

# ProAgro Group Analytics

(24.01.22–28.01.22)

## Oilseeds and processed products market

### Key influencing factors

- According to S&P Global Platts, US soybean demand in 2022 will be supported by a prolonged drought in major competitors - Brazil and Argentina - which will also push soybean prices higher in the coming months. Brazil and Argentina accounted for about 50% of global soybean supply in 2020-21, according to the US MA;
- According to MA of Canada, more than 20 million tons of canola can be harvested by Canadian farmers in 2022/23 MY. An increase in harvest is expected due to an increase in yield indicators, while the sown area, according to experts, will decrease by 3% over the year to 8.8 million hectares, as farmers reorient themselves to other crops;
- According to Oil World experts, the volume of deliveries of Argentina soybean oil to India in January may decrease (compared to 249 thousand tons in December). At the same time, oil of Argentina origin will continue to account for the bulk of the market. In addition to Argentina, Brazil, the USA and Paraguay were the largest suppliers of soybean oil to India in December;
- According to Oil World experts, in December Ukraine supplied 291 thousand tons of sunflower oil to the Indian market, which exceeded both the previous month's figure (173 thousand tons) and December 2020 (236 thousand tons), as well as the maximum for this month for the last 3 years.

### Dynamics of international markets

Palm oil futures continue to reach new record levels as the Indonesian government enforces restrictions on crude oil exports, even as production is expected to increase in both countries.

Starting from January 27, in addition to export duties, Indonesia has a requirement to sell part of the produced palm oil on the domestic market at a certain price, which is a factor of pressure on producers and exporters. At the same time, according to the forecast of the Indonesian Palm Oil Association experts, palm oil production in the country in 2022 may increase to 49 million tons, exceeding last year's figure (46.9 million tons).

In turn, one of the consequences of such restrictions will be a reduction in palm oil imports from the largest consumer - India. The Malaysian Palm Oil Council estimates that India will reduce palm oil imports by 5% in 2022. One of the factors behind this decline will be an increase in domestic oilseed production.

#### Prices for oilseeds in the main ports of exporting countries, delivery period February/April 2022

	forward June	min	max	avr	Δ, %
<b>FOB price, USD/t</b>					
Soybean, Ukraine Black Sea		573	578	576	0.7%
Soybean, US NOLA	575	589	593	591	5.7%
Soybean, Argentina	562	580	584	582	4.5%
Soybean, Brazil	583	580	585	583	5.0%
Sunflower, Ukraine Black Sea		680	695	688	0.7%
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	680	690	685	695
Soybean	565	572	567	575
Rapeseed	765	775	770	780

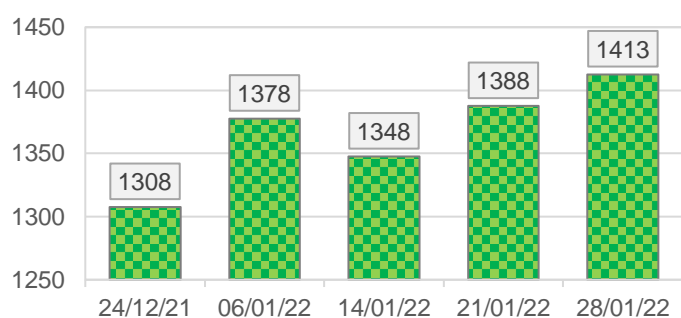
#### Demand and supply prices for Ukrainian oilseeds in the Black Sea ports

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1405	1415	1410	1420
Sunflower grist, FCA	275	285	280	290
Sunflower oilcake, DAP	255	265	260	270
Soybean oil, FCA	1270	1280	1275	1285
Soybean grist, FCA	500	510	505	515

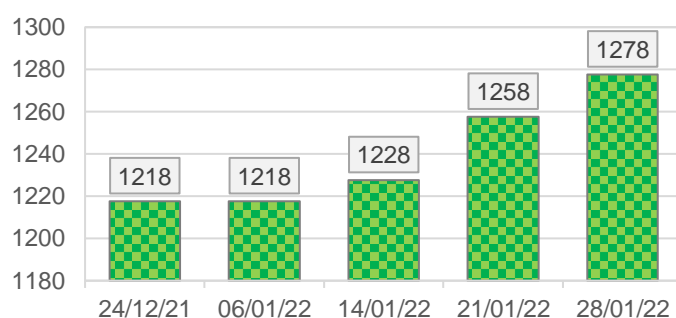
## Prices for the main processed products in the ports of exporting countries, delivery period February/April 2022

	forward May/June	min	max	avr	Δ, %
<b>FOB price, USD/t</b>					
Sunflower oil, Ukraine FOB Black Sea		1405	1420	1413	1.8%
Sunflower grist, Ukraine		275	290	283	-5.0%
Sunflower oilcake, Ukraine DAP		255	270	263	-5.4%
Soybean oil, Ukraine		1270	1285	1278	1.6%
Soybean grist, Ukraine		500	515	508	1.0%
Soybean grist, 48% protein, USA FOB NOLA, fw. May	473	487	491	489	1.0%
Soybean grist, 47% protein, Argentina FOB, fw. June	447	466	470	468	4.5%
Soybean grist, 48% protein, Brazil FOB, fw. June	455	479	483	481	5.5%

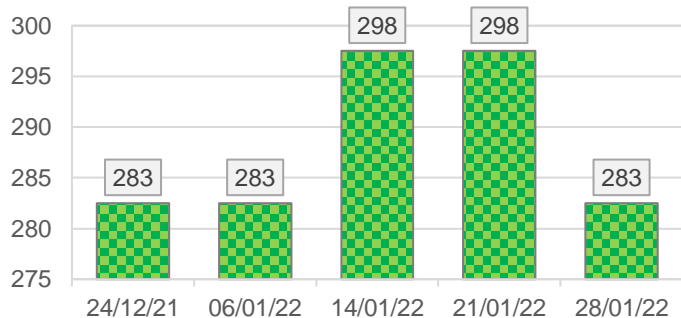
**Average price dynamics, \$/t. Sunflower oil, Ukraine FOB**



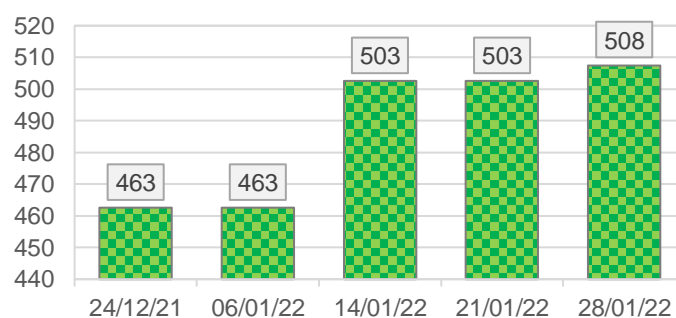
**Average price dynamics, \$/t. Soybean oil, Ukraine FCA**



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



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



## 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 in the range of UAH 20,300-20,700/t (+2.5%), while on the CPT-enterprise basis - UAH 20,500-20,900/t (+2.5%). The rise in prices is supported by dynamics in the export markets of vegetable oils.

### Purchase prices for key oilseeds

	min	max	avr	Δ, %
<b>Price EXW demand, UAH/t</b>				
Sunflower	20300	20700	20500	2.5%
Soybean	16600	17000	16800	3.1%
Rapeseed	20500	20800	20650	0.0%
<b>Price CPT-enterprise, UAH/t</b>				
Sunflower	20500	20900	20700	2.5%
Soybean	16900	17200	17050	2.7%
Rapeseed	20700	21200	20950	0.0%
<b>CPT-port price, UAH/t</b>				
Sunflower	20700	21100	20900	2.5%
Soybean	17200	17600	17400	2.4%
Rapeseed	21000	21400	21200	0.0%

Dry weather conditions in South America led to lower forecasts for soybean production, which supports the price growth in this market segment. Amid the rising prices for soybean and palm oil, prices for sunflower oil continue to rise as well.

According to the results of the reporting period, sunflower oil of Ukrainian production on the FOB basis in the Black Sea ports again showed an increase in prices and reached \$1,405-1,420/t (+1.8%).

Prices of soybeans in the domestic market during the reporting week continued to grow amid the weather situation in Brazil and Argentina. On an EXW basis, soybeans were traded in the range of UAH 16,600-17,000/t (+3.1%). On CPT-port terms, they occupied the price range of UAH 17,200-17,600/t (+2.4%). Rising prices encourage agricultural producers to intensify sales.

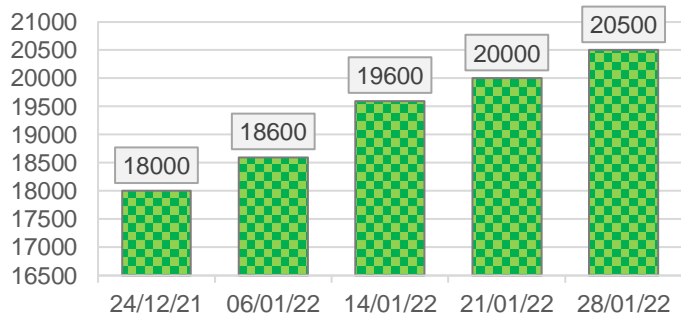
In the rapeseed segment, prices were mostly stable last week, holding high positions on both domestic and export bases. On FOB terms, they fluctuated between 765-775 \$/t.

Prices for key types of vegetable oils				
Product	min	max	avr	Δ, %
Price EXW (demand), UAH/t				
Sunflower oil	45800	46800	46300	2.2%
Soybean oil	39100	39500	39300	1.3%
Price EXW (supply), UAH/t				
Sunflower oil	46000	47000	46500	2.2%
Soybean oil	39700	40300	40000	1.3%

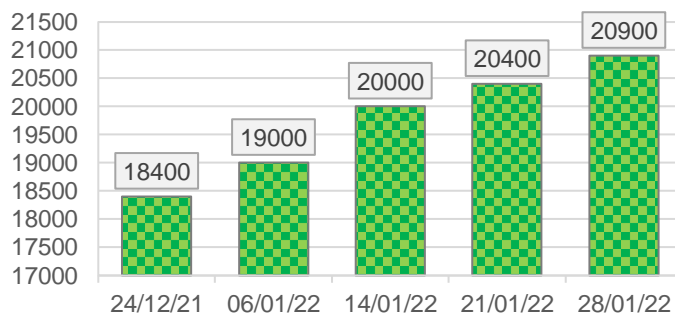
The price of sunflower oil in Ukraine on CPT terms				
Product	min	max	avr	Δ, %
CPT port	46500	47500	47000	2.2%
CPT-enterprise	46200	47200	46700	2.2%

Purchase prices for key types of vegetable grists				
Product	min	max	avr	Δ, %
Price EXW (demand), UAH/t				
Sunflower grist	9000	9200	9100	3.4%
Soybean grist	17100	17300	17200	6.2%
Price EXW (supply), UAH/t				
Sunflower grist	9100	9300	9200	3.4%
Soybean grist	17300	17500	17400	6.1%

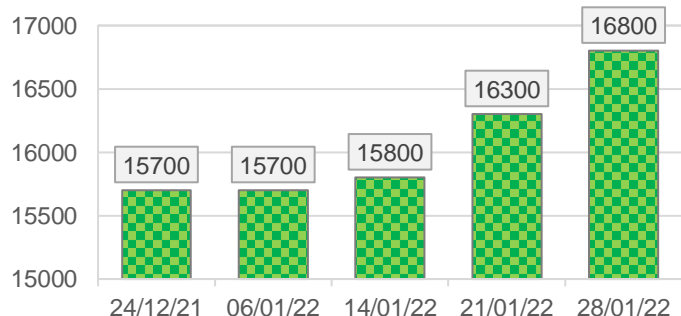
Average price dynamics, UAH/t.  
Sunflower, EXW demand



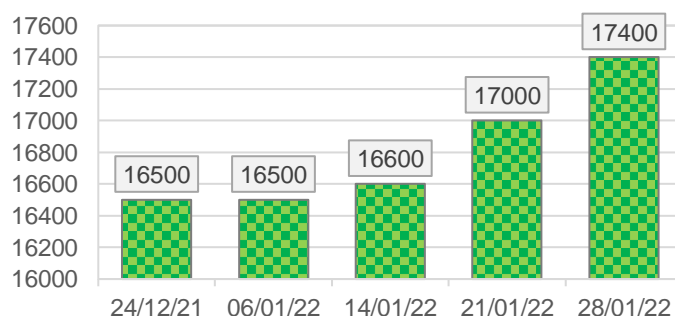
Average price dynamics, UAH/t.  
Sunflower, CPT port



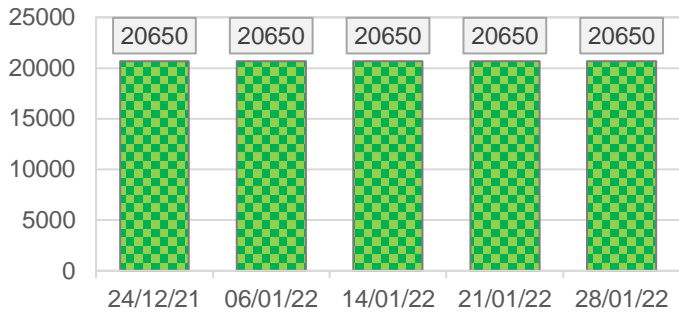
Average price dynamics, UAH/t.  
Soybean, EXW demand



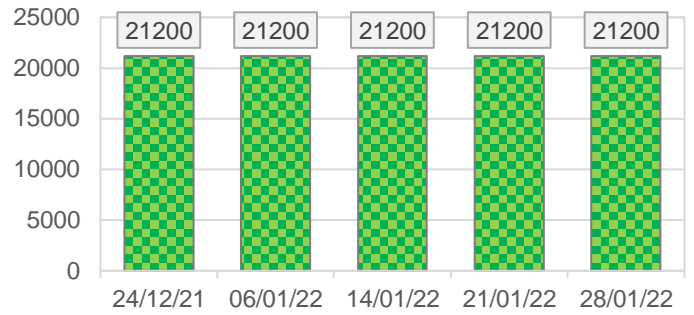
Average price dynamics, UAH/t.  
Soybean, CPT port



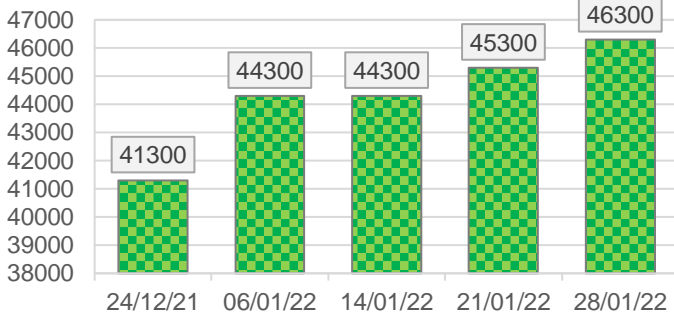
**Average price dynamics, UAH/t  
Rapeseed, EXW demand**



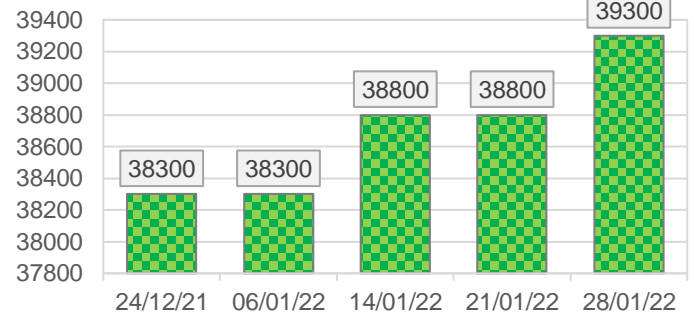
**Average price dynamics, UAH/t  
Rapeseed, CPT port**



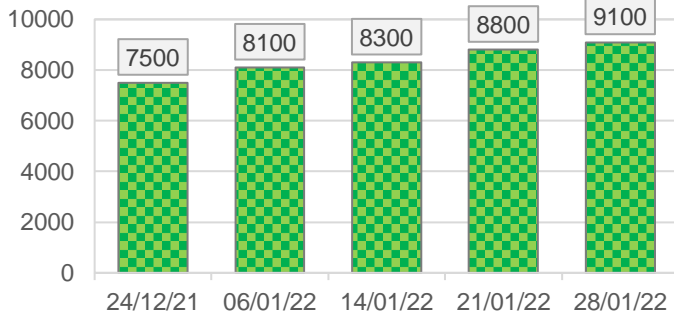
**Average price dynamics, UAH/t  
Sunflower oil, EXW demand**



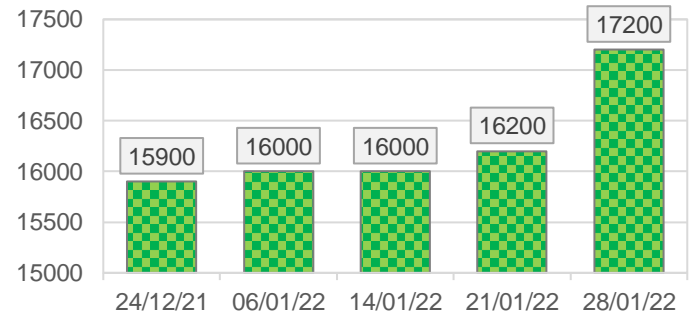
**Average price dynamics, UAH/t.  
Soybean oil, EXW demand**



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



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



## Dynamics of the niche oilseeds market

In accordance with the latest customs statistics, as for the results of 2021, flax seeds were shipped for export from Ukraine with a total value of \$17.23 million. The key importers of Ukrainian-made flax seeds as of December 31 were Belgium (19%), Poland (16%) and Egypt (9%).

According to Oil World experts, the world export of flax for 4 months of the current season decreased by 14% compared to last year's level amid the lower production in Canada and Kazakhstan.

### Purchase prices for niche oilseeds

	min	max	avr	Δ, %
Price EXW demand, UAH/t				
Mustard	19500	20500	20000	0.0%
Flax	18500	19500	19000	0.0%
Price CPT-enterprise, UAH/t				
Mustard	20000	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%