat 12.5% protein, Russia Black Sea	314	317	316	1.6%
Barley, Ukraine Black Sea	263	266	265	0.8%
Barley, France Rouen	289	291	290	1.8%
Corn, Ukraine Black Sea	274	277	276	2.4%
Corn, USA NOLA	266	270	268	-4.3%
Corn, France Rouen	287	290	289	1.9%
Corn, Romania Constanța	272	276	274	3.4%
Corn, Russia Black Sea	270	274	272	2.4%

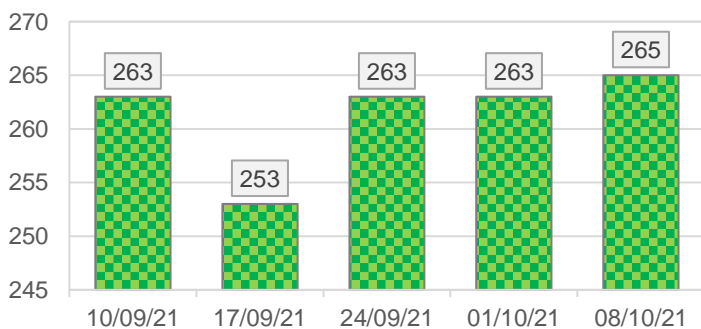
Average price dynamics, \$/t. Wheat 12,5% protein, Ukraine FOB Black Sea



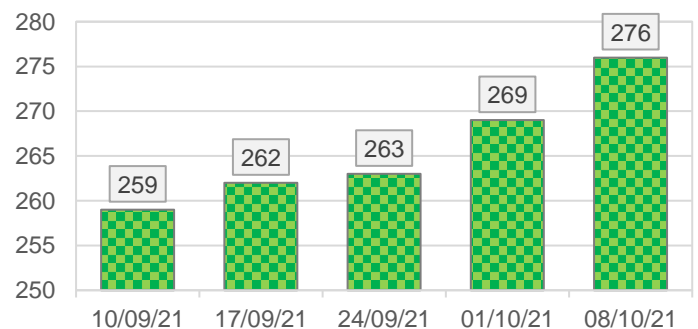
Average price dynamics, \$/t. Feed wheat, Ukraine FOB Black Sea



Average price dynamics, \$/t. Barley, Ukraine FOB Black Sea



Average price dynamics, \$/t. Corn, Ukraine FOB Black Sea



Market dynamics of the main grain crops

Last week, domestic prices for major grain crops in Ukraine continued to grow, in line with both export prices and other factors not only in grain, but also in adjacent markets.

Thus, according to the monitoring data of “ProAgro Group”, the demand prices of traders and exporters for food wheat increased by an average of 50 UAH/ton on the basis of elevators and up to 100 UAH/ton in ports. At the same time, feed grain at EXW remained at the same price, although on the basis of CPT-port it, though slightly, but also rose in price - by an average of 25 UAH/ton. In the export direction, wheat at FOB/Black Sea ports during the week has risen in price by an average of 6 \$/ton, regardless of the protein content. High prices for Ukrainian grain did not allow it to win at the last Egyptian tender, where Romanian and Russian wheat turned out to be cheaper. However, supply prices continue to rise, including due to the increase in sowing costs, in particular, the rise in prices for fertilizers.

Corn rose in price at an accelerated pace last week. On the basis of primary elevators, it added 50 UAH/t, but in ports its price increased by only an average of 200 UAH/t. On FOB, the supply of corn for the week added 5-8 \$/ton. The main reason for the rise in price is the limited supply due to the slow progress of the new harvest. Farmers do not want to speed up the harvest yet, since the grain from the field is still wet, and drying in elevators has almost doubled in price due to the increase in the cost of gas. Therefore, producers are waiting for the corn to dry out at least a little more in the field.

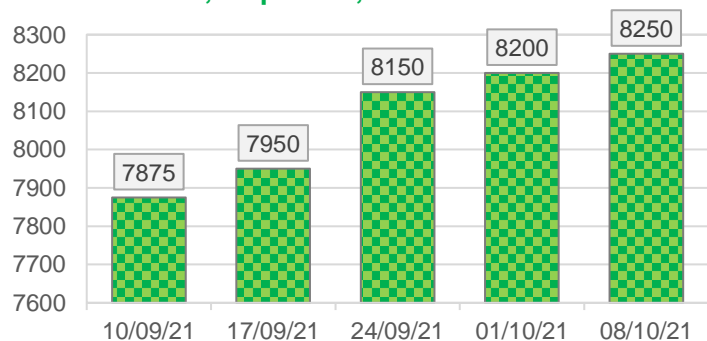
Also, an average of 50 UAH/t last week at elevators and ports increased prices for barley. At the same time, domestic processors increased purchase prices for barley, as well as for food wheat and corn, by 100 UAH/t. Least of all - by 50 UAH/ton- on the basis of processors increased in price for feed wheat.

But last week prices for wheat processed products - flour and bran, which rose in late September, remained unchanged. Therefore, the processors have now enabled consumers to adapt to the new price level.

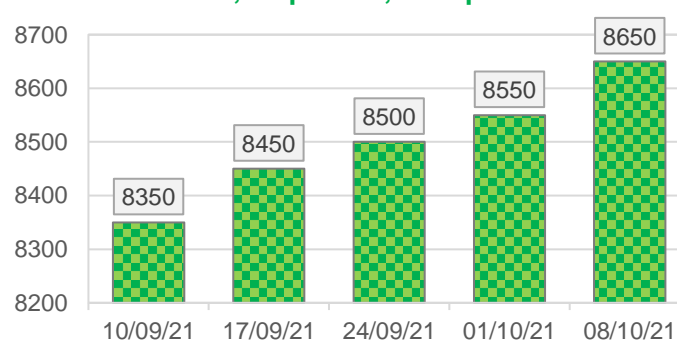
Purchase prices for key grain crops				
Cereal	min	max	avr	Δ,%
EXW price demand, UAH/ton				
Wheat 12.5%	7950	8500	8250	0.6%
Wheat 11.5%	7900	8450	8200	0.6%
Feed wheat	7550	7950	7750	0.0%
Corn	6800	7450	7150	0.7%
Barley	6450	7200	6800	0.7%
CPT-enterprise price, UAH/ton				
Wheat 12.5%	7950	8350	8200	1.2%
Wheat 11.5%	7900	8300	8150	1.2%
Feed wheat	7500	7900	7700	0.7%
Corn	7100	7550	7300	1.4%
Barley	6700	7200	6900	1.5%
CPT port price, UAH/ton				
Wheat 12.5%	8300	8850	8650	1.2%
Wheat 11.5%	8250	8800	8600	1.2%
Feed wheat	7950	8350	8025	0.3%
Corn	7300	7800	7650	2.7%
Barley	7million	7650	7300	0.7%

Prices for key wheat processing products				
Product	min	max	avr	Δ,%
EXW price demand, UAH/ton				
Flour, extra class	10600	11200	11050	0.0%
Flour, first class	10300	10900	10800	0.0%
Wheat bran	5200	5800	5400	0.0%
EXW offer price, UAH/ton				
Flour, extra class	10700	11,600	11100	0.0%
Flour, first class	10400	11300	10850	0.0%
Wheat bran	5300	6million	5500	0.0%

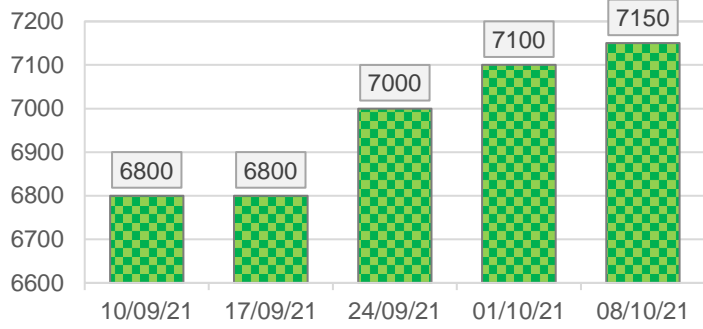
Average price dynamics, UAH/t. Wheat 12,5% protein, EXW demand



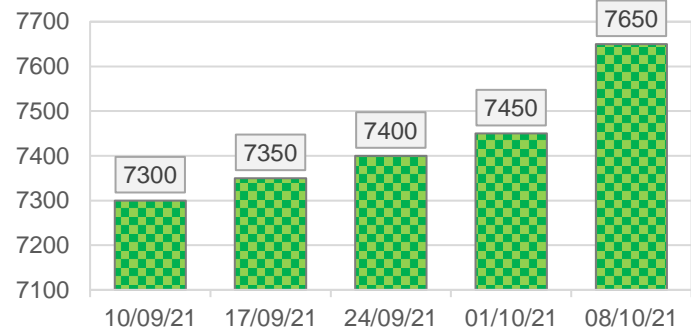
Average price dynamics, UAH/t. Wheat 12,5% protein, CPT-port



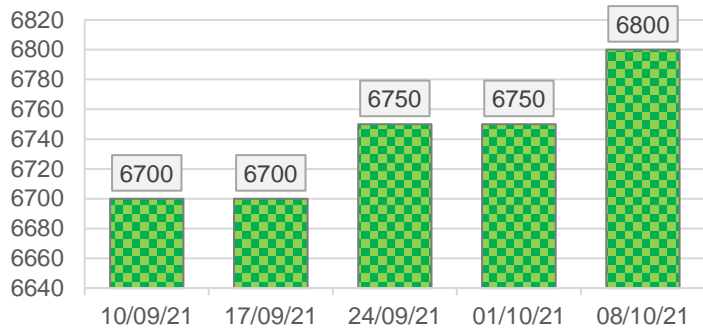
**Average price dynamics, UAH/t.
Corn, EXW demand**



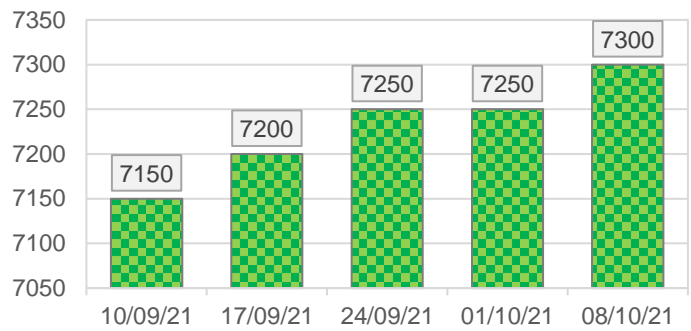
**Average price dynamics, UAH/t.
Corn, CPT-port**



**Average price dynamics, UAH/t.
Barley, EXW demand**



**Average price dynamics, UAH/t.
Barley, CPT-port**



Niche grain market dynamics

The past week on the market of niche crops was distinguished by complete calm - according to monitoring data from "ProAgro Group", prices for "small" grain remained unchanged for all commodity items that are included in our review.

On the one hand, the main attention of buyers is focused on the events in the market of the main grain crops, the constant rise in prices on which to a large extent "washes away" funds from both domestic consumers and importers.

On the other hand, rye, peas, millet, and sorghum have also risen significantly in recent years, which is why prices for them have stabilized so far to provide an opportunity for adaptation.

At the same time, with the subsequent upward trend in the market, prices for niche grain will also continue to rise in price, and this is only a matter of time, and, in our opinion, the near future.

Purchase prices for niche grain crops

Cereal	min	max	avr	Δ, %
EXW price demand, UAH/t				
rye	5000	5450	5100	0.0%
peas	8600	9200	9000	0.0%
oats	4900	5500	5350	0.0%
millet	6500	7200	6900	0.0%
sorghum	6400	7000	6850	0.0%
CPT-enterprise price, UAH/t				
rye	5400	5700	5600	0.0%
peas	8700	9300	9000	0.0%
oats	5850	6400	6000	0.0%
millet	6800	7500	7300	0.0%
sorghum	n / a	n / a	n / a	n / a
CPT port price, UAH/t				
rye	5500	5850	5800	0.0%
peas	9000	9850	9600	0.0%
oats	5900	6350	5950	0.0%
millet	6900	7400	7100	0.0%
sorghum	6900	7200	7100	0.0%

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