

Grain and processed products market

Key influencing factors

- According to the State Customs Service, as of December 3, 25.8 million tons of grain and leguminous crops were exported from Ukraine from the beginning of 2021/22 MY, which is 3.7 million tons more than on the same date last season.
- Wheat supplies amounted to 14.575 million tons (+2.554 million tons), barley - 4.965 million tons (+1.260 million tons), rye - 82.6 thousand tons (+80.9 thousand tons), corn - 5.934 million tons (- 94 thousand tons). In addition, 52.9 thousand tons of grain flour (including 51.1 thousand tons of wheat flour) were exported abroad, which is 17.6 thousand tons less than the corresponding figure for the previous season;
- According to the Ministry of Agriculture of the Russian Federation, duties on export supplies of Russian wheat from December 8 will increase from the previous 80.8 to 84.9 \$/ton, on barley supplies - will also increase from 68.3 to 75.1 \$/ton, and on corn supplies - will not change, remaining at the level of 54.3 \$/ton. The established duties will be valid until December 14 inclusive;
- The Ministry of Agriculture of the Russian Federation, presumably, has decided on the size of the grain export quota in the second half of the season. According to Kommersant, the export of wheat outside the EAEU may be limited to 9 million tons, corn, barley and rye – to 5 million tons;
- As of November 28, the EU exported 12.1 million tons of wheat, 12% up from last year's pace. The forecast for wheat exports for this season was also increased compared to the previous one by 12% - up to 36.5 million tons;
- ABARES analysts predict that 34.4 million tons of wheat will be harvested in Australia in 2021/22 MY, which will be a new record value and 3% more than in the previous season;
- At the tender on November 29, the Egyptian GASC purchased 600 thousand tons of milling wheat - 240 thousand tons of Romanian and Russian, as well as 120 thousand tons of Ukrainian at an average price of 352.37 \$/ton FOB or 378.33 \$/ton C&F, which is for 5.4 \$/t FOB and 6.36 \$/t C&F exceeds the purchase price of the previous tender on November 17;
- The Tunisian State Food Procurement Agency ODC has contracted at a tender on December 2, 100 thousand tons of soft wheat in four consignments of 25 thousand tons each at a price of 382-387.68 \$/ton C&F for delivery in January-March 2022;
- The Tunisian State Food Procurement Agency ODC has contracted at a tender on December 2, 100 thousand tons of barley in four consignments of 25 thousand tons each at a price of 353.97-355.97 \$/ton C&F with deliveries in January-March 2022;
- The Bangladesh State Food Procurement Agency has announced an international tender for the purchase of 50,000 tons of milling wheat of arbitrary origin with supply during 40 days after the signing of the contract. Propositions are accepted until December 8;
- Saudi Arabia's state food procurement agency SAGO has announced a tender for the import of 535,000 tons of wheat with delivery in May-July 2022.

Dynamics of international markets

Last week, FAO published its December report, in which it reduced the forecast for world grain production in 2021/22 MY by 2.1 million - to 2.791 billion tons, which, however, still exceeds last year's figure by 0.7% or 19.2 million tons and can become a record. In particular, the production of feed grains will increase by 1.4% compared to the previous season, to 1.503 billion tons, and wheat production - by 1%, to 769.6 million tons.

Meanwhile, in the global market - both exchange and spot - prices for wheat and corn fell significantly last week due to the introduction of new restrictions by a number of countries related to the discovery of a new COVID-19 strain Omicron. The price of corn was also affected by the cheaper oil prices due to the same reason.

On CBOT in Chicago, March soft red wheat futures fell by 6.83 to 295.27 \$/ton on Friday. On EURONEXT in Paris the price for March wheat contract during the working week decreased by 7.5, to 290 €/ton.

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%	331	339	334	341
Wheat 11.5%	327	334	329	337
Feed wheat	310	315	310	317
Barley	298	303	300	306
Corn	270	277	272	280

Export prices for the main products of wheat processing in Ukraine

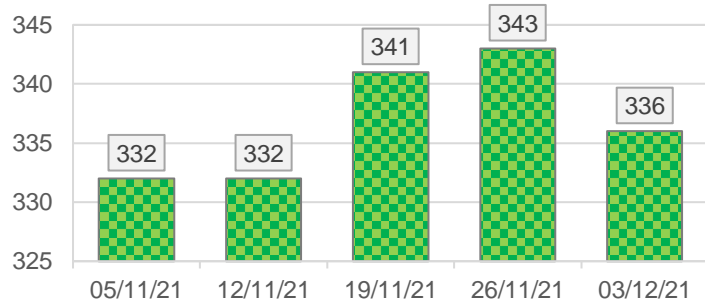
	min	max	avr	Δ, %
Flour, e. c., FCA	242	245	242	0.0%
Wheat bran, FOB	136	140	138	0.0%

As for corn, its March contracts on EURONEXT also lost 4.25 last week, reaching 243.25 €/t. On CBOT from Monday to Friday, March corn futures rose by 0.71 to 229.92 \$/ton.

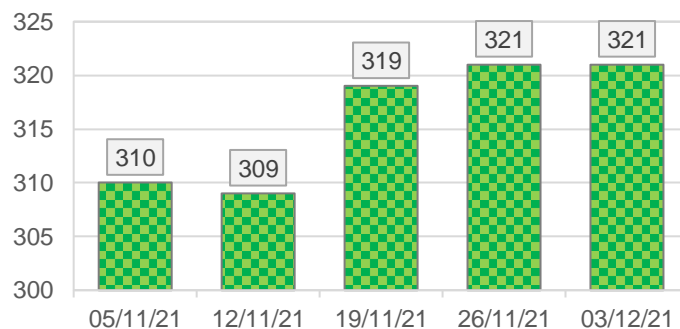
Prices for Ukrainian flour and wheat bran				
Product	USD/t (demand)		USD/t (supply)	
	min	max	min	max
Flour, e. c., FCA	240	243	242	245
Wheat bran, FOB	135	138	136	140

Grain contract prices in the main ports of exporting countries, delivery period January / March 2022				
	min	max	avr	Δ,%
FOB price, USD/t				
Wheat 12.5% protein Ukraine Black Sea	333	338	336	-2.2%
Wheat 11.5% protein Ukraine Black Sea	328	334	331	-3.1%
Feed wheat, Ukraine Black Sea	318	323	321	-0.2%
Wheat HRW 11% Protein USA NOLA	369	372	371	-2.9%
Wheat SRW, USA NOLA	347	350	349	-2.5%
Wheat Superior, France Rouen	337	340	339	-2.0%
Wheat 12.5% protein, Romania Constanța	341	346	344	-0.3%
Wheat 12.5% protein, Russia Black Sea	339	345	342	-0.4%
Barley, Ukraine Black Sea	310	313	312	2.1%
Barley, France Rouen	306	308	307	-2.8%
Corn, Ukraine Black Sea	275	279	277	-0.9%
Corn, USA NOLA	262	266	264	-0.6%
Corn, France Rouen	288	290	289	-2.4%
Corn, Romania Constanța	273	278	276	-0.2%
Corn, Russia Black Sea	270	274	272	-1.6%

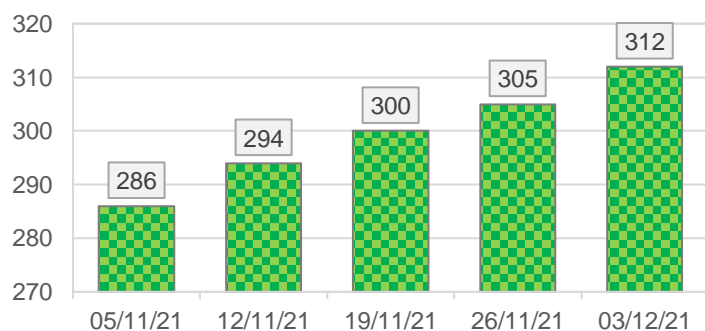
Average price dynamics, \$/t.
Wheat 12,5% protein,
Ukraine FOB Black Sea



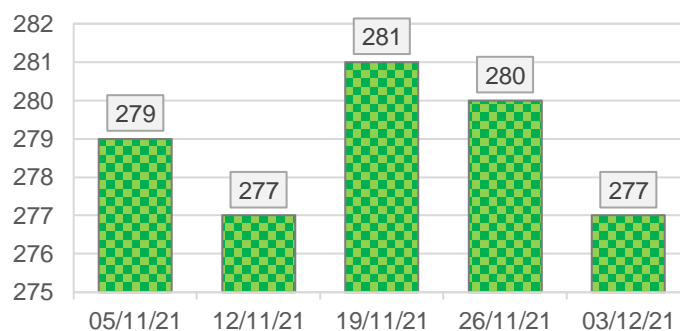
Average price dynamics, \$/t.
Feed wheat, Ukraine FOB Black Sea



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



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



Market dynamics of the main grain crops

The beginning of December on the domestic wheat and corn market was marked by a sharp reversal in price dynamics, which was due to the reduction in prices for these crops on world trading floors. The only crop remaining in the growing trend was barley.

Feed wheat lost the most in price last week. According to monitoring data from ProAgro Group, the average price at primary elevators decreased by 250 UAH/ton, and slightly less in ports - by 100 UAH/ton. At the same time, food wheat lost an average of 150 UAH/ton on EXW, and 50 UAH/ton on CPT port. At the same time, export prices for wheat with 12.5% protein content on FOB for the week fell by an average of 7 \$/ton, while contracts for feed wheat remained at the same price.

Domestic corn prices also fell last week: on the EXW basis, it lost an average of 150 UAH/ton, and on the CPT port - even more, 200 UAH/ton. The reduction in price was supported by a large supply of corn from producers, who have mostly completed the harvest campaign. Despite the fact that the supply of corn is also sufficient in other exporting countries of the Black Sea region, Ukrainian corn fell in price on FOB/deep-sea ports by only 3 \$/ton.

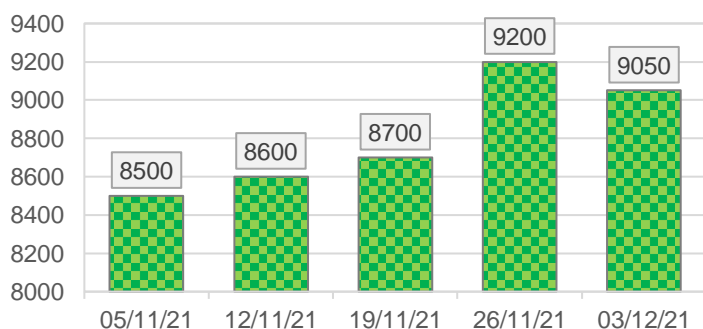
As a result of a decrease in producers' stocks and a shortage of supply for consignments, barley has once again risen in price. On the basis of elevators and in ports, the price for it increased by an average of 50 UAH/ton. At the same time, barley also added in price in the export direction, on FOB during the week, having risen in price by 7 \$/ton.

Domestic processors changed prices last week in unison with traders and exporters. Thus, milling wheat on the basis of the CPT enterprise fell in price by 50 UAH/ton, feed wheat - by 100 UAH/ton, corn - by 200 UAH/ton, while barley rose in price by 50 UAH/ton. At the same time, prices for wheat flour last week once again increased by 200 UAH/ton, although prices for bran remained in the previous range.

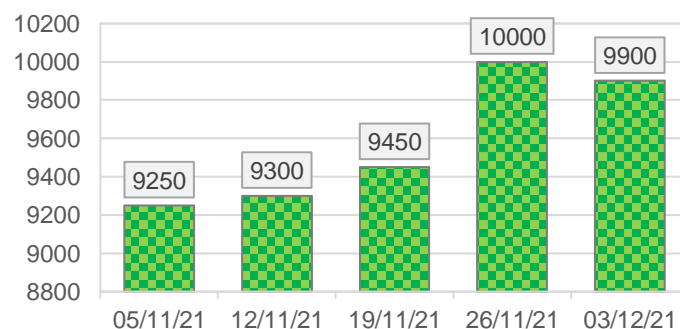
Purchase prices for key crops				
	min	max	avr	Δ, %
EXW demand price, UAH/ton				
Wheat 12.5%	8450	9550	9050	-1.6%
Wheat 11.5%	8400	9500	9000	-1.6%
Feed wheat	7750	8900	8200	-3.0%
Corn	6800	7700	7050	-2.1%
Barley	6900	8050	7600	0.7%
CPT enterprise price, UAH/ton				
Wheat 12.5%	8500	9100	8800	-0.6%
Wheat 11.5%	8500	9050	8750	-0.6%
Feed wheat	7850	8300	8000	-1.2%
Corn	6600	7200	6900	-2.8%
Barley	7000	7600	7250	0.7%
CPT port price, UAH/ton				
Wheat 12.5%	9750	10100	9900	-1.0%
Wheat 11.5%	9700	10050	9850	-1.0%
Feed wheat	9100	9500	9200	-0.5%
Corn	7900	8200	8000	-1.8%
Barley	8200	8450	8300	0.6%

Prices for key wheat processing products				
	min	max	avr	Δ, %
EXW demand price, UAH/ton				
Flour, extra class	11500	12200	12150	1.7%
Flour, first class	11300	11850	11800	1.7%
Wheat bran	4500	4900	4600	0.0%
EXW supply price, UAH/ton				
Flour, extra class	11,600	12400	12200	1.7%
Flour, first class	11400	12000	11900	1.7%
Wheat bran	4450	5100	4650	0.0%

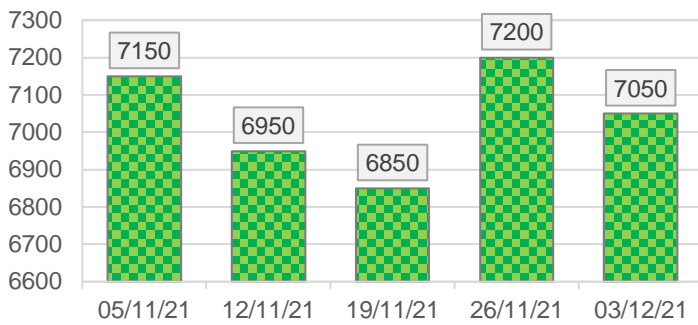
**Average price dynamics, UAH/t.
Wheat 12,5% protein, EXW demand**



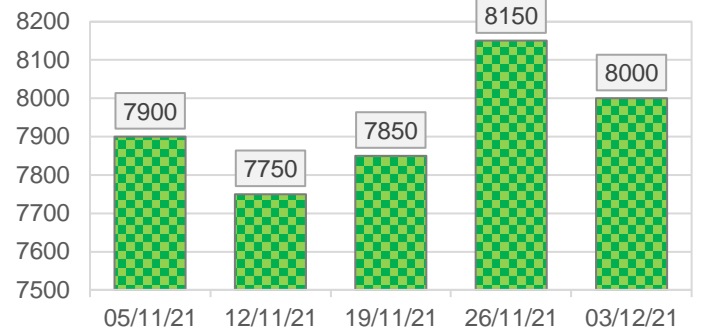
**Average price dynamics, UAH/t.
Wheat 12,5% protein, CPT port**



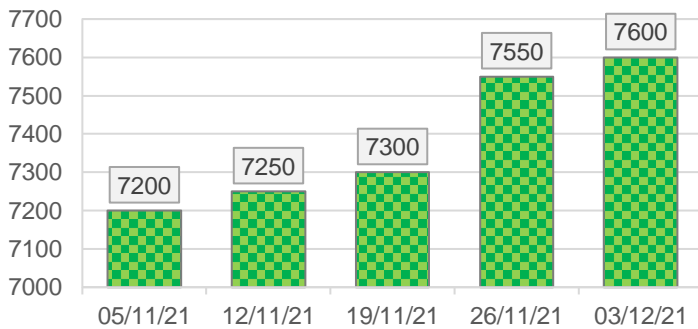
**Average price dynamics, UAH/t.
Corn, EXW demand**



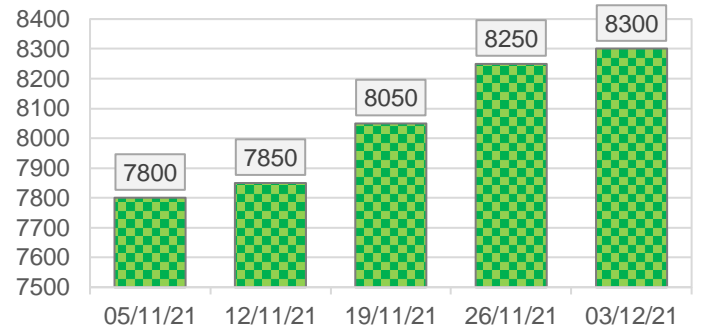
**Average price dynamics, UAH/t.
Corn, CPT port**



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



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



Niche grain market dynamics

The domestic niche grain market last week adjusted the current prices for some commodity items, and these adjustments were multidirectional.

So, rye, which at the end of November significantly increased in price, this time, according to monitoring by ProAgro Group, after wheat fell in price on all trading bases. In particular, grain prices at primary elevators and ports fell by an average of 300 UAH/ton and 200 UAH/ton, respectively. Processors last week reduced purchase prices for rye by an average of 100 UAH/ton.

Oats continued to rise in price last week. On the EXW basis, it added an average of 150 UAH/ton and 50 UAH/ton on the CPT port basis.

For the rest of the examined crops, the price situation remained stable.

Purchase prices for niche crops

	min	max	avr	Δ,%
EXW demand price, UAH/ton				
Rye	5700	6200	5800	-4.9%
Peas	9500	9900	9800	0.0%
Oats	5900	6200	6050	2.5%
Millet	6900	7500	7200	0.0%
Sorghum	6600	7100	6800	0.0%
CPT enterprise price, UAH/ton				
Rye	5800	6200	5950	-1.7%
Peas	9500	10000	9900	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	-2.9%
Peas	9900	10700	10150	0.0%
Oats	6100	6450	6300	0.8%
Millet	7200	8000	7800	0.0%
Sorghum	7200	7600	7400	0.0%

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