

ProAgro Group Analytics

(06.12.21–10.12.21)

Oilseeds and processed products market

Key influencing factors

- According to the Institute of Agrarian Economics, in the first 9 months of 2021, China became the largest buyer of Ukrainian agricultural products. The total volume of trade in agricultural products between Ukraine and Asian countries increased by 20%;
- S&P Global Platts reports that industry analysts and traders estimate Malaysia's palm oil stocks at the end of November stood at 1.78 million tons, down 3.2% from the previous month (1.83 million tons). Active exports for the month (+11%) led to a decrease in palm oil reserves in the country, while production of the product decreased by 1%;
- According to the official data of the State Information Center of China, in 2021/22 MY the volume of soybean processing in the country will increase by 1.9% or by 1.85 million to 101 million tons, which is 3 million more than the USDA forecast for December. The processing volume at the level of 1.6 million tons of soybeans of local and 99.4 million of imported origin will be provided for industrial use.
- Canada analysts expect that the canola and soybean harvest in the country in 2021/22 MY will amount to 12.6 million and 6.3 million tons respectively, (in the previous season, 19.5 million tons of canola and 6.4 million of soybeans were harvested).

Dynamics of international markets

In the December balance sheet, USDA experts lowered the forecast for world oilseed production in 2021/22 MY by 0.45 million to 627.58 million tons (603.57 million tons in 2020/21 MY) as a result of a decrease in the soybean crop in China and Paraguay and rapeseed crop in Canada. The current decline will be partially offset by an increase in rapeseed crops in Australia and sunflower crops in Ukraine and Russia.

USDA analysts raised the forecast of world oilseed exports in 2021/22 MY by 0.53 million to 196 million tons (190.87 million tons in 2020/21 MY), as a result of which the estimate of world final reserves were reduced by 1 million to 114,13 million tons.

The estimates in the soybean segment have changed significantly. The production estimate was reduced by 2.32 million to 381.78 million tons, including for China - by 2.6 million to 16.4 million tons. The forecast for soybean imports by China was left at the level of 100 million tons compared to 99.76 million in 2020/21 MY. For Ukraine, USDA analysts raised the estimate of soybean production by 0.3 million to 3.7 million tons, and exports - by 0.15 million to 1.85 million tons.

On EURONEXT, February rapeseed futures quotations as of December 10 reached 718.25 €/t (682.75 €/t as of December 3).

On CBOT, January soybean futures contracts on December 10 stopped at the level of 12.68 ¢/B (12.67 ¢/B on December 3).

Prices for oilseeds in the main ports of exporting countries

new crop	min	max	avr	Δ, %
Soybean, Ukraine Black Sea	535	550	543	0.0%
Soybean, USA NOLA	499	497	500	-0.3%
Soybean, Argentina	474	512	514	0.0%
Soybean, Brazil	482	509	511	0.2%
Sunflower, Ukraine Black Sea	670	685	678	0.0%
Rapeseed, Ukraine Black Sea	760	775	768	0.0%

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	670	680	675	685
Soybean	535	545	540	550
Rapeseed	760	770	765	775

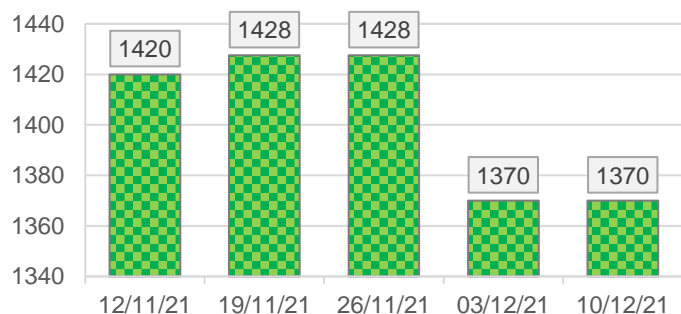
Supply and demand prices for Ukrainian oilseeds in the Black Sea ports

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1360	1375	1365	1380
Sunflower grist, FCA	275	285	280	290
Sunflower oilcake, DAP	255	265	260	270
Soybean oil, FCA	1225	1235	1230	1240
Soybean grist, FCA	455	465	460	470

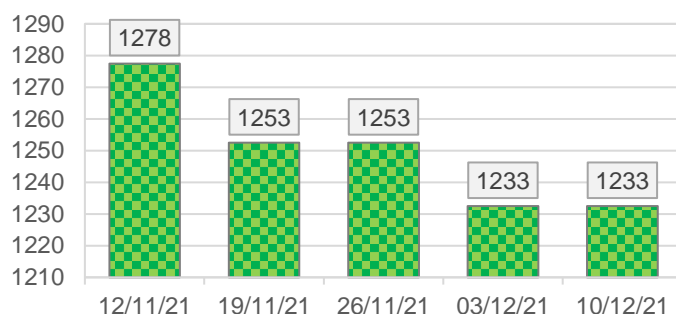
Prices for the main processed products in the ports of exporters

	new crop	min	max	avr	Δ,%
FOB price, USD/t					
Sunflower oil, Ukraine FOB Black Sea		1360	1380	1370	0.0%
Sunflower grist, Ukraine		275	290	283	0.0%
Sunflower oilcake, Ukraine DAP		255	270	263	0.0%
Soybean oil, Ukraine		1225	1240	1233	0.0%
Soybean grist, Ukraine		455	470	463	0.0%
Soybean grist, protein 48%, USA FOB NOLA	436	434	437	436	3.0%
Soybean grist, protein 47%, Argentina FOB	392	410	414	412	3.3%
Soybean grist, protein 48%, Brazil FOB	449	413	417	415	6.4%

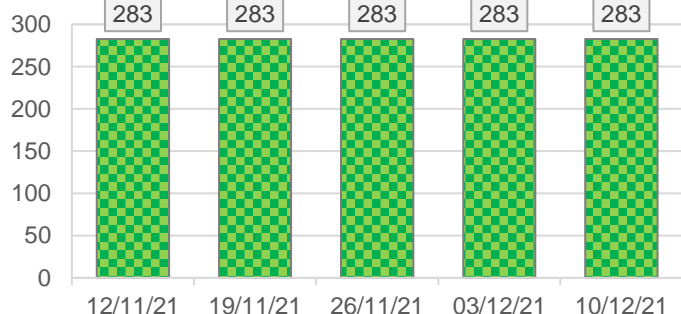
**Average price dynamics, \$/t.
Sunflower oil, Ukraine FOB**



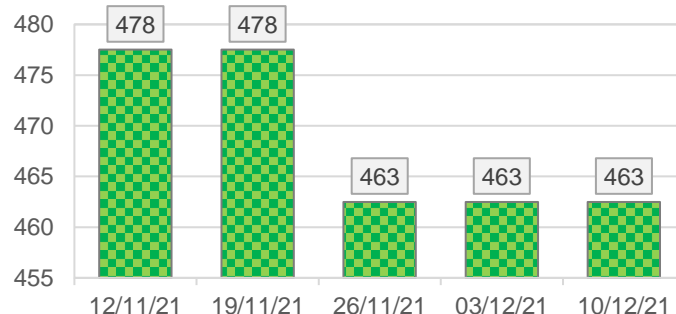
**Average price dynamics, \$/t.
Sobean oil, Ukraine FCA**



**Average price dynamics, \$/t.
Sunflower grist, Ukraine FCA**



**Average price dynamics, \$/t.
Soybean grist, Ukraine FCA**



Domestic market dynamics

According to our price monitoring data, during the reporting period, mainly positive price adjustments were recorded on the domestic markets for key oilseeds and their derivatives.

In the sunflower segment during the reporting week, prices remained mostly stable. On the EXW basis, sunflower seeds were traded in the range of 19000-19400 UAH/t, while on the basis of CPT enterprise - 19200-19600 UAH/t.

Sunflower oil of Ukrainian production on the FOB basis in the Black Sea ports continued to be traded in the range of 1360-1380 \$/t at the end of the week.

Purchase prices for key oilseeds

	min	max	avr	Δ,%
EXW price demand, UAH/t				
Sunflower	19000	19400	19200	0.0%
Soybean	15400	15800	15600	1.3%
Rapeseed	20500	20800	20650	0.0%
CPT enterprise price, UAH/t				
Sunflower	19200	19600	19400	0.0%
Soybean	15800	16200	16000	1.3%
Rapeseed	20700	21200	20950	0.0%
CPT port price, UAH/t				
Sunflower	19400	19800	19600	0.0%
Soybean	16200	16600	16400	1.2%
Rapeseed	21000	21400	21200	0.0%

In a recent report, analysts from the US Ministry of Agriculture increased their estimate of the average yield of sunflower in Ukraine in 2021 compared to the November report from 2.43 to 2.54 t/ha (2.5 t/ha according to the estimates of the Ukrainian MA).

We also increased the assessment of the harvested areas (to 6.9 million hectares), as a result of which the production forecast was increased by 0.5 million tons to a record 17.5 million tons. The forecast for sunflower exports from Ukraine was left at 350 thousand tons, although only 34 thousand tons were exported during September-November, compared to 115 thousand tons during the corresponding period in 2020.

Domestic soybean prices continued to rise last week, reversing a long period of price declines. On the EXW basis, soybeans were traded in the range of 15400-15800 UAH/t (+1.3%). On CPT port terms, they occupied the price range of 16200-16600 UAH/t (+1.2%).

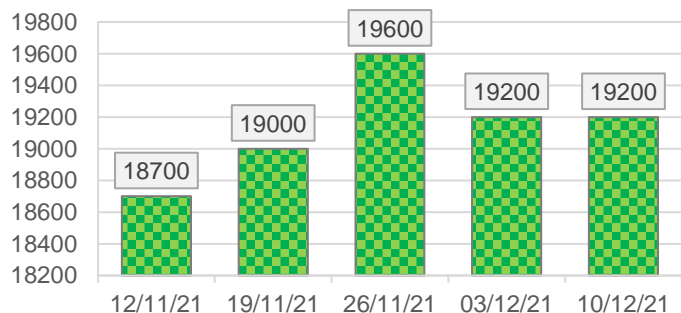
In the rapeseed segment, prices last week were mostly stable, holding high positions on both domestic and export bases. On FOB terms, they fluctuated in the range of 760-775 \$/t.

Prices for key types of vegetable oils				
Product	min	max	avr	Δ,%
EXW price (demand), UAH/t				
Sunflower oil	43300	44300	43800	1.2%
Soybean oil	37600	38000	37800	1.3%
EXW price (supply), UAH/t				
Sunflower oil	43500	44500	44000	1.1%
Soybean oil	38200	38800	38500	1.3%

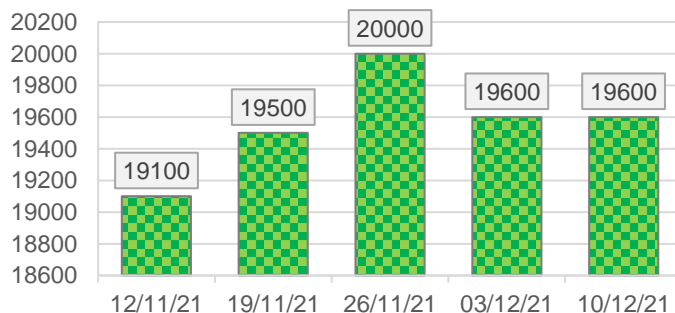
Sunflower oil price in Ukraine on CPT terms				
Product	min	max	avr	Δ,%
CPT port	42100	42500	42300	1.2%
CPT enterprise	41800	42200	42000	1.2%

Purchase prices for key types of vegetable grist				
Product	min	max	avr	Δ,%
EXW price (demand), UAH/t				
Sunflower grist	7700	7900	7800	-1.3%
Soybean grist	15700	15900	15800	3.3%
EXW price (supply), UAH/t				
Sunflower grist	7800	8000	7900	-1.3%
Soybean grist	15900	16100	16000	3.2%

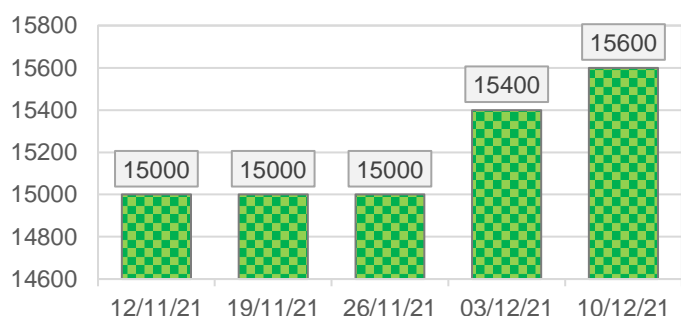
Average price dynamics, UAH/t.
Sunflower, EXW demand



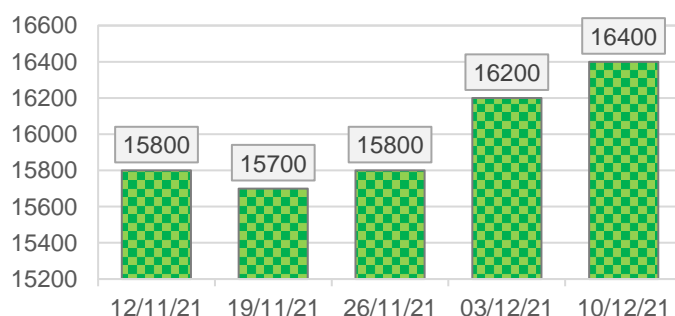
Average price dynamics, UAH/t.
Sunflower, CPT port



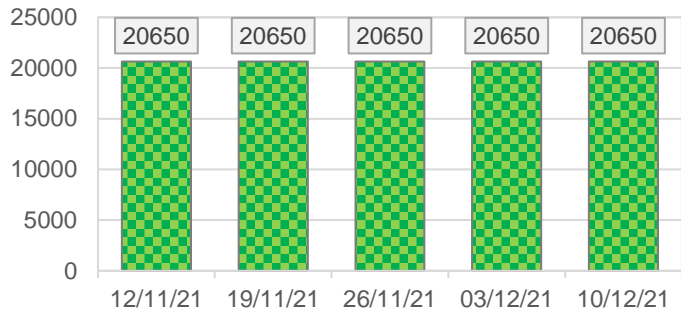
Average price dynamics, UAH/t.
Soybean, EXW demand



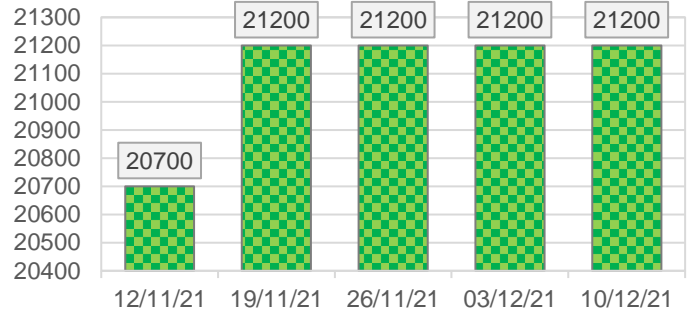
Average price dynamics, UAH/t.
Soybean, CPT port



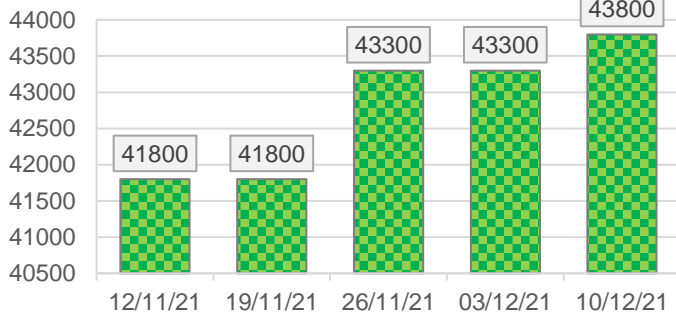
**Average price dynamic, UAH/t.
Rapeseed, EXW demand**



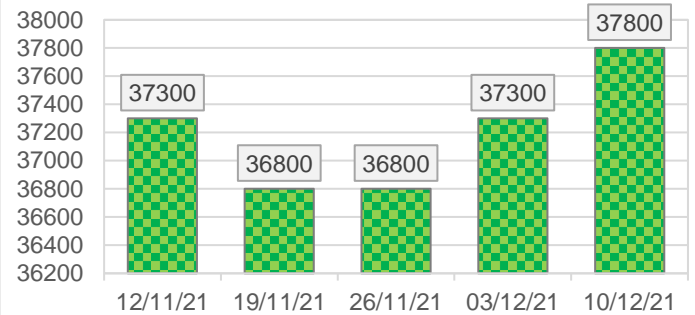
**Average price dynamics, UAH/t.
Rapeseed, CPT port**



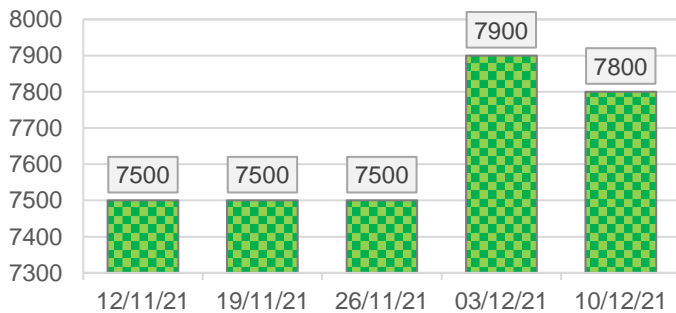
**Average price dynamics, UAH/t.
Sunflower oil, EXW demand**



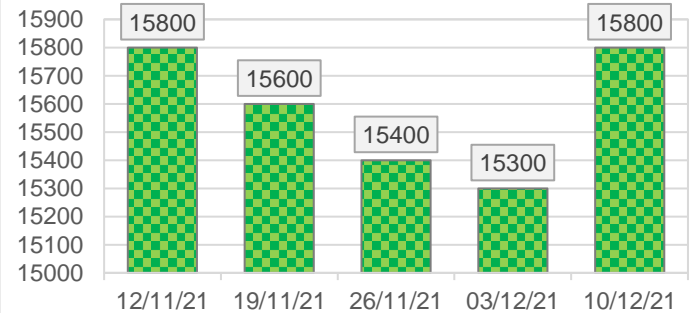
**Average price dynamics, UAH/t.
Soybean oil, EXW demand**



**Average price dynamics, UAH/t.
Sunflower grist, EXW demand**



**Average price dynamics, UAH/t.
Soybean grist, EXW demand**



Market dynamics of niche oilseeds

According to the latest data from customs statistics, for 10 months of 2021, 17.5 thousand tons of flax seeds were shipped for export from Ukraine with a total value of \$11.3 million.

The key importers of Ukrainian flax seeds as of October 31 were Belgium (22%), Poland (16%) and Egypt (10%).

Purchase prices for niche oilseeds

	min	max	avr	Δ,%
EXW price demand, UAH/t				
Mustard	19500	20500	20000	0.0%
Flax	18500	19500	19000	0.0%
CPT enterprise price, UAH/t				
Mustard	20,000	21000	20500	0.0%
Flax	19000	20000	19500	0.0%
CPT port price, UAH/t				
Mustard	20500	21500	21000	0.0%
Flax	19500	20500	20000	0.0%

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