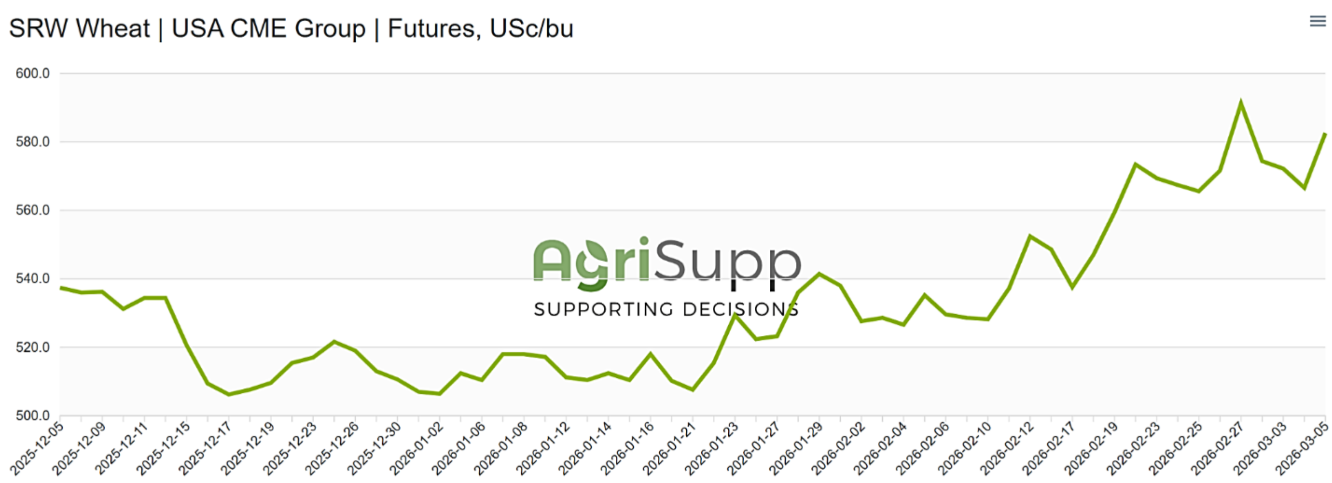
Geopolitics and Logistics Are Reshaping the Global Wheat Market

WHEAT MARKET

Global trends



CBOT **wheat** futures increased during the first week of spring. Rising geopolitical tensions in the Middle East renewed investor interest in commodity assets during the latest trading sessions. Prior to this, wheat had shown weak price dynamics, pressured by ample global supply and the market perception that US wheat remains relatively expensive compared with other origins. Meanwhile, StatsCan released its first estimates for wheat planting area in Canada. While total wheat acreage may decline, the figure still came in above market expectations.

EGYPT STABILISES DOMESTIC PRICES BY IMPORTING UKRAINIAN WHEAT

Demand continues to grow in the Egypt and, together with milling wheat domestic prices due to the Iranian conflict. The country's leadership is trying to quietly contract as much wheat as possible, but suppliers prices are also creeping up, combined with growing freight rates for all types of vessels. The market is closely monitoring the confrontation between Iran and the US-Israeli coalition.

In July 2025-Feb 2026, Egypt purchased mainly russian wheat, but share of Ukrainian wheat in its purchases noticeable increased. Ukraine is also a major supplier of corn to Egypt, competing mainly on price. In July-Feb 2025/26, Egypt received about 950 K mt of Ukrainian corn, compared to 1.1 K mt last season, out of the required 10.5 M mt.

Egypt. Wheat imports from Black Sea countries, K mt

	July-February 2024/25	*July-February 2025/26*
russia	7 432	6 146
Ukraine	1 204	2 540
Romania	767	717
Bulgaria	499	214

UkrAgroConsult

Ukraine

Top wheat competitors, FOB USD/mt

	Feb 27	Mar 6	Change	Comments
Ukraine	230	235	**+5**	Geopolitical turbulence
russia	231	233	**+2**	Demand
Romania/Bulgaria	240	237	**-3**	Increased delivery costs
US	246	248	**+2**	High exports, geopolitics
Argentina	215	216	**+1**	High freight rates
France	241	237	**-4**	Competition. High freight rates

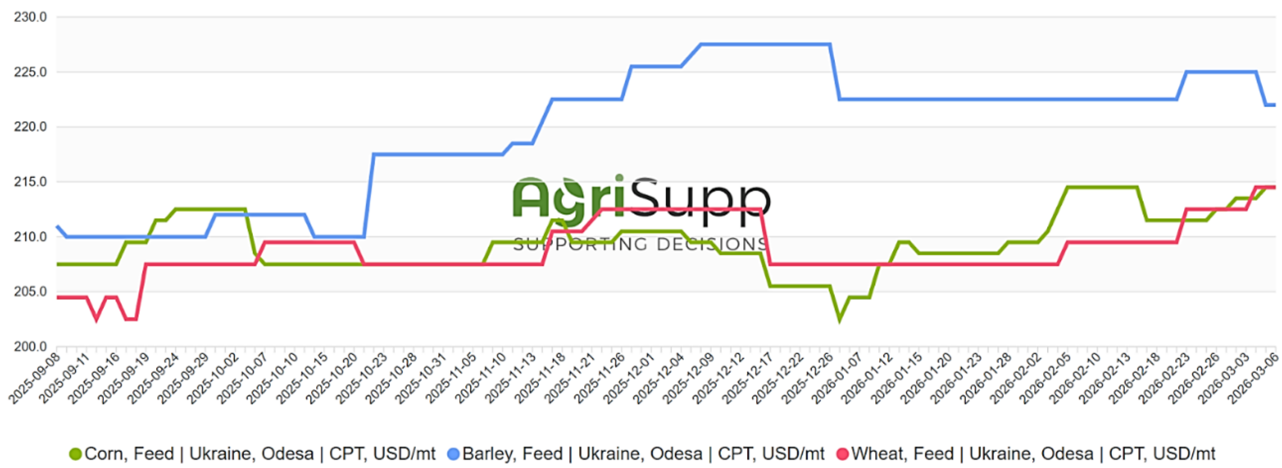
The **wheat** market saw strong buying interest, which pushed prices in Odesa ports up by $2/mt to $215–222/mt CPT for both milling and feed wheat. The spread between feed and milling wheat remains narrow at $5–7/mt, broadly in line with last year's levels.

The global wheat market received support from the escalation of geopolitical tensions in the Middle East, which increased investor interest in commodity markets. However, in Ukraine, the upside in prices remains limited due to sizeable domestic wheat stocks.

Tunisia announced a new tender for the purchase of 125 K mt of soft wheat and 50 K mt of durum wheat, with shipment scheduled for April-May. Following recent purchases by Saudi Arabia and Algeria, this indicates that importers remain willing to buy at current price levels.

Regarding the 2026 crop, reports from the Lviv region indicate losses in winter wheat areas, particularly on late-sown fields. However, these losses are unlikely to have a significant impact on the overall national crop outlook.

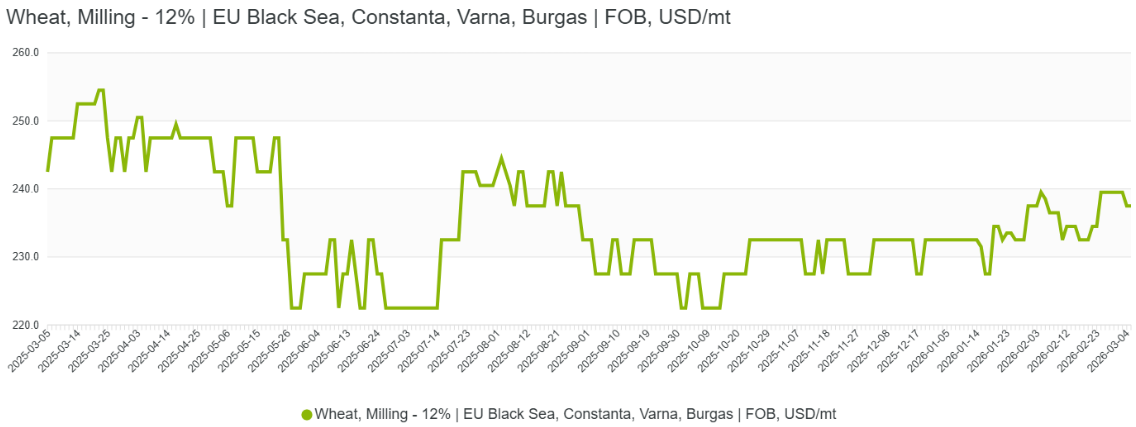
Feed Wheat Prices, CPT Odesa, USD/mt



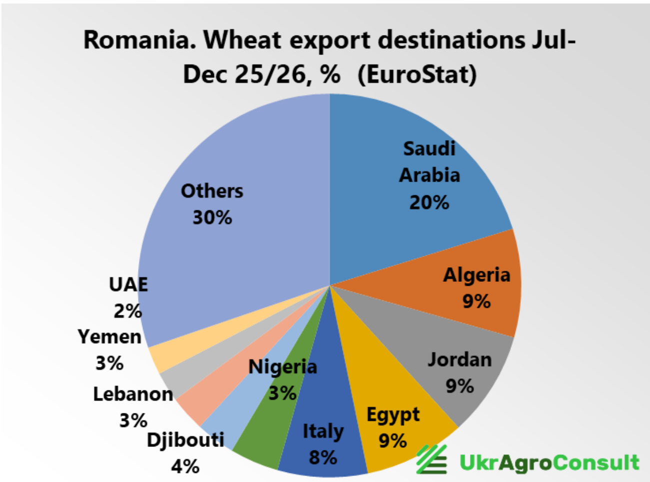
Romania

Romanian milling wheat stability hinges on Red Sea routes

Romanian milling wheat 12% price lost about USD 2/mt w/w mainly due to weaker Euro. Previously the price increased due to geopolitical tensions and some further deterioration of French winter wheat ratings.



However, the EU countries are worried about the Middle East demand, which limits the further price gains. The key buyer of Romanian wheat is Saudi Arabia, 1096 KMT shipped in July-Dec 2025/26 MY, 20% of the total exports. Now Saudi buyers are shifting logistics to Red Sea ports to avoid the blocked Strait of Hormuz. This triggered a surge in costs driven by emergency surcharges and rerouted shipping.



Former second largest buyer of Romanian wheat - Jordan (9% in the export structure of wheat and currently the largest buyer of Romanian barley) is virtually not varied by the situation in the Strait of Hormuz. Country's only direct access to the sea is in the south, via the Gulf of Aqaba in the Red Sea. Still, the situation is closely monitored as escalation may also touch the Red Sea routes.

The 2026 crop prospects remain high in the Black Sea and the EU countries. According to MARS, winter crops are in satisfactory conditions across the biggest part of Europe, while wheat is resistant to frost damage. Particularly, in Romania only minor winter wheat damage is predicted, depending on the thickness of snow cover.

Energy and farmers margins

The accumulation of factors: high input costs (fertilizers, pesticides, parts), fluctuating prices for wheat, corn or rapeseed, pressure on cash flow during the 2026 spring seeding.

In the short-term, the stability of Romania grain prices will depend on evolution of the Middle East situation and crude oil prices. For Romanian farmers, even small fuel variations can tip the balance in an already economically complicated year.

The government emphasized that Romania energy stocks are sufficient, including natural gas, to avoid a possible shortage. For farmers, however, even an apparently small increase in diesel price matters. In some cases, they managed to build fuel stocks in winter, in other farms the purchase of diesel is only now starting at a bit higher price. Currently not only farmers, but also suppliers want to stock up, each depending on their storage capacity.

Even though Romania is not directly dependent on imports from the affected areas, the price of fuel is influenced by global crude oil prices and international exchange indications.

Poland

Polish wheat market remains largely stable but without a clear upward trend, reflecting the heavy supply environment across Europe.

Domestic prices, EXW

- milling wheat, average price - 723 PLN/mt (about €168/mt)
- wheat 12.5% protein - 690–770 PLN/mt (€160–178/mt)
- feed wheat - bids between 640 and 730 PLN/mt (€148–169/mt).

The market trends are based on several fundamentals

- Large stocks from the 2025 harvest in Poland and across the EU.
- Export demand remains weak.
- Competition from cheaper wheat from the eastern Black Sea region continues.

Another short-term factor was the decline of the so-called war risk premium after logistics expectations in the Persian Gulf improved. This caused a slight correction in FOB prices and exchanges.

The only element preventing a sharper decline is concern about winter crop conditions in France. That uncertainty supports demand for 2026 wheat and keeps some speculative support under prices.

For Polish farmers the situation is increasingly tough. Grain prices remain low while production costs continue to rise. Fertilisers share is 45-50% of crop production costs. Temporary suspension of new orders for nitrogen fertilisers and higher natural gas prices have added uncertainty ahead of spring field work. Farmers are also reporting the first disruptions in diesel supply and rising fuel prices.

The result is a typical buyer’s market. Prices appear stable but under pressure from oversupply, weak exports and rising production costs.

Poland. Grain prices, EUR/mt

Commodity / Quality	Date		+/-, %
	26.02.2026	05.03.2026	
Grain - Wheat - Milling	170.74	169.76	-0.57
Grain - Wheat - Feed	161.87	160.39	-0.92
Grain - Barley - Food	154.77	152.85	-1.24
Grain - Barley - Feed	152.86	152.03	-0.54
Grain - Corn - Feed	170.67	168.52	-1.26
Grain - Rye - Food	134.62	134.21	-0.30
Grain - Rye - Feed	130.89	129.42	-1.12
Grain -Triticale - Feed	146.94	145.78	-0.79
Grain - Oat - Feed	121.29	119.98	-1.08
Peas	189.52	186.43	-1.63

Bulgaria

In Bulgaria winter wheat crops are in very good condition, yet farmers remain pessimistic. Low grain prices during the 2025/26 season resulted in a working capital shortage. As a result many farmers are applying minimal fertilisation, which could reduce yield potential in 2026.

Traders have begun discussing forward contracts for the new crop. However, farmers remain cautious and prefer to wait until April when the condition of winter crops across the wider region becomes clearer.

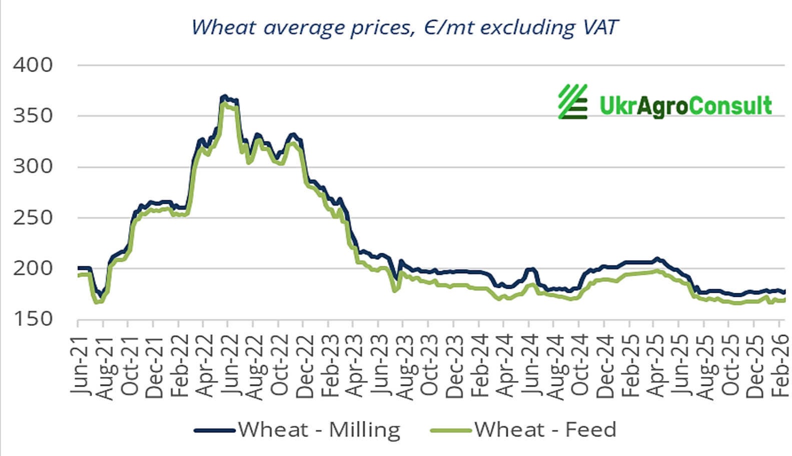
Meanwhile, exports activity recovered. Within the latest Algerian OAIC tender for 600 K mt of wheat, Bulgaria and Romania are expected to supply about 350 K mt. Bulgarian wheat share is 180-200 K mt at prices €218-222/mt FOB Varna or Burgas.

To meet April shipment schedules traders already started reserving railway wagons. However, a shortage of wagons appeared because of increased domestic sunflower seed purchases.

Farmers now expect FOB prices to rise to 455-460 BGN/mt (€232-235/mt). If these expectations fail, traders may shift purchases toward Romanian wheat to avoid delays in vessel loading.

Wheat average prices, BGN/EUR/mt excluding VAT

Commodity	Date			% w/w, 25
	18.02.2026	25.02.2026	18.02.2026	
Wheat - Milling	403/206	348/178	344/176	**-1.1**
Wheat - Feed	379/194	332/170	331/169	**-0.6**



Source: Ministry of Agriculture and Food of Bulgaria

Hungary

Sharp price decline mirrors global oversupply. Wheat prices are under the strongest pressure in the region.

Wheat prices, EXW, AKI PÁIR data

- milling wheat - about 67,700 HUF/mt (about €170/mt), roughly 24% lower y/y.
- feed wheat - around 62,000 HUF/mt (€156/mt), representing a decline of nearly 29% y/y.

The main driver behind this drop is global oversupply combined with strong competition from Black Sea exporters. Wheat area in Hungary is estimated at around 980 K ha, and weather conditions currently support expectations of a reasonably good harvest.

russia

Weather risks. Weather increased pressure on 2026 harvest expectations in russia. According to russian Hydromet Center, 4-5% of winter wheat area (roughly 0.8-1.0 M ha) are currently in poor condition. Earlier Feb estimates suggested only 3-4%.

Poor fields are concentrated in the Central Black Earth region and parts of the Volga region where ice crust formation and lack of snow cover during Feb frosts damaged crops.

Farmers privately estimate winter losses at up to 10-12%. Some fields failed to recover because the tillering node was damaged by frost.

Producers in central regions are preparing to increase spring wheat areas to compensate for winter losses. However, the market currently faces a shortage of quality spring wheat seed with prices increased by 15% for a week. Farmers unable to obtain seed may switch to sunflower or soybeans instead.

In Siberia and the Urals, where spring wheat dominates, planting should begin on schedule. However, farmers report that spare parts for seeding equipment have become 20–30% more expensive y/y.

Weather models from ECMWF and GFS suggest strong temperature fluctuations during the first half of March. The coming two weeks will determine how winter wheat exits dormancy and how much area may ultimately be lost.

russia's Ministry of Agriculture maintains its forecast for wheat production at 86-88 M mt. Independent analysts such as IKAR and SovEcon are more cautious and estimate the crop at 81-83 M mt compared with about 91 M mt in 2025.

Traders also expect a higher share of feed wheat because larger spring wheat areas typically reduce overall grain quality.

Logistics and export pace. Export logistics remain complicated. A shortage of grain wagons toward Novorossiysk continues, with traders reporting waiting times of 14-20 days for wagon allocation.

Road freight costs in Krasnodar region increased by 5-7% during the past week because of driver shortages and stricter weight controls on routes to the ports of Taman and Novorossiysk.

At the same time vessels are accumulating in Novorossiysk and Tuapse as export shipments undergo stricter quality inspections.

To increase shipments, russian Railways introduced temporary transport discounts starting 5 March until Dec 31, 2026. Grain shipments from Siberia will be discounted by 11.5% to Black and Azov Sea ports and by 20% to Far Eastern and Northwestern ports.

russian wheat exports in the 2026/27 season are currently forecast at 40-42 M mt compared with projections of 43-46 M mt for 2025/26 and an actual 40.2 M mt in 2024/25.

Regional trade flows are also evolving. Kazakhstan continues importing russian wheat in 2025/26 season, with about 1.2 M mt estimated for the first six months. Officially much of this grain is declared as transit to Uzbekistan or Afghanistan but in reality remains inside Kazakhstan through 'grey' railway codes.

The Caspian export route toward Iran is often disrupted. Unloading times for russian coastal vessels have increased from about three days to eight to ten days.

Quality and buyers' tenders. Quality concerns are also emerging. A vessel of 60 K mt of russian wheat anchored near Port Said was refused discharge after Egypt's plant quarantine authority rejected laboratory results related to Tilletia fungus.

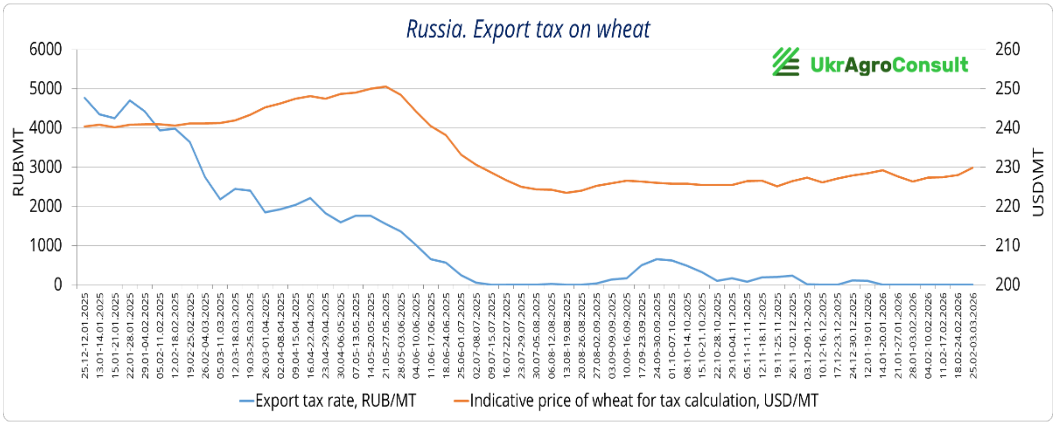
Private mills in Turkey's Marmara region also complaint about certain russian wheat cargoes because of a chemical smell. This may result from the replacement of European fumigation chemicals with cheaper alternatives. Such wheat can only be used for technical purposes or may be rejected.

Tender results also reflect this pressure. Saudi Arabia's GFSA purchased about 794 K mt of wheat in early March, with russia expected to supply about 540 K mt at prices around $268.5-271/mt C&F for May-July shipment.

However, details from the Algerian tender for 600 K mt of wheat showed that OAIC rejected three vessels from Novorossiysk due to quality concerns related to insect damage. As a result, russia will supply only about 100 K mt at prices around $255-257/mt C&F instead of the expected 250-300 K mt.

Wheat export taxes 04.03-10.03.2026

Export taxes, RUB/MT	Export taxes, USD/MT
0	229.8 (0.0%)



Source: Ministry of Agriculture of the russian Federation