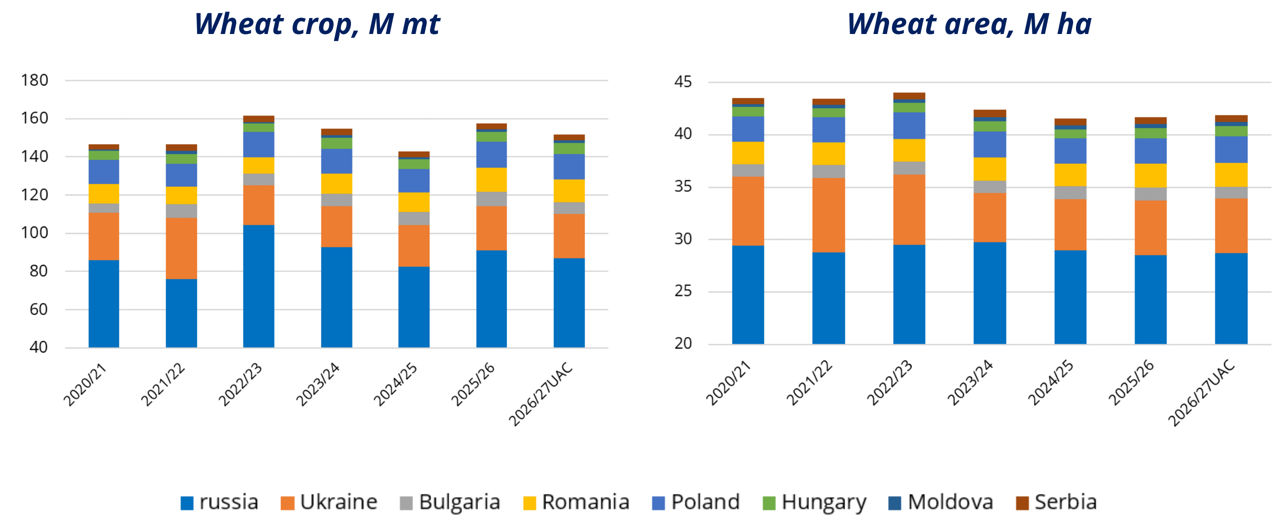
BLACK SEA-DANUBE GRAIN REGION: GRAIN MARKET CHALLENGES AND COMPETITION, FORECAST FOR 2026/27

Based on Maxim Kharchenko's online presentation at Black Sea Grain Conference, April 23, 2026

- ***High regional 2025/26 ending stocks weighing on prices, but risks to the global new crop are also rising***
- ***The Black Sea-Danube-Balkan: Grain production remains under pressure from rising costs and weather, market volatility increases***
- ***Changes in commodity crop and trade flows, with a gradual shift toward oilseeds and regional demand***

The 2026/27 season **wheat** area is expected to expand for the third consecutive year. This is explained by a delayed reaction to previous price upward trends. Farmers are increasing area, trying to capture margin after better prices in previous seasons.

But production is expected to decline. This is not a contradiction. After an exceptionally strong yield year, productivity is normalizing back to long-term averages.



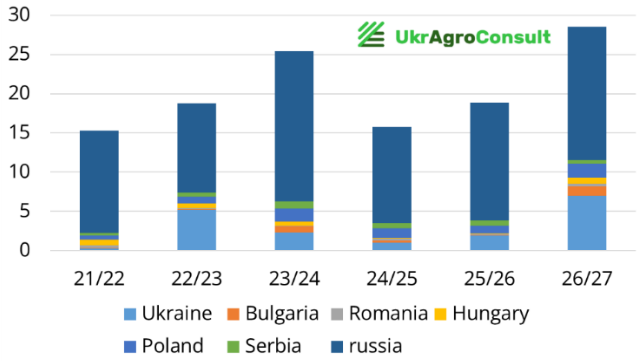
Source: EuroStat for 2020-2025, UkrAgroConsult forecast for 2026

The largest downside risks are in russia and Ukraine. In russia, the 2024/25 unusually high yields in the Volga and Ural regions are unlikely to be repeated. In Ukraine, winterkill damage and higher production costs are expected to limit yield.

Rising input costs, especially fertilizers and crop protection, look like additional limits. Even with larger planted area, farmers are less able to keep yields at maximum levels.

The region is entering the new season with record opening **stocks** of around 28.5 M mt. In the EU, the stocks are also expected at a record level of about 17.2 M mt. This creates a clear short-term pressure on prices.

Black Sea-Danube-Balkan: Opening wheat stocks by country, M mt



Source: European Commission statistics for 2021/22-2024/25, UkrAgroConsult estimations for 2026/27

There are simultaneously two opposing factors in the market. The first one - very high stocks, which put pressure on prices, the other - significant uncertainty about the global wheat 2026 harvest. This encourages volatility: in the short term, the market looks oversupplied, but any weather or logistical risks can change the balance quite quickly. However, the real impact of these frosts will be clear in the coming May-June.

Key wheat price drivers

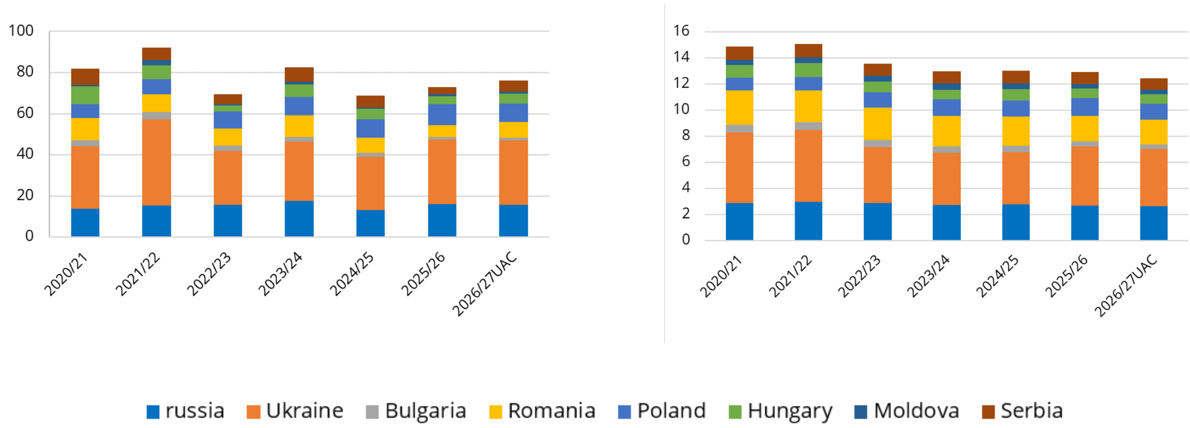
- High opening stocks in the Black Sea region and Europe;
- Weather and potential issues with winter wheat in the US;
- Smaller harvest is expected in the Southern Hemisphere, which could partially support prices.

The **corn** market is becoming unstable. Over the past years, drought has repeatedly hit Bulgaria, Romania and Serbia. This is a long-time trend.

As a result, farmers are adjusting strategy:

- reducing corn area;
- switching to sunflower and other crops;
- prioritizing risk over yield potential.

Corn production, M mt / *Corn area, M ha*



Source: EuroStat for 2020-2025, UkrAgroConsult forecast for 2026

However, the 2026/27 base case still assumes some recovery in corn production in the region. Even with reduced area, output may increase if yields improve after weak seasons. If drought repeats and fertilizer use declines, the recovery is unlikely.

Black Sea-Danube-Balkan region: common trends

- Corn is becoming weather-driven crop in this region, generating higher price-volatility. Yield risk is increasing due to weather and lower input intensity;
- high stocks pressure grain prices but for short-term;
- crop structure is shifting toward oilseeds;
- commodity flows are more and more driven by regional demand as logistics costs keep trade closer to origination. This might be a long-term strategic shift.

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