

Grain and processed products market

Key influencing factors

- According to the Ministry of Agrarian Policy, on November 4, 2021, 67.8 million tons of crops were harvested in Ukraine from 13.8 million hectares with an average yield of 49.1 centners per hectare. Buckwheat harvest is almost completed - 109.9 tons were threshed from 83.3 thousand hectares (99%) with the average yield of 13.2 centners/ha. 182.8 tons of millet from 77.6 thousand hectares (100%) with the average yield of 23.6 centners/ha have been harvested. Also 22.8 million tons of corn were threshed from 3.3 million hectares (61%) with the current average yield of 68.2 centners/ha;
- According to the State Customs Service of Ukraine, as of November 5, 20.434 million tons of cereals and leguminous crops were exported from Ukraine since the beginning of 2021/22 MY, which is 3.3 million tons more than at the same date last season. Wheat supplies amounted to 12.815 million tons (+1.904 million tons), barley - 4.520 million tons (+1.143 thousand tons), rye - 69.9 million tons (+68.2 thousand tons), corn - 2.831 million tons (+57 thousand tons). Moreover, 44.1 thousand tons of cereal flour was exported (including 43.6 thousand tons of wheat flour), which is 17.8 tons less than the corresponding index of the previous season;
- According to operational data, as of November 1, 7.1 million hectares of winter crops were sown in Ukraine, which is 90% of the forecast. The main part of sown area consists of wheat - 6, 1 million ha (91%), winter barley - 844 thousand ha (83%), winter rye - 157 thousand ha (98%);
- The prolonged absence of productive rainfall and low soil moisture caused unsatisfactory condition of sprouting of winter grain crops on the majority of the sown areas in Ukraine, Ukrhydrometecenter said;
- Saudi state agency SAGO purchased 1.268 million tons of wheat with 12.5% protein at the tender scheduled for 29 October, almost double the planned purchase volume (the planned purchase was 655,000 tons). Egyptian GASC bought 180 thousand tons of Russian wheat at tender on November 1, with delivery on December 11-20, at the average price of \$364.26 per ton C&F (\$332.33 per ton FOB), which was \$4.32/ton more than at the auction on October 27. Romanian wheat also took part in the tender with bid prices of \$337-340/ton FOB. Ukrainian wheat was not presented at the auction this time;
- State Trading Corporation of Pakistan on November 4 held a tender for the purchase of 90 thousand tons of wheat with delivery in January 2022. The results of the tender have not been made public yet.
- According to the agency FranceAgriMer, as of November 1, sowing of winter wheat in France was conducted on 80% of the planned areas, which is ahead of the previous year (75%). Also, winter barley was sown on 90% of the allotted acreage, compared with 86% a year earlier. In addition, by the beginning of November, corn in the country was harvested from 73% of the planned areas;
- According to monitoring by Safras&Mercado, as of 29 October 72.4 percent of the planned 4.38 million hectares were planted to first-crop corn in Brazil. At the same time last year first-crop corn was sown on 58% of the planned 4.35 million hectares;

Dynamics of international markets

The Food and Agriculture Organization of the United Nations (FAO) in its new report has lowered its forecast for global grain production in 2021 by 6.7 million to 2.79 billion tons compared to preliminary estimates. At the same time, the forecast for wheat production was cut most of all - by 6.3 million, to 770.4 million tons as a result of a decrease in harvest in Turkey, Iran and the United States. FAO experts raised the forecast of world corn production by 5.8 million compared to the October report - to 1.197 billion tons.

At the same time, the European Commission has lowered estimates of production in the EU in 2021/22 MY for all three main cereals - both wheat and corn and barley.

At CBOT in Chicago, December futures for soft red wheat, whose price last Monday, November 1, was \$ 292.92 / ton, on the last working day of the week fell to \$ 281.60 / ton. On EURONEXT in Paris, the price of the December wheat contract fell over the week from 291.25 € / ton on Monday to 287.75 € / ton on Friday.

Price for Ukrainian grain in Black Sea ports on FOB terms

Cereal	FOB Price Black Sea, USD / t (demand)		FOB Price Black Sea, USD / t (supply)	
	min	max	min	max
Wheat 12.5%	320	325	322	331
Wheat 11.5%	316	322	317	327
Fodder wheat	300	305	302	311
Barley	283	287	285	290
Corn	279	284	282	286

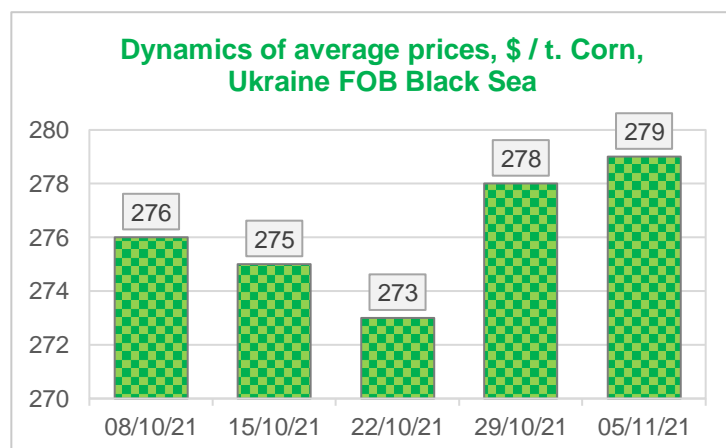
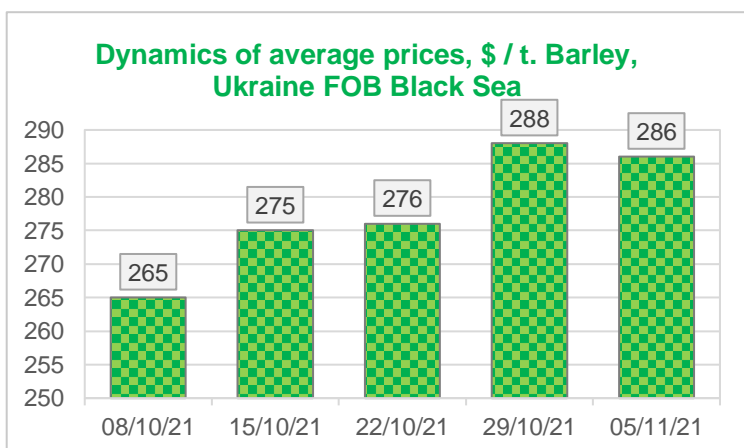
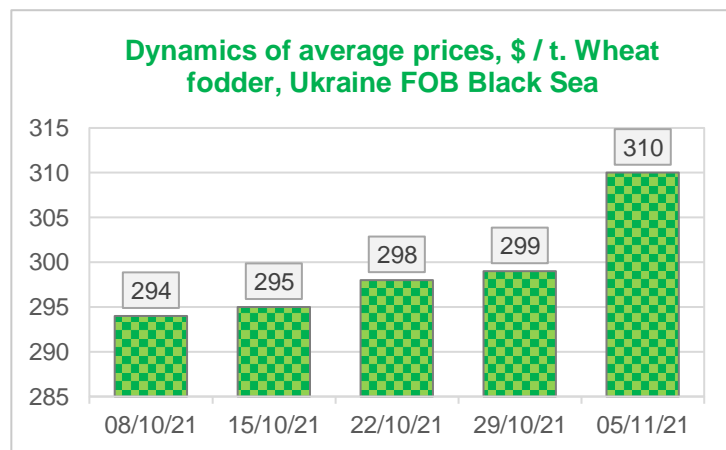
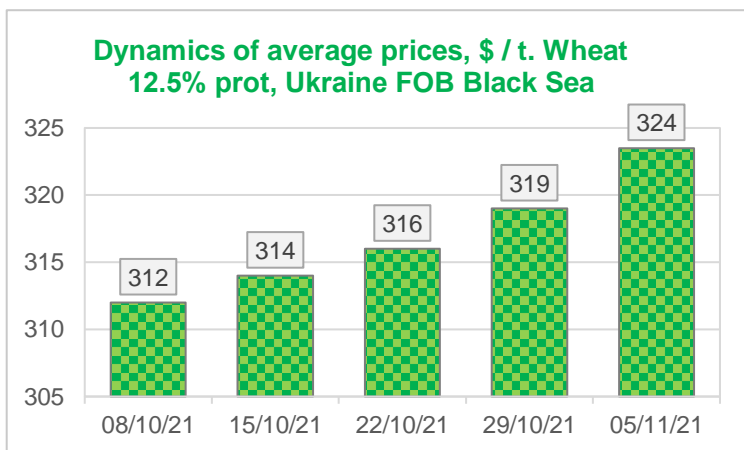
Export prices for the main products of wheat processing in Ukraine

Cereal	min	max	Apr	Δ,%
Flour EC, 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 \$ 211.80 / ton to \$ 217.71 / ton. On EURONEXT, however, the November-exercised corn price, which stood at € 225 / t on Monday, rose to € 239.25 / t on Friday. At the same time, the January contract fell in price from 242.5 € / ton to 238.5 € / ton during the week.

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

Grain contract prices in the main ports of exporting countries, delivery period November / January 2021-2022				
Cereal	min	max	avr	Δ,%
Price FOB, USD / t				
Wheat 12.5% protein, Ukraine Black Sea	322	325	324	1.4%
Wheat 11.5% protein, Ukraine Black Sea	316	322	319	0.6%
Wheat fodder, Ukraine Black Sea	308	312	310	3.9%
Wheat HRW 11% Protein USA NOLA	350	353	352	-0.8%
Wheat SRW, USA NOLA	337	340	339	-0.3%
Wheat Superior, France Rouen	336	339	338	2.0%
Wheat 12.5% protein, Romania Constant	320	325	323	0.9%
Wheat 12.5% protein, Russia Black Sea	334	340	337	4.8%
Barley, Ukraine Black Sea	284	288	286	-0.5%
Barley, France Rouen	306	310	308	1.7%
Corn, Ukraine Black Sea	277	280	279	0.2%
Corn, USA NOLA	271	275	273	1.9%
Corn, France Rouen	285	288	287	-2.7%
Corn, Romania Constant	275	279	277	1.3%
Corn, Russia Black Sea	277	280	279	3.3%



Market dynamics of the main grain crops

The beginning of November returned an upward trend to the domestic corn market, the harvesting campaign of which in Ukraine has already crossed the equator, and the current yield indicators confirm the forecasts for a record grain production. At the same time, wheat and barley continued to rise in price, conquering new price heights.

So, according to monitoring data of ProAgro Group, wheat prices continued to strengthen steadily, which was facilitated by an increase in the supply of grain in the export direction. Another support for grain prices was provided by the results of tenders for its purchase in Egypt and Saudi Arabia. And although Ukrainian wheat did not participate, the supply prices of both food and feed grains on the FOB / Black Sea ports basis increased to 10\$ / ton and crossed the mark 330 \$ / ton. On linear elevators, the average prices for classes increased by UAH 125 / ton, while in ports the prices increased twice as much - UAH 250 / ton due to the rise in delivery costs.

At the same time, worsening weather conditions stopped the corn harvest in certain areas and reduced the volume of grain supply on the market. Together with the increase in prices for export corn, domestic prices last week increased by an average of UAH 50 on the EXW basis and by UAH 200 / ton on the CPT-port basis.

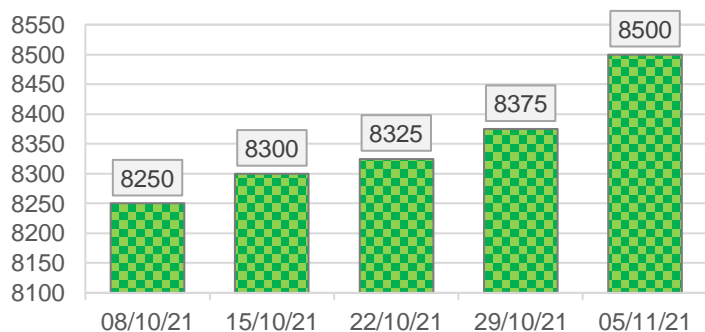
The reduction in the supply of barley from producers, even despite the measured decrease in export prices, supported the further rise in prices on a domestic basis. So, on elevators barley over the past week has risen in price by an average of 75 UAH / ton, and in ports - for 100 UAH / ton.

Since the beginning of this month, domestic processing enterprises have increased the purchase prices for wheat and corn by UAH 100 and 50 per ton, respectively, while barley on the basis of the CPT-enterprise remained at the same price. In the wheat processing market, producers' selling prices for extra and first class flour remained relatively stable last week, while bran fell once again - this time by an average of UAH 300 / ton due to an increase in the supply of feed grains.

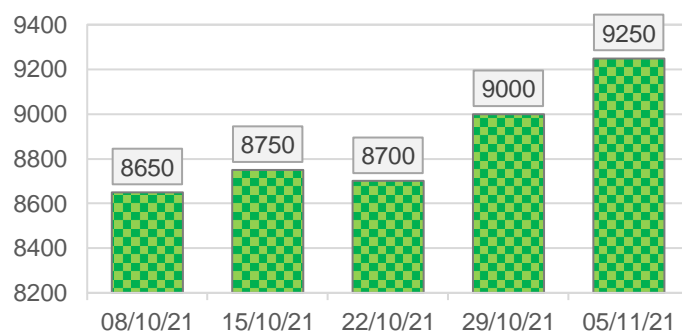
Purchase prices for key crops				
Cereal	min	max	avr	Δ,%
Price EXW demand, UAH / ton				
Wheat 12.5%	7800	8900	8500	1.5%
Wheat 11.5%	7750	8850	8450	1.5%
Wheat fodder	7100	8250	7900	1.6%
Corn	6800	7600	7150	0.7%
Barley	6650	7450	7200	1.1%
Price of CPT enterprise, UAH / ton				
Wheat 12.5%	8350	8900	8600	1.2%
Wheat - 11.5%	8300	8850	8550	1.2%
Wheat fodder	7750	8200	7900	1.3%
Corn	6900	7500	7100	0.7%
Barley	6900	7500	7150	0.0%
Price CPT port, UAH / ton				
Wheat 12.5%	9100	9350	9250	2.8%
Wheat 11.5%	9050	9300	9200	2.8%
Wheat fodder	8400	8800	8600	3.0%
Corn	7700	8100	7900	2.6%
Barley	7600	7900	7800	1.3%

Prices for key wheat processing products				
Cereal	min	max	avr	Δ,%
Price EXW demand, UAH / ton				
Flour, premium	10900	11600	11400	0.0%
Flour, first grade	10700	11200	11050	0.0%
Wheat bran	4200	4800	4500	-6.3%
Price EXW supply, UAH / ton				
Flour, premium	11100	11900	11450	0.0%
Flour, first grade	10800	11600	11150	0.0%
Wheat bran	4350	5000	4550	-6.2%

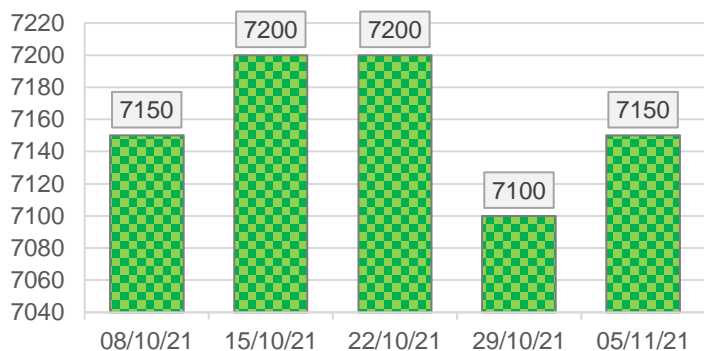
**Dynamics of average prices, UAH / t.
Wheat 12.5% protein, EXW demand**



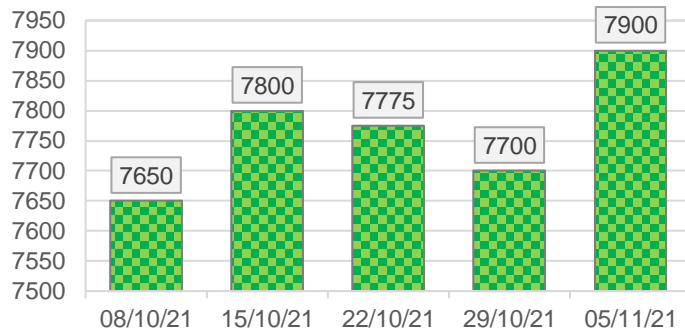
**Dynamics of average prices, UAH / t.
Wheat 12.5% protein, CPT port**



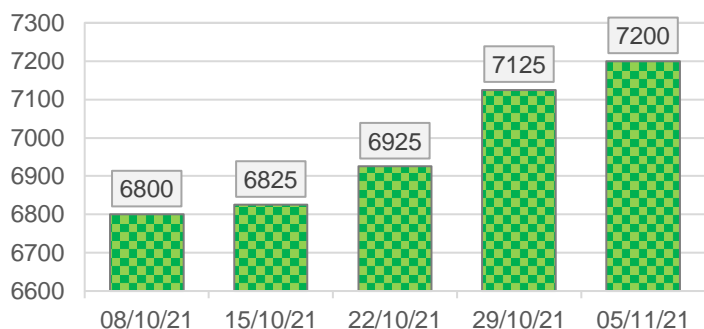
**Dynamics of average prices, UAH / t.
Corn, EXW demand**



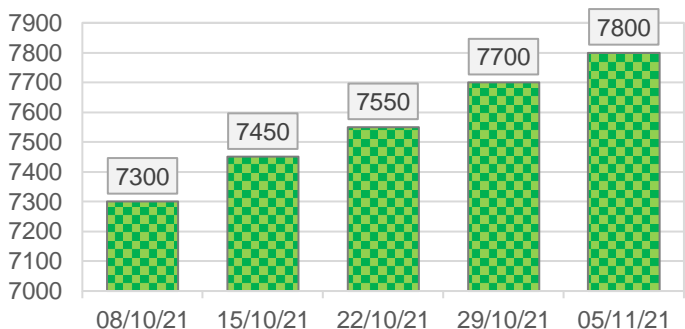
**Dynamics of average prices, UAH / t.
Corn, CPT port**



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



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



Niche grain market dynamics

The beginning of November on the market of niche grain crops was marked by a real price explosion caused mainly by the cumulative effect - for a long time the prices for "small" grain, with the exception of perhaps peas and millet, were not revised by either traders or exporters. What amid the constant rise in prices for basic crops led to a reduction in supply from producers and, accordingly, in trade volumes.

The completion of the harvesting of cereal crops made it possible to clarify production estimates and consumption balances, as a result of which oats and millet rose in price over the past week from UAH 100 / ton at domestic elevators to UAH 300 / ton in ports.

Rye and peas became record-breakers in price growth. Thus, peas increased in price by an average of UAH 600 / ton on the EXW basis, and rye - by UAH 700 / ton on the CPT-port basis. Sorghum has also risen in price by UAH 250 / ton in ports.

On the basis of processors last week also by UAH 200 / ton the price of rye increased and by 300 UAH / ton peas have risen in price.

Purchase prices for niche crops				
Cereal	min	max	avr	Δ,%
Price EXW demand, UAH / ton				
Rye	5200	5800	5400	5.9%
Pea	9300	9800	9600	6.7%
Oat	5200	5800	5600	4.7%
Millet	6900	7500	7200	1.4%
Sorghum	6400	7000	6750	0.0%
Price of CPT enterprise, UAH / ton				
Rye	5600	6000	5800	3.6%
Pea	9400	10000	9800	3.2%
Oat	5850	6400	6000	0.0%
Millet	6800	7500	7300	0.0%
Sorghum	n / a	n / a	n / a	n / a
Price CPT port, UAH / ton				
Rye	6300	6700	6500	12.1%
Pea	9500	10300	10100	3.1%
Oat	6100	6350	6250	5.0%
Millet	7200	8000	7800	2.6%
Sorghum	7000	7500	7250	3.6%