

Oilseeds and processed products market

Key influencing factors

- Egyptian state agency GASC purchased 69 thousand tons of soybean oil through a tender, of which 39 thousand were purchased from local suppliers, and another 30 thousand from ADM with a delivery date between January 15 and 31 at a price of \$1,468 per ton on CIF terms. Proposals for the supply of sunflower oil at a price of 1458-1475 \$/t CIF came from producers of the Black Sea region, but purchases did not take place;
- Reuters reports that the Turkish State Grain Council TMO pre-purchased about 6 thousand tons of crude sunflower oil at an international tender with supply on December 1-20 at a price of 1485 \$/t on CIF terms;
- According to Biofuels International experts, Indonesia's palm oil exports and production are likely to contract for the second consecutive year this year, due to a sharp drop in crude palm oil exports and production problems. At the same time, the export of refined oil will grow;
- According to the data of the European Commission, since the beginning of the current season, the EU countries have imported 1.7 million tons of rapeseeds in total, which is 38% less than in the same period of the previous season (2.74 million tons) and 47% less than the volume of imports in the 2019/20 season (3.21 million tons). 71% of the total volume of rapeseeds supplies to the EU for the last period of the season was provided by Ukraine (1.2 million tons).

Dynamics of international markets

After two years of high prices and a shortage of supply, the global markets for key vegetable oils are likely to see a reversal in the 2021/2022 season.

Thomas Milke, executive director of Oil World analyst firm, estimates that global production of the four main vegetable oils - palm, sunflower, soybean and rapeseed, is likely to rise to the highest levels in the last four years, reaching 6.3-6.8 million tons in 2021/22 MY.

In particular, the world production of palm oil is projected to increase by 3.5-4 million tons in 2021/22 MY and will reach almost 80 million tons. Production volumes in Indonesia will increase by 1.7-2 million tons, in Malaysia - by 1–1.2 million tons.

As a result, the current high level of world prices for vegetable oils cannot be sustained for long. Prices are likely to drop significantly in the first half of next year. In turn, a long period of high prices created the basis for the resumption of production, and also prompted agricultural producers in different countries to increase the area under oilseeds this year.

On EURONEXT, rapeseed futures quotations for February as of 26 November reached 673.25 €/t (677.75 €/t as of 19 November). On CBOT, soybean futures contracts for January on November 26 stopped at 12.53 ¢/B (12.63 ¢/B as of November 19).

Oilseed prices in the main ports of exporting countries

	new crop	min	max	avr	Δ, %
FOB price, USD/t					
Soybean, Ukraine Black Sea		535	550	543	0.0%
Soybean, USA NOLA	492	496	500	498	0.1%
Soybean, Argentina	471	544	548	546	-0.7%
Soybean, Brazil	476	506	510	508	-1.7%
Sunflower, Ukraine Black Sea		690	705	698	0.0%
Rapeseed, Ukraine Black Sea		760	775	768	0.0%

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
Soybean	535	545	540	550
Rapeseed	760	770	765	775

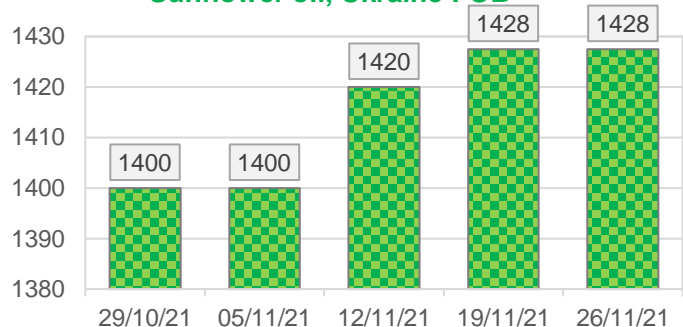
Supply and demand prices for Ukrainian oilseeds in the Black Sea ports

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1420	1430	1425	1435
Sunflower grist, FCA	275	285	280	290
Sunflower grist, DAP	255	265	260	270
Soybean oil, FCA	1245	1255	1250	1260
Soybean grist, FCA	455	465	460	470

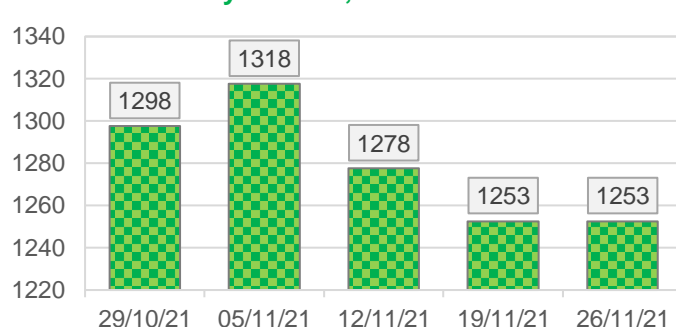
Prices for the main processed products in the ports of exporters

	new crop	min	max	avr	Δ, %
FOB price, USD/t					
Sunflower oil, Ukraine FOB Black Sea		1420	1435	1428	0.0%
Sunflower grist, Ukraine		275	290	283	0.0%
Sunflower grist, Ukraine DAP		255	270	263	0.0%
Soybean oil, Ukraine		1245	1260	1253	0.0%
Soybean grist, Ukraine		455	470	463	-3.1%
Soybean grist, protein 48%, USA FOB NOLA	413	426	430	428	-6.1%
Soybean grist, protein 47%, Argentina FOB	369	386	390	388	-4.4%
Soybean grist, protein 48%, Brazil FOB	366	376	380	378	-5.5%

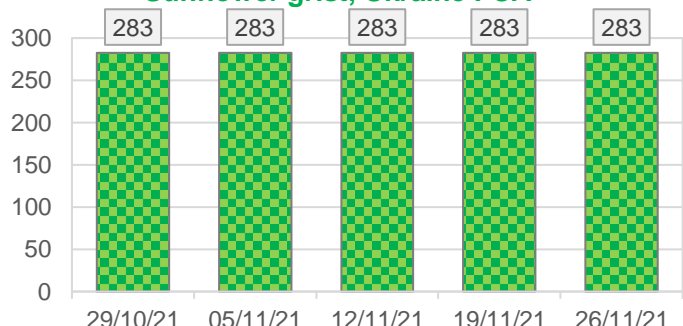
Average price dynamics, \$/t.
Sunflower oil, Ukraine FOB



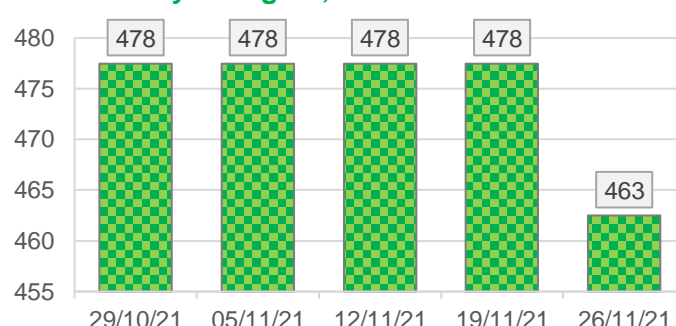
Average price dynamics, t
Soybean oil, Ukraine FCA



Average price dynamics, \$/t.
Sunflower grist, Ukraine FCA



Average price dynamics, \$/t.
Soybean 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, prices continued to rise during the reporting week. On the EXW basis, sunflower seeds were traded within the range of 19400-19800 UAH/t (+3.2%), while on the CPT enterprise basis - 19600-12000 UAH/t (+2.6%).

Agricultural producers are holding back sales, heating up raw material prices and expecting a drop in transportation costs.

Purchase prices for key oilseeds

	min	max	avr	Δ, %
EXW demand price, UAH/t				
Sunflower	19400	19800	19600	3.2%
Soybean	14800	15200	15000	0.0%
Rapeseed	20500	20800	20650	0.0%
CPT enterprise price, UAH/t				
Sunflower	19600	20,000	19800	2.6%
Soybean	15200	15600	15400	0.0%
Rapeseed	20700	21200	20950	0.0%
CPT port price, UAH/t				
Sunflower	19800	20200	20,000	2.6%
Soybean	15600	16000	15800	0.6%
Rapeseed	21000	21400	21200	0.0%

The limited supply of sunflower seeds supports sunflower oil prices. On the export basis, Ukrainian-made sunflower oil holds high positions: on the FOB basis in the Black Sea ports at the end of the week it was traded in the range of 1420-1435 \$/t.

Soybean prices on the domestic market did not decline last week. On the EXW basis, they were traded in the range of 14800-15200 UAH/t. On CPT port terms, beans occupied the price range of 15600-16000 UAH/t (+0.6%).

In the rapeseed segment, prices last week were mostly stable, holding high positions both on domestic and export bases. So, on FOB terms, they fluctuated in the range of 760-775 \$/t.

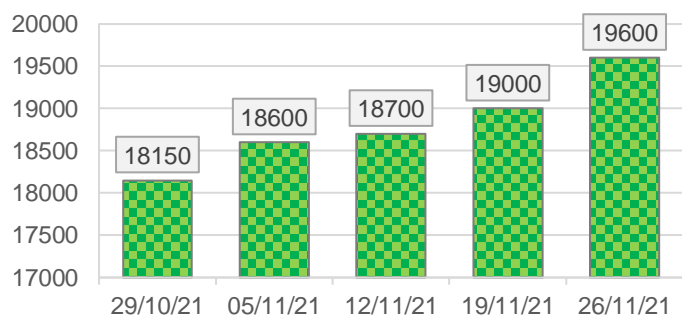
According to the preliminary estimate of the Association "Ukroliyprom", in 2021/22 MY production of the main oilseeds in Ukraine will reach 22.3 million tons against 18.46 million in 2020/21 MY (+21%). In particular, the production of sunflower seeds is projected at 16 million tons (+22%), rapeseed - 3 million tons (+7%), soybeans - 3.3 million tons (+29%).

Prices for key types of vegetable oils				
Product	min	max	avr	Δ, %
EXW price (demand), UAH/t				
Sunflower oil	42800	43800	43300	3.6%
Soybean oil	36600	37000	36800	0.0%
EXW price (supply), UAH/t				
Sunflower oil	43000	44000	43500	3.6%
Soybean oil	37200	37800	37500	0.0%

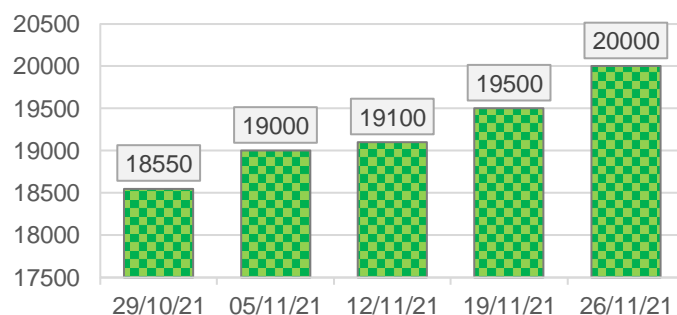
Sunflower oil price in Ukraine on CPT terms				
Product	min	max	avr	Δ, %
CPT port	41600	42000	41800	3.7%
CPT enterprise	41300	41700	41500	3.8%

Purchase prices for key types of vegetable grist				
Product	min	max	avr	Δ, %
EXW price (demand), UAH/t				
Sunflower grist	7400	7600	7500	0.0%
Soybean grist	15300	15500	15400	-1.3%
EXW price (supply), UAH/t				
Sunflower grist	7500	7700	7600	0.0%
Soybean grist	15500	15700	15600	-1.3%

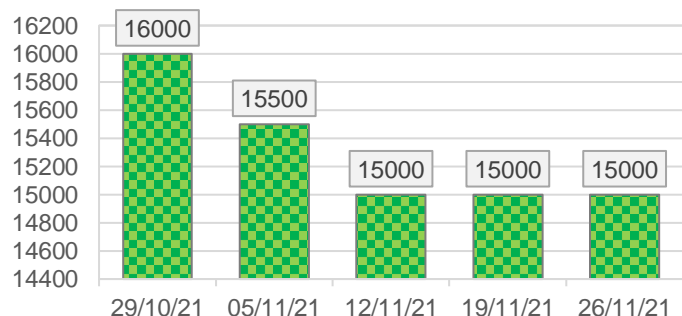
Average price dynamics, UAH/t.
Sunflower, EXW demand



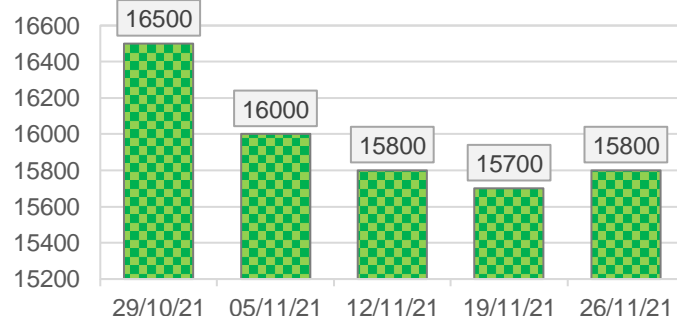
Average price dynamics, UAH/t.
Sunflower, CPT port



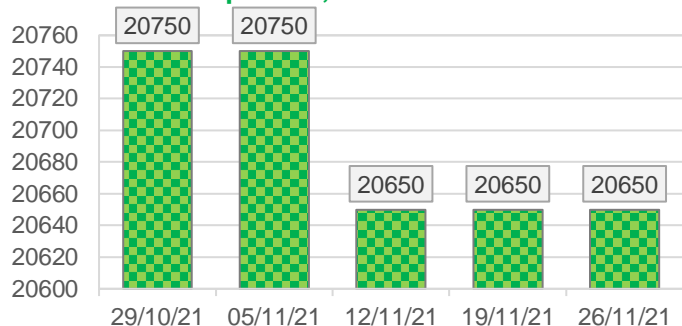
Average price dynamics, UAH/t.
Soybean, EXW demand



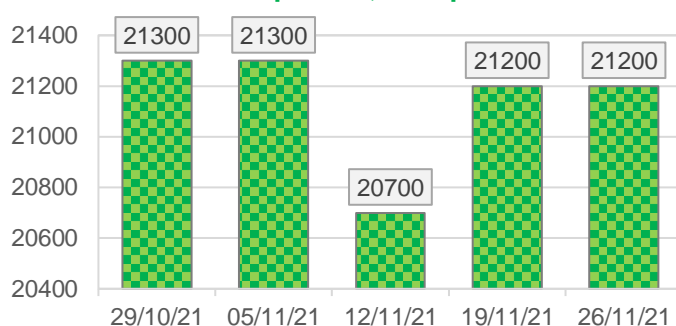
Average price dynamics, UAH/t.
Soybean, CPT port



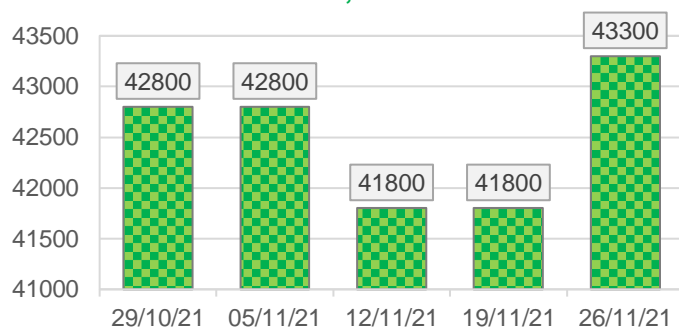
**Average price dynamics, UAH/t.
Rapeseed, EXW demand**



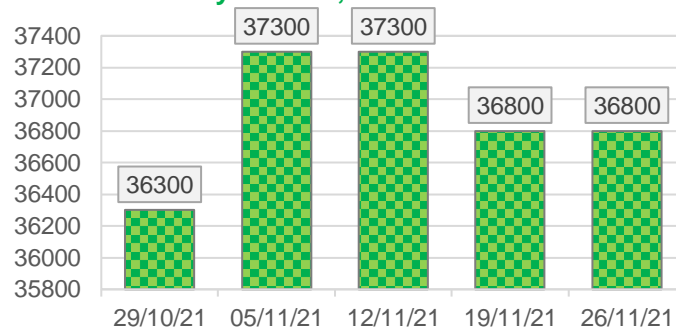
**Average price dynamics, UAH/t.
Rapeseed, CPT port**



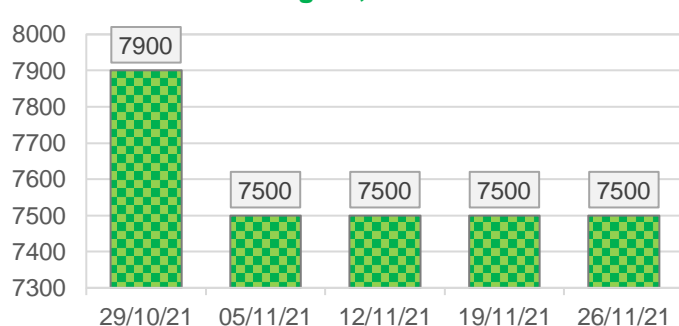
**Average price dynamics, UAH/t.
Sunflower oil, EXW demand**



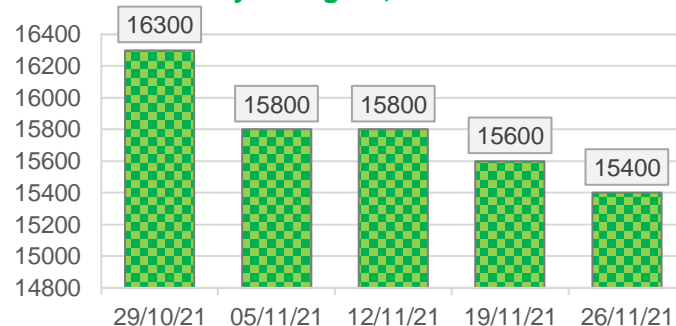
**Average price dynamics, UAH/t.
Soybean oil, EXW demand**



**Average price dynamics, UAH/t.
Sunflower grist, EXW demand**



**Average price dynamics, UAH/t.
Soybean grist, EXW demand**



Market dynamics of niche oilseeds

According to the latest data from customs statistics, for 10 months of 2021, 17.5 thousand tons of flax seeds were shipped for export from Ukraine with a total value of \$11.3 million.

Belgium (22%), Poland (16%) and Egypt (10%) are the key importers of Ukrainian flax seeds as of October 31.

Purchase prices for niche oilseeds

	min	max	avr	Δ, %
EXW demand price, UAH/t				
Mustard	19500	20500	20000	0.0%
Flax	18500	19500	19000	0.0%
CPT-enterprise price, UAH/t				
Mustard	20000	21000	20500	0.0%
Flax	19000	20,000	19500	0.0%
CPT port price, UAH/t				
Mustard	20500	21500	21000	0.0%
Flax	19500	20500	20000	0.0%

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