

Oilseeds and processed products market

Key influencing factors

- According to Successful Farming, as of the end of October, Argentine farmers sold 2.6 million tons of soybean crop in MY 2021/22, the sowing campaign of which has been carried out so far on just over 10% of the planned area. At the same time, the sales volumes of soybean harvest of 2020/21 MY as of the end of October reached 33.1 million tons, which is inferior to the indicator for the same period last year (34.4 million tons);
- According to Oil World experts, Australia in September increased the export of canola seeds to 105 thousand tons, which is higher than earlier in August (92 thousand tons), and also significantly higher than the export volumes in September 2020 (12 thousand tons). Main volumes of canola were exported to Japan in the indicated month - 91 thousand tons;
- Egypt's state agency GASC announced the purchase of 15 thousand tons of sunflower oil at an international tender with a delivery date from December 25, 2021 to January 15, 2022. Sunflower oil was purchased at \$1440 per ton on a C&F basis;
- According to USDA experts, imports of soybeans to China in 20/21 MY reached a record 99.8 million tons due to high demand for feed in the pig and poultry sectors. Soybean imports are expected to reach 101 million in 2021/22 MY amid an increase in demand for soybean grist and soybean oil and a decrease in rapeseed imports in comparison with the same period last year.

Dynamics of international markets

In the United States, the soybean harvest continues, while the sowing campaign continues in South America, which increases the pressure on oilseed prices and causes them to decline even amid the current decline in demand for American soybeans from China.

According to the latest USDA data, as of the end of October, 79% of soybeans were harvested in the United States. Rainy weather delays the harvest somewhat - the average of the last five years to this date was 81%, and in 2020 it was 86%. At the same time, experts are inclined to revise estimates of yield indicators upward. Thus, the analytical agency Barchart, based on the growth in average yields, increased its estimate of gross harvest in the United States by 1.1 million up to 122.5 million tons, which exceeds for 1.5 million tons the USDA forecast.

The weather conditions in the agricultural regions of Brazil are conducive to a successful planting campaign. According to AgRural experts, as of the end of October, 52% of the planned soybean acreage was sown in Brazil, which is 10% more than the average annual level.

On EURONEXT, rapeseed futures quotes as of 05.11.2021 reached 685.0 €/t (678.25 €/t on 29.10.2021).

At CBOT, futures contracts for the supply of soybeans in November, on 05.11.2021 stopped at a value of ¢ 11.92 / B (¢ 12.36 / B as of 29.10.2021).

Oilseed prices in the main ports of the exporting countries

	new crop	min	max	avr	Δ, %
Price FOB, USD / t					
Soy, Ukraine Black Sea		535	550	543	-3.6%
Soy, USA NOLA	482	481	483	482	-2.9%
Soy, Argentina	465	528	532	530	-3.6%
Soy, Brazil	465	503	507	505	-1.9%
Sunflower, Ukraine Black Sea		690	705	698	0.0%
Rapeseed, Ukraine Black Sea		740	755	748	-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	535	545	540	550
Rapeseed	740	750	745	755

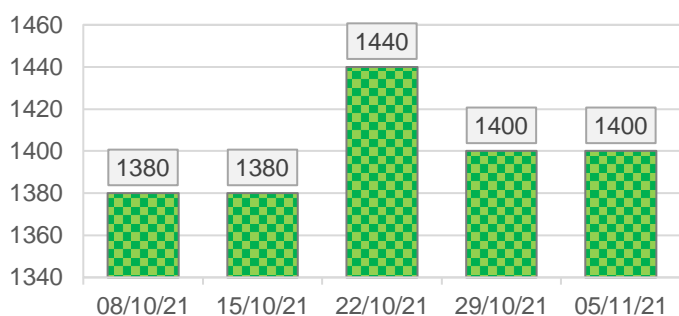
Supply and demand prices for Ukrainian oilseeds in the Black Sea ports

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	1310	1320	1315	1325
Soybean grist, FCA	470	480	475	485

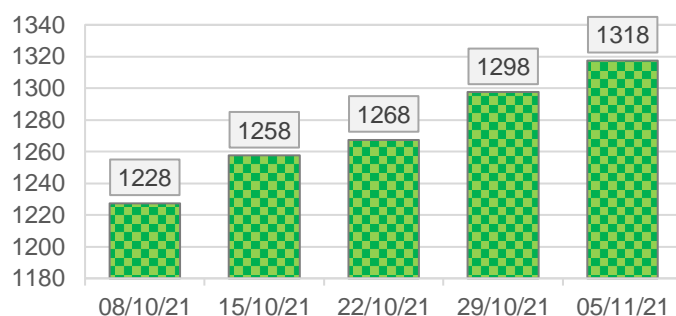
Prices for the main processed products in the ports of exporters

	new crop	min	max	avr	Δ,%
Price FOB, USD / t					
Sunflower oil, Ukraine FOB Black Sea		1390	1410	1400	0.0%
Sunflower grist, Ukraine		275	290	283	0.0%
Sunflower oilcake, Ukraine DAP		255	270	263	0.0%
Soybean oil, Ukraine		1310	1325	1318	1.5%
Soybean grist, Ukraine		470	485	478	0.0%
Soybean grist, protein 48%, USA FOB NOLA	394	405	409	407	-1.0%
Soybean grist, 47% protein, Argentina FOB	360	373	377	375	-2.1%
Soybean grist, protein 48%, Brazil FOB	355	367	371	369	-3.1%

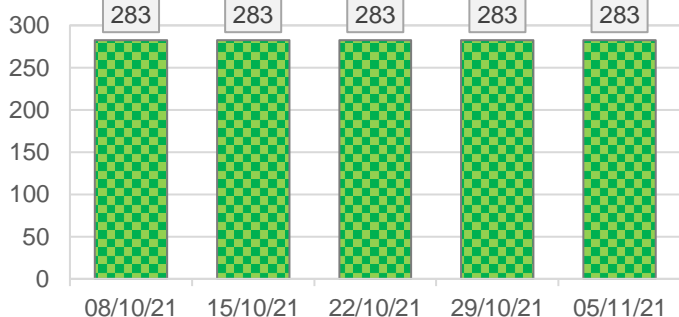
**Dynamics of average prices, \$ / t.
Sunflower oil, Ukraine FOB**



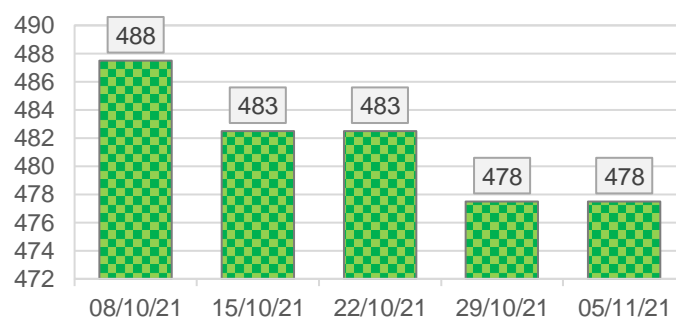
**Dynamics of average prices, \$ / t.
Soybean oil, Ukraine FCA**



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



**Dynamics of average prices, \$ / t.
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 won back the fall of the last weekend... On the EXW basis, sunflower seeds were traded within the range of 18400-18900 UAH / t (+ 2.5%), on the CPT-enterprise terms, at the same time there were 18700-19000 UAH / t (+ 2.7%).

One of the factors supporting the market was the purchase of sunflower oil by GASC.

Purchase prices for key oilseeds

	min	max	avr	Δ,%
Price EXW demand, UAH / t				
Sunflower	18400	18800	18600	2.5%
Soy	15300	15700	15500	-3.1%
Rapeseed	20500	21000	20750	0.0%
Price CPT enterprise, UAH / t				
Sunflower	18700	19000	18850	2.7%
Soy	15500	15900	15700	-3.1%
Rapeseed	20800	21300	21050	0.0%
Price CPT port, UAH / t				
Sunflower	18800	19200	19000	2.4%
Soy	15800	16200	16000	-3.0%
Rapeseed	21000	21600	21300	0.0%

On export bases, Ukrainian-made sunflower oil holds high positions. On FOB terms in the Black Sea it was traded at the end of the week in the range of 1390-1410 \$ / t. In the short term, high prices for palm oil will be a significant factor in supporting prices for other key vegetable oils, including sunflower oil.

Domestic soybean prices also remained high, while showing negative price adjustments in recent weeks. On an EXW basis, soybeans were traded in the range of 15,300-15,700 UAH / t. On the terms of the CPT-port they took the price range 15800-16200 UAH / t.

In the rapeseed segment, prices also remained high last week. So, on FOB terms they fluctuated in the range of 740-755 \$ / t. Prices on the domestic market also remain high.

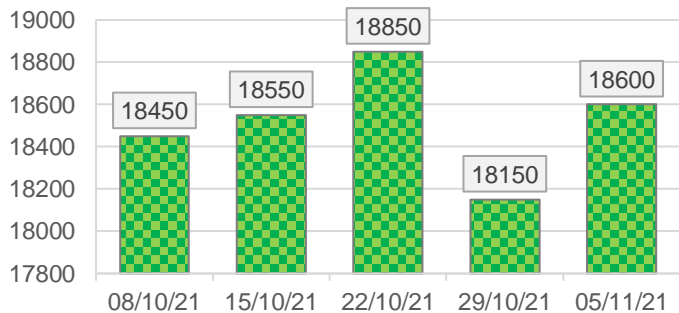
According to the line ministry, as of October 28, 95.2% of the area under sunflower and 95.5% of the area under soybeans were threshed. The average yield of sunflower is 2.38 t / ha, soybean - 2.64 t / ha. As of the last date, there were harvested 14.72 million tons of sunflower and 3.23 million tons of soybean.

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	37100	37500	37300	2.8%
Price EXW (supply), UAH / t				
Sunflower oil	42500	43500	43000	0.0%
Soybean oil	37700	38300	38000	2.7%

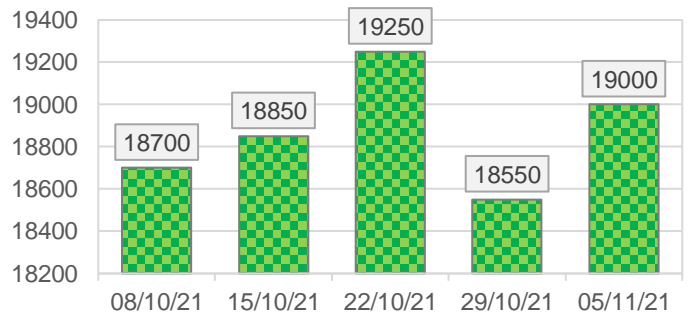
Sunflower oil price in Ukraine on CPT terms				
Product	min	max	avr	Δ,%
CPT port	41100	41500	41300	0.0%
CPT enterprise	40800	41200	41000	0.0%

Purchase prices for key plant grist				
Product	min	max	avr	Δ,%
Price EXW (demand), UAH / t				
Sunflower grist	7400	7600	7500	-5.1%
Soybean grist	15700	15900	15800	-3.1%
Price EXW (supply), UAH / t				
Sunflower grist	7500	7700	7600	-5.0%
Soybean grist	15900	16100	16000	-3.0%

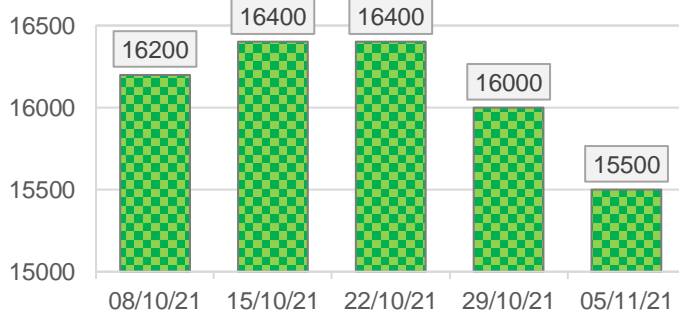
Dynamics of average prices, UAH / t. Sunflower, EXW demand



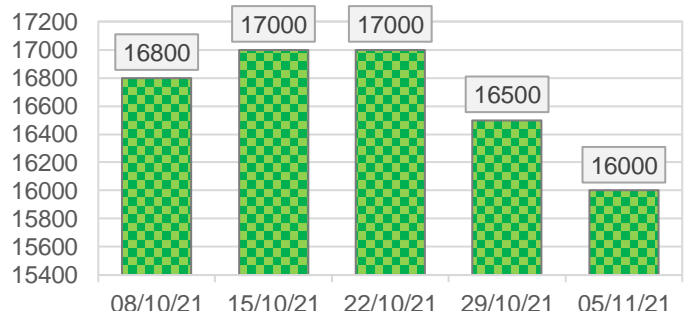
Dynamics of average prices, UAH / t. Sunflower, CPT port



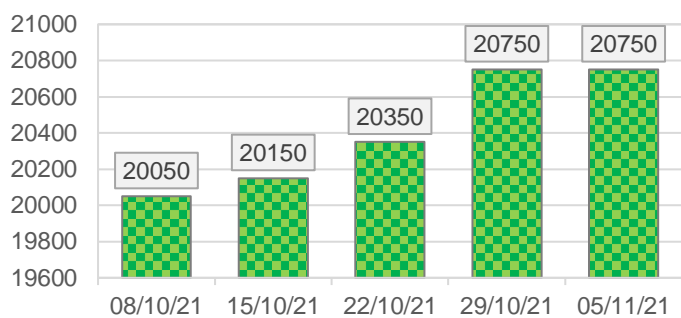
Dynamics of average prices, UAH / t. Soy, EXW demand



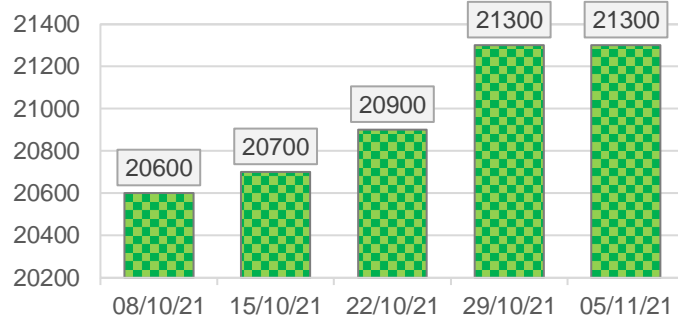
Dynamics of average prices, UAH / t. Soy, CPT port



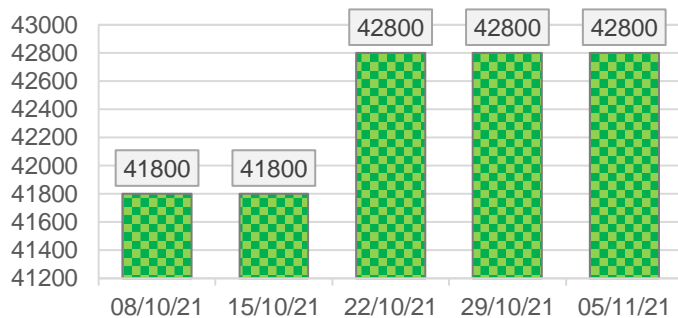
**Dynamics of average prices, UAH / t.
Rapeseed, EXW demand**



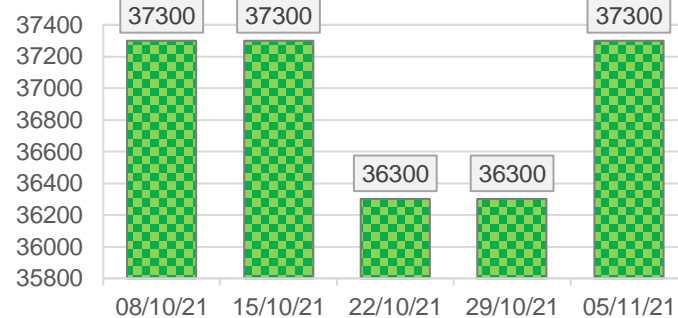
**Dynamics of average prices, UAH / t.
Rapeseed, CPT port**



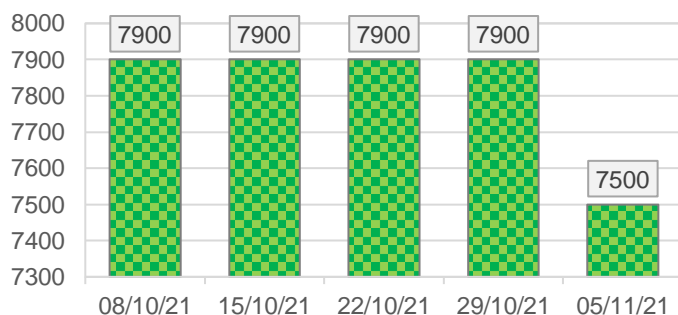
**Dynamics of average prices, UAH / t.
Sunflower oil, EXW demand**



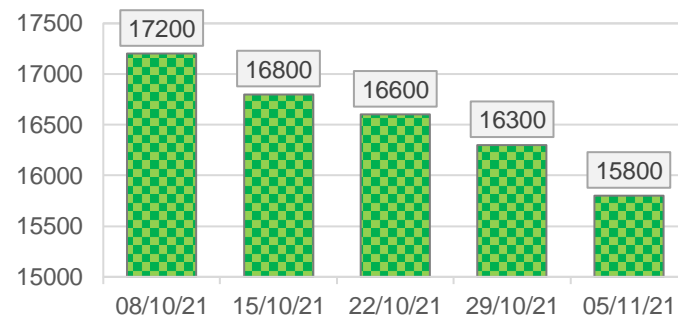
**Dynamics of average prices, UAH / t.
Soybean oil, EXW demand**



**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 there were only 14 thousand hectares.

According to the latest data from customs statistics, for 8 months 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, %
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%