

# ProAgro Group Analytics

(20.12.21–24.12.21)

## Oilseeds and processed products market

### Key influencing factors

- According to the State Statistics Service, as of December 1, stocks of sunflower seeds in Ukraine increased by almost 1.727 million tons compared to the same period last year - up to 8.221 million ton;
- According to Oil World experts, the processing volume of soybeans in Argentina in November did not meet the expectations of market operators and amounted to 2.9 million tons, which is 13% less than in October this year (3.3 million). The result of the reporting month also for the first time since the beginning of the year turned out to be lower than the indicator of the same month last year;
- According to AgriCensus experts, during September-November 2021, Ukrainian exporters supplied 400 thousand tons of soybeans to foreign markets, which is 43% less than the indicator of the corresponding period of 2020;
- Conab predicts that Brazil will export 90.67 million tons of soybeans in 2022, 5.7% up from the expected export volume in 2021. It is expected that soybean production in Brazil in 2021/22 MY will reach 142.8 million tons, which is 4% more than in the previous season.

### Dynamics of international markets

The disclosure of information about the relatively lesser danger of the new Omicron strain contributes to the gradual recovery of markets, in particular, the edible oil one. Thus, at the end of last week, February oil futures rose by an average of 5%.

Palm oil prices also rose significantly, amid expectations for a decline in December production due to harvest delays following recent floods in eight Malaysian states. As a result of the floods, exports of palm oil from the country during December 1-20 decreased by 5.1% compared to the same period in November this year, according to the cargo testing service Intertek.

Palm oil stocks in Malaysia as of the end of November slightly decreased to 1.82 million tons, which is at the same time higher than market participants' expectations (1.78 million tons), as the slowdown in exports compensated for the decline in production.

Due to the holidays, export prices in world ports are provided of December 17th.

On EURONEXT, rapeseed February futures quotations as of December 24 reached 751.75 €/t (729.00 €/t as of December 17). On CBOT, the January soybean futures contracts on December 24 stopped at 13.32 ¢/B (12.85 ¢/B as of December 17).

#### Prices of pilseeds in the main ports of exporting countries

	new crop	min	max	avr	Δ,%
<b>FOB price, USD/t</b>					
Soybean, Ukraine Black Sea		545	560	553	1.8%
Soybean, USA NOLA	504	512	516	514	0.0%
Soybean, Argentina	482	522	526	524	0.0%
Soybean, Brazil	488	522	526	524	0.0%
Sunflower, Ukraine Black Sea		660	675	668	0.0%
Rapeseed, Ukraine Black Sea		765	780	773	0.7%

#### 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	660	670	665	675
Soybean	545	555	550	560
Rapeseed	765	775	770	780

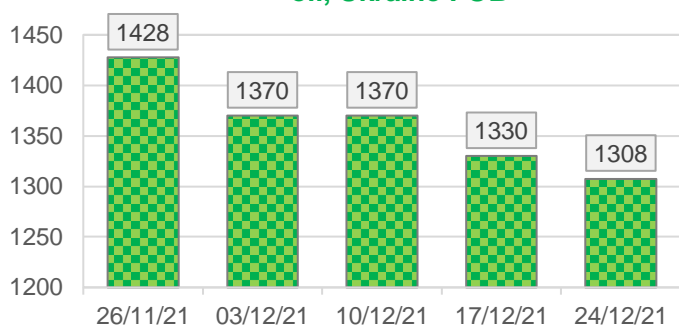
#### Supply and demand prices for Ukrainian oilseeds in the Black Sea ports

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1300	1310	1305	1315
Sunflower grist, FCA	275	285	280	290
Sunflower oilcake, DAP	255	265	260	270
Soybean oil, FCA	1210	1220	1215	1225
Soybean grist, FCA	455	465	460	470

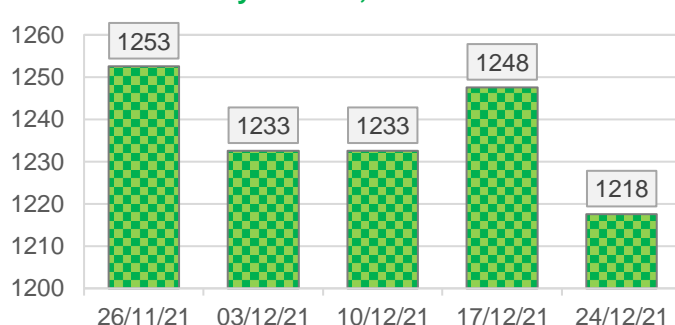
## Prices for the main processed products in the ports of exporters

	new crop	min	max	avr	Δ,%
<b>FOB price, USD/t</b>					
Sunflower oil, Ukraine FOB Black Sea		1300	1315	1308	-1.7%
Sunflower grist, Ukraine		275	290	283	0.0%
Sunflower oilcake, Ukraine DAP		255	270	263	0.0%
Soybean oil, Ukraine		1210	1225	1218	-2.4%
Soybean grist, Ukraine		455	470	463	0.0%
Soybean grist, protein 48%, USA FOB NOLA	435	444	448	446	0.0%
Soybean grist, protein 47%, Argentina FOB	398	418	422	420	0.0%
Soybean grist, protein 48%, Brazil FOB	400	413	417	415	0.0%

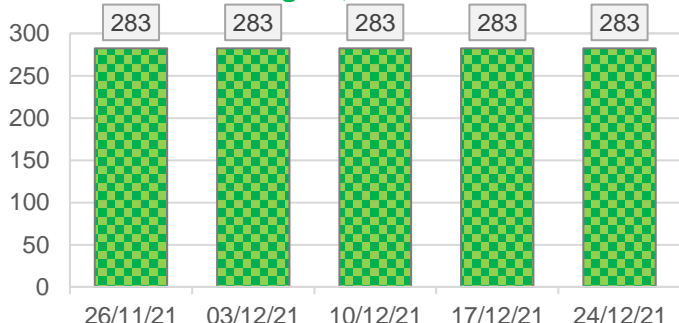
**Average price dynamics, \$/t. Sunflower oil, Ukraine FOB**



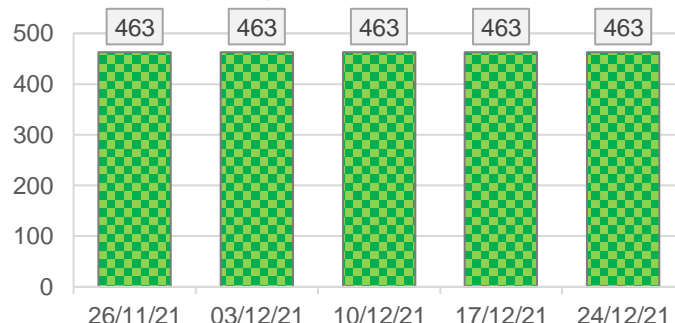
**Average price dynamics, \$/t. Soybean oil, Ukraine FCA**



**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 negative price adjustments were recorded on the domestic markets for key oilseeds and their derivatives.

In the sunflower segment, prices continued to decline during the reporting week. On the EXW basis, sunflower seeds were traded within the range of 17800-18200 UAH/t (-1.1%), while on the CPT enterprise basis - 18000-18400 UAH/t (-1.1%). The key driver of this movement is the decline in sunflower oil prices.

### Purchase prices for key oilseeds

	min	max	avr	Δ,%
<b>EXW price demand, UAH/t</b>				
Sunflower	17800	18200	18000	-1.1%
Soybean	15500	15900	15700	-0.6%
Rapeseed	20500	20800	20650	0.0%
<b>CPT enterprise price, UAH/t</b>				
Sunflower	18000	18400	18200	-1.1%
Soybean	15900	16300	16100	-0.6%
Rapeseed	20700	21200	20950	0.0%
<b>CPT port price, UAH/t</b>				
Sunflower	18200	18600	18400	-1.1%
Soybean	16300	16700	16500	-0.6%
Rapeseed	21000	21400	21200	0.0%

Sunflower oil of Ukrainian production on FOB basis in the Black Sea ports continued to lose in price by the end of the week and was traded in the range of 1300-1315 \$/t (-1.7%). Export prices for Ukrainian-made sunflower oil are falling to the lowest level since the beginning of the current season. Thus, in the absence of cardinal changes in the near future, the negative price trend in the sunflower segment should be expected to continue.

Soybean prices on the domestic market decreased slightly last week. On EXW basis, they were traded in the range of 15500-15900 UAH/t (-0.6%). On CPT port terms, soybeans occupied the price range of 16300-16700 UAH/t (-0.6%). The main factor determining the observed price movement is the reduction in external demand.

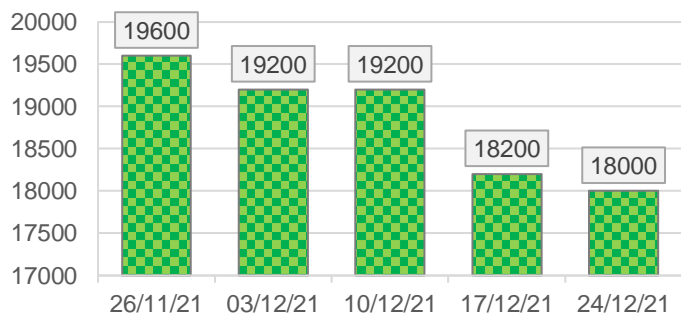
In the rapeseed segment, prices last week were mostly stable, holding high positions both on domestic and export bases. On FOB terms, they fluctuated in the range of 765-775 \$/t. It should be added that the value of the nearest futures contracts for rapeseed on EURONEXT exchange resumes its historical maximum almost every day.

Prices for key types of vegetable oils				
Product	min	max	avr	Δ,%
EXW price (demand), UAH/t				
Sunflower oil	40800	41800	41300	-2.4%
Soybean oil	38100	38500	38300	0.0%
EXW price (supply), UAH/t				
Sunflower oil	41000	42000	41500	-2.4%
Soybean oil	38700	39300	39000	0.0%

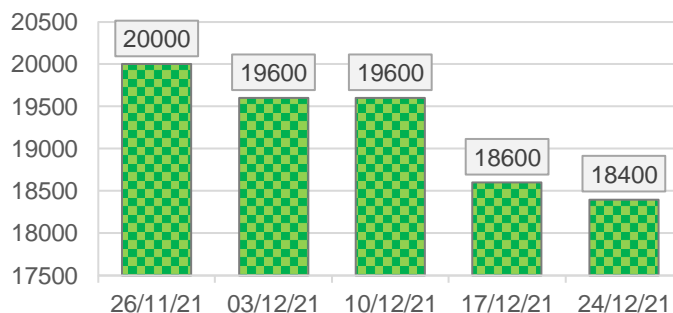
Sunflower oil price in Ukraine on CPT terms				
Product	min	max	avr	Δ,%
CPT port	39600	40,000	39800	-2.5%
CPT enterprise	39300	39700	39500	-2.5%

Purchase prices for key types of vegetable grist				
Product	min	max	avr	Δ,%
EXW price (demand), UAH/t				
Sunflower grist	7400	7600	7500	-1.3%
Soybean grist	15800	16000	15900	0.6%
EXW price (supply), UAH/t				
Sunflower grist	7500	7700	7600	-1.3%
Soybean grist	16000	16200	16100	0.6%

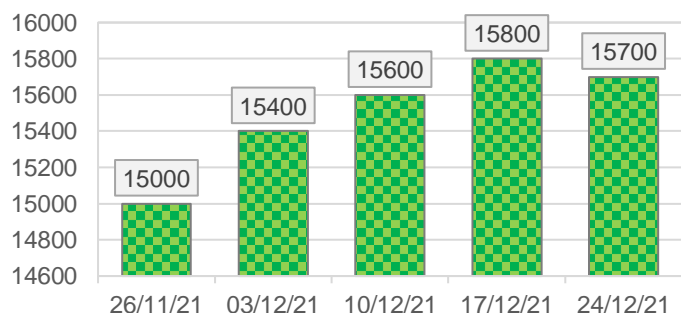
Average price dynamics, UAH/t. Sunflower, EXW demand



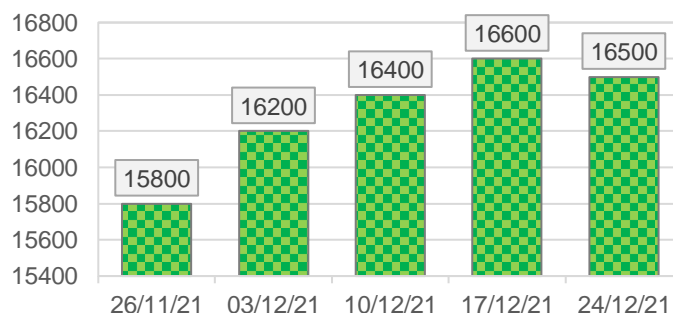
Average price dynamics, UAH/t. Sunflower, CPT port



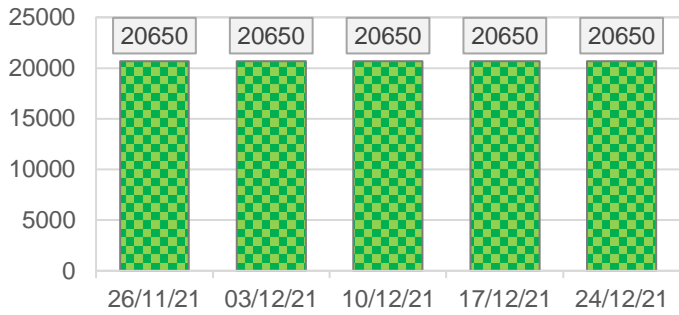
Average price dynamics, UAH/t. Soybean, EXW demand



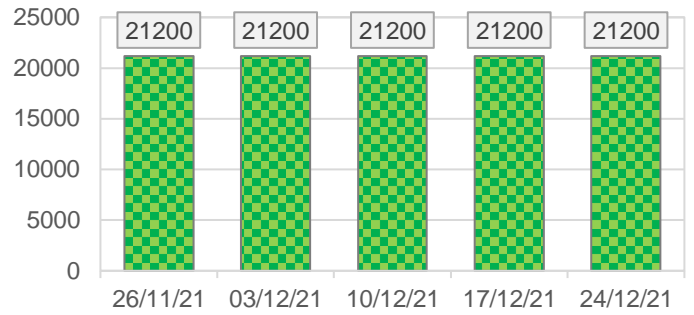
Average price dynamics, UAH/t. Soybean, CPT port



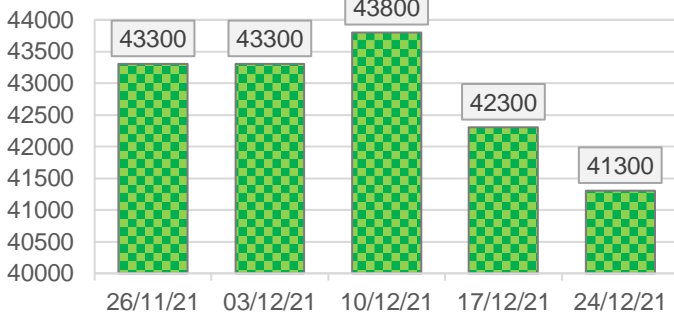
**Average price dynamics, UAH/t.  
Rapeseed, EXW demand**



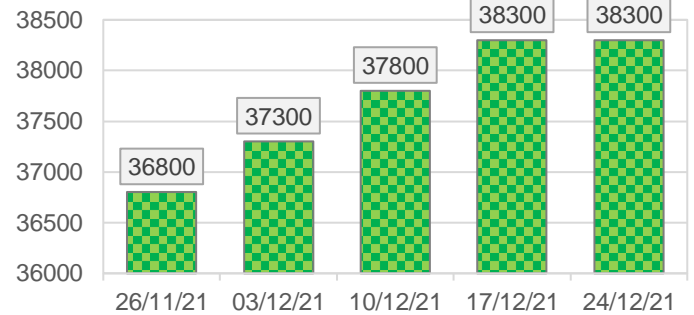
**Average price dynamics, UAH/t.  
Rapeseed, CPT port**



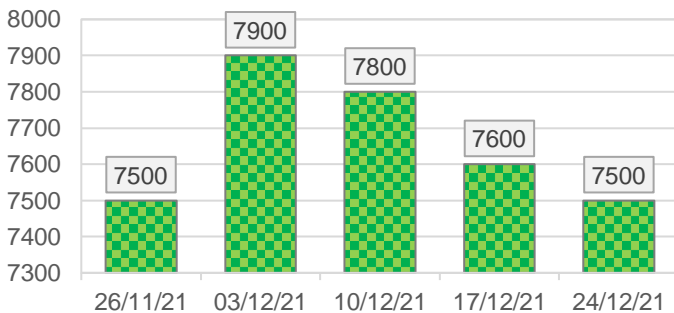
**Average price dynamics, UAH/t.  
Sunflower oil, EXW demand**



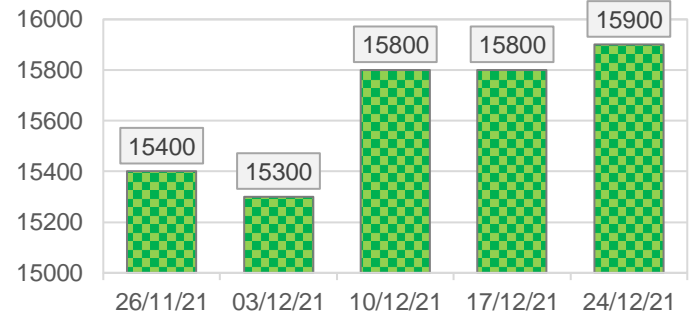
**Average price dynamics, UAH/t.  
Soybean oil, EXW demand**



**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 in 2021, 17.5 thousand tons of flax seeds were shipped for export from Ukraine with a total value of \$11.3 million.

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

### Purchase prices for niche oilseeds

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

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