

ProAgro Group Analytics

(10.01.22–14.01.22)

Oilseeds and processed products market

Key influencing factors

- According to the World Bank forecast, the average annual price of soybean oil will increase by almost 4% in 2022 to \$1,425 per ton. The main driver of this growth will be an increase in demand for biofuels, especially in Asia. During 2021, the average annual price of soybean oil increased by 65% compared to the previous year - from \$838 to \$1385 per ton;
- In Argentina, grain cargo ships are forced to leave the country's main ports with a 30% reduction in capacity due to a record drop in water levels in the Parana River, according to a Nasdaq report. The water level in Parana in January reached its lowest level since the end of 2019 due to dry weather conditions;
- The USDA reports that India has placed limits on stocks of soybean grist from December 23, 2021 to June 30, 2022 in an attempt to curb domestic price increases. The imposition of restrictions on stocks of soybean grist could reduce processing, which in turn would increase soybean availability and potentially keep soybean prices under control;
- By the end of 2025, the country's soybean production is planned to increase by about 40% compared to the current level, to 23 million tons, according to a statement from the Ministry of Agriculture of China. In 2021, it decreased by 16% compared to the level of 2020, to 16.4 million tons.

Dynamics of international markets

USDA experts in the January report left unchanged the assessment of the oilseed crop in the Black Sea region in 2021/22 MY, namely at the level of 52.1 million tons (sunflower - 36.85 million tons, soybeans - 8.61 million tons, rapeseed - 6.63 million tons). Ukraine remains the key oilseed producer in the region. It is expected that the gross harvest of Ukrainian-produced sunflower in 2021/22 MY will amount to 17.5 million tons, soybeans - 3.7 million, and rapeseed - 3.05 million tons.

At the same time, the forecast for world soybean production and exports is lowered due to the revision of estimates for the countries of South America, mainly due to dry weather conditions observed in the region.

Thus, the forecast for world production of soybeans in 2021/22 MY has been reduced by almost 10 million to 372.5 million tons (against 381.7 million tons according to preliminary estimates), which, nevertheless, is still significantly higher than the level of the previous season (366.2 million tons).

World soybean exports in the current season are expected to reach 170.7 million tons, which is also inferior to the preliminary forecast (172.3 million), but higher than in the previous MY (164.7 million).

On EURONEXT, February rapeseed futures quotes as of January 14 reached €770.00/t (€828.00/t on 6th of January). On CBOT March futures contracts for soybeans on January 14 stopped at ¢13.70/B (¢13.87/B on January 6).

Prices for oilseeds in the main ports of exporting countries

	new crop	min	max	avr	Δ, %
FOB price, USD/t					
Soybean, Ukraine Black Sea		550	565	558	1.8%
Soybean, US NOLA	540	544	548	546	-2.2%
Soybean, Argentina	519	533	537	535	-2.7%
Soybean, Brazil	528	526	529	528	-2.3%
Sunflower, Ukraine Black Sea		670	685	678	1.5%
Rapeseed, Ukraine Black Sea		765	780	773	0.0%

Demand and supply prices for Ukrainian oilseeds in the Black Sea ports

Product	Price FOB Black Sea, USD/t (demand)		Price FOB Black Sea, USD/t (supply)	
	min	max	min	max
Sunflower	670	680	675	685
Soybean	550	560	555	565
Rapeseed	765	775	770	780

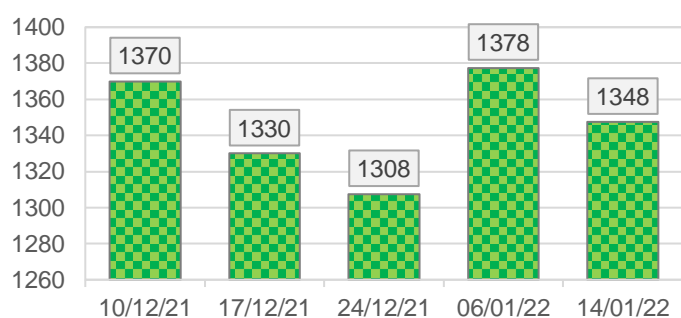
Demand and supply prices for Ukrainian oilseeds in the Black Sea ports

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1340	1350	1345	1355
Sunflower grist, FCA	290	300	295	305
Sunflower oilcake, DAP	270	280	275	285
Soybean oil, FCA	1220	1230	1225	1235
Soybean grist, FCA	495	505	500	510

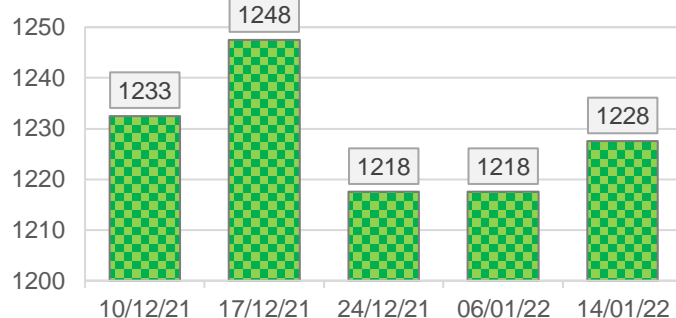
Prices for the main products of processing in the ports of exporters

	new crop	min	max	avr	Δ, %
FOB price, USD/t					
Sunflower oil, Ukraine FOB Black Sea		1340	1355	1348	-2.2%
Sunflower grist, Ukraine		290	305	298	5.3%
Sunflower oilcake, Ukraine DAP		270	285	278	5.7%
Soybean oil, Ukraine		1220	1235	1228	0.8%
Soybean grist, Ukraine		495	510	503	8.6%
Soybean grist, 48% protein, USA FOB NOLA	474	485	489	487	-4.7%
Soybean grist, protein 47%, Argentina FOB	443	461	465	463	-0.6%
Soybean grist, 48% protein, Brazil FOB	446	475	479	477	0.6%

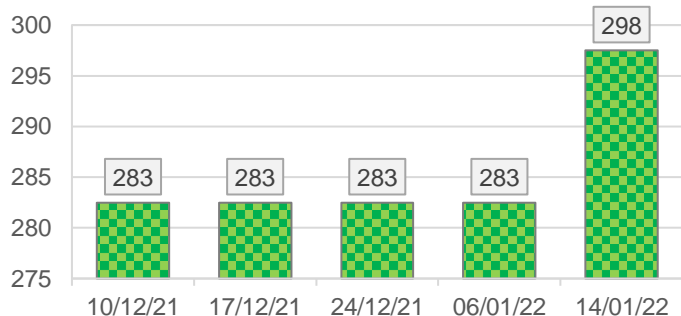
Dynamics of average prices, \$/T.
Sunflower oil, Ukraine FOB



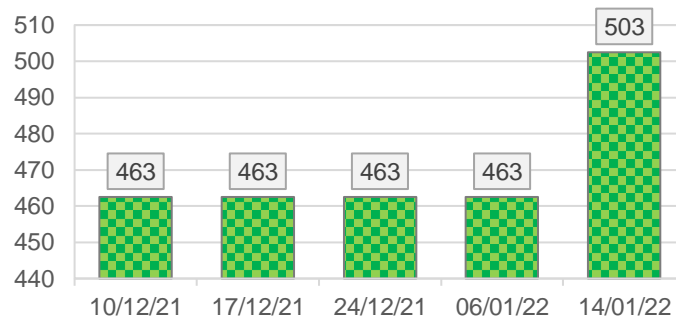
Dynamics of average prices, \$/T.
Soybean oil, Ukraine FCA



Dynamics of average prices, \$/T.
Sunflower grist, Ukraine FCA



Dynamics of average prices, \$/T.
Soybean grist, Ukraine FCA



Dynamics of the domestic market

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

In the sunflower segment, prices continued to grow during the reporting week. On the basis of EXW, sunflower seeds were traded within 19400-19800 UAH/t (+5.4%), whereas on the terms of CPT enterprise within 19600-20000 UAH/t (+5.3%).

The market is seeing a resumption of business activity after the winter holidays. Raw oil prices rose amid a general trend towards rising prices for vegetable oils (first of all, palm oil) on the world market.

Purchase prices for key oilseeds

	min	max	avr	Δ, %
Price EXW demand, UAH/t				
Sunflower	19400	19800	19600	5.4%
Soybean	15600	16000	15800	0.6%
Rapeseed	20500	20800	20650	0.0%
CPT enterprise price, UAH/t				
Sunflower	19600	20000	19800	5.3%
Soybean	16000	16400	16200	0.6%
Rapeseed	20700	21200	20950	0.0%
CPT port price, UAH/t				
Sunflower	19800	20200	20000	5.3%
Soybean	16400	16800	16600	0.6%
Rapeseed	21000	21400	21200	0.0%

An additional price support factor was the publication of reduced forecasts for soybean production in South America and the growth of oil futures.

Sunflower oil produced in Ukraine on FOB basis in the Black Sea ports following the results of the reporting period, corrected downward after a significant price jump last week and was traded in the range of 1340-1355 \$/t.

In December 2021, 690 thousand tons of Ukrainian-made sunflower oil were supplied to foreign markets (+16% compared to December 2020). At the same time, the total export of Ukrainian sunflower oil during September-December 2021 still decreased by 6% compared to the same period in 2020 (according to OilWorld).

Prices of soybeans in the domestic market also slightly increased during the reporting week. On EXW basis, soybeans were traded in the range of 15,600-16,000 UAH/t. On the terms of CPT port they took a price range of 16400-16800 UAH/t.

In the rapeseed segment, prices were mostly stable last week, holding high positions on both domestic and export bases. On FOB they fluctuated between 765-775 \$/t.

Prices for key types of vegetable oils

Product	min	max	avr	Δ, %
Price EXW (demand), UAH/t				
Sunflower oil	43800	44800	44300	0.0%
Soybean oil	38600	39000	38800	1.3%
Price EXW (supply), UAH/t				
Sunflower oil	44000	45000	44500	0.0%
Soybean oil	39200	39800	39500	1.3%

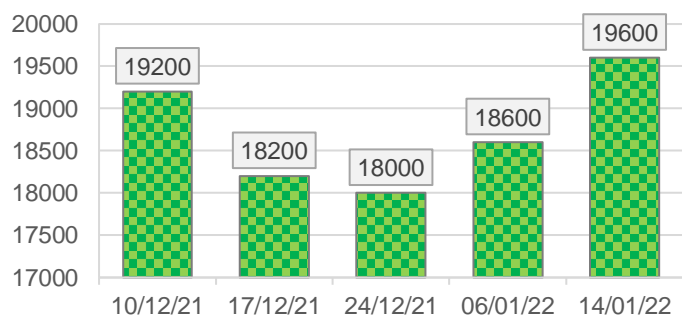
Price of sunflower oil in Ukraine on CPT terms

Product	min	max	avr	Δ, %
CPT port	42600	43000	42800	0.0%
CPT enterprise	42300	42700	42500	0.0%

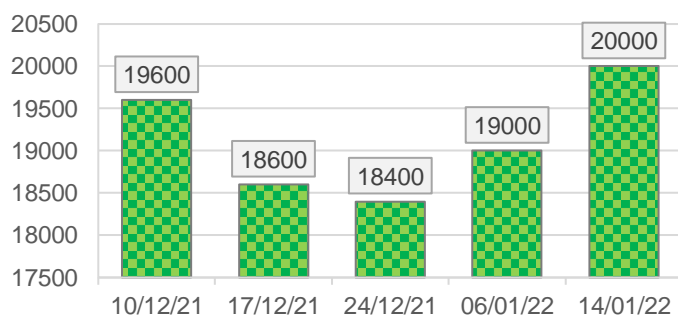
Purchase prices for key vegetable grists

Product	min	max	avr	Δ, %
Price EXW (demand), UAH/t				
Sunflower grist	8200	8400	8300	2.5%
Soybean grist	15900	16100	16000	0.0%
Price EXW (supply), UAH/t				
Sunflower grist	8300	8500	8400	2.4%
Soybean grist	16100	16300	16200	0.0%

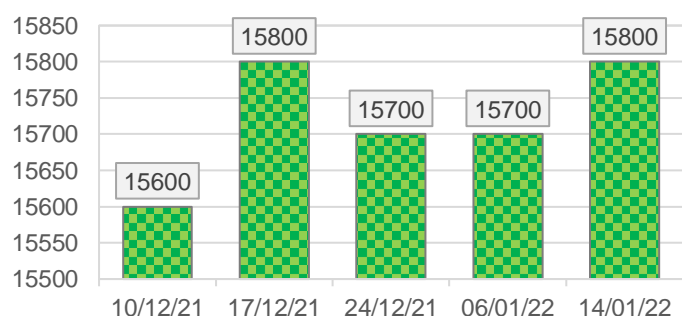
Dynamics of average prices, UAH/t.
Sunflower, EXWdemand



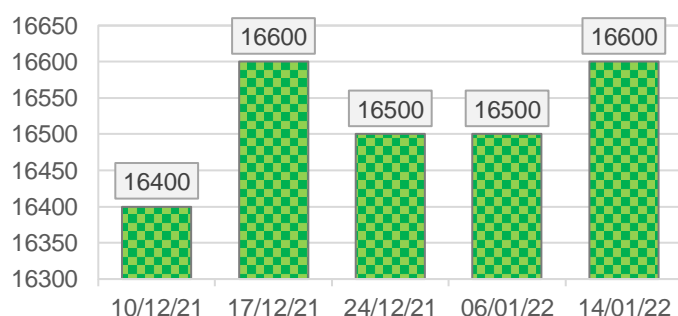
Dynamics of average prices, UAH/t.
Sunflower, CPT port



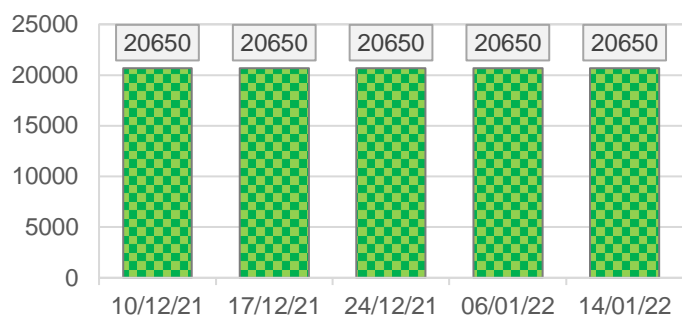
Dynamics of average prices, UAH/t.
soybean, EXW demand



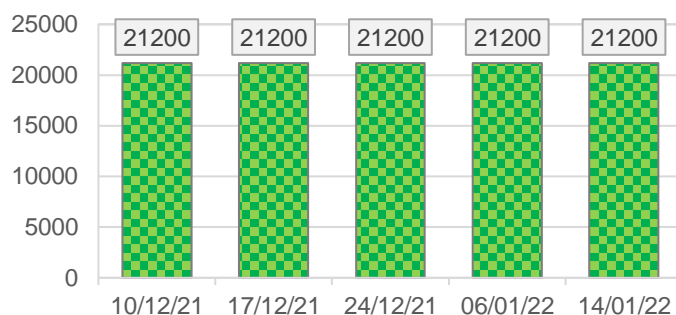
Dynamics of average prices, UAH/t.
soybean, CPT port



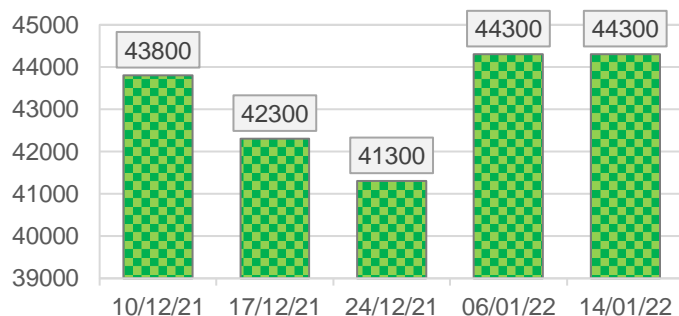
**Dynamics of average prices, UAH/t.
Rapeseed, EXW demand**



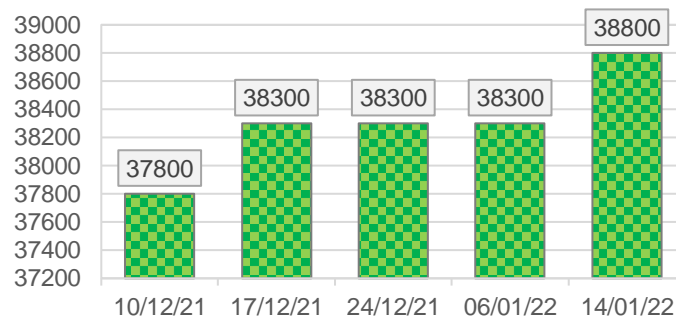
**Dynamics of average prices, UAH/t.
Rapeseed, CPT port**



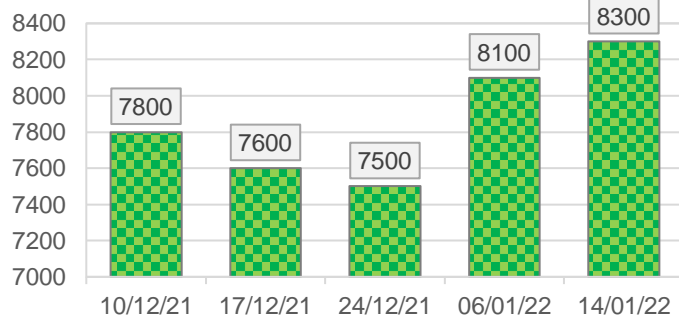
**Dynamics of average prices, UAH/t.
Sunflower oil, EXW demand**



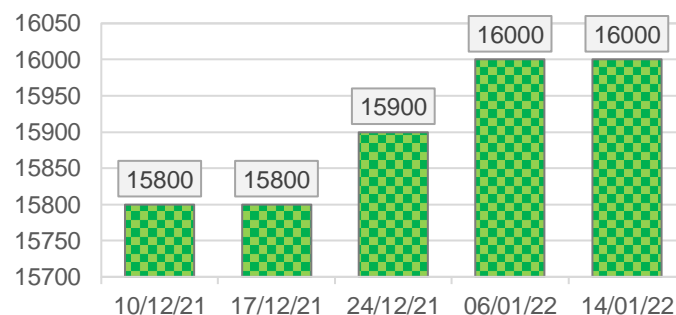
**Dynamics of average prices, UAH/t.
Soybean oil, EXW demand**



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



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



Dynamics of the niche oilseeds market

In accordance with the latest customs statistics, according to the results of 2021, flax seeds were shipped for export from Ukraine with a total value of \$17.23 million.

The key importers of flax seeds of Ukrainian production according to data for 31 December are Belgium (19%), Poland (16%) and Egypt (9%).

Purchase prices for niche oilseeds

	min	max	Apr	Δ, %
Price EXW demand, UAH/t				
Mustard	19500	20500	20000	0.0%
Linen	18500	19500	19000	0.0%
Price CPT-enterprise, UAH/t				
Mustard	20000	21000	20500	0.0%
Linen	19000	20000	19500	0.0%
CPT-port price, UAH/t				
Mustard	20500	21500	21000	0.0%
Linen	19500	20500	20000	0.0%

Information company "ProAgro Group"

E-mail: info@proagro.com.ua

+38 (044) 248-02-67

+38 (044) 248-02-74

+38 (044) 243-38-03