



## Quanton Weekly Communications, Week 12

### Quanton Trading Teams

#### Grains:

**India** is in final talks to begin wheat exports to **Egypt**, while negotiations are also going on with countries such as **China and Turkey**, after Russia's invasion of Ukraine upended global supplies. The country is also in discussions to sell wheat to **Bosnia, Sudan, Nigeria and Iran**. (Reuters)

Sources in the **California rice market** are reacting with increasing concern to the prospect of a historically small crop this year, on the back of an already disappointing 2021 harvest. S&P Platts assessment of US #1, 4% broken white rice touched **an all-time high** of \$1,270/mt FAS FCL Oakland March 17. (Platts)

**Iraq's wheat stockpiles do not exceed three months of consumption**, the Iraqi agriculture minister said on Tuesday as cited by the Iraqi News Agency. (Reuters)

**Argentina's central and eastern farming regions are set for a week of abundant rains** with the risk of storms, hail and strong winds in the coming days, the Buenos Aires grains exchange said on Wednesday in its weekly weather outlook. (Reuters)

**Canada's farmers may face another drought this year**, just as the world counts on the breadbasket nation to grow bigger wheat and canola crops to ease food inflation fuelled by the Russia-Ukraine war. (Reuters)

**Egypt** is in talks with **Argentina, India, France and the United States** for future **wheat imports** but is in no rush to buy at the moment, the supply minister said on Thursday. (Reuters)

**Argentina's 2021/22 corn crop estimates were cut by 2 million** mt to 49 million mt on drought losses. (Agricensus)

**Iran ready to supply wheat to Lebanon**. (Reuters)

**France: Quality conditions remained stable** for all grain crops in in the week to March 21. (AgriMer, Reuters)

**Turkish state grain buyer** has returned to the market looking for another 455,000 of wheat just after purchasing around half a million. (Agricensus)

A group of millers from South Korea's Flour Millers' Association (Kofmia) bought a total of 45k mt milling wheat for May-June. (Agricensus)

**Lebanon** is planning a tender to **import 50,000 tonnes of wheat from India** but the timing depends on the Lebanese central bank opening the necessary credit line. (Reuters)

### Ukraine and Russia:

**Ukraine is likely to export just 200,000 tonnes of wheat from March to June** due to its Black Sea ports being blocked by the Russian invasion. (APK, Reuters)

**Ukraine** faces a possible **grain revenue loss of \$6 billion** as the blockade of its ports by Russian forces prevents it from selling millions of tonnes of wheat and corn that had been earmarked for export by June. (Reuters)

**The trade in Russian grains is continuing in the Azov Sea**, despite risks associated with both the war and economic uncertainties. (Agricensus)

**Ukrainian agriculture minister quits** for health reasons, senior lawmaker replaces him. (Reuters)

**Ukraine's north-western Rivne region has started sowing spring crops**, and aims to sow 420,000 hectares and support regions whose harvests may be more heavily disrupted by the war with Russia. (Reuters)

Against the backdrop of growing concerns about a possible disruption of the sowing campaign due to ongoing Russian invasion, **Southern Ukraine starts spring grain sowing campaign**. (Agricensus)

**Ukraine's spring crop sowing area may more than halve this year** from 2021 levels to some 7 million hectares, versus 15 million hectares expected before the Russian invasion. (Reuters)

**Ukraine's 2022 grain harvest is likely to fall 54.6% to 38.9 million tonnes** due to a decrease in sowing area caused by the Russian invasion, APK-Inform agriculture consultancy said on Wednesday. (Reuters)

Trade sources have shared the **first offers of wheat from Ukrainian companies** since the Russian invasion. (Agricensus)

The Ukrainian government **removed corn and sunflower oil from the list of products** that were banned from export. (Agricensus)

### Oilseeds:

**Malaysia** has maintained its **April export tax** for crude palm oil at **8%**. (Reuters)

**Argentina** has raised the **export tax rate on soy oil and meal to 33%** until the end of the year in a bid to combat domestic inflation. (Reuters)

**China's soybean imports from Brazil** in the first two months of 2022 rose significantly from the corresponding period last year, US cargoes fall. (Reuters)

Egypt's state buyer **GASC** announced an international and a local tender to **buy vegetable oils for May delivery**. (Agricensus)

**A surge in sunflower oil prices** after Russia's invasion of Ukraine cut supply has proved an opportunity for producers of one of Spain's best-known products: **olive oil**. (Reuters)

**Argentina's soybean crushing in February rose 5%** on the previous month, coming aligned with market expectations. (Agricensus)

**Soybean production prices** in Mato Grosso, Brazil's largest agricultural state, **continue to rise**. (Agricensus)

FranceAgriMer has marginally increased its forecast for **France's oil protein crop harvest** in the 2021/22 marketing year to **23%**. (Agricensus)

The Russian government is proposing to introduce export quotas for sunoil and sunmeal of 1.5 million mt and 700,000 mt respectively. (Agricensus)

Soymeal prices in China rallied for a fourth consecutive session on Wednesday, breaching their highest level on record. (Agricensus)

**Ukraine's 2022 sunflower seed harvest could decrease by 42% to 9.6 million** tonnes due to a sharp decrease in the sowing areas following Russia's invasion. (Reuters, APK)

**Indonesia and Malaysia** remain committed to their **mandatory biodiesel programmes** despite higher prices of the feedstock to reach green energy goals. (Reuters)

**China's crushing continues to drop** on the impact of Covid-19. (Agricensus)

#### Coffee:

**Five break bulk vessels** left Brazilian ports since November, carrying coffee beans packed in **1,000 kg bags**, roughly 4% of total export. Such shipping method hasn't been used in over 20 years, now returns due to the shortage of containers.

#### Cocoa:

**Heavy rain last week in most of Ivory Coast's** cocoa-growing regions revived hopes of a strong April-to-September mid-crop after an extended dry spell. (Reuters)

#### Sugar:

**India plans to restrict sugar exports** for the first time in six years to prevent a surge in domestic prices and could cap this season's exports at 8 million tonnes. (Reuters)

**Russia's agriculture ministry** has simplified procedures for obtaining permits **for white sugar imports** after a jump in domestic demand. (Commodity 3)

#### World:

Ukrainian prosecutors have opened an investigation into the alleged **forceful seizure by Russian troops of five ships carrying Ukrainian grain** in the port of Berdiansk. (Reuters)

A European meeting on agriculture has discussed using emergency funds for the industry and allocating **50 million euros (\$55 million) to support Italian businesses in the sector**, Agriculture Minister Stefano Patuanelli said on Tuesday. (Reuters)

French bank Crédit Agricole has suspended its activities in Russia and is creating a €10 million solidarity fund for Ukraine.

**Supermarket chains in Greece** are restricting how much **flour and sunflower oil customers can buy**, saying the step was precautionary after seeing demand rise on worries supplies will be hit due to the war in Ukraine. (Reuters)

**LDC reported 82.5% y-o-y increase for 2021 net profit to \$697 million.** (Reuters, Agricensus)

**Yellen:** the Russia-Ukraine crisis is **driving up commodities prices** and is likely to **slow global economic growth.** (Reuters)

#### Fertilisers:

Russian businessman Dmitry Mazepin has ceded control of **Russian potash producer Uralkali.** (Reuters)

**China to sell 1mmt of potash fertiliser from reserves** for spring farming demand. (Agricensus)

**Algeria and China** have signed a shareholder agreement to invest \$7 billion to **produce 5.4 million tonnes of fertiliser per year** in the Algerian region of Tebessa. (Reuters)

**Sanctions on exports of potash fertiliser** from Belarus and Russia are not impacting supply in China, an executive from state-owned fertiliser maker Sinofert Holdings said on Wednesday, due to sufficient domestic stocks.

**Sky-high fertilizer prices** have farmers worldwide **scaling back its use and reducing the amount of land they're planting**, fallout from the Ukraine-Russia conflict that has some agricultural industry veterans warning of food shortages.

#### Freights:

**All Ukrainian ports** on the Black Sea and Azov Sea **remain temporarily closed to ships seeking to enter or exit.** (Reuters)

**Low water** after recent dry weather continues to prevent cargo vessels from sailing **fully loaded on the river Rhine in Germany.** (Reuters)

**Canada** on Monday called for **a quick negotiated end to a work stoppage** at the country's second-largest railroad, Canadian Pacific Railway Ltd, that is set to aggravate a shortage of commodities sparked by Russia's invasion of Ukraine. (Reuters)

**Canadian Pacific Railway** labour strike ends after two days. (Platts)

**Panamax Market:** A significant week of grains in the Panamax market, largely Atlantic centric as activity for the transatlantic trips continued to thrive. Much of the activity and focus was grain led ex EC and NC South America with options to ex US Gulf and with bids further increasing against a tighter looking tonnage count, the front haul trip appeared to be impacted to this despite a lack of fixing. Asia continued to be reserved by comparison and largely flat aside from limited action ex No Pac with rates improving slightly over last done.

Panamax Index – 3,413 (up 15.79 % over last week)

Panamax 4 TC – 29,377 (up 16.49 % over last week)

Panamax 5 TC – 30,713 (up 15.78 % over last week)

P2A (Continent / Far East) – 36,445 (up 13.07 % over last week)

P6A (Singapore/ ECSA RV) – 29,565 (up 15.33 % over last week)

**Supramax Market:** Continued strong demand for minor bulks, as preliminary estimates for this month shows record high loadings. Demand remained strong from East Coast South America for Trans Atlantic. Ultramax was covered from Recalada to Algeria at about USD 49,000. Clunker round from Egypt to Monrovia were fixed close to USD 30,000. Touch more reported from the Pacific Basin. 57,000 dwt open Chittagong took USD 27,000 for a trip from EC India to China. Another 53,000 dwt open in Singapore was covered around USD 45,000 from a trip Indonesia to China. From the North 56,000 dwt open Bayuquan was finalised for a CIS Pacific round at USD 70,000. Some steels to USG from India paid Owners USD 43,000 for a 58,000 dwt vessel open Haldia. Also a 52,000 dwt ship concluded business for trip via Thailand redelivery Haldia at USD 34,000 basis delivery Singapore.

BSI 10TC – 33,217 (up 3.22 % over last week)

S1B (Canakkale via Med-Bsea/China- S.Korea) – 22,763 (up 10.97 % over last week)

S4B (Skaw-Passero/USG) – 19,331 (up 13.97 % over last week)

BHSI 7 TC – 32,082 (up 6.73 % over last week)

HS1 (Cont med-ECSA) – 17,786 (up 14.06 % over last week)

HS3 (ECSA/Cont-Med) – 48,944 (up 20.43 % over last week)

#### Tenders:

**South Korea's Flour Mills** bought milling wheat:

- 45,000 mt, US origin, shipment May-Jun

**South Korea's Kocopia** bought corn:

- 60,000 mt, 426 USD/mt, CJ International, shipment June

**South Korea's NOFI** bought corn:

- 130,000 mt, in three consignments
  1. 309.0 CK2, CHS
  2. 353.5 CN2, Pan Ocean
  3. 345.5 CN2, Viterra

**Jordan** tenders for wheat and barley:

- 120,000 mt each, deadline 24 Mar  
Cancelled

**Bangladesh's state grains buyer** tenders for milling wheat:

- 50,000 mt

**Iran's GTC** bought wheat:

- 195,000 mt, shipment Apr-May

**Turkey TMO** bought 335,000 mt wheat:

Iskenderun:	10,000 mt 13.5% 414.87 USD/mt, Viterra
	5,000 mt 12.5% 411.87 USD/mt, YaylaAgro
	5,000 mt 12.5% 433.90 USD/mt, Altin Ates
	25,000 mt 12.5% 433.90 USD/mt, Aston
	15,000 mt 12.5% 433.90 USD/mt, Viterra
	15,000 mt 12.5% 434.00 USD/mt, Solaris
Mersin:	15,000 mt 13.5% 429.87 USD/mt, Viterra
	25,000 mt 12.5% 439.80 USD/mt, Aston
	10,000 mt 13.5% 443.90 USD/mt, Erser
Bandima	15,000 mt 13.5% 437.90 USD/mt, Yayla Agro
	10,000 mt 13.5% 437.90 USD/mt, Bek Tarim
Tekirdag	25,000 mt 12.5% 410.00 USD/mt, Aston
Izmir	5,000 mt 12.5% 439.90 USD/mt, ADM
	10,000 mt 12.5% 439.90 USD/mt, Erser
	10,000 mt 13.5% 448.70 USD/mt, Yayla Agro
Trabzon	5,000 mt 13.5% 423.90 USD/mt, Tiryaki
	5,000 mt 12.5% 419.90 USD/mt, Tiryaki
Samsun	10,000 mt 12.5% 416.90 USD/mt, Yayla Agro
	15,000 mt 13.5% 420.90 USD/mt, Yayla Agro
	5,000 mt 13.5% 420.90 USD/mt, Ulusoy
	5,000 mt 12.5% 417.00 USD/mt, Tarim

**Turkey's TMO** tenders for corn:

- 325,000 mt, CFR, optional origin, shipment Apr-May

**Turkey's TMO** bought corn:

- 175,000 mt EXW, 401.96 USD/mt on average

**Turkey's TMO** bought milling wheat:

- 210,000 mt, EXW

**Turkey's TMO** bought milling wheat

- 245,000 mt, shipment Apr

**Egypt's GASC** bought 80,000 tonnes of soyoil:

- 30,000, 1,788 USD/mt, Cargill
- 25,000, 1,788 USD/mt, POSCO
- 25,000, 1,788 USD/mt, Aston

**Iraq's trade ministry** has extended its tender for milling wheat:

- 50,000 mt, shipment Apr-May

**Lebanon** plans a tender for wheat:

- 50,000 mt, India origin.

**Bangladesh** tenders for wheat:

- 50,000 tonnes, optional origins, shipment in June to two ports, Chattogram and Mongla

**Thailand's TFMA** bought feed wheat:

- 70,000 mt, 369 USD/mt, Indian origin, CILFO

**China** sold 522.804 mt of wheat from their state reserves at an average price of 465.03 USD/mt, down from 471 USD/mt.

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

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