

Oilseeds and processed products market

Key influencing factors

- According to the Ukroliyaprom association, at the end of 2020/21 MY, the total production of vegetable oils in Ukraine reached 6.126 million tons, of which 5.8 million were sunflower oil, 0.21 million - soybean oil and 116 thousand - rapeseed oil. There were exported 5.613 million tons of vegetable oils, including sunflower oil - 5.277 million (\$5.713 billion in monetary terms);
- The USDA raised its forecast for soybean production in Brazil by 1 million tons. The forecast review is driven by the expansion of soybean acreage to 40.5 million hectares for the harvest of 2021/22 MY compared to 39 million hectares in 2020/21 MY. Brazil continues to expand planted areas due to high domestic prices for soybeans;
- According to the State Statistics Service, sunflower stocks in Ukraine as of October 1, 2021 amounted to 4.29 million tons, which is 30% or 1.81 million less than last year (6.1 million tons). Soybean stocks amounted to 640.4 thousand tons (-38% compared to last year - 1.03 million tons). Rapeseed stocks remained at the level of the previous year and amounted to 642.5 thousand tons (October 1, 2020 - 651.2 thousand tons);
- According to OilWorld experts, the processing volumes of canola in Canada in September 2021 increased significantly - to 778 thousand tons, which is 20% higher than the previous month (662 thousand tons) and only 1% less than the level of September the previous year. In September Canada increased the processing of soybeans to 134 thousand tons against 129 thousand tons in August, which corresponds to the figure of September the previous year.

Dynamics of international markets

The long-term upward trend in vegetable oil prices prompts importing countries to lower import duties in order to lower domestic food prices.

The government of India, one of the world's key importers of agro-industrial products, resorted to such measures. By the end of March 2022, the base duty on crude palm, soybean and sunflower oils will be reduced to zero, and the base duty on imports of refined oils will be reduced from 32.5% to 17.5%.

The Turkish government also lowered the import duty on unrefined sunflower oil to zero. Additionally, the country maintains a zero import duty on sunflower seeds.

It also became known last week that the Pakistani government announced a significant reduction in import duties on vegetable crops. According to Oil World experts, as a result of high taxes and duties on oil imports, Pakistan in July-September reduced the purchase of palm and soybean oil by 19% to 831 thousand tons.

On EURONEXT, the quotes of rapeseed futures with supply in November, as of October 29, 2021, reached 678.25 € / t (669.75 € / t as of October 22, 2021).

At CBOT, futures contracts for the supply of soybeans in November, as of October 29, 2021, stopped at a value of 12.36 ¢ / B (12.21 ¢ / B as of October 22, 2021).

Oilseed process in the main ports of the exporting countries

	new crop	min	max	avr	Δ, %
Price FOB, USD / t					
Soy, Ukraine Black Sea		555	570	563	0.0%
Soy, USA NOLA	497	495	498	497	0.3%
Soy, Argentina	486	548	552	550	3.2%
Soy, Brazil	481	513	517	515	0.2%
Sunflower, Ukraine Black Sea		690	705	698	4.5%
Rapeseed, Ukraine Black Sea		745	760	753	0.7%

Supply and demand prices for Ukrainian oilseeds in the Black Sea ports

Product	FOB Price Black Sea, USD / t (demand)		FOB Price Black Sea, USD / t (supply)	
	min	max	min	max
Sunflower	690	700	695	705
Soy	555	565	560	570
Rapeseed	745	755	750	760

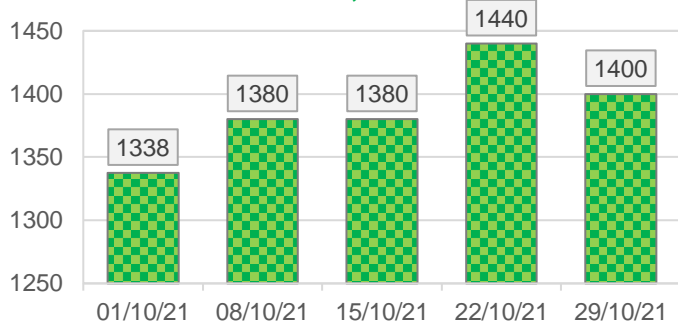
Supply and demand prices for Ukrainian oilseeds in the Black Sea ports

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1390	1405	1395	1410
Sunflower grist, FCA	275	285	280	290
Sunflower grist, DAP	255	265	260	270
Soybean oil, FCA	1290	1300	1295	1305
Soybean grist, FCA	470	480	475	485

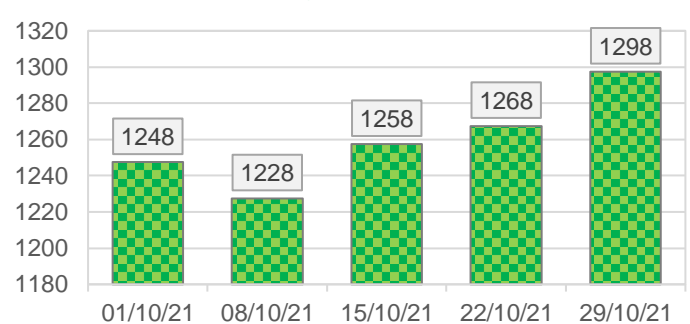
Prices for the main processed products in the ports of exporters

	new crop	min	max	avr	Δ,%
Price FOB, USD / t					
Sunflower oil, Ukraine FOB Black Sea		1390	1410	1400	-2.8%
Sunflower grist, Ukraine		275	290	283	0.0%
Sunflower oilcake, Ukraine DAP		255	270	263	0.0%
Soybean oil, Ukraine		1290	1305	1298	2.4%
Soybean grist I, Ukraine		470	485	478	-1.0%
Soybean grist, protein 48%, USA FOB NOLA	393	409	413	411	1.0%
Soybean grist, 47% protein, Argentina FOB	377	381	385	383	-1.8%
Soybean grist, protein 48%, Brazil FOB	375	379	383	381	-0.5%

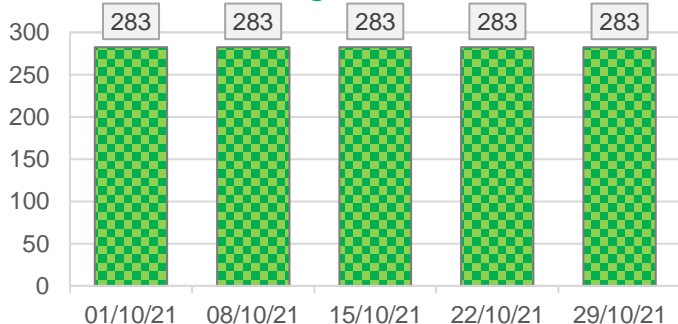
**Dynamics of average prices, \$ / t
Sunflower oil, Ukraine FOB**



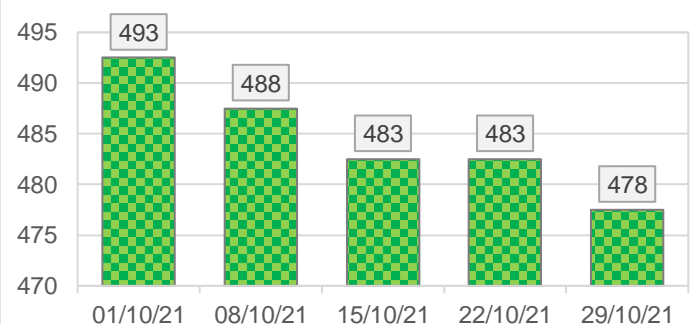
**Dynamics of average prices, \$ / t.
Soy oil, Ukraine FCA**



**Dynamics of average prices, \$ / t.
Sunflower grist, Ukraine FCA**



**Dynamics of average prices, \$ / t
Soy grist, Ukraine FCA**



Domestic market dynamics

According to our price monitoring data, during the reporting period, multidirectional price adjustments were recorded on the domestic markets for key oilseeds and their derivatives.

In the sunflower segment during the reporting week, prices decreased slightly. On the EXW basis, sunflower seeds were traded within the range of UAH 17,900-18,400 / t (-3.7%), while on CPT enterprise terms - UAH 18200-18500 / t (-3.7%).

The vegetable oil market is responding to changes in the highly volatile export prices of sunflower oil and positive indicators of the harvesting campaign.

Purchase prices for key oilseeds

	min	max	avr	Δ,%
Price EXW demand, UAH / t				
Sunflower	17900	18400	18150	-3.7%
Soy	15800	16200	16000	-2.4%
Rapeseed	20500	21000	20750	2.0%
Price CPT enterprise, UAH / t				
Sunflower	18200	18500	18350	-3.7%
Soy	16000	16400	16200	-3.0%
Rapeseed	20800	21300	21050	1.9%
Price CPT port, UAH / t				
Sunflower	18300	18800	18550	-3.6%
Soy	16300	16700	16500	-2.9%
Rapeseed	21000	21600	21300	1.9%

On export bases Ukrainian-made sunflower oil holds high positions, however, prices slipped somewhat last week, imitating the movement of oil prices. On FOB terms in the Black Sea ports, such products were traded at the end of the week in the range of 1390-1410 \$ / t (-2.8%).

Soybean prices on the domestic market also remained high, at the same time showing negative adjustments for the reporting week. On an EXW basis, soybeans were traded in the range of UAH 15800-16200 / t. On the terms of the CPT port they took the price range of UAH 16300-16700 / t.

In the rapeseed segment, prices also remained high last week. So, on FOB terms, they fluctuated in the range of \$ 745-760 / t. Prices on the domestic market also remain high.

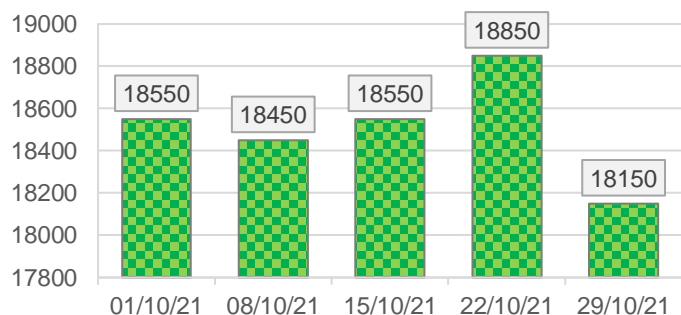
According to the relevant ministry, as of October 28, 2021, 90.1% of the area under sunflower and 90% of the area under soybeans were threshed. The average yield of sunflower is currently 2.36 t / ha, soybean - 2.65 t / ha. As of the indicated date, 13.86 million tons of sunflower were harvested, soybeans - 3.05 million tons.

Prices for key types of vegetable oils				
Product	min	max	avr	Δ,%
Price EXW (demand), UAH / t				
Sunflower oil	42300	43300	42800	0.0%
Soybean oil	36100	36500	36300	0.0%
Price EXW (supply), UAH / t				
Sunflower oil	42500	43500	43000	0.0%
Soybean oil	36700	37300	37000	0.0%

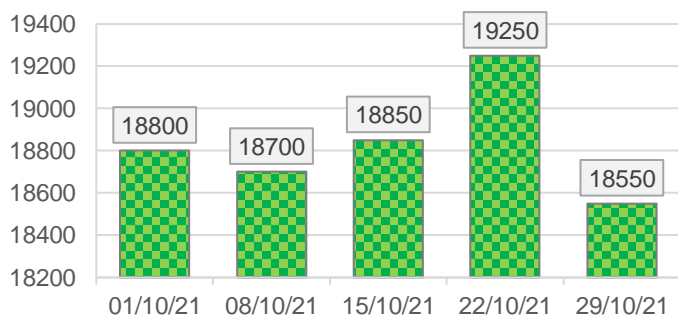
Sunflower oil price in Ukraine on CPT terms				
Product	min	max	avr	Δ,%
CPT port	41100	41500	41300	0.0%
CPT enterprise	40800	41200	41000	0.0%

Purchase prices for key vegetable grist				
Product	min	max	avr	Δ,%
Price EXW (demand), UAH / t				
Sunflower meal	7800	8000	7900	0.0%
Soybean meal	16200	16400	16300	-1.8%
Price EXW (supply), UAH / t				
Sunflower meal	7900	8100	8000	0.0%
Soybean meal	16400	16600	16500	-1.8%

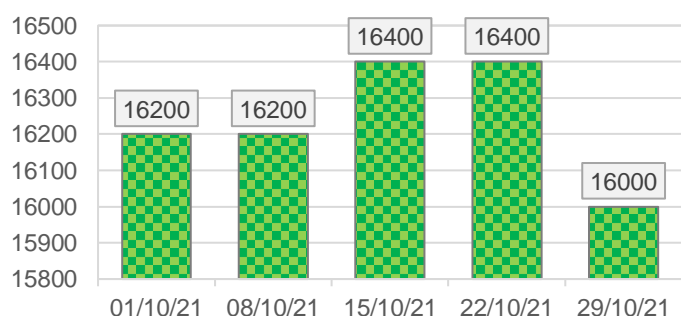
Dynamics of average prices, UAH / t.
Sunflower, EXW demand



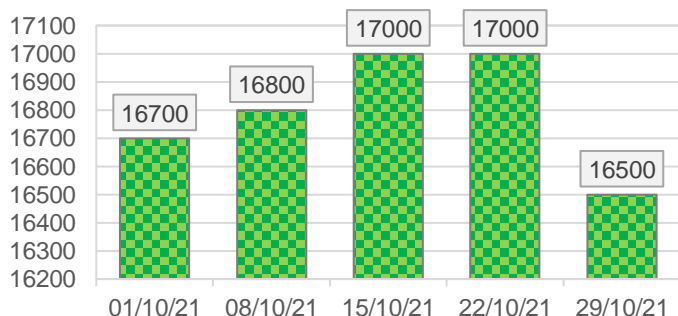
Dynamics of average prices, UAH / t.
Sunflower, CPT port



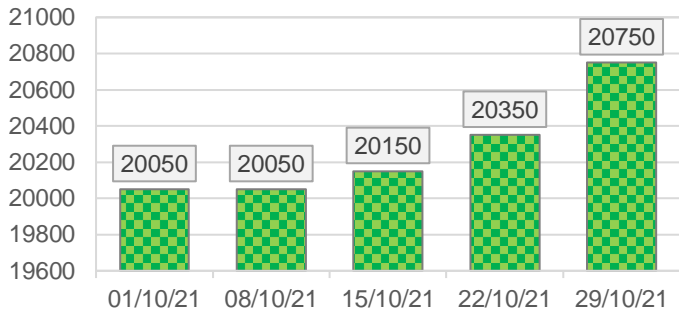
Dynamics of average prices, UAH / t.
Soy, EXW demand



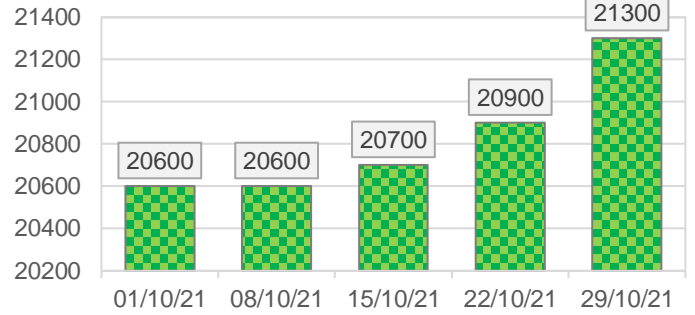
Dynamics of average prices, UAH / t.
Soy, CPT port



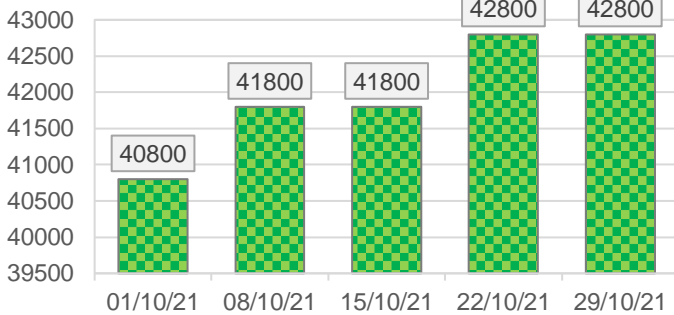
**Dynamics of average prices, UAH / t.
Rapeseed, EXW demand**



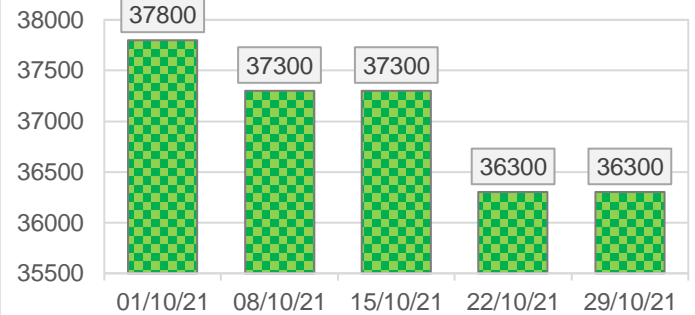
**Dynamics of average prices, UAH / t.
Rapeseed, CPT port**



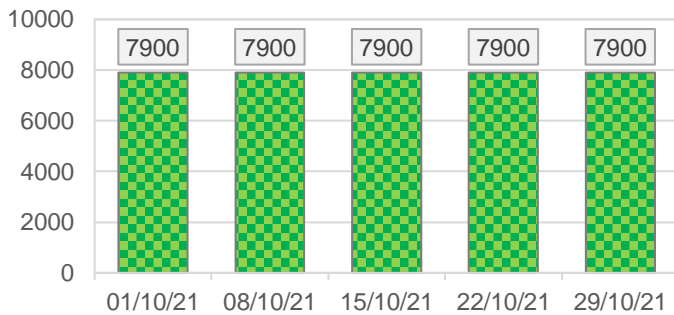
**Dynamics of average prices, UAH / t.
Sunflower oil, EXW demand**



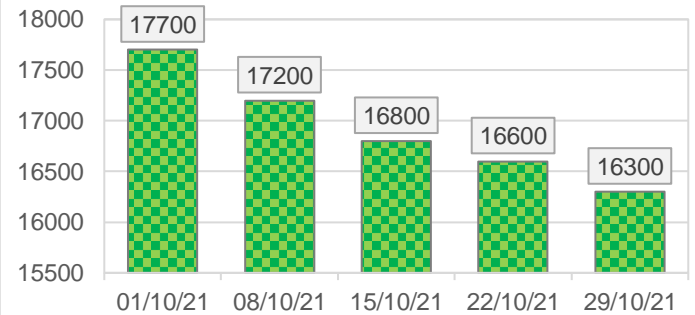
**Dynamics of average prices, UAH / t.
Soybean oil, EXW demand**



**Dynamics of average prices, UAH / t.
Sunflower grist, EXW demand**



**Dynamics of average prices, UAH / t.
Soybean grist, EXW demand**



Market dynamics of niche oilseeds

According to the Association for the Development of Flax and Hemp growing of Ukraine, the gross yield of flax in Ukraine in 2020 amounted to 12 thousand tons, which is almost five times less than in 2011 (51.1 thousand tons). If in 2011 there were 59 thousand hectares under this crop, then in 2020 - only 14 thousand hectares.

According to the latest data from customs statistics, for 8 months of 2021, 3.77 thousand tons of flax seeds were shipped for export from the territory of Ukraine with a total value of \$ 3 million. The key importers are Germany, Bulgaria and Serbia.

Purchase prices for niche oilseeds

	min	max	avr	Δ, %
Price EXW demand, UAH / t				
Mustard	19000	20000	19500	0.0%
Flax	18000	19000	18500	0.0%
Price CPT enterprise, UAH / t				
Mustard	19500	20500	20000	0.0%
Flax	18500	19500	19000	0.0%
Price CPT port, UAH / t				
Mustard	20000	21000	20500	0.0%
Flax	19000	20000	19500	0.0%