

Grain and processed products market

Key influencing factors

- In the first ten days of November meteorological conditions were satisfactory for the rooting and initial development of winter crops. In the southern, central and eastern regions, where effective precipitation took place, the conditions of soil moisture improved, which, combined with warm weather, contributed to the acceleration of the growth of winter crops;
- According to the Ministry of Agrarian Policy, as of November 18, Ukraine harvested 76.7 million tons of grain from 14.9 million hectares with an average yield of 51.6 c/ha. The harvesting of buckwheat and millet has been completed - 110.7 thousand tons and 184.7 thousand tons have been harvested respectively. Corn is being harvested at the moment, which has already been threshed from 4.4 million hectares, which is 80% of the projected harvesting area. 31.8 million tons of grain were harvested with an average yield of 72.2 c/ha;
- According to the State Customs Service, as of November 17, 22.5 million tons of grain and leguminous crops were exported from Ukraine from the beginning of 2021/22 MY, which is 3.3 million tons more than on the same date last season. Wheat supplies amounted to 13.479 million tons (+2.134 million tons), barley - 4.778 million tons (+1.187 million tons), rye - 75.8 thousand tons (+74.1 thousand tons), corn - 3.941 million tons (+ 62 thousand tons). In addition, 46.9 thousand tons of grain flour (including 46.3 thousand tons of wheat) were exported abroad, which is 18.9 thousand tons less than the corresponding figure for the previous season;
- Ukraine continues to increase grain exports and intends to supply more than 60 million tons of grain to foreign markets in 2021/22 MY;
- According to the Ministry of Agriculture of the Russian Federation, the duty on the export of Russian wheat on November 24-30 will increase from the previous 77.1 to 78.3 \$/ton, on the corn export - it will decrease from 62.9 to 53.6 \$/ton, on the export of barley - will decrease from 66 to 65.3 \$/ton;
- Stratégie Grains has lowered its forecast for wheat exports from the EU in 2021/22 MY by 1.6 million tons compared to the previous estimate - to 30.4 million tons, due to high prices for it.
- The Turkish Grain Agency (TMO) at a tender on November 16 contracted 300 thousand tons of corn, mainly of Ukrainian origin, at a price of 310.45-317.9 \$/ton C&F with supply on December 20-January 20;
- The state agency of Algeria OAIC contracted up to 800 thousand tons of milling wheat originating from Russia, Argentina, Germany and Poland at a price of 382.5-384 \$/ton CIF with supply from December 16 to January 31;
- Egypt's state agency GASC purchased 60,000 tons of Romanian milling wheat at a tender on November 17 at a minimum price of 371.97 \$/ton C&F with supplies during January 1-15;
- The Turkish Grain Agency (TMO) announced a tender on November 23 for the purchase of 320 thousand tons of feed barley with supply during January 2-28;
- The Turkish Grain Agency (TMO) announced a tender on November 25 for the purchase of 385 thousand tons of milling wheat of arbitrary origin with supply during January 10-31.

Dynamics of international markets

Last week, analysts at the International Grains Council lowered their forecast for global wheat production in 2021/22 MY by 4 million - to 777 million tons. In the updated forecast they reduced the forecast for world final reserves by 2 million - to 274 million tons. For corn, the forecast for world production was increased by 2 million to 1.212 billion tons as the estimate for US production was raised to 382.6 million tons. The forecast for world corn final reserves was also raised by 2 million to 287 million tons.

Meanwhile, the dynamics of the exchange markets in the US and Europe has developed diametrically opposite. While in Chicago futures for wheat and corn fell in price, in Paris, on the contrary, they continued to add in price. A similar controversial situation developed in the spot markets. For example, for the first time, French wheat was offered cheaper not only than Russian, but Romanian as well.

On CBOT in Chicago for December soft red wheat futures, which were priced at 303.58 \$/ton last Monday, November 15, on the last working day of the week fell to 302.40 \$/ton. On EURONEXT in Paris, December wheat price rose over the week from 294.75 €/ton on Monday to 299.75 €/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%	334	341	337	343
Wheat 11.5%	332	339	335	340
Wheat feed	315	319	317	323
Barley	295	297	295	298
Corn	280	285	283	291

Export prices for the main products of wheat processing in Ukraine

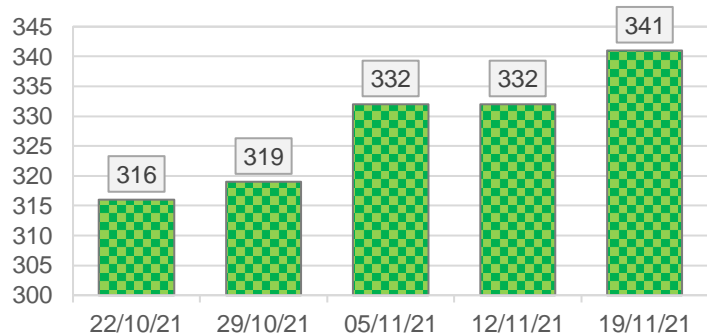
	min	max	avr	Δ, %
Flour, e. c., FCA	242	245	242	0.0%
Wheat bran, FOB	136	140	138	0.0%

December corn futures at CBOT also fell in price during the last week - from 226.92 \$/ton its price fell to 224.64 \$/ton. On EURONEXT, on the other hand, the price of corn contracts with execution in January increased - if on Monday it was 244.75 €/t, on Friday it rose to 248.75 €/t.

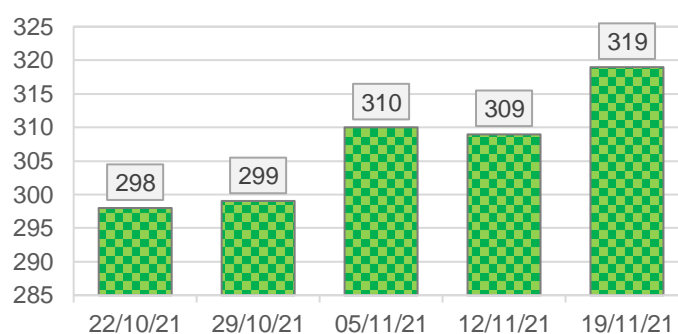
Prices for Ukrainian flour and wheat bran				
Product	USD/t (demand)		USD/t (supply)	
	min	max	min	max
Flour, e. c., FCA	240	243	242	245
Wheat bran, FOB	135	138	136	140

Contract prices in the main ports of exporting countries, delivery period December 21/ February 22				
	min	max	avr	Δ,%
FOB price, USD/t				
Wheat 12.5% protein, Ukraine Black Sea	338	343	341	2.6%
Wheat 11.5% protein, Ukraine Black Sea	337	341	339	3.0%
Wheat feed, Ukraine Black Sea	313	324	319	3.1%
Wheat HRW 11% Protein USA NOLA	371	374	373	0.3%
Wheat SRW, USA NOLA	356	360	358	0.7%
Wheat Superior, France Rouen	340	342	341	-0.6%
Wheat 12.5% protein, Romania Constanta	337	348	343	2.5%
Wheat 12.5% protein, Russia Black Sea	340	345	343	1.6%
Barley, Ukraine Black Sea	298	301	300	2.0%
Barley, France Rouen	313	315	314	0.3%
Corn, Ukraine Black Sea	279	282	281	1.3%
Corn, USA NOLA	258	261	260	-1.3%
Corn, France Rouen	290	292	291	0.3%
Corn, Romania Constanta	276	280	278	0.0%
Corn, Russia Black Sea	276	279	278	1.3%

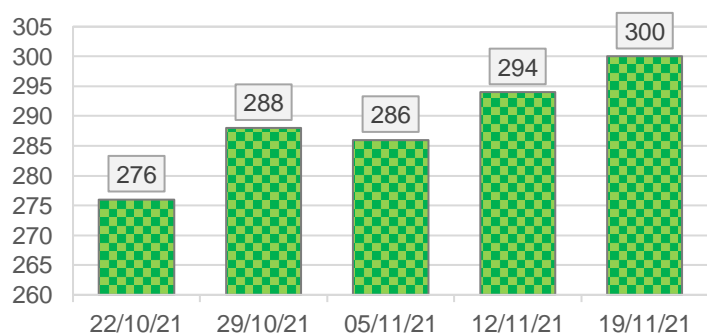
Average price dynamics, \$/t. Wheat 12,5% protein, Ukraine FOB Black Sea



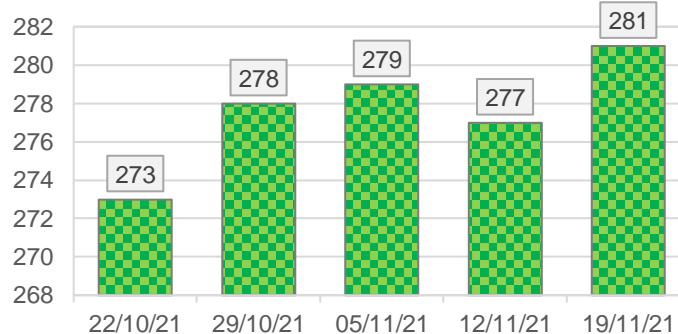
Average price dynamics, \$/t. Wheat feed, Ukraine FOB Black Sea



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



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



Last week, an upward price trend reigned on the domestic market for major grain crops in Ukraine, driven by strong demand from traders and exporters amid a decrease in supply from producers. Even corn, the harvest of which is nearing the finish line, has risen in price in ports amid general uncertainty and problems with its delivery from domestic bases.

Thus, according to monitoring data from ProAgro Group, prices for milling wheat at FOB/deep-water ports of the Black Sea last week crossed the maximum of 340 \$/ton, adding on average almost 10 \$/ton over the week. This rise in price, as well as the lack of supply, became the main reasons for the next rise in prices for grain of 2-3 classes by an average of 100 UAH/ton on the EXW basis and by 150 UAH/ton on the CPT port. Feed wheat has risen in price slightly less - on average by 50 UAH/ton at grain elevators and by 100 UAH/ton at ports.

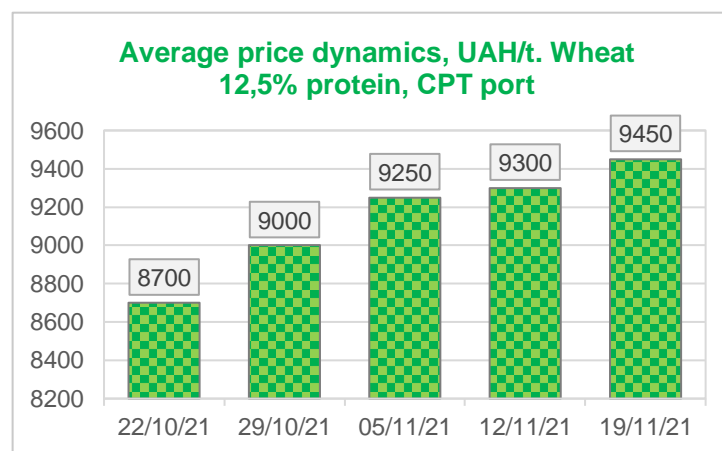
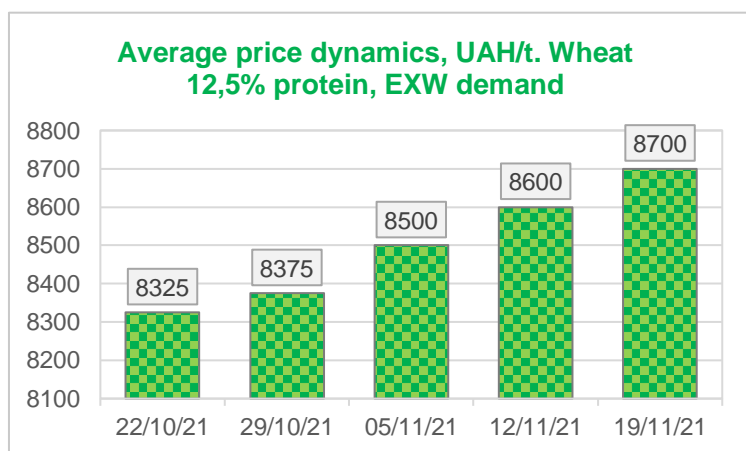
Barley also went up in price along with wheat due to a reduction in stocks at producers and a shortage of supply of consignments. In ports, grain added in price at once 200 UAH/ton, which was also due to an increase in export prices - an average of 6 \$/ton FOB. On the basis of elevators, barley has risen in price by an average of 50 UAH/ton during the week.

An ambiguous situation has developed in the corn market. On the one hand, the ongoing harvesting campaign and sufficient supply from producers allowed buyers to reduce purchase prices at primary elevators by 100 UAH/ton. However, the aggravation of problems with the delivery of grain to ports due to problems on the railway and an increase in the cost of road transportation led to an increase in the cost of demand for corn on the basis of CPT port by 100 UAH/ton. This was also driven by the rise in prices on export during the week by an average of 4 \$/ton.

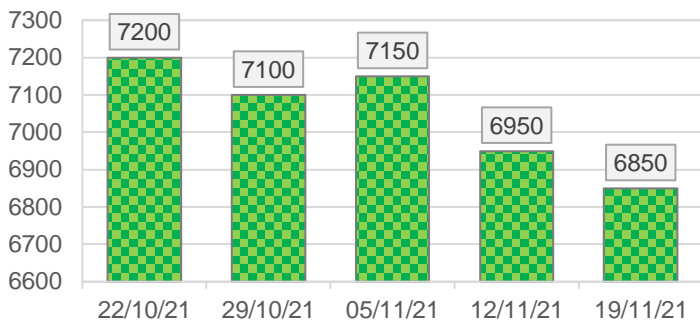
Domestic processors last week revised purchase prices only for corn, which on the basis of the CPT enterprise fell by an average of 100 UAH/ton.

Purchase prices for key crops				
	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Wheat 12.5%	8150	9300	8700	1.2%
Wheat 11.5%	8150	9250	8650	1.2%
Wheat feed	7450	8650	8000	0.6%
Corn	6250	7300	6850	-1.4%
Barley	6700	7700	7300	0.7%
CPT enterprise price, UAH/ton				
Wheat 12.5%	8350	8900	8600	0.0%
Wheat 11.5%	8300	8850	8550	0.0%
Wheat feed	7750	8200	7900	0.0%
Corn	6700	7300	6900	-1.4%
Barley	6900	7500	7150	0.0%
CPT port price, UAH/ton				
Wheat 12.5%	9300	9700	9450	1.6%
Wheat 11.5%	9250	9650	9400	1.6%
Wheat feed	8700	9150	8750	1.2%
Corn	7700	8050	7850	1.3%
Barley	7900	8350	8050	2.5%

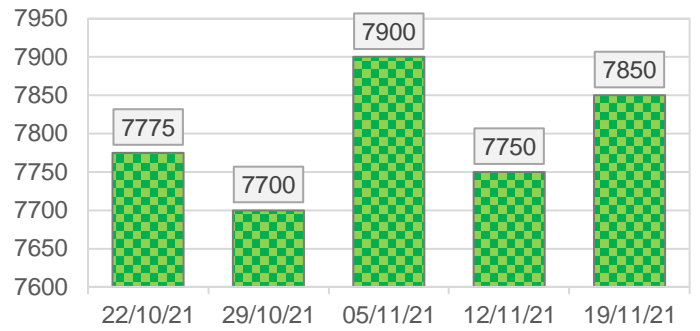
Prices for key wheat processing products				
	min	max	avr	Δ,%
EXW price demand, UAH/ton				
Flour, extra class	11100	11,700	11550	0.9%
Flour, first class	10900	11500	11200	0.9%
Wheat bran	4100	4700	4400	-4.3%
EXW supply price, UAH/ton				
Flour, extra class	11400	11,700	11,600	0.9%
Flour, first class	11200	11500	11300	0.9%
Wheat bran	4250	4900	4450	-4.3%



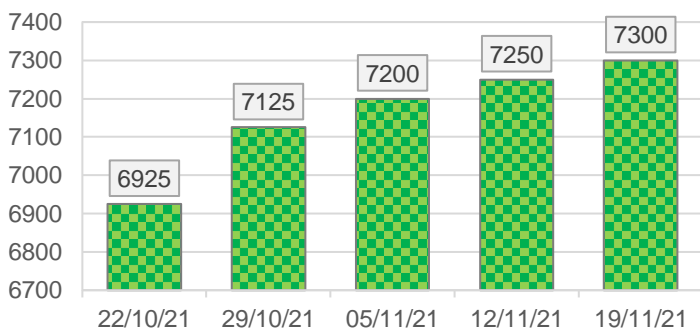
**Average price dynamics, UAH/t.
Corn, EXW demand**



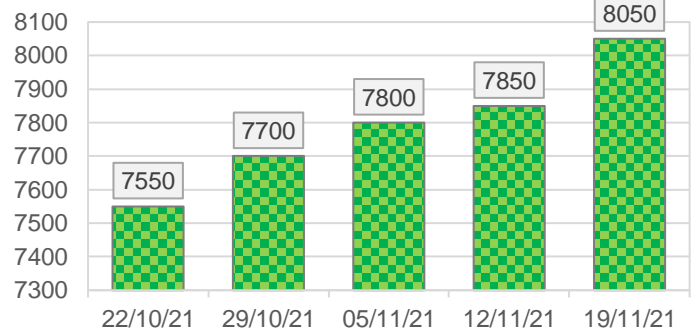
**Average price dynamics, UAH/t.
Corn, CPT port**



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



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



Niche grain market dynamics

On the domestic market of niche grains last week there was a complete price calm.

According to monitoring data from ProAgro Group, the average demand prices of both traders and exporters and domestic buyers of niche grain - feed producers and food processing plants - remained at the same level. Minor fluctuations sometimes expanded the range of purchase prices, but the overall price situation was stable.

Purchase prices for niche crops

	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Rye	5400	6000	5700	0.0%
Peas	9400	9800	9700	0.0%
Oats	5200	5800	5600	0.0%
Millet	6900	7500	7200	0.0%
Sorghum	6400	7000	6750	0.0%
CPT enterprise price, UAH/ton				
Rye	5700	6000	5800	0.0%
Peas	9400	10000	9800	0.0%
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	6500	6900	6700	0.0%
Peas	9500	10300	10100	0.0%
Oats	6100	6350	6250	0.0%
Millet	7200	8000	7800	0.0%
Sorghum	7200	7500	7350	0.0%