

# ProAgro Group Analytics

(08.11.21-12.11.21)

## Oilseeds and processed products market

### Key influencing factors

- As S&P Global Platts reports, palm oil reserves in Malaysia rose by 4.4% month-on-month to 1.834 million tons at the end of October amid higher-than-expected production and lower exports. The volume of palm oil production in the country reaches 1.73 million tons as of October this year;
- According to "Ukroliyprom», 118 plants work in Ukraine with total processing capacity 23 million tons. The profitability of sunflower seed production in 2020 was 39.4% against 23.5% in 2019 (in 2018 - 32.5%, in 2017 - 41.3%, in 2016 - 63.0%);
- Egypt's state agency GASC reported on holding a tender for the import of 30 thousand tons of soybean and 10 thousand tons of sunflower oil. Supply should be executed between January 10-30, 2022. The closing of the tender is scheduled for November 16;
- According to expert estimates of Australian federation of oilseeds, it is expected that the cost of Australian rapeseed in 2020/21 MY will increase by 43% over the previous year. Rapeseed prices remained high due to the drought in Canada, strong industry demand for biodiesel in the U.S. and supply shortages in Europe.

### Dynamics of international markets

In the latest report of USDA agency raised the forecast of the world sunflower harvest in 2021/22 MY from 55.86 million to 56 million tons. USDA experts also slightly overestimated the global oil production forecast - from 21.79 to 21.8 million tons. The world production of sunflower grist they estimate at the level of 23.23 million tons. Assessment of sunflower yield in Ukraine in 2021/22 MY remained at 17 million tons. The forecast for the production of soybean grist (6.83 million tons) and sunflower oil (7.12 million tons) remained unchanged.

As a whole analysts of USDA reduced forecast of production of world oilseeds in 2021/22 MY on 0,2 mln. tons to 628,03 mln. tons (against 603,32 mln. in 2020/21 MY). The main factor of such adjustments is negative overestimation of soybean crop in the USA (-1.1 mln tons).

The forecast of world volumes of oilseeds processing in season 2021/22 was increased by 1 million tons to 527.2 million tons (against 509.33 million in 2020/21 MY). As a consequence, the estimate of oilseed stocks at the end of 2021/22 MY was reduced by 1.3 million to 115.2 million tons.

On EURONEXT, February rapeseed futures quotations reached €710.25/t as of November 12 (€685.00/t as of November 5).

On CBOT, soybean futures contracts for January delivery stopped at 12.44 ¢/B on November 12 (12.05 ¢/B as of November 5).

#### Oilseed prices in the main ports of exporting countries

New crop	Min	Max	Avr	Δ, %
<b>Price FOB, USD / t</b>				
Soy, Ukraine Black Sea	535	550	543	0.0%
Soy, USA NOLA	492	491	493	2.1%
Soy, Argentina	457	533	535	0.9%
Soy, Brazil	475	506	508	0.6%
Sunflower, Ukraine Black Sea	690	705	698	0.0%
Rapeseed, Ukraine Black Sea	750	765	758	1.3%

#### 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	535	545	540	550
Rapeseed	750	760	755	765

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

Product	Min	Max	Min	Max
Sunflower oil, FOB Black Sea	1410	1425	1415	1430
Sunflower grist, FCA	275	285	280	290
Sunflower grist, DAP	255	265	260	270
Soybean oil, FCA	1270	1280	1275	1285
Soybean grist, FCA	470	480	475	485

## Prices for the main processed products in the ports of exporters

	New crop	Min	Max	Avr	Δ,%
<b>Price FOB, USD / t</b>					
Sunflower oil, Ukraine FOB Black Sea		1410	1430	1420	1.4%
Sunflower grist, Ukraine		275	290	283	0.0%
Sunflower oilcake, Ukraine DAP		255	270	263	0.0%
Soybean oil, Ukraine		1270	1285	1278	-3.0%
Soybean grist, Ukraine		470	485	478	0.0%
Soybean grist, protein 48%, USA FOB NOLA	427	443	447	445	9.3%
Soybean grist, 47% protein, Argentina FOB	384	397	401	399	6.4%
Soybean grist, protein 48%, Brazil FOB	378	397	401	399	8.1%

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



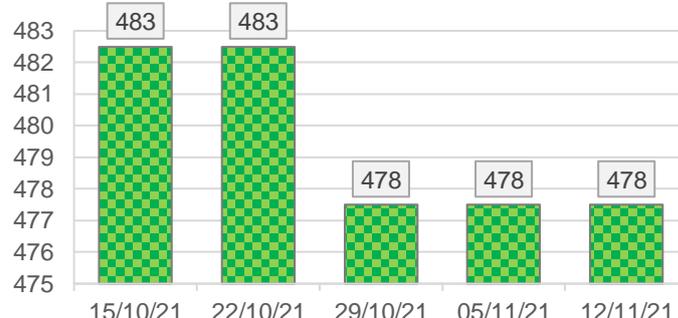
**Dynamics of average prices, \$ / t.  
Soybean oil, Ukraine FCA**



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



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



## Domestic market dynamics

According to our price monitoring data, during the reporting period in the domestic markets of key oilseeds and their products, multidirectional price adjustments were recorded. In the sunflower segment during the reporting week, prices continued the upward trend of the previous period with cautious growth. On the basis of EXW sunflower seeds were traded in the range of UAH 18500-18900 / t (+0.5%), while the terms of CPT enterprise in the range of UAH 18800-19100 / t (+0.5%).

Sunflower oil prices also rose, both on export and domestic bases.

### Purchase prices for key oilseeds

	Min	Max	Avr	Δ,%
<b>EXW demand, UAH / t</b>				
Sunflower	18500	18900	18700	0.5%
Soy	14800	15200	15000	-3.2%
Rapeseed	20500	20800	20650	-0.5%
<b>CPT enterprise, UAH / t</b>				
Sunflower	18800	19100	18950	0.5%
Soy	15200	15600	15400	-1.9%
Rapeseed	20700	21200	20950	-0.5%
<b>CPT port, UAH / t</b>				
Sunflower	18900	19300	19100	0.5%
Soy	15600	16000	15800	-1.3%
Rapeseed	21000	20400	20700	-2.8%

Ukrainian sunflower oil retains high positions on the export bases - on the FOB basis in the Black Sea ports by the end of the week it was traded in the range of 410-1430 \$ / t. One of the drivers of price growth is negative revaluation of soybean gross output in the USA, which was mentioned above, as well as growing expectations on the volumes of soybean import by India in 2021/22 MY.

Domestic soybean prices continued to show negative price adjustments in recent weeks. On EXW basis, soybeans were trading between 14800-15200 UAH / t. On terms of CPT port they arrived in the price range of 15600-16000 UAH / t.

In the rapeseed segment the prices of the previous week were growing on the export bases, in spite of increase of the crop forecasts in Australia. Thus, on FOB terms they fluctuated within the range of 750-765 \$ / t. Prices on the domestic market also remain high.

As of November 11, 97,9% of the sunflower area and 98,6% of the soy area have been threshed. The average yield of sunflower is now 2.45 t / ha, soybeans 2.64 t / ha. As of the last reporting date, there were 15.59 million tons of sunflowers and 3.33 million tons of soybeans threshed.

Prices on key types of vegetable oils				
Product	Min	Max	Avr	Δ,%
EXW demand, UAH / t				
Sunflower oil	41300	42300	41800	-2.3%
Soybean oil	37100	37500	37300	0.0%
EXW supply, UAH / t				
Sunflower oil	41500	42500	42000	-2.3%
Soybean oil	37700	38300	38000	0.0%

Sunflower oil price in Ukraine on CPT terms				
Product	Min	Max	Avr	Δ,%
CPT port	40100	40500	40300	-2.4%
CPT enterprise	39800	40200	40000	-2.4%

Purchase prices for key vegetable grist				
Product	Min	Max	Avr	Δ,%
EXW demand, UAH / t				
Sunflower grist	7400	7600	7500	0.0%
Soybean grist	15700	15900	15800	0.0%
EXW supply, UAH / t				
Sunflower grist	7500	7700	7600	0.0%
Soybean grist	15900	16100	16000	0.0%

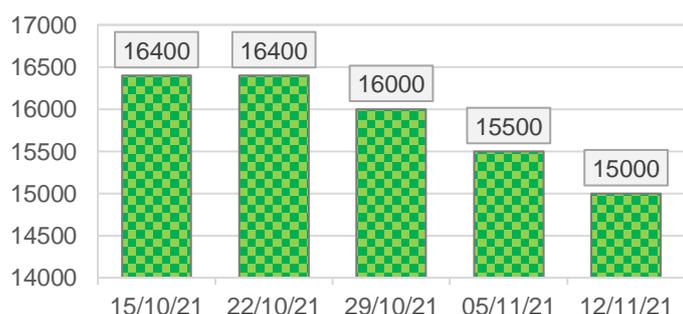
**Dynamics of average prices, UAH / t.  
Sunflower, EXW demand**



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



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



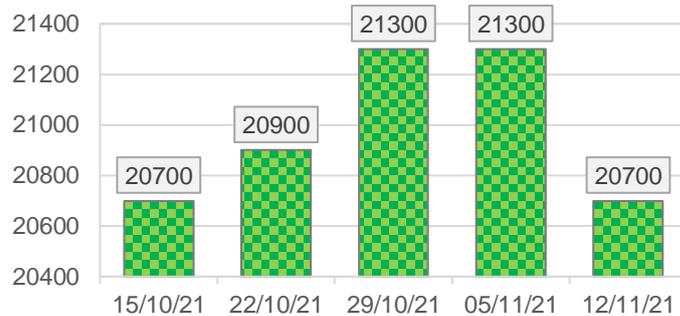
**Dynamics of average prices, UAH / t.  
Soybean, CPT port**



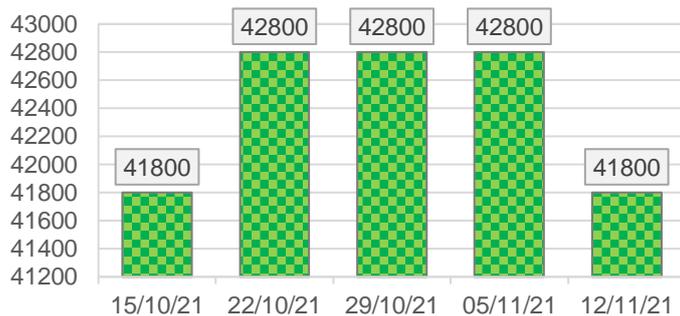
**Dynamics of average prices, UAH / t.  
Rapeseed ,EXW demand**



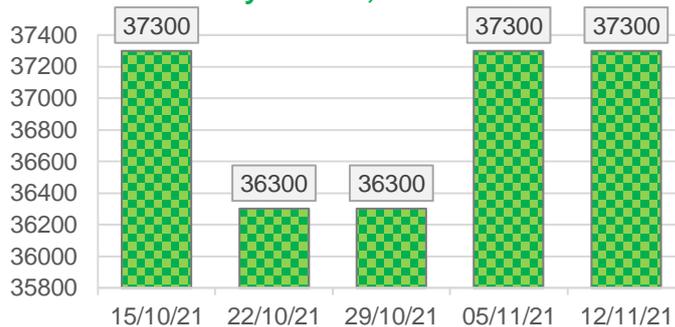
**Dynamics of average prices, UAH / t.  
Rapessed, CPT port**



**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**



## Dynamics of niche oilseed market

According to the data of Association of development of flax and hemp growing in Ukraine, the gross flax harvest 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 month of 2021 3.77 thousand tons of flax seeds with a total value of \$ 3 million were shipped for export from Ukraine. Germany, Bulgaria and Serbia are the key importers.

### Purchase prices for niche oilseeds

	Min	Max	Avr	Δ, %
EXW demand, UAH / t				
Mustard	19000	20000	19500	0.0%
Flax	18000	19000	18500	0.0%
CPT enterprise, UAH / t				
Mustard	19500	20500	20000	0.0%
Flax	18500	19500	19000	0.0%
CPT port, UAH / t				
Mustard	20000	21000	20500	0.0%
Flax	19000	20000	19500	0.0%