

Grain and processed products market

Key influencing factors

- As of October 21, 60.7 million tons of grain were harvested in Ukraine from 12.9 million hectares with an average yield of 47.2 c/ha. The harvesting of buckwheat is almost completed - 107.6 thousand tons were harvested from 81.6 thousand hectares (98%), the average yield is 13.2 c/ha, as well as millet - 179 thousand tons from 76.3 thousand ha (98%) with an average yield of 23.4 c/ha. Also, from 2.4 million hectares (44%), about 15.6 million tons of corn were threshed with the current average yield of 64.4 c/ha;
- According to the State Customs Service, as of October 29, 19.052 million tons of grain and leguminous crops were exported from Ukraine from the beginning of 2021/22 MY, which is 3.1 million tons more than on the same date last season. Wheat supplies amounted to 12.180 million tons (+1.850 million tons), barley - 4.365 million tons (+1 million tons), rye - 55 thousand tons (+53.3 thousand tons), corn - 2.559 million tons (+40 thousand tons). In addition, 42.9 thousand tons of grain flour (including 42.5 thousand tons of wheat) were exported abroad, which is 18.8 thousand tons less than the corresponding figure for the previous season;
- According to operational data, as of October 25, 6.5 million hectares were sown with winter crops in Ukraine, which is 83% of the forecast. The main part of the sown area is under wheat - 5.7 million hectares (85%), 983 thousand hectares (67%) were sown with winter barley, 150 thousand hectares (93%) were sown with winter rye;
- According to the Ministry of Agriculture of the Russian Federation, the duty on the export of Russian wheat from November 10 will increase from the previous 67 to 69.9 \$/ton, on the export of corn - from 49.7 to 50.1 \$/ton, and on the export of barley - from 42.6 up to 54.8 \$/ton.
- The Turkish state agency for the procurement of food TMO at a tender on October 26 purchased 235 thousand tons of barley at an average price of 338.6 \$/ton with supply in December 1-12. At a preliminary tender, Turkey bought 310 thousand tons of barley;
- The Jordanian Ministry of Industry and Trade has canceled a tender scheduled for October 27 to purchase 120,000 tons of milling wheat of arbitrary origin. The official reason for the cancellation of the auction has not been disclosed;
- Egypt's state-owned company GASC on October 27, purchased 360 thousand tons of wheat at an international tender with supply from December 1 to December 10, 2021. 180 thousand tons of Russian wheat were purchased at a price of 356.5-361 \$/ton of C&F, 120 thousand tons of Ukrainian wheat - at a price of 360.45-361.9 \$/ton of C&F and 60 thousand tons of Romanian - at a price of 359,86 \$/ton C&F. The average purchase price was 8.34 \$/ton C&F higher than at the October 6 auction;
- The Jordanian Ministry of Industry and Trade held a tender on October 29 for the purchase of 120,000 tons of feed barley of arbitrary origin and contracted 60,000 tons of Australian origin barley at a price of 333 \$/ton C&F with supply in the second half of February 2022.
- The state agency of Saudi Arabia for the purchase of food SAGO announced on October 29 a tender for the import of 655 thousand tons of wheat, the results of which are still unknown. At the preliminary tender, Saudi Arabia contracted almost 400 thousand tons of wheat;
- The State Trade Corporation of Pakistan will hold a tender on November 4 for the purchase of 90 thousand tons of wheat for supply in January 2022. The previous tender for the purchase of the same volume was canceled.

Dynamics of international markets

Over the past week, the upward price trend continued to dominate the global wheat market, while corn prices rose in the US but declined in Europe.

The main factor supporting the wheat market was the weather. Slightly lower than average daytime temperatures and frosts at night, as well as the lack of productive precipitation and the associated moisture deficit in the soil, in particular in Ukraine and Russia, slowed down the development of winter seedlings, which affected both exchange and spot prices.

At the same time, dry weather made it possible to accelerate the harvesting of corn on the European continent, and the increase in its supply on the market reduced prices. However, an increase in the processing of corn into bioethanol and its active export supported prices in the United States.

On CBOT in Chicago the price for December soft red wheat futures, which were traded for 279.03 \$/ton last Monday, October 25, on the last working day of the week rose to 283.88 \$/ton. On EURONEXT in Paris, the price of the December wheat contract rose over the week from 282 €/ton on Monday to 283.25 €/ton on Friday.

Price for Ukrainian grain in Black Sea ports on FOB terms

Product	FOB Price Black Sea, USD/t (demand)		FOB Price Black Sea, USD/t (supply)	
	min	max	min	max
	Wheat 12.5%	312	319	317
Wheat 11.5%	309	315	314	319
Feed wheat	292	298	295	301
Barley	273	282	282	285
Corn	272	277	275	279

Export prices for the main products of wheat processing in Ukraine

	min	max	avr	Δ,%
Flour, e. c., FCA	242	245	242	0.0%
Wheat bran, FOB	136	140	138	0.0%

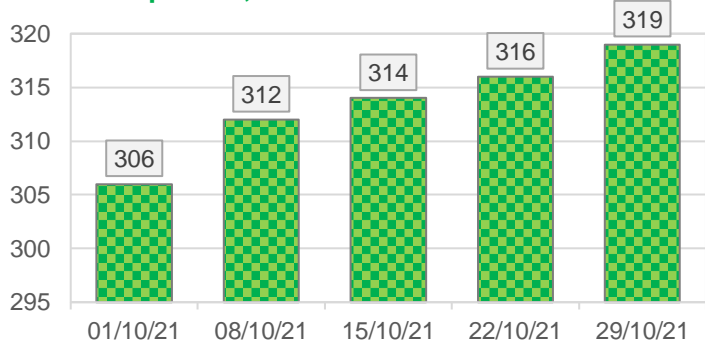
December corn futures on CBOT rose in price last week, from 211.80 \$/ton to 223.69 \$/ton. On EURONEXT corn contract price with supply in November, which was 247.25 €/t on Monday, fell to 239.5 €/t on Friday. The January contract also fell by 2 euros during the week - on October 29 its price was 240.5 €/ton.

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

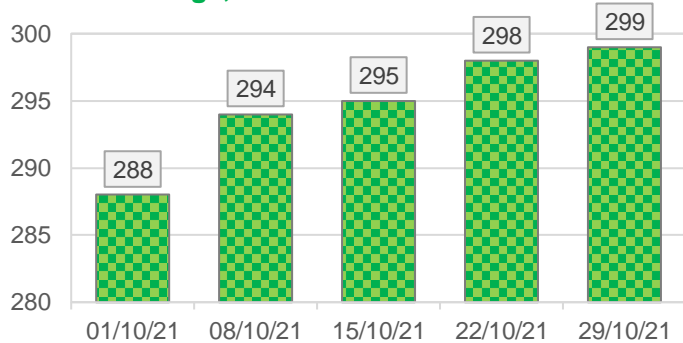
Cereal contract prices in the main ports of exporting countries, supply period November 2020 / January 2021

	min	max	avr
FOB price, USD/t			
Wheat 12.5% protein, Ukraine Black Sea	317	321	319
Wheat 11.5% protein, Ukraine Black Sea	314	320	317
Wheat forage, Ukraine Black Sea	296	301	299
Wheat HRW 11% Protein USA NOLA	353	356	355
Wheat SRW, USA NOLA	337	342	340
Wheat Superior, France Rouen	329	333	331
Wheat 12.5% protein, Romania Constanta	316	323	320
Wheat 12.5% protein, Russia Black Sea	317	326	322
Barley, Ukraine Black Sea	286	289	288
Barley, France Rouen	301	305	303
Corn, Ukraine Black Sea	276	280	278
Corn, USA NOLA	266	270	268
Corn, France Rouen	293	296	295
Corn, Romania Constanta	272	275	274
Corn, Russia Black Sea	268	271	270

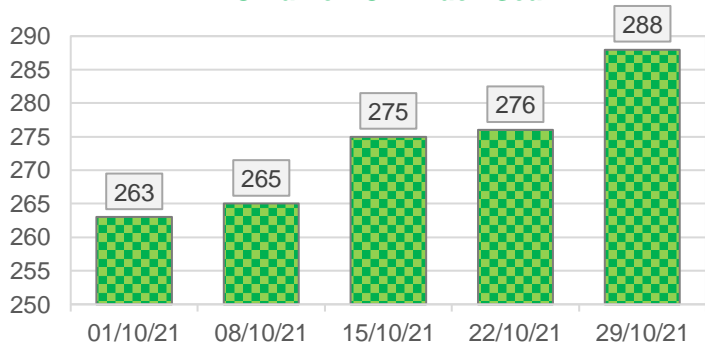
Average price dynamics, \$/t. Wheat 12,5% protein, Ukraine FOB Black Sea



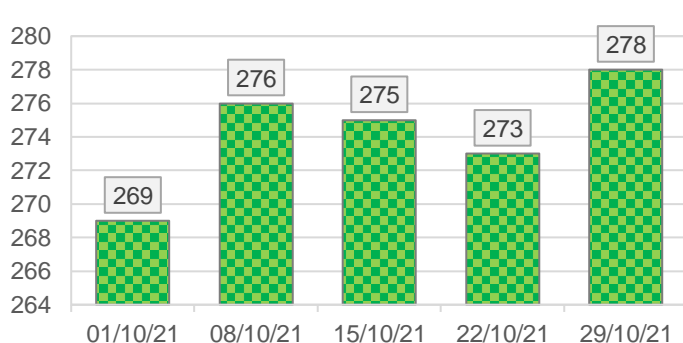
Average price dynamics, \$/t. Wheat forage, Ukraine FOB Black Sea



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

The last week of October the domestic market of major grain crops experienced the price trends that had begun in the middle of the month. In particular, the acceleration in the harvesting of corn and the increase in its supply on the market contributed to the reduction in the price of grain on all trading bases. At the same time, wheat and barley continued to rise in price as a result of strong demand and reduced sales by producers.

Thus, according to the monitoring data of ProAgro Group, prices for wheat continued to confidently strengthen, which was facilitated by its rise in prices in the export direction. Last week, feed grain on the FOB/Black Sea ports basis also crossed the 300 \$/ton mark, having generally increased in price by 1-3 \$/ton. At linear elevators, the average prices for food wheat increased by 50-75 UAH/ton, for feed wheat - by 25 UAH/ton. In ports, wheat added in price much more - by 250-300 UAH/ton, depending on quality indicators. By this time, port prices have already come close to the maximum of the last season, and in the event of further intensification of demand from importers, they may exceed them in the current month.

Corn prices due to increased supply on the market last week decreased by an average of 100 UAH/ton on the EXW basis and slightly less - by 75 UAH/ton on the CPT port basis. However, most of all - 300 UAH/ton - corn lost in the purchase price from processors. Such a rapid drop in price was not stopped by a moderate increase in the price of grain supply on FOB, although it was only 1 \$/ton.

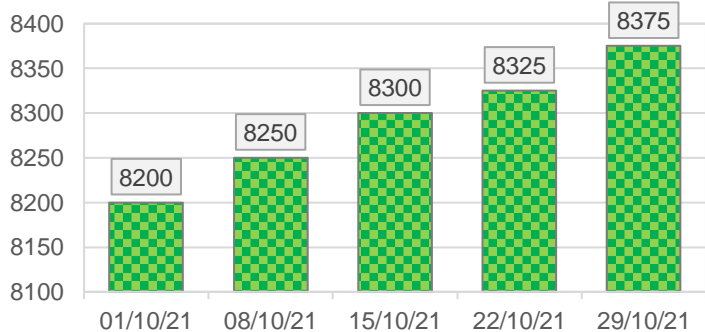
A decrease in the supply of barley from producers and an increase in export prices by an average of 12 \$/ton on FOB contributed to its rise in prices at elevators and ports last week by 150-200 UAH/ton. Although processors, having gained access to cheap corn, reduced the purchase prices for barley by 50 UAH/ton.

On the market of processed products, millers last week once again increased the selling prices for wheat flour - by an average of 50 UAH/ton - due to the rise in prices for grain raw materials. At the same time, the price of bran during the last week has further decreased by 200-250 UAH/ton.

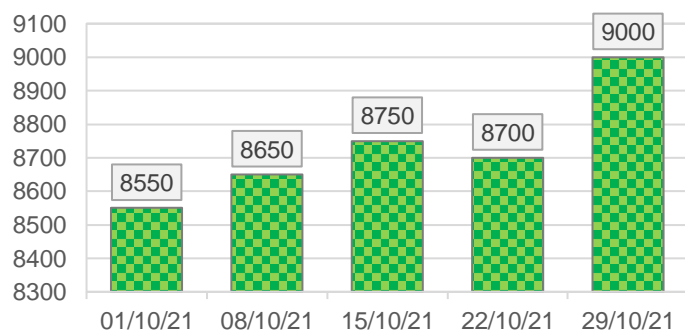
Purchase prices for key crops				
	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Wheat 12.5%	8000	8600	8375	0.6%
Wheat 11.5%	7950	8550	8325	0.9%
Wheat forage	7350	7950	7775	0.3%
Corn	6800	7500	7100	-1.4%
Barley	6650	7450	7125	2.9%
CPT enterprise price, UAH/ton				
Wheat 12.5%	8250	8700	8500	1.2%
Wheat 11.5%	8200	8650	8450	1.2%
Wheat forage	7650	8000	7800	0.6%
Corn	6900	7400	7050	-4.1%
Barley	6900	7500	7150	-0.7%
CPT port price, UAH/ton				
Wheat 12.5%	8800	9100	9000	3.4%
Wheat 11.5%	8800	9050	8950	3.5%
Wheat forage	8200	8500	8350	3.1%
Corn	7500	7800	7700	-1.0%
Barley	7550	7800	7700	2.0%

Prices for key wheat processing products				
	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Flour, extra class	10900	11,600	11400	0.4%
Flour, first class	10700	11200	11050	0.5%
Wheat bran	4500	5200	4800	-4.0%
EXW supply price, UAH/ton				
Flour, extra class	11100	11900	11450	0.4%
Flour, first class	10800	11,600	11150	0.5%
Wheat bran	4700	5300	4850	-4.9%

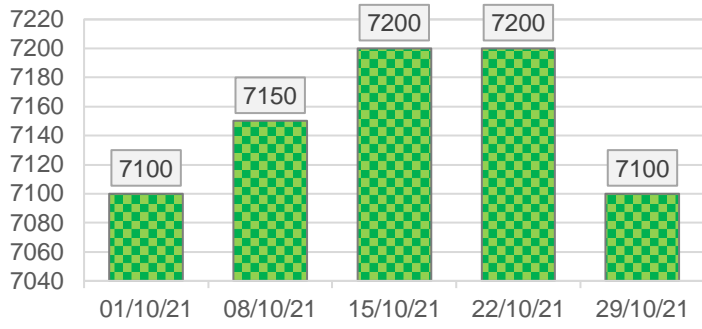
Average price dynamics, UAH/T. Wheat 12,5% protein, EXW demand



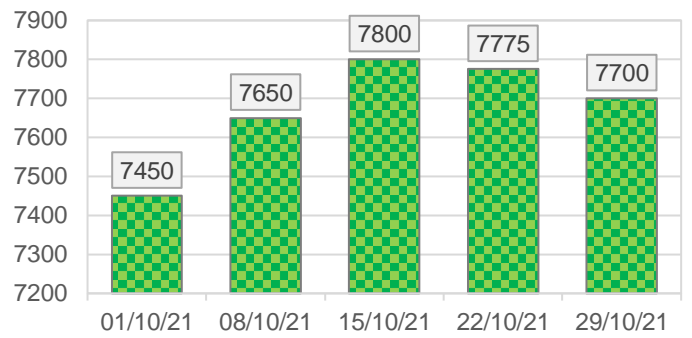
Average price dynamics, UAH/t. Wheat 12,5% protein, CPT port



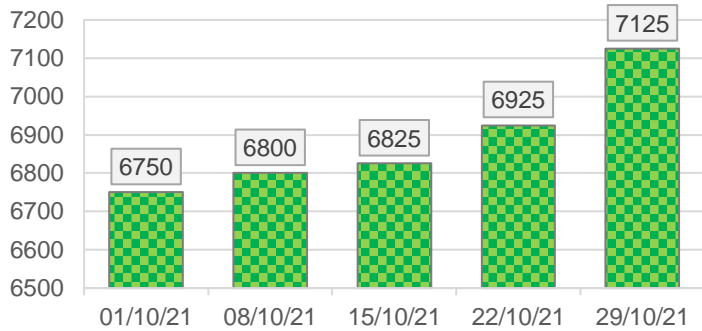
**Average price dynamics, UAH/t.
Corn, EXW demand**



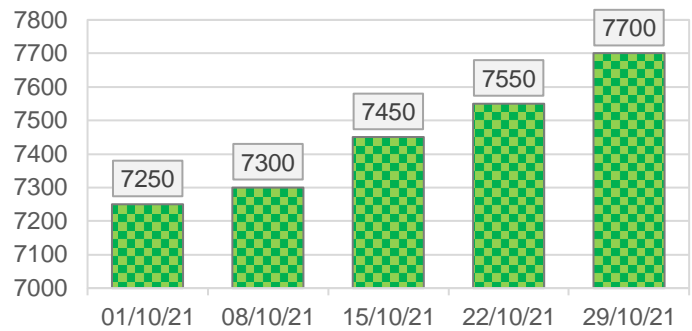
**Average price dynamics, UAH/t.
Corn, CPT port**



**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 grain crops again distinguished itself by predominant price stability - neither traders with exporters, nor domestic consumers practically revised the demand prices for the most demanded commodity items.

The only exception, as it often happened before, was peas, the average prices for which, according to monitoring by ProAgro Group, increased by an average of 100-200 UAH/ton during the week at points of purchase of processors and in ports, which is due to lack of supply from manufacturers.

Purchase prices for niche crops

	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Rye	5000	5450	5100	0.0%
Peas	8600	9200	9000	0.0%
Oats	4900	5500	5350	0.0%
Millet	6800	7300	7100	0.0%
Sorghum	6400	7000	6750	0.0%
CPT enterprise price, UAH/ton				
Rye	5400	5700	5600	0.0%
Peas	9000	9800	9500	1.1%
Oats	5850	6400	6000	0.0%
Millet	6800	7500	7300	0.0%
Sorghum	n / i	n / i	n / i	n / i
CPT port price, UAH/ton				
Rye	5500	5850	5800	0.0%
Peas	9200	10000	9800	2.1%
Oats	5900	6350	5950	0.0%
Millet	7000	7800	7600	0.0%
Sorghum	6800	7200	7000	0.0%