

ProAgro Group Analytics

(31.01.22–04.02.22)

Oilseeds and processed products market

Key influencing factors

- The FAO Food Price Index averaged 135.7 points in January 2022, up 1.5 points (1.1 percent) from December 2021. The increase in the index in January was due to the growth in sub-indices for vegetable oil and dairy products, which was partially offset by a decrease in sugar prices. Meat and grain price sub-indices remained virtually unchanged;
- Oil World experts predict a sharp decline in oil imports to Turkey in March-September 2022 - to 270-300 thousand tons, which will significantly yield to the figure for the same period a year earlier (416 thousand tons);
- Analysts of the International Grain Council predict a record gross harvest of rapeseed in 2022/23 MY. Historically high prices and demand give reason to expect an expansion of the world's acreage to a record 40 million hectares, and, accordingly, a record harvest. IGC expects the largest growth in rapeseed production in Canada and the EU. In Ukraine, the area under rapeseed will increase to 1.1 million hectares;
- According to analysts of the National Association of Grain Exporters of Brazil, 2.42 million tons of soybeans were exported from the country in January, which significantly exceeds the figure for the same month a year earlier (53.64 thousand tons). The main direction of export is China;

Dynamics of international markets

Palm oil continues to trade at recent highs amid uncertainty about the future of its exports. Recall that the Indonesian government recently decided to send 20% of the volume of palm oil, previously intended for delivery to foreign markets, to be sold on the domestic market.

As a result, palm oil, which has traditionally been the cheapest among the main vegetable oils, is now trading at the level of soybean and sunflower oil.

Amid significant changes taking place in the palm oil market, India, the world's largest importer and consumer of vegetable oils, is increasing the share of sunflower and soybean oil in its imports, while the share of palm is declining.

According to S&P Global Platts, India increased its imports of vegetable oils in January compared to December by 6% to 1.3 million tons. And if in 2020/21 MY global palm oil imports accounted for 63% of Indian imports, then in January 2022 this figure dipped to 42%.

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

	forward June	min	max	avr	Δ, %
FOB price, USD/t					
Soybean, Ukraine Black Sea		587	592	590	2.2%
Soybean, US NOLA	610	619	622	621	5.0%
Soybean, Argentina	621	587	591	589	1.2%
Soybean, Brazil	623	618	628	623	7.0%
Sunflower, Ukraine Black Sea		680	695	688	0.0%
Rapeseed, Ukraine Black Sea		770	785	778	0.6%

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

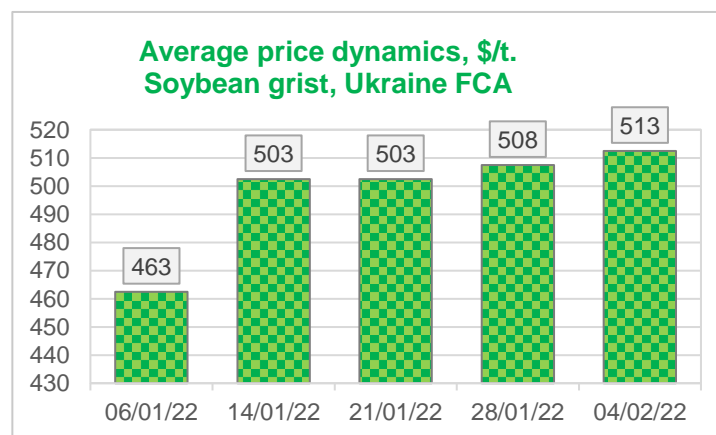
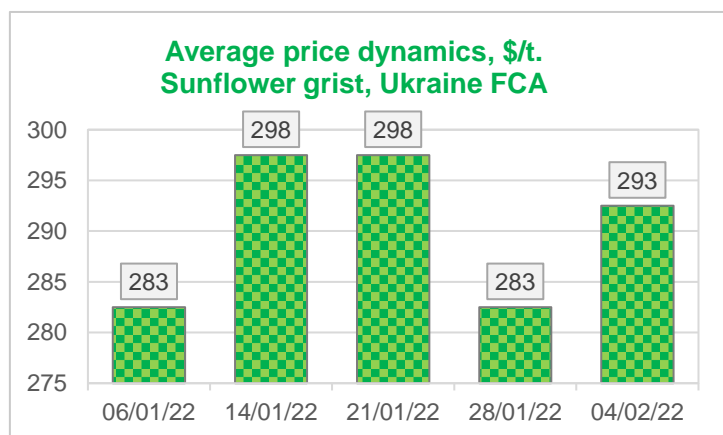
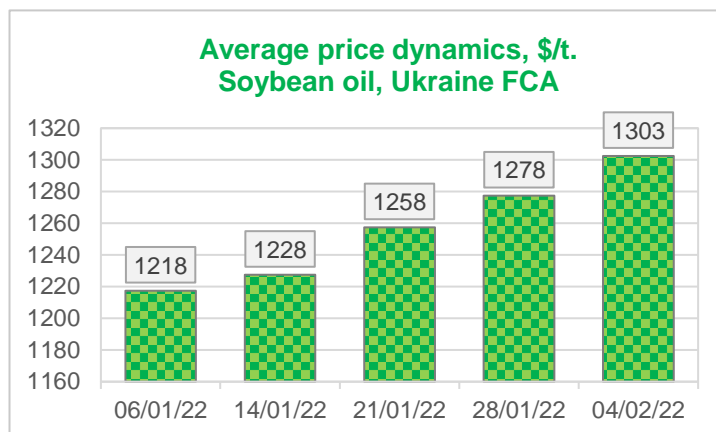
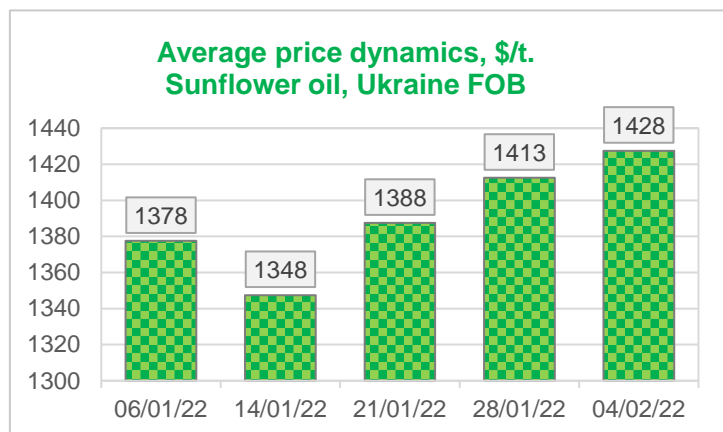
Product	Price FOB Black Sea, USD/t (demand)		Price FOB Black Sea, USD/t (supply)	
	min	max	min	max
Sunflower	680	690	685	695
Soybean	575	585	580	590
Rapeseed	770	780	775	785

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

Product	min	max	min	max
Sunflower oil, FOB Black Sea	1420	1430	1425	1435
Sunflower grist, FCA	285	295	290	300
Sunflower oilcake, DAP	265	275	270	280
Soybean oil, FCA	1295	1305	1300	1310
Soybean grist, FCA	505	515	510	520

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

	forward May/June	min	max	avr	Δ, %
FOB price, USD/t					
Sunflower oil, Ukraine FOB Black Sea		1420	1435	1428	1.1%
Sunflower grist, Ukraine		285	300	293	3.5%
Sunflower oilcake, Ukraine DAP		265	280	273	3.8%
Soybean oil, Ukraine		1295	1310	1303	2.0%
Soybean grist, Ukraine		505	520	513	1.0%
Soybean grist, 48% protein, USA FOB NOLA	510	530	534	532	8.8%
Soybean grist, protein 47%, Argentina FOB	482	492	496	494	5.6%
Soybean grist, 48% protein, Brazil FOB	487	505	509	507	5.4%



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.

Despite the fact that sunflower oil continues to rise in price on export bases, prices for sunflower seeds did not show a corresponding movement at the end of the reporting week. On the basis of EXW, sunflower was traded within 20300-20700 UAH/t, while on the terms of the CPT-enterprise - 20500-20900 UAH/t.

Purchase prices for key oilseeds				
	min	max	avr	Δ, %
Price EXW demand, UAH/t				
Sunflower	20300	20700	20500	0.0%
Soybean	17200	17600	17400	3.6%
Rapeseed	20500	20800	20650	0.0%
Price CPT-enterprise, UAH/t				
Sunflower	20500	20900	20700	0.0%
Soybean	17400	17700	17550	2.9%
Rapeseed	20700	21200	20950	0.0%
CPT-port price, UAH/t				
Sunflower	20700	21100	20900	0.0%
Soybean	17500	18000	17750	2.0%
Rapeseed	21000	21400	21200	0.0%

Thus, the growth in prices for raw oil is hampered by a reduction in demand from processors, who expect prices to decline after a long period of their growth, including taking into account that agricultural producers will soon need to replenish liquid funds on the eve of the start of spring field work.

As mentioned earlier, Ukrainian-produced sunflower oil on an FOB basis in the Black Sea ports, following the results of the reporting period, again showed an increase in prices and reached \$1,420-1,435/t (+1.1%).

Prices of soybeans in the domestic market during the reporting week continued to grow amid harsh weather situation in Brazil and Argentina. On EXW basis, beans were traded in the range of UAH 17,200-17,600/t (+3.6%). On CPT-port terms, they occupied the price range of UAH 17,500-18,000/t (+2.0%). Rising prices encourage agricultural producers to intensify sales.

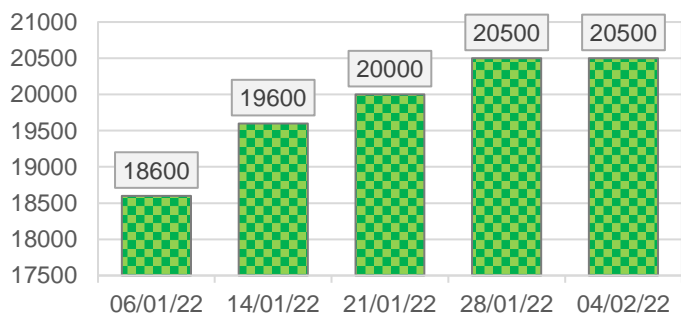
In the rapeseed segment, prices were mostly stable last week, holding high positions on both domestic and export bases. So, on FOB terms, they fluctuated in the range of \$765-775/t.

Prices for key types of vegetable oils				
Product	min	max	avr	Δ, %
Price EXW (demand), UAH/t				
Sunflower oil	45300	46300	45800	-1.1%
Soybean oil	39600	40000	39800	1.3%
Price EXW (supply), UAH/t				
Sunflower oil	45500	46500	46000	-1.1%
Soybean oil	40200	40800	40500	1.3%

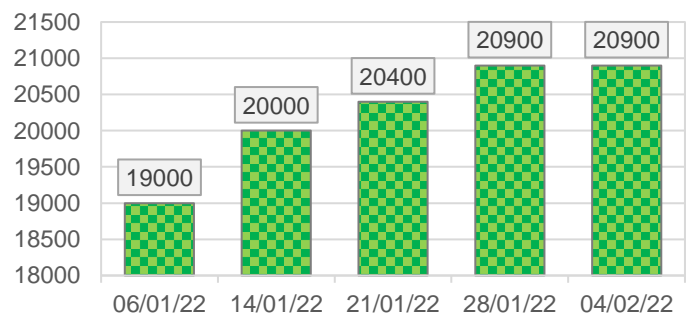
The price of sunflower oil in Ukraine on CPT terms				
Product	min	max	avr	Δ, %
CPT port	46000	47000	46500	-1.1%
CPT enterprise	45700	46700	46200	-1.1%

Purchase prices for key types of vegetable grists				
Product	min	max	avr	Δ, %
Price EXW (demand), UAH/t				
Sunflower grist	8800	9000	8900	-2.2%
Soybean grist	17600	17800	17700	2.9%
Price EXW (supply), UAH/t				
Sunflower grist	8900	9100	9000	-2.2%
Soybean grist	17800	18000	17900	2.9%

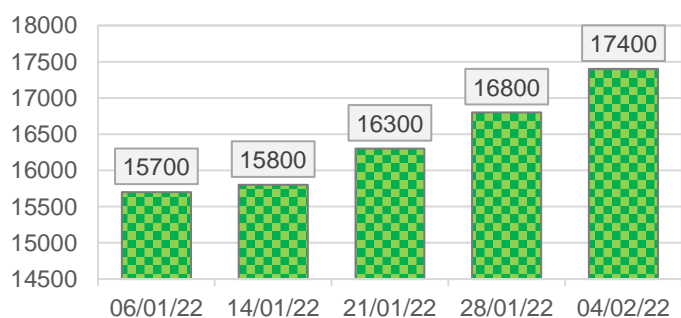
Average price dynamics, UAH/t.
Sunflower, EXW demand



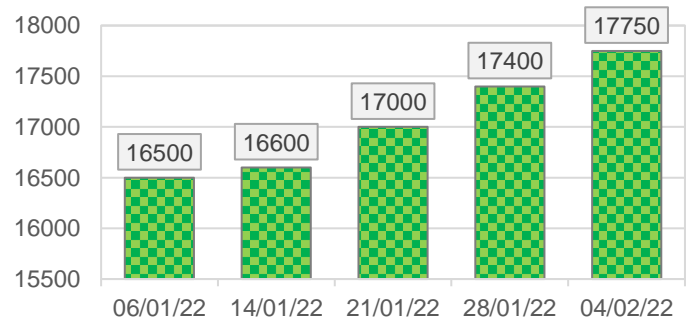
Average price dynamics, UAH/t.
Sunflower, CPT port



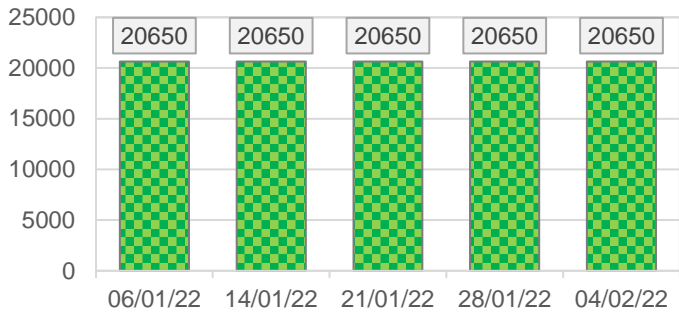
Average price dynamics, UAH/t.
Soybean, EXW demand



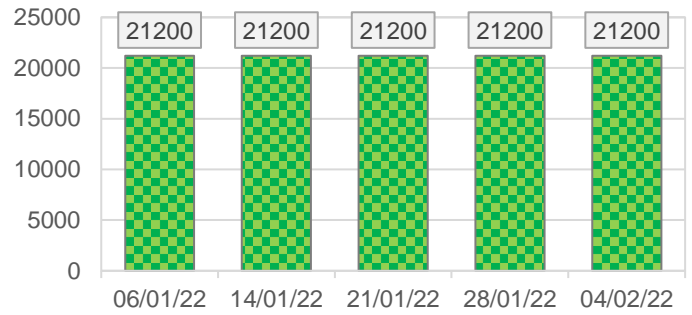
Average price dynamics.
Soybean, CPT port



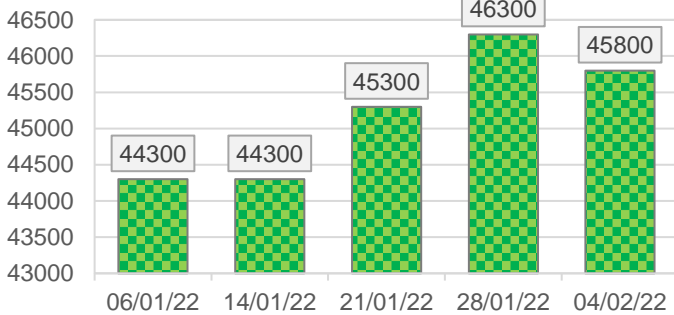
**Average price dynamics, UAH/t
Rapeseed, EXW demand**



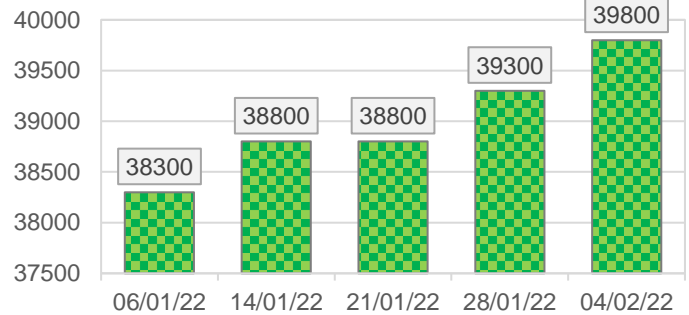
**Average price dynamics, UAH/t.
Rapeseed, CPT port**



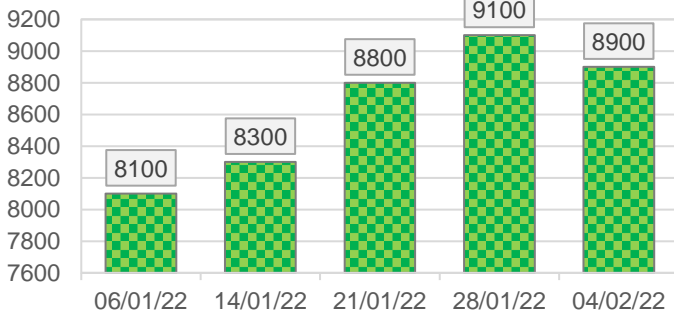
**Average price dynamics, UAH/t.
Sunflower oil, EXW demand**



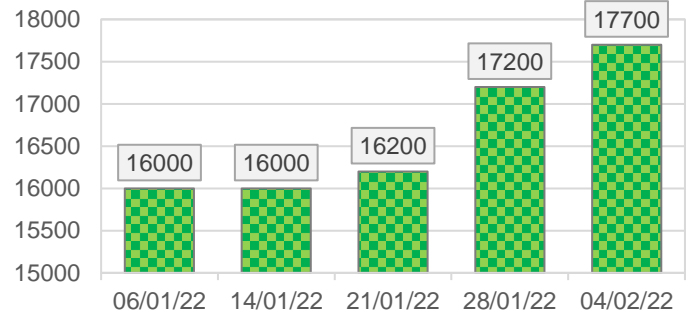
**Average price dynamics, UAH/t.
Sunflower oil, EXW demand**



**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, 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 Ukrainian-made flax seeds as of December 31, 2021 were Belgium (19%), Poland (16%) and Egypt (9%).

According to Oil World experts, the world flax export for 4 months of the current season decreased by 14% compared to last year's level amid a decrease in 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%

Information company "ProAgro Group"

Email: info@proagro.com.ua

+38 (044) 248-02-67

+38 (044) 248-02-74

+38 (044) 243-38-03