

## Quanton Weekly Communications, Week 50

Quanton Trading Teams



## Grains:

**Russian Tax** 5 day average from 22 Dec:

Wheat \$94 (up \$3),

Barley \$84.8 (up \$6.8),

Corn \$55 (up \$6).

**French wheat** shipments resume led by Chinese demand. **China** was again the leading receiver in the reporting week (**96,100 mt or 67% of share**), followed by Morocco (32,999 mt) and Gabon (13,400 mt). Accumulated milling wheat exports throughout the 2021/22 marketing year (July 1 to now): **Algeria (799,500 mt or 39%)** was the leading destination, followed by China (600,000 mt or 27%), and Morocco (177,000 mt or 8%). (AgriCensus)

**Dry and unseasonably warm weather** is threatening yield prospects for winter wheat in the **U.S.** **Winter wheat** has struggled in some areas, including parts of Oklahoma where scrawny plants lack robust root systems.

Strategie Grains has **raised** its estimate for **EU soft wheat exports** for the current 2021/22 season by **more than 1 million tonnes**, as a fall in prices has made French wheat more competitive on world markets.

**Argentina will cut export taxes** on soybeans, corn and wheat, but **only if they are organics**, which currently make up a small fraction of the major grains producer's harvest. (Reuters)

Chicago **corn** and **soy** futures extended losses, as **wetter weather in South America** raised prospects of **higher production**.

Most grain crops in the **European Union** have continued to benefit from **favourable weather** in the past month, although a lack of hardiness could leave some plants vulnerable to frost, the EU's crop monitoring service MARS said on Tuesday. (MARS)

## Oilseeds:

**Indian government** authorities have **rejected** calls to extend the arrival deadline for shipments of **genetically modified (GM) soymeal** beyond January 31. The Indian government previously announced on August 24 that it will allow the import of up to 1.2 million mt of GM soymeal to compensate for the supply shortage in the local market and regulate domestic prices. (AgriCensus)

**Rapeseed** output in India, the world's biggest importer of vegetable oils, is likely to rise as much as 29.4% this year as farmers plant more area with the winter-sown oilseed, a leading trade body said on Tuesday. (Reuter)

**Argentina's weather** outlook poses a **"big challenge"** for **soybean and corn** production, with lower-than-normal rainfall due to the La Niña climate pattern expected during the region's summer, the Buenos Aires grains exchange said. (Reuters)

## Sugar:

A **World Trade Organization** panel ruled in favour of Brazil, Australia and Guatemala on Tuesday in their trade disputes with **India over sugar subsidies** and asked New Delhi to conform with global rules. India had broken WTO rules by providing excessive domestic support and export subsidies for sugar and sugarcane. (Reuters)

## Coffee:

**Coffee experts** working in **Brazil's** Minas Gerais state as they tour the coffee belt checking 2022 crop prospects just as prices approach the highest levels in 10 years. This has been a difficult year for coffee farming in Brazil, the world's largest producer. Prices surged after **a drought** and later **frosts** ruined as much as 20% of coffee trees, hitting future production.

## Cocoa:

A week-long **strike by dockers in Ivory Coast's** two main ports of Abidjan and San Pedro could hurt cocoa bean exports from the world's top cocoa producing nation after workers blocked access to the ports on Friday.

**Mixed rainfall across Ivory Coast's cocoa regions** last week has left some farmers pinning their harvest hopes on more downpours, while others on Monday remained confident of a good crop. (Reuters)

**The Chinese market** offers a ray of hope for **Ghana** to diversify the cocoa export destination of its major cash crop. (Xinhua)

## Freight:

**Panamax** average 4TC and average 5TC continued to slide throughout the week. The fall is visible across all the routes including 2A (Cont- Far East) and 8 (Santos- Qingdao). The fall in physical market is reflected in the FFA market as well.

In the **Handy** sector, the TC average also came down, albeit by a very small figure. The Brent Crude Future, which maintains a positive correlation with the bunker price, also consistently dropped throughout the week.

## World:

At least 64 people, including six children, lost their lives in Kentucky after a raft of **tornadoes** tore through six states. **Silos of millions bushels of grains** were also affected.

Six European supermarket chains would **stop selling** some or all beef products from **Brazil** due to links with destruction of the Amazon rainforest.

France has detected the highly pathogenic H5N1 **bird flu virus** on a duck farm in southwest of the country, the farm ministry said on Friday. (Reuters)

## China:

China's customs authority published **new food safety rules** in April stipulating all food manufacturing, processing and storage facilities abroad need to be

registered by year-end for their goods to access the Chinese market. Makers of Irish whiskey, Belgian chocolate and European coffee brands are scrambling to comply with new Chinese food and beverage regulations, with many fearful their goods will be unable to enter the giant market as a Jan. 1 deadline looms.

China **will raise import tariffs** on most **pork products** next year, the finance ministry said on Wednesday, after the world's top producer rapidly expanded domestic production and reduced its needs for imports.

China's customs administration said it will **allow imports** of some **beef products from Brazil** to resume on Wednesday, ending an embargo in force since Sept. 4. (Reuters)

**France** on Monday signed an **agreement** with main export customer **China** to ensure pork trade can continue even if an outbreak of African swine fever (ASF) occurs, potentially providing a blueprint for European countries threatened by the pig disease. (Reuters)

#### Fertiliser:

**Russian exports** of certain fertilizers will be **capped by export quotas** for a period of 6 months and effective as of 1 December. Shipments of **nitrogen fertilizers** will be limited to 5.9m t and complex nitrogen-containing fertilizers to 5.35m t. (Russia Ministry of Industry and Trade)

#### Tenders:

##### In process:

**Taiwan** tenders for wheat:

- 110,000 mt from United States, shipment 1 – 15 Feb and 8 – 22 Feb

**Turkey** TMO tenders for milling wheat, CFR only:

- 50,000 mt each for Derince, Iskenderun, Mersin, Izmir, Bandirma, Tekirdag
- 25,000 mt for Samsun
- 20,000 mt for Trabzon

##### Completed:

**Philippines** purchased Feed wheat:

- 110,000 mt, C&F 325 USD/mt, shipment Mar – May 2022

**South Korea** FLC bought feed wheat:

- 60,000 mt from ETG, 337.50 USD/mt, shipment Jan – Feb 2022

**South Korea** FLC bought corn:

- 60,000 mt from ETG, 337.50 USD/mt, arrival 15 May 2022.

**South Korea** MFG bought feed wheat:

- 60,000 mt from CJ International, 351 USD/mt, shipment Jan – Feb 2022.

Jordan made no purchase in the barley tender.

**Jordan** bought hard milling wheat:

- 60,000 mt from Ameropa, C&F 327.5 USD/mt, shipment July 2022

**Algeria** OAIC bought 690,000 mt wheat:

- Panamax, C&F 372 USD/mt.
- Handymax, C&F 376 USD/mt.
  - I. 60,000 mt from Soufflet,
  - II. 60,000 mt from COFCO,
  - III. 60,000 mt from Avere,
  - IV. 60,000 mt from Lecureur,
  - V. 60,000 mt from CAM,
  - VI. 90,000 mt from Casillo,
  - VII. 150,000 mt from Olam,
  - VIII. 150,000 mt from Cargill.

**Iran** GTC bought wheat:

- 6 cargoes, C&F BIK, shipment Jan-Feb 2022

Transforming agricultural products in time, location and form sets the core of our business.  
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