UkrAgroConsult

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Weekly market report

AGRINEWS

Ukraine

#18 (1288)

April 21 - 28, 2023

Time to Network, Trade and Exhibit
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Delegates from 20 countries already on board!

WEEKLY HIGHLIGHTS

- **Grains prices decreased due to competition among exporters**
- **Ukraine domestic prices are under pressure due to logistics problems and new harvest approaching**
- **Wheat 130% imports tax will be inforce in Turkey from May 1 but will not affect most of Ukrainian wheat imports**
- **Export statistics updated as of April 26**
- **Sowing is behind last year's spring planting rates**
- **Soybeans Sowing has started in Ukraine. Sowing rates of all of oilseeds is lower than last year**
- **Sunflower oil exports in April 1-26 exceeded the exports for the same period in March**
- **Argentina will harvest 16 M mt less corn than last year**

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The Week April 22-29 : UkrAgroConsult Breaking News

New unknowns, new challenges for Ukraine exports - what's next?

It is hardly possible to find a hotter topic than agricultural export from Ukraine, and not only in Ukraine. UkrAgroConsult constantly monitors the exports decisions – so please see our vision of the situation and what might be the short- and long terms consequences of these decisions.

The "grain corridor" problems (which is discussed every day), another problem has been added – ne latest regulations of export/transit by land to the EU. Neighboring countries tried not only to ban imports, but even transit through their territory. This ideas were initiated by neighboring countries farmers, who realized their own large grains stocks are combined with flows of Ukrainian grain and oilseeds.

The main reason of the local grains and oilseeds stocks is an attempt to make bigger money. Buying up cheap Ukrainian grain, farmers of the neighboring European countries intended to sale their stocks after prices to rise. Anyway, they neglected the global market fundamental factors, where the downward trend in prices prevailed. The unsuccessful attempt to use that way Ukrainian grain forced the neighbors to take drastic measures. Even the compensation promised by the European Commission did not help to calm the neighbors down.

For almost two weeks, Ukrainian market was in a situation where the "grain corridor" was almost at a standstill and Ukrainian officials "strongly recommend" to suspend grain deliveries towards the western border. The situation reached its climax when rumors began to spread not only about the ban on imports and transit of wheat, corn, rapeseed and sunflower, but also about the ban on veg oils and meals, dairy products, honey and nuts.

Isn't this an attempt to change the rules and laws of the EU?

It looks very much like the neighbors have decided to get rid of a very powerful competitor (Ukraine) in one fell swoop, not only of grains but also of food, and at the same time to get compensation, which is likely to increase repeatedly. Now the compensation offer amounted to €100 M (the first package of €56 M was agreed in March).

We will see how this challenge will be transformed in the future and how the European Commission will react to it very soon.

Exports/transit restrictions and other measures: (information is constantly updated and supplemented)

Country	Transit	Imports	Additional security measures
Poland	Positive	Ban from April 15, 2023	GPS beacons; Vehicle grouping by the destination crossing on Poland
Czech Republic	Positive	Positive	Enhanced quality control of agricultural products
Slovakia	Positive	Ban from April 17, 2023	Ban on local Ukraine grain processing and on sales of goods produced from the grain in the local market
Bulgaria	Positive	Ban from April 24, 2023 until June 30 2023	
Romania	Positive	Positive	Sealing Traffic monitoring
Hungary	Positive	Ban from April 18 2023 until July 01, 2023	Strengthening transit controls

UkrAgroConsult view is bans on either imports only or both imports and transit will not bring anything good to either Ukraine or European farmers.

For Ukraine the bans will be of the following aftereffects:

- unusually high ending grain stocks, especially corn stocks,

- falling domestic prices,

- logistics costs increases,

- possible reduction of sown areas for 2023 harvest.

For the EU:

- growing risks of rising prices meaning rising inflation (by the way, it is precisely because of the flow of cheap Ukrainian goods that inflation in the EU has somewhat slowed down);

- weaker European position in the competition with Ukrainian grains after the Ukrainian grain prices will go down.

Quick Solution Options

Negotiations on import and transit regulations are still ongoing, both within EU and between Ukraine and EU countries. Input data is changing rapidly, and this certainly does not bring confidence to market operators and negatively affects exports.

We do not rule out a revision of the list of goods prohibited for import, and some commodities may be excluded from the list.

The chain reaction may continue with other countries, for ex. Moldova is also discussing an import ban. Who is next?

The import ban will definitely affect the 2023 spring sowings. However, UkrAgroConsult does not expect a significant downward revision of the planted areas, as the areas were reduced before. Most likely, the crop structure might be revised in favor of those crops that are not on the list of banned ones.

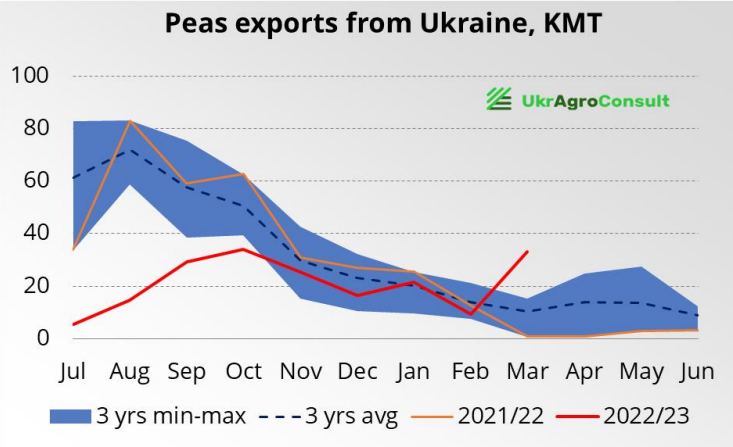
Ukrainian companies will continue to adapt to new challenges, incl. product quality, which will make Ukrainian producers much more competitive in the long run.

Julia Garkavenko
Oilseed market expert
UkrAgroConsult

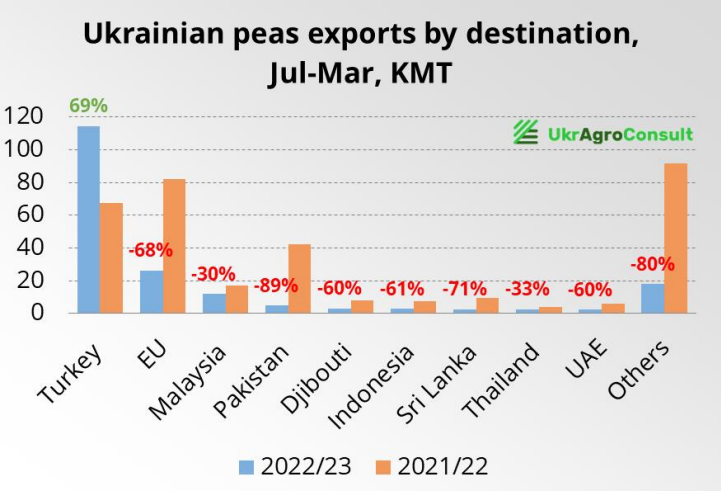
TOPIC OF THE WEEK

Ukrainian pea market: current issues and prospects

In July-March 2022/23 Ukrainian pea exports reached 189 KMT (-44% y/y). The decrease in Ukrainian pea exports explained by the limited throughput capacity of the grain corridor and competition with other grain commodities.



Turkey is the only country that imports Ukrainian peas in bulk and in large batches. Thus, 13 KMT of peas in January and 22.8 KMT in March left Pivdenniy port to this country. Growing imports allowed Turkey to take the first place among importers of peas from Ukraine with the share of 61%. All other buyers significantly reduced purchases of Ukrainian peas because of logistical problems and geopolitical risks.

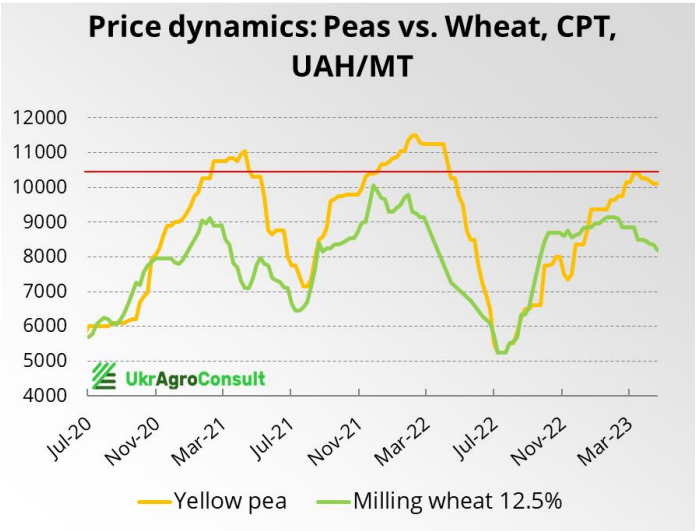


UkrAgroConsult left unchanged its forecast of pea exports in 2022/23 - 220 KMT, which means 30 KMT left for exports in April-June. Given the stable demand from Turkey, the forecast is rather attainable. Anyway, gradually decreasing stocks might be the limiting factor in May and June (by end of the season), causing difficulties to accumulate large shipments.

In April, there was a meeting between representatives of the competent authority of China, the General Administration of Customs of the People's Republic of China (GACC), Ukrainian Ministry of Agriculture, the State Food and Consumer Service and the Ukrainian Embassy in China. After the meeting the GACC intends to issue the protocol to be approved by the Ukrainian side in the near future. Unfortunately, there are no specific dates in the protocol, but the Ukrainian side stresses continuing negotiations with Chinese authorities, and promises the opening of the Chinese pea export market in the near future.

As of April 27 peas were seeded at 121.2 th ha (101% of the planned 120.3 th ha). UkrAgroConsult is more optimistic about the exports of Ukrainian peas, estimating 2023/24 pea area in the range of 130-135 th ha. Peas, being an early crop, allow farmers to earn money at the very beginning of the season (June) and finance seeding and harvesting of later spring crops. Currently, farmers prefer crops, which are less expensive in cultivation.

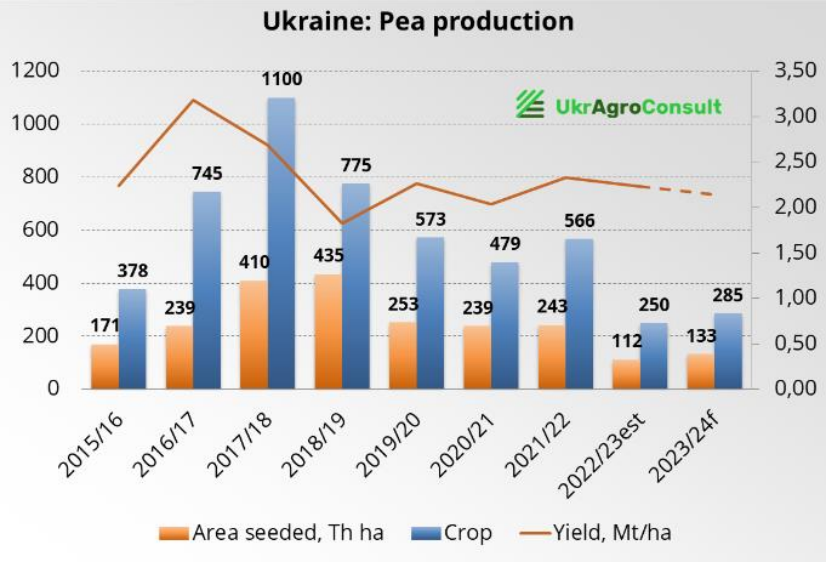
Apart from that, after the recent import bans in neighboring EU countries, some Ukrainian farmers may reduce the area of banned crops in favor of allowed crops (including peas).



Moreover, farmers might be motivated be the pea price. In March 2023 the price was almost in line with the pre-war level for this period. Despite the price was 10% lower than in the last two seasons for March, peas are

traditionally more expensive than other crops at the end of the season (April-June) - not only feed crops, but also food grain. Those farmers who manage to hold on to their stocks will be able to get more money from selling peas.

Considering the 5-year average yield (2.14 t/ha), in 2023 pea production could reach 285 KMT (+14% y/y).



So far, UkrAgroConsult keeps the yield forecast unchanged. It is still difficult to assess the impact of the current cool and wet weather. In the first week of May in the western part of the country, the temperature will be several degrees below the norm, however, at the same time, lower intensity of rains should benefit the crop condition.

Maryna Marynych
Grain market analyst
UkrAgroConsult

LOGISTICS

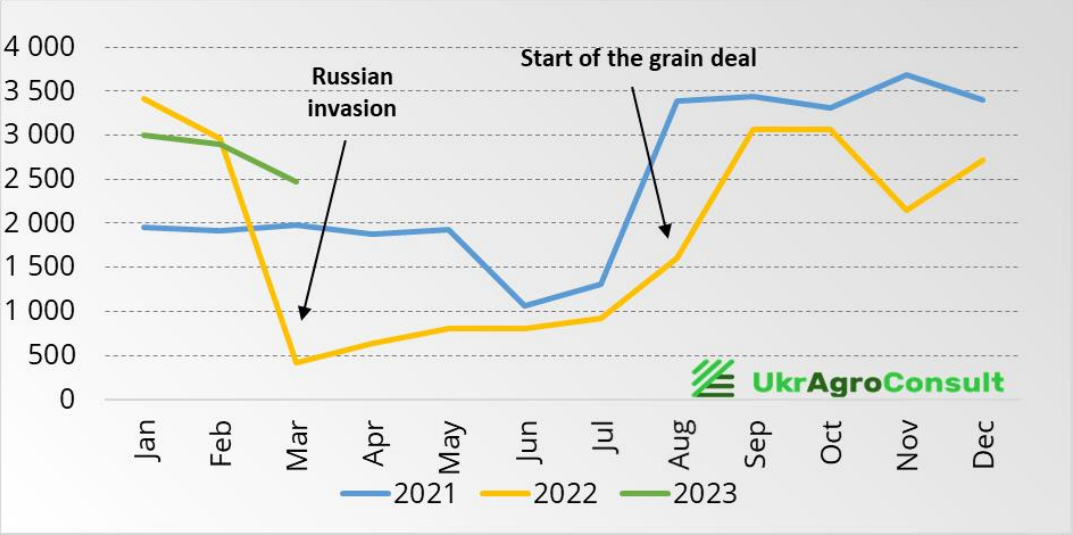
Ukraine. In search of alternative export routes: railways

Russian inspectors in Istanbul continue to hamper the activities of the grain corridor by delaying the inspection of ships. On May 18, completely stop by russia the grain agreement is not excluded.

Ukrainian companies and officials are increasingly talking about alternatives to the shipments thru the grain corridor. One of the alternative export options is railroad, which has not actually stopped since the beginning of the war.

Grain exports by rail dropped to a minimum of 416 K mt in March 2022, but since then the agri exports by rail have been growing steadily. The main growth in grain shipments by rail was after the grain agreement was signed, which stimulated rail shipments to the seaports of Big Odessa. In January 2023, 3 M mt of grains were delivered by rail for export, which is in line with pre-war levels.

Agri Commodities transportation by Rail. K mt*



**incl. Transportation to the Big Odessa ports and to western border of Ukraine*

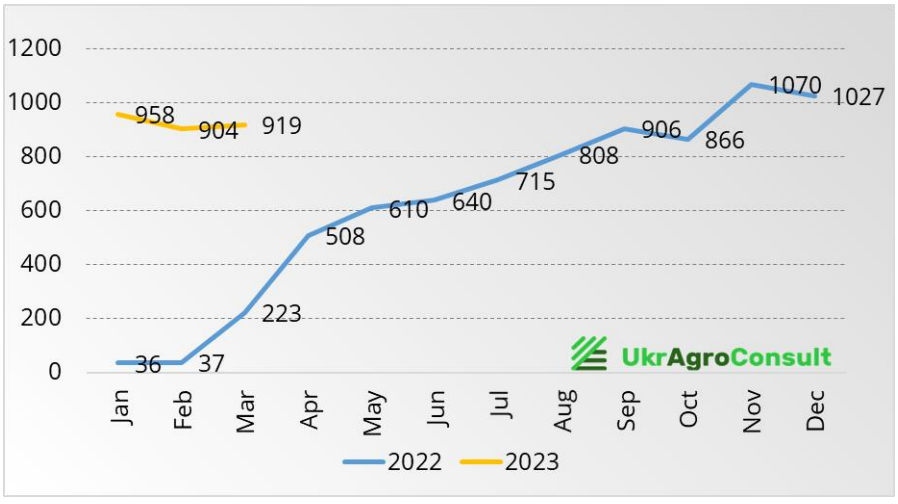
Source: UkrAgroConsult estimations basing on Ukrainian Railway Administration Ukrzaliznytsia

It is clear that the focus should be on rail transport to the western border crossings when considering alternatives to the grain corridor.

Before the war, monthly rail shipments were at the level of 36-37 K mt, by the end of 2022 they increased to 1.1 M mt. In Q1 of 2023, the shipments slightly decreased to an average of 927 tK mt, which is explained by a slowdown in exports and an increase in sea shipments through the small Danube river ports. In April 2023, agricultural products export by rail through the western borders estimated at 600-650 K mt, which is partly due to the temporary ban on imports/transit through neighboring countries.

In 2022, long queues of hoppers were at the western border crossings, the hoppers could be delayed at the border for 30 days or more. Because of this, Ukrzaliznytsia had to prohibit sending new grain hoppers to some border crossings. As of the end of April, the waiting time decreased, with the longest queue of about 15 days being at the Dyakovo-Halmeu border crossing.

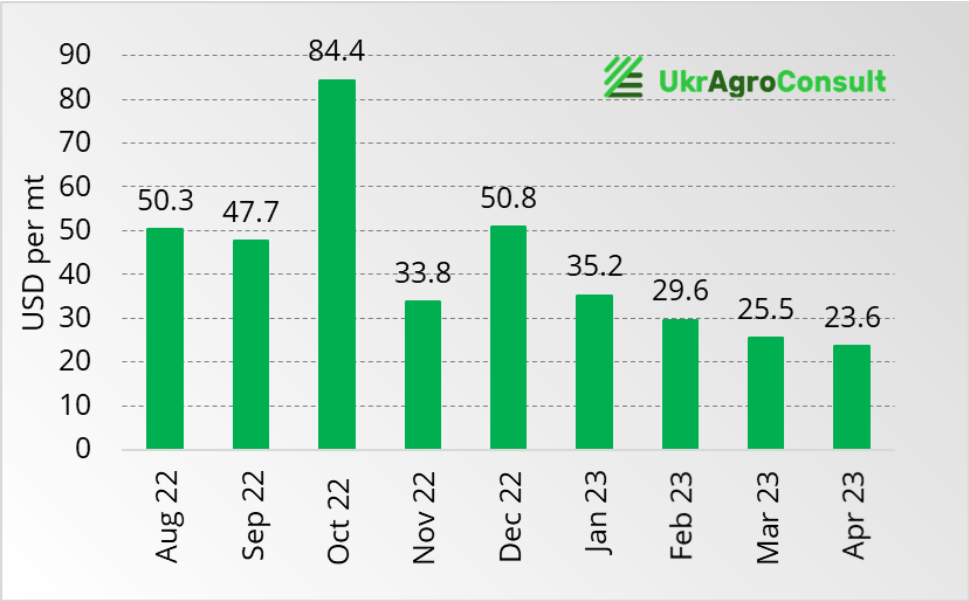
Grains transportation by railway thru the western crossings, K mt



Source: UkrAgroConsult estimations basing on Ukrainian Railway Administration Ukrzaliznytsia

The railway tariff for grain transportation by hoppers of Ukrzaliznytsia to seaports has halved over the past 7-8 months. The costs of rail logistics to western border crossings have dropped to USD 38.5/mt by April 2023. It is worth noting that Ukrzaliznytsia's tariffs are considered by owners of rail hoppers/wagons as indicative.

Railway tariffs for grain transportation to the sea ports, distance of 655 km*



*Carriage payments in USD. USD per ton for carload transportation in Ukrzaliznytsia cars

Source: UkrAgroConsult based on Ukrzaliznytsia data

UkrAgroConsult estimates monthly exports of agricultural products through the western border crossings could maximize to 1.5 M mt if the grain corridor is shut down. Most likely, for May-June (the last months of the 2022/23 season), this will be enough to meet the exporters' demand for grain deliveries. However, the costs of export logistics by land will start to rise again.

Maxym Kharchenko
Freight market analyst
UkrAgroConsult

UKRAINE WEEKLY SUMMARY

April 21 - 28, 2023

UKRAINE. GRAINS

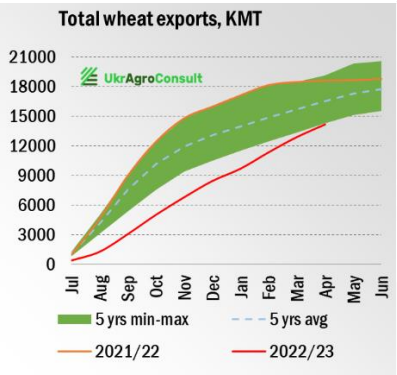
- The problem of grain exports remains the most acute. The Russian side continues to block the normal operation of the grain corridor, restricting and, on some days, even stopping the transit of ships both inbound and outbound. Land routes are also constrained from Poland, Hungary and other neighboring countries. Vehicle queues at the borders remain long due to the need to form convoys. Exports by rail were also hampered last week due to the lack of a transit procedure, the algorithm for which was only introduced at the end of the week. In fact, only the Danube ports are working smoothly now, but there are also long queues for offloading.

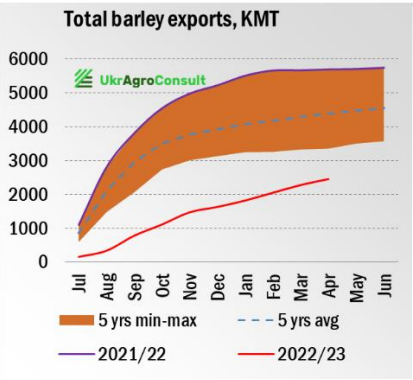
- The European Commission imposes a ban on imports of wheat, corn, rapeseed, sunflower and sunflower oil from Ukraine. In addition, EUR 100 M will be allocated to support farmers in five neighboring countries - Bulgaria, Poland, Romania, Slovakia, and Hungary. In return, Poland and other countries will have to abandon their unilateral blocking of food imports from Ukraine. The possibility of Ukrainian grain transit is upheld.

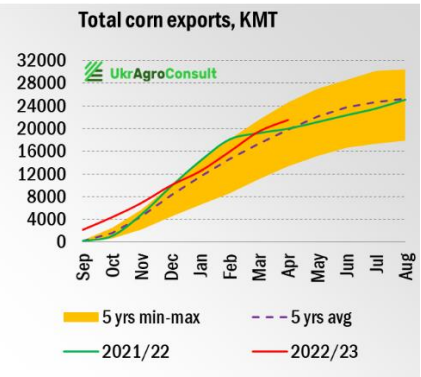
- Domestic prices continue to decline due to limited demand from traders looking for ways to continue uninterrupted exports.

- Logistical problems and falling prices again raise doubts in the market about the fulfillment of spring sowing forecasts, especially for late grains.

- For July 2022 - April 28, 2023 (for corn September 1, 2022 – April 28, 2023) grain exports:
  - Wheat – 14,2 M mt;
  - Barley – 2,5 M mt;
  - Corn – 21,5 M mt;







- The spring crops sowing is behind last year's pace due to rainy weather and funding deficit. As of April 27, 1368 K ha were sown in Ukraine (2071 K ha in 2022), incl.:
  - Wheat – 206.1 K ha;
  - Barley – 639.0 K ha;
  - Peas – 121.2 K ha;
  - Oats – 112.2 K ha;
  - Corn – 252.7 K ha.

- The peas planted areas exceeded the expectations, as farms are expanding the crops list for rotation with oilseeds. Wheat and oats areas are gradually approaching the target, while sowing of buckwheat, millet, and other late grains is just beginning.

- Among the early spring crops, barley sowing rates are the worst, with only 61% of the intentions planted. Farms have already switched to late crops and the risk of barley under-sowing is increasing. However, high moisture and gradual increase in heat are beneficial for barley already sown.

- Ukraine could have lost 9.6% of its cattle population compared to April 2022. War losses in the private households are particularly high. However, compared with the beginning of March 2023, there is a slight increase in the number of cattle and cows in the industrial sector.

- Starting May 1, 2023, Turkey plans to reintroduce 130% import tax for all grain suppliers. The tax will apply to wheat, barley, corn, rye, oats, and sorghum. Turkey is one of the largest Ukrainian wheat buyers, but the tax increase will not affect the biggest share of Ukraine exports to this country, as Ukrainian wheat is imported to Turkey for flour production and flour exports. For wheat with its local processing, the tax remains zero.

Export grain prices, FOB, USD/MT

	Origin	Basis	Quality	April 28	April 21
Wheat	Ukraine	CPT Odesa	2nd class (12.5%)	185-190 Apr/May	190-200 Apr/May
		CPT Odesa	3rd class (11.5%)	185-190 Apr/May	190-200 Apr/May
		CPT Odesa	Feed	180-185 Apr/May	185-195 Apr/May
		CPT Reni	2nd class (12.5%)	190-195 Apr/May	200-205 Apr/May
		CPT Reni	3rd class (11.5%)	188-193 Apr/May	197-203 Apr/May
		CPT Reni	Feed	180-185 Apr/May	185-195 Apr/May
		DAP Western border	2nd class (12.5%)	200-210 Apr/May	205-215 Apr/May
	russia	Novorossiysk	Milling (12.5%)	270-275 Apr/May	275 Apr/May
		Rostov, Azov	Milling (12.5%)	245-250 Apr/May	250-255 Apr/May
		Novorossiysk	Milling (11.5%)	265-270 Apr/May	270-275 Apr/May
		Rostov, Azov	Milling (11.5%)	240-250 Apr/May	245-255 Apr/May
		Novorossiysk	Feed	240-245 Apr/May	245-250 Apr/May
	EU Black Sea	Constanta, Varna, Burgas	Milling (12%)	262-267 Apr	270-275 Apr
		Constanta, Varna, Burgas	Feed	253-257 Apr	260-265 Apr
	Kazakhstan	DAP Saryagash	3rd class	250-260 May	250-260 May
	France	Rouen	Milling	269 May	278 May
	USA	Gulf	SRW	268 May	282 May
		Gulf	HRW	352 May	373 May
	Argentina	Up River	Milling (12%)	330 May	335 May
Barley	Ukraine	CPT Odesa	Feed	180-190 Apr/May	180-190 Apr/May
		CPT Reni	Feed	175-185 Apr/May	180-190 Apr/May
	russia	Novorossiysk	Feed	235-245 Apr/May	240-250 Apr/May
		Azov	Feed	220-225 Apr/May	225-230 Apr/May
	EU Black Sea	Constanta, Varna, Burgas	Feed	235-240 Apr	243-246 Apr
	France	Rouen	Feed	248 May	262 May
	Argentina	Up River	Feed	-	-
	Australia	FOB Australia	Feed	250 May	265 May
Corn	Ukraine	CPT Odesa	Feed	180-190 Apr/May	185-195 Apr/May
		CPT Reni	Feed	190-195 Apr/May	200-205 Apr/May
		DAP Western border	Feed	200-205 Apr/May	205-210 Apr/May
	russia	Novorossiysk	Feed	245-255 Apr/May	245-255 Apr/May
		Rostov, Azov	Feed	225-230 Apr/May	225-230 Apr/May
	EU Black Sea	Constanta, Varna, Burgas	Feed	275-280 Apr	274-277 Apr
	USA	Gulf	Feed	276 May	291 May
	Brazil	FOB Brazil	Feed	237 лип	256 Jun
	Argentina	Up River	Feed	255 May	267 May

Seller prices for oilseeds complex products are indicated for the major ports of Odesa, Yuzhny, Chornomorsk, Traders' margin is not included, indicated prices exclude VAT, Prices in the ports of Kherson and Mykolaiv are USD 3-5/MT lower, Those in small ports are USD 9-12/MT lower,
Prices of actual deals are as a rule lower than seller price

Ukraine. Domestic grain prices, UAH/MT

Commodity	Basis	April 28	April 21
Milling wheat, 2nd grade	EXW	5900-6800	6000-6900
	CPT	7300-8100	7400-8200
Feed wheat	EXW	4400-6400	4500-6500
	CPT	6650-7550	7000-7650
Feed Corn	EXW	5500-6750	5600-6850
	CPT	7100-8150	7200-8150
Feed Barley	EXW	4600-6200	4600-6200
	CPT	6700-7350	6700-7350

***indicated prices include VAT*

Ukraine: grain exports, K mt

Crop	Season	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR (as of APR 28, 2023)	MAY	JUN	TOTAL	Potential	Balance for export
Wheat	**2022/23**	**376**	**883**	**1789**	**1959**	**1774**	**1645**	**1325**	**1609**	**1638**	**1280**			**14278**	**14500**	**222**
	2021/22	961	3652	4364	3436	2375	1174	1613	909	307	125	44	143	19101		
Barley	**2022/23**	**151**	**182**	**445**	**332**	**361**	**159**	**192**	**232**	**222**	**185**			**2461**	**2500**	**39**
	2021/22	1097	1708	1007	736	435	244	279	148	5	25	11	36	5730		

Crop	Season	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR (as of APR 28, 2023)	MAY	JUN	JUL	AUG	TOTAL	Potential	Balance for export
Corn	**2022/23**	**2152**	**2211**	**2526**	**3068**	**2695**	**3336**	**3674**	**1908**					**21570**	**26500**	**4930**
	2021/22	165	895	3792	4897	5247	3287	1076	693	1084	1212	1176	1544			

UKRAINE. OILSEEDS

- Oil seeds sowing is behind last year's pace (as of April 27, 2023):
  - sunseeds – 490,2 K ha or 9% of the forecast (as of April 28, 2022 – 1367.8 K ha or 21%of the forcast);
  - soybeans – 18,8 K ha or 1% of the forcast (as of April 28, 2022 – 127.2 K ha or 9.9% of the forcast).
- The forecasted sunflower area increased by 13% compared to last year, soybean - by 22%;
- Declining global prices of oilseeds and vegetable oils;
- The ban on imports of agricultural products from Ukraine, the lack of demand for oilseeds from Eastern European countries, the issues remain relevant;
- Sunflower exports to Bulgaria, Romania, Hungary are completely stopped, Bulgaria has resumed unloading sunflower that had entered the country before the ban after quality checks;
- The European Commission plans to provide financial support to farmers in Eastern Europe due to the saturation of markets with commodities of Ukrainian origin;
- The European Commission may consider a ban on imports to Eastern European countries (Poland, Hungary, Slovakia, Bulgaria and Romania) by the end of this year, with restrictions on wheat, corn, rapeseed, sunflower and sunflower oil only;

- Sunflower areas are expected to increase in Eastern Europe, while current forecasts for rapeseed yields are quite optimistic;
- Non-GMO soybean prices are almost on par with GMO soybeans, with some buyers offering a premium of up to EUR 5-10 per ton, and demand for non-GMO products prevails;
- The forward rapeseed market is inactive, the demand price (August delivery): Germany - 430-440 EUR/t (430-440 EUR/t last week);
- For April 21 -28, soybean contracting was reported in the direction of the Danube ports (April-May delivery);
- For April 21 -28, the key export destinations:
  - Sunflower – Italy;
  - Soybeans – Italy, Serbia, Hungary;
  - Rapeseed – Germany.
- The sunflower oil price remains competitive - it is the cheapest vegetable oil at the moment, but the military factor continues to significantly affect the trading activity of buyers, compounded by the grain corridor and the EU import ban;
- Reduction of the sunflower market export potential will lead to an increase in sunflower oil processing and supply;
- Russian sunflower oil is winning the price competition, this season exports from russia to China and India have increased;
- Limited throughput capacity of the grain corridor and import bans by EU countries are redirecting exporters' attention to Danube ports and forcing them to create new, longer and more costly routes;
- Growing railway shipments to the western borders of Ukraine as of April 26:
  - Vegoils – 388 cisterns (405 cisterns as of April 19);
  - meal - 613 railcars (664 railcars as of April 19);
  - cake - 486 railcars (727 railcars as of April 19);
- Ukraine. Oilseeds, vegoil and meal exports. Customs statistics as of April 1 - 26:
  - Sunseed – 37.3 K mt (172.9 K mt for March 1 - 26);
  - Sunflower oil – 466.0 K mt (379.8 K mt);
  - Sunflower meal – 227.0 K mt (252.5 K mt);
  - soybeans – 155.3 K mt (325.4 K mt);
  - soybean oil – 18.9 K mt (23.1 K mt);
  - soybean meal – 25.9 K mt (65.8 K mt);
  - rapeseed – 4.9 K mt (59.2 K mt);
  - rapeseed oil – 1.0 K mt (1.8 K mt);
  - sunflower oil exports for April 1 – 26 are higher than in the same period last month.

Export prices for oilseeds, vegoils and processed products, FOB, USD/MT

Commodity	Origin	Basis	April 28	April 21
Sunseed	Ukraine	DAP Western border	360-370 April	375-385 April
	Romania/Bulgaria	Black Sea ports	460-465 April	475-480 April
Soybeans	Ukraine	DAP Western border	460-470 April	460-470 April
		Black Sea ports	480-490 April	490-500 April
	USA		557 May	582 May
	Brazil		467 May	493 May
	Argentina	Up-river	-	-
Rapeseed	Ukraine	DAP Western border	445-455 April	460-470 April
	Europe	Moselle	485 April	500 April
Sunflower oil	Ukraine	DAP Western border	820-850 April	830-860 April
		Chornomorsk	845-855 April	860-880 April
	russia	Novorosiisk	-	-
	Europe	Six ports	1005 April	1070 April
Soybean oil	Argentina	Up-river	877 May	940 May
Palm oil	Malaysia		951 May	1010 April
Sunmeal	Ukraine	DAP Western border	240-250 April	240-260 April
		Black Sea ports	245-265 April	270-290 April
Soybean meal	Argentina	Up River	480 May	509 May

Starting from February 2021, the indicated range of sunflower seed prices includes oilseed with high oil content (50% and higher).

Ukraine. Domestic prices for oilseeds, vegoils and processed products, UAH/MT

Commodity	Basis	April 28	April 21
Sunseed*	EXW	13500-14500	14000-15000
	CPT	14500-15500	15000-16000
Soybean	EXW	16000-16500	16000-16500
	CPT	16500-17000	16500-17000
Rapeseed (non-GMO)	EXW	14000–14500	15000–15500
	CPT	14500–15000	15500–16000
Linseed	EXW	12500-13500	12500-13500
Sunflower oil	EXW	34000-35000	35500-36500
Sunflower cake	EXW	8000-8500	9500-10000
Sunflower meal	EXW	8500-9000	10000-10500
Soybean oil	EXW	31000-32000	31000-32000
Soybean cake	EXW	19000-19500	19300-19800
Soybean meal	EXW	19500-20000	19800-20300

** calculated prices*
***indicated prices include VAT*

Ukraine: oil crop and vegoils exports, K mt

Crop	Season	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR (as of APR 26, 2023)	MAY	JUN	TOTAL	Potential	Balance for export
Rapeseed	**2022/23**	**116.3**	**668.5**	**873.0**	**672.5**	**534.0**	**213.8**	**191.2**	**61.6**	**64.7**	**4.9**			**3400.5**	**3401.0**	**0.5**
	2021/22	52.0	782.4	878.6	635.4	233.9	57.2	25.0	10.2	6.7	11.2	8.6	13.1	2714.3		
Rapeseed oil	**2022/23**	**0.9**	**5.9**	**15.8**	**22.8**	**11.5**	**5.2**	**2.5**	**5.0**	**2.6**	**1.0**			**73.2**	**75.0**	**1.8**
	2021/22	3.7	47.3	60.8	35.4	15.3	2.3	1.2	0.9	0.2	1.1	0.3	0.2	168.7		
Rapeseed meal	**2022/23**	**0.5**	**3.7**	**9.4**	**18.0**	**5.8**	**6.3**	**0.3**	**0.0**	**0.0**	**0.0**			**44.0**	**50.0**	**6.0**
	2021/22	9.2	55.6	54.8	40.0	3.0	0.5	0.6	0.2	0.0	0.1	0.1	0.0	164.1		

Crop	Season	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR (as of APR 26, 2023)	MAY	JUN	JUL	AUG	TOTAL	Potential	Balance for export
Sunseed	**2022/23**	**182.0**	**309.2**	**399.4**	**295.8**	**194.0**	**165.3**	**198.7**	**37.3**					**1781.7**	**2250.0**	**468.3**
	2021/22	2.6	8.4	22.9	3.5	3.8	3.1	23.8	111.2	376.2	539.0	367.0	168.7	1630.2		
Sunseed oil	**2022/23**	**508.2**	**455.7**	**485.1**	**442.1**	**395.5**	**406.1**	**524.0**	**466.0**					**3682.7**	**4300.0**	**617.3**
	2021/22	277.2	433.3	639.6	688.9	612.9	433.3	118.8	154.8	193.2	285.7	283.8	371.7	4493.2		
Sunseed meal	**2022/23**	**346.6**	**367.1**	**292.4**	**448.2**	**291.9**	**350.0**	**376.7**	**227.0**					**2699.9**	**3500.0**	**800.1**
	2021/22	67.2	408.3	517.6	453.0	622.2	456.7	64.3	49.3	101.1	112.1	158.3	285.3	3295.4		
Soybean	**2022/23**	**250.4**	**216.2**	**386.0**	**357.8**	**405.9**	**327.5**	**416.9**	**155.3**					**2360.7**	**2800.0**	**439.3**
	2021/22	10.5	173.6	216.3	191.9	136.6	153.4	40.9	48.3	66.3	89.8	114.5	148.5	1390.6		
Soybean meal	**2022/23**	**26.6**	**44.0**	**39.6**	**48.1**	**70.5**	**64.1**	**78.0**	**18.9**					**389.8**	**610.0**	**220.2**
	2021/22	16.9	48.9	55.8	57.3	54.5	47.8	26.3	26.5	22.5	26.9	27.9	31.3	442.6		
Soybean oil	**2022/23**	**21.2**	**21.0**	**20.7**	**24.3**	**24.2**	**24.6**	**29.5**	**25.9**					**191.4**	**250.0**	**58.6**
	2021/22	17.6	21.0	22.4	22.3	24.8	19.8	13.8	18.0	21.5	17.3	15.8	25.4	239.7		

CROP CONDITION

Crop condition:

- In the third decade of April, moderately warm, cloudy, rainy weather was observed;

- Only the last few days have been sunny;

- Weather conditions in April in most regions were not favorable for fieldwork on soil cultivation for sowing early spring grain crops;

- At times, due to rains and significant overwetting of the soil, the operation of agricultural machinery was impossible;

- In this connection, the sowing of early spring crops was delayed;

- Conditions for the growth and development of winter and early spring crops were favorable, plants increased in growth, phase changes in development took place;

- The moderate temperature regime contributed to the rooting of winter crops of the late sowing period.

Moisture supply:

- The amount of precipitation in the majority of the territory, namely in some areas of the southern and central regions, exceeded the decade norm by 3-5 times;

- The amount of precipitation for the previous two decades of April (except for the northeastern and extreme western regions) reached and exceeded the monthly norm in some places by 2-3.5 times;

- Precipitation of varying amounts and intensity was recorded for 1-10 days throughout the territory;

- As of April 20, in the Lviv, Volyn, Rivne, Ternopil, Khmelnytskyi, Zhytomyr, and Sumy regions, their regional average amount per decade was close to the norm (13-19 mm), in the Ivano-Frankivsk, Chernivtsi, Vinnytsia, Chernihiv, and Kherson regions, a decade-long amount was 136-183% of the norm (19-35 mm);

- In the rest of the territory, 29-48 mm of precipitation (223-348% of the norm) fell during the decade;

- The highest amount of precipitation was recorded in the Odesa region – 415% of the decade norm (54 mm), the lowest – In Transcarpathia – 50% of the decade norm (10 mm);

- In many areas of the southern, in some areas of the central (with the exception of Vinnytsia) and Kyiv regions, the daily maximum precipitation reached 20-31 mm (1.4-2.3 decade norms).

Weather forecast for May 1-7:

- Precipitation of 2-15 mm is forecast for most of the territory;

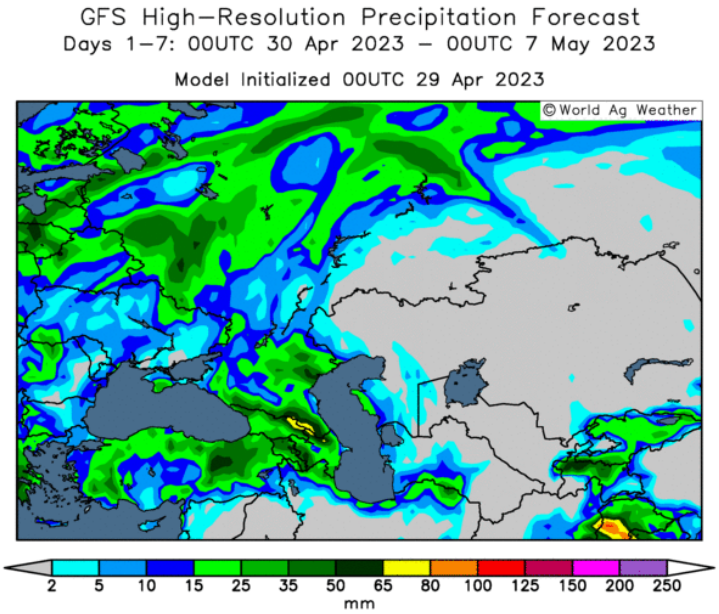
- In the northern and western regions - 2-25 mm.

Crop growth stages

Crop	Growth stage
Winter grains	Stalking
Winter rapeseed	Stem formation
Spring grains	Germination, seedlings

Ukraine. Planting progress, April 27, 2023

Crop	Planned area, Th ha	Planted, Th ha		%
		2023	2022	
Spring grains and pulses	5456.9	1368.0	2070.9	25.0
Spring wheat	285.4	206.1	175.8	72.0
Spring barley	1040.8	639.0	838.5	61.0
Peas	120.3	121.2	116.3	101.0
Oats	147.2	112.2	144.4	76.0
Millet	60.1	4.5	10.8	8.0
Buckwheat	115.4	0.33	2.6	0.0
Corn	3618.1	252.7	774.8	7.0
Sunflower	5640.5	490.2	1367.8	9.0
Soybeans	1840.7	18.8	127.2	1.0

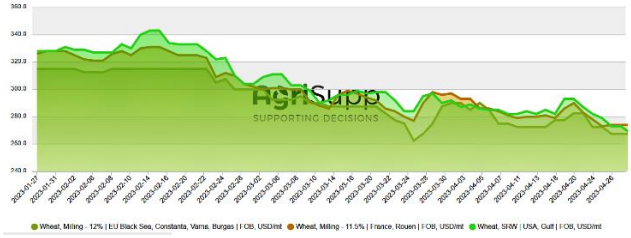


GLOBAL MARKETS WEEKLY SUMMARY
GRAINS, April 20 - 27, 2023

Wheat

Wheat SRW, USA CME Group, Futures

Milling Wheat: the EU, France, the USA (FOB)



- CBOT: For April 20 -27, wheat futures decreased by 7.1% to minimum level due to growing supply from the biggest wheat exporters.
- American wheat sales amounted to 155.7 K mt (-40% from last week); also 2023/24MY wheat sales totaled 202.1 K mt (46.1 K mt w/w);
- Sowing of spring wheat in the U.S. is completed on 5% of the area (12% a year ago);
- The share of winter wheat crops in the U.S. in good to excellent condition decreased to 26% compared to 27% last week and y/y;
- USDA's Ag Attachè forecasts the wheat harvest in Australia in 2023/24 to decrease to 29 M mt after the area estimate was cut by 200 K ha and the yield estimate was down by 24.6%. As a result, the export estimate was reduced by 7 M mt to 23 M mt. Last season of 2021/22, the harvest and export estimates were 39 M mt and 28.5 M mt, respectively.
- Wheat acreage in Canada is growing for the third year in a row. According to StatsCan, this year the wheat area is estimated at 26.98 M acres (+1.58 M acres compared to last year). The spring wheat area will be the highest since 2001.
- As of April 23, wheat exports from the EU amounted to 25.02 M mt (22.81 M mt last year).
- High volatility amid active hostilities in Ukraine.

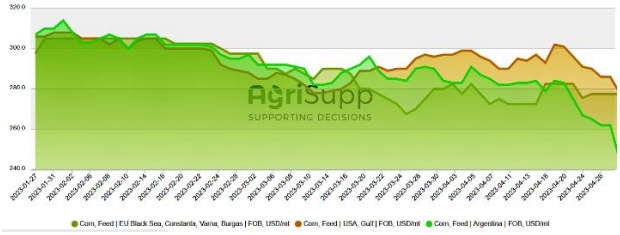
Barley

- Global barley prices have declined, along with other grain crops. In particular, European traders point out the possibility of a decrease in demand from Turkey, with barley harvested locally and 130% import tax imposed since May 1;
- U.S. barley sowing was completed on 10% of the area (23% a year ago);
- High volatility amid the fighting in Ukraine.

Corn

Corn, USA CME Group, Futures

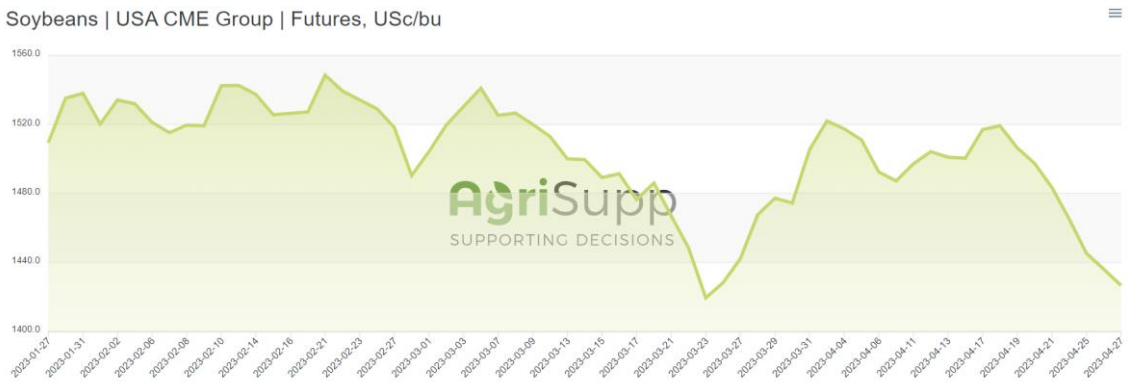
Corn: EU , Black Sea ,USA, Gulf, Brazil (FOB)



- For April 20 - 27, CBOT May corn futures decreased by 5.8% mainly due to export news - China again refused 233 K mt of US corn;
- U.S. corn sales totaled 400 K mt (+28%w/w);
- U.S. corn exports for April 20 - 27 amounted to 1076 K mt (-17%w/w). In total, 38.45 M mt of corn has already been sold, or about 82% of the season forecast;
- Corn planting in the US is ahead of last season. Already sown 14% of the area (7% a year ago). In most US regions of corn growing cool weather continues, and forecasts of warming shifted to May;
- The European Commission has lowered the EU corn harvest estimate by half a million tons, but this estimate is still much higher than last year, when the region suffered from drought. Currently, the harvest is projected at 64.4 M mt (52 M mt last year).
- Soil moisture content in Argentina remains at a historic low, and temperatures are above normal. No significant precipitation is expected in Argentina in the next 2 weeks, and in Brazil the weather is slightly drier than normal;
- Brazil has completed sowing the second corn crop. The sowing plan is fully implemented;
- BAGE: the share of crops in normal and good condition in Argentina increased by 1.9% to 47.9 over the last week (77% last year);
- BAGE: as of April 26, corn harvesting in Argentina was completed on 17.5% of the area, with the yield at 4.3 t/ha. The harvest forecast is 36 M mt, which is significantly less than last year's 52 M mt.
- According to France AgriMer, 44% of the planned corn area has been planted in France, compared to 20% a week ago. Despite the high weekly pace, the gap between the annual and last year's average (56%) remains;
- As of April 23, corn imports to the EU amounted to 22.65 M mt (13.15 M mt last year). The European Commission raised the estimate of imports for the whole season to 24 M mt;
- High volatility amid the fighting in Ukraine.

OILSEEDS

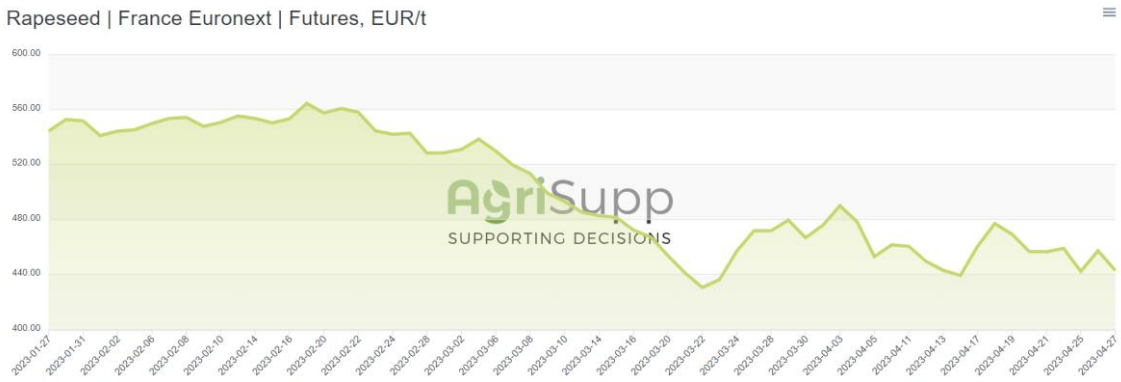
Soybeans



For the week of April 20-27, CBOT soybeans fell by 70.8 cents per bushel.

- Soybean prices continue to fall due to oversupply combined with disappointing demand from China;
- April Brazilian soybean exports are expected to reach 15.15 M mt, compared to the forecasted 13.74 M mt;
- Argentine soybean harvest will be the lowest in the last 24 years at 23.9 M mt;
- Due to the large soybean harvest in Brazil, long queues with high elevator capacities loading are sof seen there;
- About 9% soybean area was planted in the US (4% on average over the past 5 years).

Rapeseed

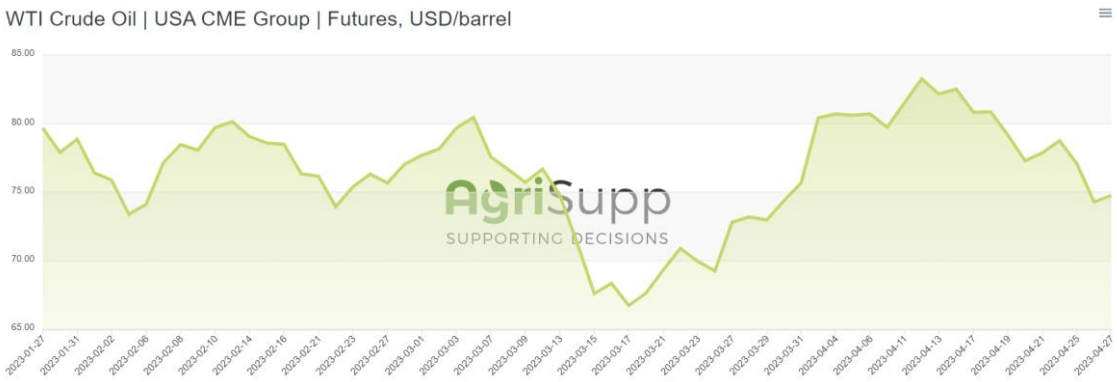


The Euronext rapeseed quotes decreased by Euro13.75 to Euro443 (April 20-27).

- German farmers estimated the domestic rapeseed harvest at 4.3 M mt, being in line with the estimates of consulting agencies;

- Canada rapeseed area will expanded to 21.6 M acres from 21.4 M acres in 2022;
- The EU imported 6.5 M mt of rapeseed against 5 M mt average for the last 3 years;
- The European Commission raised its forecast for EU rapeseed production to 20 M mt (19.5 M mt in 2022)

Crude Oil

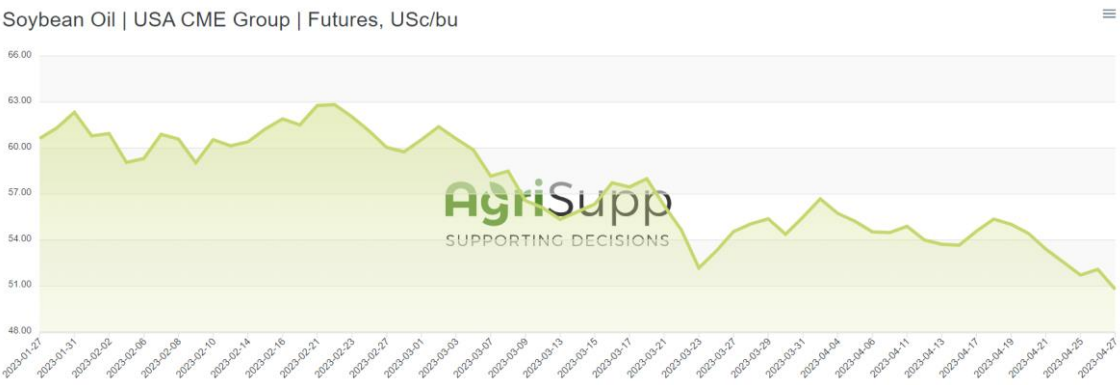


NYMEX: WTI crude oil decreased by $2.61 per barrel to $74.76 per barrel.

- In early April, OPEC+ agreed to cut oil production by 3.66 M barrels per day, incl. 2 M barrels per day cut in October last year, which corresponds to about 3.7% of global demand;
- US crude oil inventories fell by 6.1 M barrels as of April 21, analysts had expected a 1.5 M barrel decline
- Central banks of the United States, the UK and the EU are expected to raise interest rates in an effort to fight inflation;
- India imports record volumes of Russian crude oil for refining, turning into the largest supplier of fuel to Europe.

Vegetable Oils

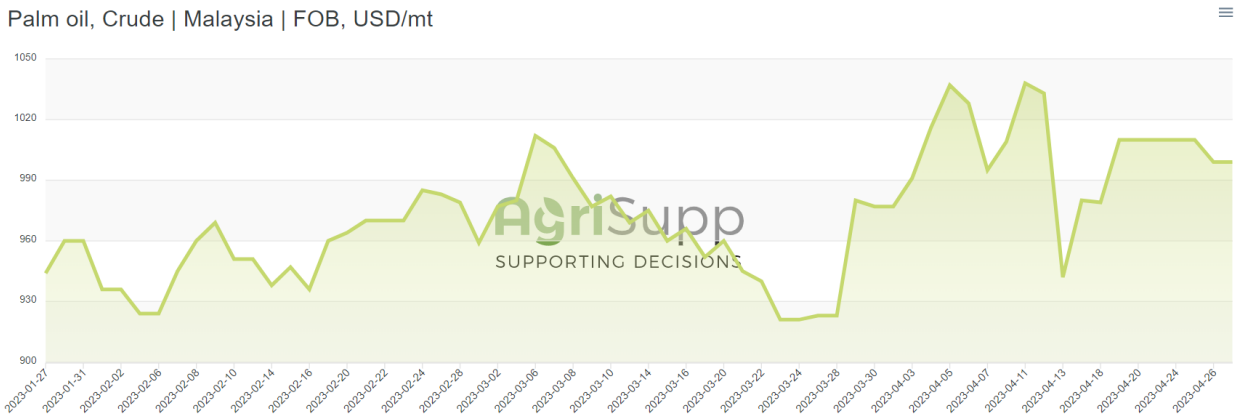
Soy Oil



CBOT: Soybean oil quotes decreased (-3.65 to 50.78 cents per pound).

- The introduction of the "soybean dollar" policy in Argentina will encourage farmers to sell soybeans in April-May;
- The spread between soybean and palm oils prices is narrowing, this may generate soybean oil demand growth;
- US Soybeans domestic stocks are at historically low levels;
- NOPA information: US soybean crushing increased in March up to 185.8 M bushels.

Palm Oil



Malaysian palm oil export price decreased by USD 11 to USD 999/ton.

- Palm oil stocks in Indonesia at the end of February amounted to 2.6 M mt, which is 15% less than in the previous month;
- Malaysian palm oil stocks in March were at the lowest level since July 2022;
- Malaysian palm oil exporters are reporting weak demand in April, with exports likely to decline by 15-20%;
- Low prices for rapeseed and sunflower oil pressure the palm oil prices downward.

UKRAINE: S&D BALANCES

Wheat, M mt

UKRAINE - MMT	2023/24		2022/23	
Wheat	March	April	March	April
Opening stocks	***0.84***	***0.74***	***2.73***	***2.73***
Area seeded, Th ha	4300	4450	6730	6730
Area harvested, Th ha	4288	4420	4700	4970
Yield, Mt/ha	3.75	3.85	4.02	3.92
Production	***16.1***	***17.0***	***18.9***	***19.5***
Imports	0.002	0.002	0.003	0.003
SUPPLY	**16.9**	**17.7**	**21.6**	**22.2**
Food Industry	3.2	3.45	3.5	3.4
Feed Usage	2.15	2.2	2.1	2.05
Seeds	0.85	0.90	1.3	1.3
Exports	***9.7***	***10.0***	***13.5***	***14.5***
Losses	0.3	0.3	0.4	0.3
DEMAND	**16.2**	**16.9**	**20.8**	**21.5**
Ending stocks	***0.74***	***0.89***	***0.84***	***0.74***

Barley, M mt

UKRAINE - MMT	2023/24		2022/23	
Barley	March	April	March	April
Opening stocks	***0.35***	***0.40***	***0.28***	***0.28***
Area seeded, Th ha	1275	1360	2005	2005
Area harvested, Th ha	1270	1350	1590	1650
Yield, Mt/ha	3.21	3.26	3.37	3.33
Production	***4.07***	***4.40***	***5.35***	***5.50***
Imports	0.002	0.002	0.002	0.002
SUPPLY	**4.4**	**4.8**	**5.6**	**5.8**
Food Industry	0.33	0.33	0.35	0.35
Feed Usage	2.25	2.2	2.15	2.15
Seeds	0.21	0.23	0.30	0.30
Exports	***1.20***	***1.60***	***2.40***	***2.50***
Losses	0.08	0.08	0.085	0.085
DEMAND	**4.07**	**4.44**	**5.28**	**5.38**
Ending stocks	***0.35***	***0.36***	***0.35***	***0.40***

Corn, M mt

UKRAINE - MMT	2023/24		2022/23	
Corn	March	April	March	April
Opening stocks	***4.01***	***4.06***	***10.23***	***10.23***
Area seeded, Th ha	3500	3500	4555	4555
Area harvested, Th ha	3452	3452	4220	4220
Yield, Mt/ha	6.2	6.2	6.28	6.28
Production	***21.40***	***21.40***	***26.50***	***26.50***
Imports	0.03	0.03	0.03	0.03
SUPPLY	**25.44**	**25.49**	**36.76**	**36.76**
Food Industry	0.30	0.30	0.32	0.32
Feed Usage	4.85	4.90	4.75	4.80
Seeds	0.15	0.15	0.18	0.18
Exports	***19.00***	***19.00***	***26.50***	***26.50***
Losses	0.50	0.40	1.00	0.90
DEMAND	**24.80**	**24.75**	**32.75**	**32.70**
Ending stocks	***0.65***	***0.75***	***4.01***	***4.06***

Total grain, M mt

UKRAINE - MMT	2023/24		2022/23	
Total grain	**March**	**April**	**March**	**April**
Opening stocks	***5.75***	***5.75***	***13.91***	***13.91***
Area seeded, Th ha	9759	9934	13946	13946
Area harvested, Th ha	9683	9836	11136	11466
Yield, Mt/ha	4.45	4.49	4.68	4.62
Production	***43.09***	***44.18***	***52.17***	***52.92***
Imports	0.164	0.164	0.17	0.17
SUPPLY	**49.00**	**50.09**	**66.24**	**66.99**
Food Industry	4.45	4.70	4.83	4.73
Feed Usage	9.67	9.72	9.47	9.47
Seeds	1.33	1.40	1.89	1.84
Exports	***30.35***	***31.07***	***42.81***	***43.92***
Losses	0.89	0.79	1.50	1.30
DEMAND	**46.70**	**47.69**	**60.50**	**61.25**
Ending stocks	***2.30***	***2.40***	***5.75***	***5.75***

Sunflower seed and by-products, K mt

Sunseed	2023/24		2022/23	
	March	**April**	**March**	**April**
Opening stocks	***116***	***116***	***2426***	***2426***
Area seeded, Th ha	5650	5800	5100	5100
Area harvested, Th ha	5600	5750	5050	5050
Yield, MT/ha	2.31	2.31	2.20	2.20
Production	***12936***	***13283***	***11110***	***11110***
Imports	20	20	20	20
SUPPLY	**13072**	**13418**	**13556**	**13556**
Crushing	11200	11500	11000	11000
Other uses	40	40	40	40
Seeds	50	50	50	50
Exports	***1600***	***1600***	***2250***	***2250***
Losses	100	100	100	100
DEMAND	**12990**	**13290**	**13440**	**13440**
Ending stocks	***82***	***128***	***116***	***116***
	March	**2023/24**	**March**	**April**
Sunseed crushing	11200	11500	11000	11000
Sunseedoil output	42.0%	42.0%	42.0%	42.0%
Production	4704	4830	4620	4620
Sunoil	**March**	**2023/24**	**March**	**April**
Opening stocks	78	78	146	146
Production	4704	4830	4620	4620
SUPPLY	**4782**	**4908**	**4766**	**4766**
Domestic consumption	380	380	380	380
Exports	4350	4450	4300	4300
Lossed	8	8	8	8
DEMAND	**4738**	**4838**	**4688**	**4688**
Ending stocks	44	70	78	78

	March	2023/24	March	April
Sunseed crushing	11200	11500	11000	11000
Sunseedmeal output	39.0%	39.0%	39.0%	39.0%
Production	4368	4485	4290	4290
Sunmeal	**March**	**2023/24**	**March**	**April**
Opening stocks	113	113	323	323
Production	4368	4485	4290	4290
SUPPLY	**4481**	**4598**	**4613**	**4613**
Domestic consumption	1000	1000	1000	1000
Exports	3400	3500	3500	3500
DEMAND	**4400**	**4500**	**4500**	**4500**
Ending stocks	81	98	113	113

Rapeseed and by-products, K mt

Rapeseed	2023/24		2022/23	
	March	April	March	April
Opening stocks	***7***	***5***	***3***	***3***
Area seeded, Th ha	1300	1400	1435	1435
Area harvested, Th ha	1235	1330	1210	1230
Yield, MT/ha	2.64	2.8	2.9	2.9
Production	***3260***	***3724***	***3509***	***3567***
Imports	15	15	35	35
SUPPLY	**3282**	**3744**	**3547**	**3605**
Crushing	190	230	195	195
Seeds	3	3	3	3
Exports	***3050***	***3500***	***3340***	***3400***
Losses	2	2	2	2
DEMAND	**3245**	**3735**	**3540**	**3600**
Ending stocks	***37***	***9***	***7***	***5***
	March	**April**	**March**	**April**
Rapeseed crushing	190	230	195	195
Rapeseed oil output	42.8%	42.8%	42.8%	42.8%
Production	81	98	83	83
Rapeoil	**March**	**April**	**March**	**April**
Opening stocks	2	2	1	1
Production	81	98	83	83
SUPPLY	**83**	**101**	**84**	**84**
Domestic consumption	7	7	7	7
Exports	75	90	75	75
DEMAND	**82**	**97**	**82**	**82**
Ending stocks	1	4	2	2

	March	April	March	April
Rapeseed crushing	190	230	195	195
Rapeseed meal output	55%	55%	55%	55%
Production	105	127	107	107
Rapemeal	**March**	**April**	**March**	**April**
Opening stocks	75	75	38	38
Production	105	127	107	107
SUPPLY	**180**	**202**	**145**	**145**
Domestic consumption	20	20	20	20
Exports	130	160	50	50
DEMAND	**150**	**180**	**70**	**70**
Ending stocks	30	22	75	75

Soybean and by-products, K mt

Soybean	2023/24		2022/23	
	March	April	March	April
Opening stocks	***69***	***19***	***613***	***613***
Area seeded, Th ha	1750	1850	1600	1600
Area harvested, Th ha	1700	1800	1550	1550
Yield, MT/ha	2.45	2.45	2.43	2.43
Production	***4165***	***4410***	***3767***	***3767***
Imports	2	2	2	2
SUPPLY	**4236**	**4431**	**4382**	**4382**
Crushing	1200	1250	1300	1300
Other uses	104	110	94	94
Seeds	175	175	150	150
Exports	***2700***	***2800***	***2750***	***2800***
Losses	21	22	19	19
DEMAND	**4200**	**4357**	**4313**	**4363**
Ending stocks	***36***	***74***	***69***	***19***
	March	**April**	**March**	**April**
Soybean crushing	1 200	1 250	1 300	1 300
Soybeanoil output	19.0%	19.0%	19.0%	19.0%
Production	228	238	247	247
Soyoil	**March**	**April**	**March**	**April**
Opening stocks	3	3	9	9
Production	228	238	247	247
SUPPLY	**231**	**241**	**256**	**256**
Domestic consumption	3	3	3	3
Exports	210	235	250	250
DEMAND	**213**	**238**	**253**	**253**
Ending stocks	18	3	3	3

	March	April	March	April
Soybean crushing	1200	1250	1300	1300
Soybeanmeal output	76.00%	76.00%	76.00%	76.00%
Production	912	950	988	988
Soymeal	**March**	**April**	**March**	**April**
Opening stocks	42	42	112	112
Production	912	950	988	988
Import	2	2	2	2
SUPPLY	**956**	**994**	**1102**	**1102**
Domestic consumption	450	450	450	450
Exports	480	520	610	610
DEMAND	**930**	**970**	**1060**	**1060**
Ending stocks	26	24	42	42

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