

Grain and processed products market

Key influencing factors

- In the second decade of November, in all regions, where the average temperatures were below + 5°C, the active growth process of winter grain crops stopped. The condition of the plants remains mostly satisfactory. In some areas of the central and eastern regions, due to drought, thinning of winter barley crops was noted;
- According to the Ministry of Agrarian Policy, as of November 25, 2021, 79.7 million tons of grain were harvested in Ukraine from 15.2 million hectares with an average yield of 52.5 c/ha. The harvesting of buckwheat and millet has been completed - 110 thousand tons and 191 thousand tons have been harvested, respectively. Now corn is being harvested (from 4.8 million hectares, which is 87% of the projected harvested area). 35.1 million tons of seeds were harvested with an average yield of 73.3 c/ha;
- According to the State Customs Service, as of November 26, 24.75 million tons of grain and leguminous crops were exported from Ukraine since the beginning of 2021/22 MY, which is 3.7 million tons more than on the same date last season. Wheat supplies amounted to 14.342 million tons (+2.514 million tons), barley - 4.882 million tons (+1.180 million tons), rye - 77.2 thousand tons (+75.5 thousand tons), corn - 5.237 million tons (+ 42 thousand tons). In addition, 50.3 thousand tons of flour of grain crops (including 49.7 thousand tons of wheat) were delivered abroad;
- According to the Ministry of Agriculture of the Russian Federation, the duty on the export of Russian grain for the period of December 1-7 will increase: for wheat supplies - from the previous \$78.3 to \$80.8 /ton, for barley supplies - from \$65.3 to \$68.3 /ton , for corn supplies - from \$53.6 to \$54.3 /ton;
- It is expected that in December the Ministry of Agriculture of the Russian Federation will present options for a quota for the export of grain, in particular wheat, which will be introduced from January 1, 2022. This year, the quota for the export of Russian grain was in effect from February 15 to June 30, its volume amounted to 17.5 million tons;
- According to monitoring data from FranceAgriMer, maize harvesting is nearing completion in France - 91% of the planned area was threshed in the country as of November 15 (+ 9% per week). At the same time, the current rate of harvesting is still inferior to last year's - then its harvest was carried out on 99% of the planned area;
- According to the USDA weekly report, the United States harvested 95% of its corn crop as of Nov 22, 4% up from last year's figures. During the week of November 14-21, 4% of the corn area was threshed;
- The November MARS report notes that the absence of heavy rainfall during the fall in most of Europe provided conditions for the intensification of the rate of winter crops sowing, due to which the sowing was completed at the optimal time in most countries;
- During the tenders held, the Turkish State Agency for the Procurement of Food TMO purchased 370 thousand tons of barley at a price of 349.7-354.8 \$/ton C&F, as well as 385 thousand tons of wheat at a price of 358.8-394.9 \$/ton C&F with deliveries in January 2022;
- A group of importers from the Philippines purchased 100,000 tons of feed wheat (probably Australian) at a price of 340-350 \$/ton C&F with delivery in January-June 2022.

Dynamics of international markets

Rainy weather in Australia and a lack of rainfall in North America were the main weather factors that influenced global prices for major crops during the past week. Prolonged rains slowed harvests and reduced the protein content of Australian wheat, and farmers stopped sales to await final data on crop quality.

In turn, dry weather in the United States worsens the condition of winter crops, which is why there is growing concern about the fate of the future grain harvest. This led to a new wave of appreciation in the wheat market, which also supported corn prices amid increased processing for bioethanol in the United States.

However, on the exchange market, prices for wheat, and partially also for corn, fell last week after investors began fixing incomes on the eve of Thanksgiving in the United States.

On CBOT in Chicago December futures on soft red wheat fell by \$7.4, and March - by \$6.3 to 303.28 \$/ton and 308.72 \$/ton on Friday, respectively. On EURONEXT in Paris, the price of the December wheat contract fell by €9.75 - up to 299.75 €/ton, March - by €3, up to 302.75 €/ton at the auction on November 26.

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%	338	344	340
Wheat 11.5%	336	342	338	343
Feed wheat	318	323	320	326
Barley	298	303	301	305
Corn	280	285	283	290

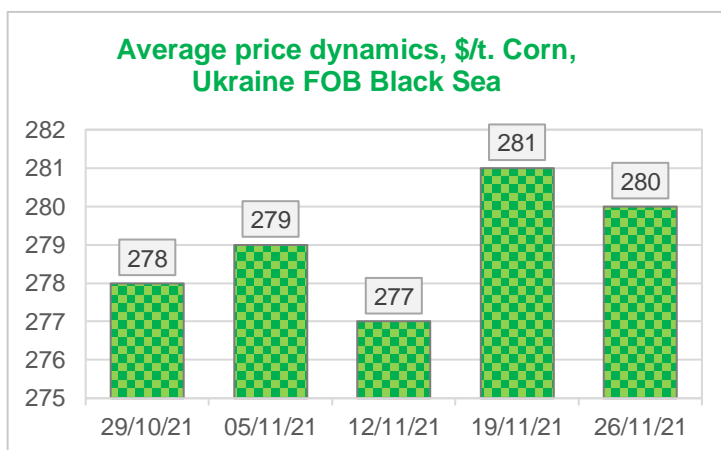
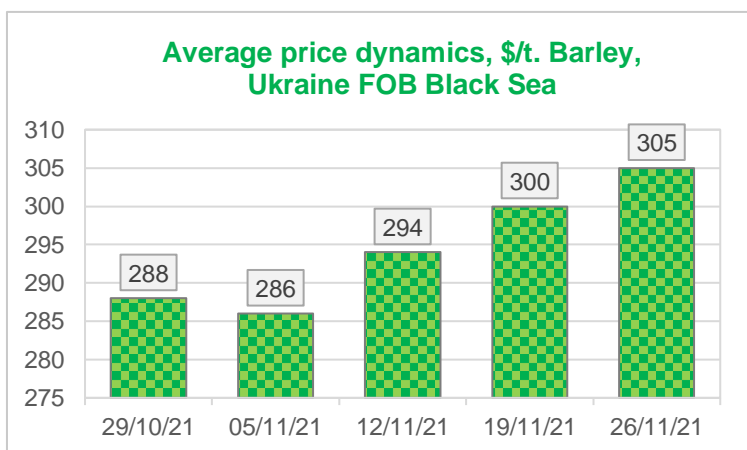
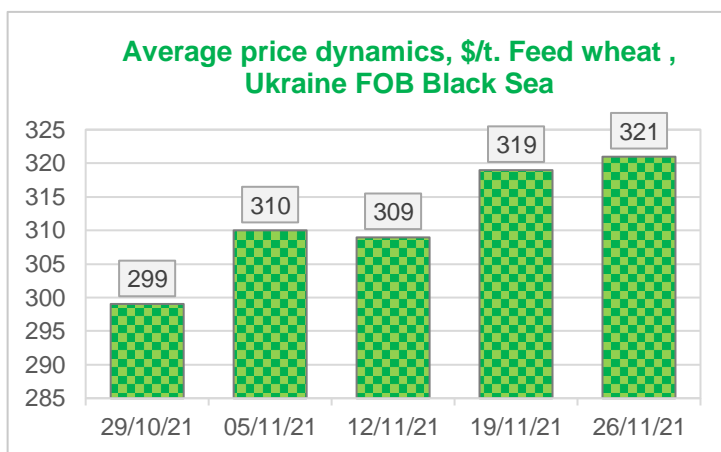
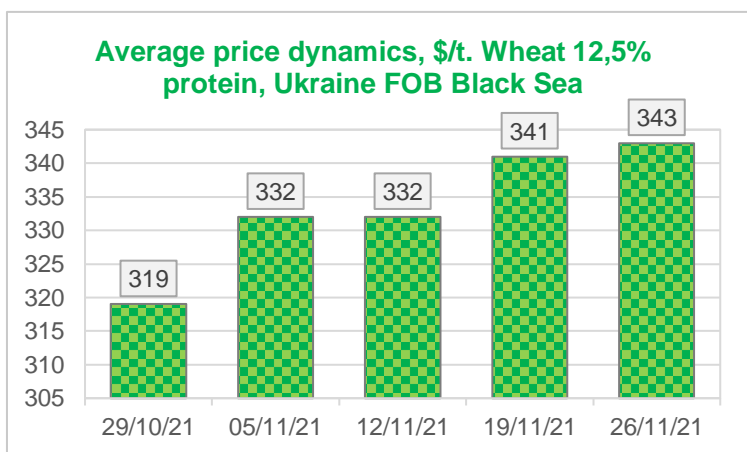
Export prices for the main products of wheat processing in Ukraine

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

As for corn, its January contracts on EURONEXT also fell by €1.75 last week to 254.25 €/t due to an increase in grain supplies in the Black Sea region. On CBOT as of Monday, December corn futures rose in price by \$1, and March - by almost \$3, having topped 230.93 \$/ton and 232.90 \$/ton on Friday, respectively.

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 / February 21/22				
	min	max	avr	Δ,%
FOB price, USD/t				
Wheat 12.5% protein, Ukraine Black Sea	340	346	343	0.7%
Wheat 11.5% protein, Ukraine Black Sea	339	344	342	0.7%
Feed wheat, Ukraine Black Sea	319	323	321	0.8%
Wheat HRW 11% protein, USA NOLA	380	383	382	2.4%
Wheat SRW, USA NOLA	355	360	358	-0.1%
Wheat Superior, France Rouen	344	347	346	1.3%
Wheat 12.5% protein, Romania Constanța	341	348	345	0.6%
Wheat 12.5% protein, Russia Black Sea	340	347	344	0.3%
Barley, Ukraine Black Sea	303	307	305	1.8%
Barley, France Rouen	314	318	316	0.6%
Corn, Ukraine Black Sea	278	281	280	-0.4%
Corn, USA NOLA	264	267	266	2.3%
Corn, France Rouen	295	297	296	1.7%
Corn, Romania Constanța	274	278	276	-0.7%
Corn, Russia Black Sea	275	278	277	-0.4%



Market dynamics of the main grain crops

In Ukraine, domestic markets of wheat, corn and barley last week were marked by a rapid rise in prices, which was facilitated by the strengthening of the global conjuncture of these crops, a decrease in supply, problems with grain delivery to ports, as well as the devaluation of the national currency.

Wheat prices grew at the fastest pace. Thus, according to the monitoring data of ProAgro Group, prices for milling wheat in the Black Sea ports last week renewed the record of the last season and crossed the mark of 10,000 UAH per ton, having added an average of 550 UAH per week.

Feed wheat on the basis of CPT port has risen in price slightly less - by 500 UAH/ton. At the same time, FOB export prices added only a "modest" 2 \$/ton over the week. The main contribution to the rise in prices was made by internal factors - the general reduction in the supply of wheat and the depreciation of the national currency, only thanks to which the hryvnia prices for it increased by about 150 UAH/ton.

As a result of a decrease in the inventories of producers and a shortage of supply for consignments, barley has also risen in price. On the basis of elevators, its price during the week added an average of 250 UAH/ton, in ports - 200 UAH/ton. At the same time, barley added more among the main crops in the export direction - its FOB price increased by 5 \$/ton.

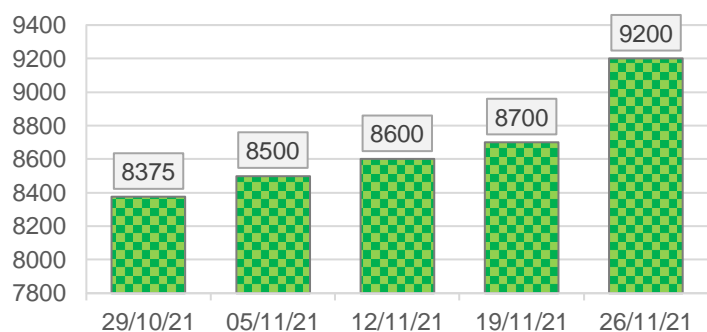
In contrast to wheat and barley, the export price of corn fell last week. But this did not prevent its rise in price on the EXW and CPT port bases, where prices added on average 350 UAH/ton and 300 UAH/ton, respectively. Despite the sufficient supply of corn from producers, problems with its delivery to ports continue to worsen, and this is forcing traders and exporters to raise prices.

Domestic processors also increased purchasing prices for major crops last week, but slightly less than traders. So, wheat on the basis of the CPT enterprise has risen in price by 250 UAH/ton. At the same time, prices for processed products - flour and bran - last week increased by 400 UAH/ton and 200 UAH/ton, respectively, and the main reason for this is the rise in prices for raw materials.

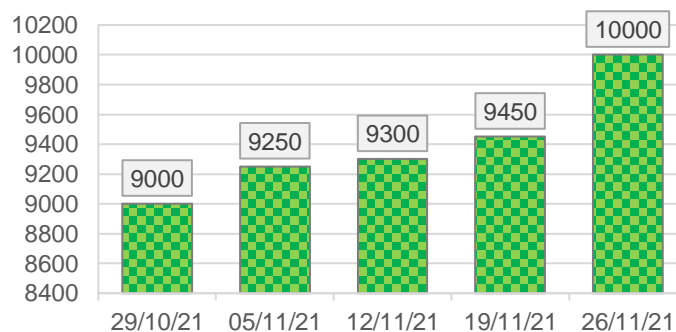
Purchase prices for key crops				
	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Wheat 12.5%	8450	9700	9200	5.7%
Wheat 11.5%	8400	9650	9150	5.8%
Feed wheat	7750	9000	8450	5.6%
Corn	6800	7800	7200	5.1%
Barley	6900	8050	7550	3.4%
CPT enterprise price, UAH/ton				
Wheat 12.5%	8550	9100	8850	2.9%
Wheat 11.5%	8500	9050	8800	2.9%
Feed wheat	7950	8400	8100	2.5%
Corn	6800	7400	7100	2.9%
Barley	6950	7600	7200	0.7%
CPT port price, UAH/ton				
Wheat 12.5%	9900	10150	10000	5.8%
Wheat 11.5%	9850	10100	9950	5.9%
Feed wheat	9200	9650	9250	5.7%
Corn	8100	8250	8150	3.8%
Barley	8200	8350	8250	2.5%

Prices for key wheat processing products				
	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Flour, extra class	11500	12000	11950	3.5%
Flour, first class	11300	11750	11600	3.6%
Wheat bran	4500	4900	4600	4.5%
EXW supply price, UAH/ton				
Flour, extra class	11400	12200	12000	3.4%
Flour, first class	11200	11800	11700	3.5%
Wheat bran	4450	5100	4650	4.5%

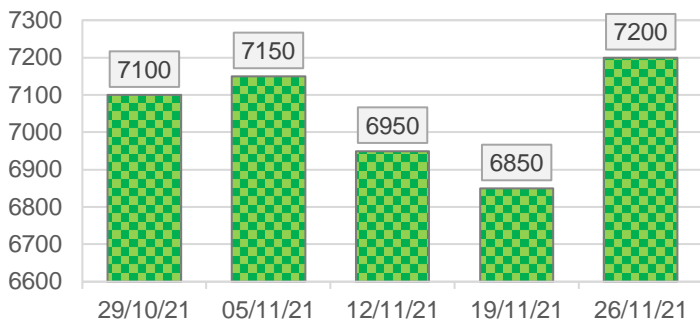
Average price dynamics, UAH/t. Wheat 12,5% protein, EXW demand



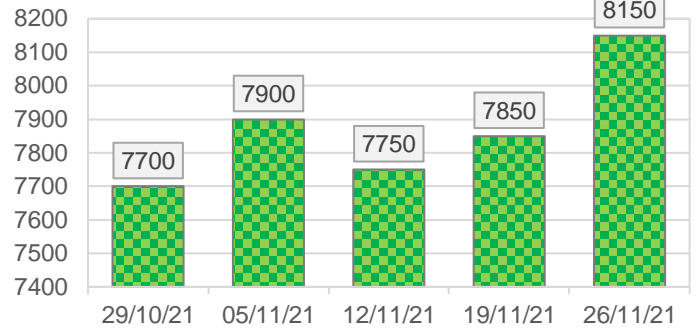
Average price dynamics, UAH/t. Wheat 12,5% protein, CPT port



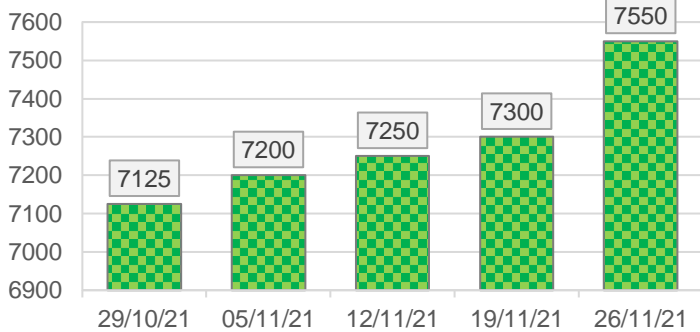
Average price dynamics, UAH/t.
Corn, EXW demand



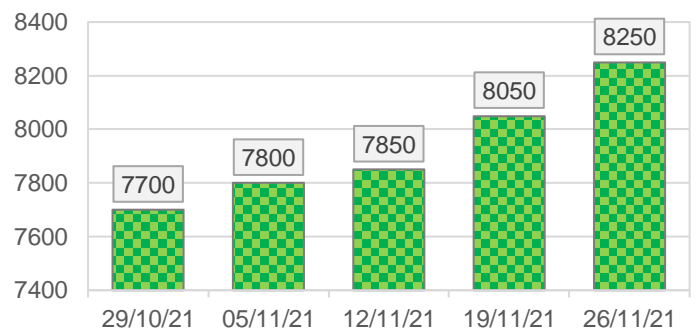
Average price dynamics, UAH/t.
Corn, CPT port



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



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



Niche grain market dynamics

The domestic market of niche grain crops after the previous price calm last week turned into an upward trend, prompted by a total rise in prices for major crops.

The most significant rise in price was noted for rye. According to the monitoring data of ProAgro Group, the price of traders and processors increased from 200 UAH/ton in ports to 400 UAH/ton on the basis of primary elevators. In purchases from processors, rye has risen in price by an average of 250 UAH/ton.

In addition, peas also went up in price on all bases last week - they added in price from 50 to 100 UAH/ton.

On the EXW basis, last week the prices for oats and sorghum went up - by an average of 300 UAH/ton and 50 UAH/ton, respectively. In addition, sorghum also went up in price at CPT port, where its price increased by an average of 50 UAH/ton.

Purchase prices for niche crops

	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Rye	5800	6500	6100	7.0%
Peas	9500	9900	9800	1.0%
Oats	5700	6200	5900	5.4%
Millet	6900	7500	7200	0.0%
Sorghum	6500	7000	6800	0.7%
CPT enterprise price, UAH/ton				
Rye	5900	6300	6050	4.3%
Peas	9500	10000	9900	1.0%
Oats	5850	6400	6000	0.0%
Millet	6800	7500	7300	0.0%
Sorghum	n / a	n / a	n / a	n / a
CPT port price, UAH/ton				
Rye	6700	7100	6900	3.0%
Peas	9500	10400	10150	0.5%
Oats	6100	6350	6250	0.0%
Millet	7200	8000	7800	0.0%
Sorghum	7200	7600	7400	0.7%

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