



Quanton Weekly Communications, Week 18

Quanton Trading Teams

Grains:

Dry, hot weather in the coming 10 days in France after several months of little rainfall will cause irreversible damage to grain crops in France. Between Jan. 1 and May 10 France have received about 30% less than the average precipitation of the past 20 years, making the soil sensitive to further dry weather. (Reuters)

FranceAgriMer: **French cereal crop conditions declined** further during the week to May 2 on continued dry weather. (Agricensus)

According to the USDA, **the barley production in Turkey halved** to 4.5 mln tonnes in 2021/22 MY due to the dry weather. Turkey may import record 2.8 mln tonnes of barley, up by 2 mln tonnes y/y. (APK)

Dry weather in Brazil tests bumper corn crop outlook. Four states are responsible for at least 87% of second corn production, and top grower Mato Grosso just experienced one of its driest Aprils on record. (Reuters)

India will allocate more rice instead of wheat for a food welfare programme that entitles millions of poor to 5 kilograms of free grain per month. (Reuters)

India's wheat output likely to fall in 2022 after five consecutive years of record harvests, as a sharp, sudden rise in temperatures in mid-March cut crop yields. (Reuters)

Indian officials: **India is not moving to curb wheat exports**. India can easily export at least 8 million mt of wheat in the current fiscal year that began in April, and the government would only consider export curbs after any sudden, unexpected surge in overseas shipments. (Commodity 3)

Export prices of rice from India rose this week on increasing demand from Asia and Africa, while dwindling supplies of the staple lifted Vietnamese rates. India's 5% broken parboiled variety was quoted at \$363-\$367/mt up from last week's \$361-\$365. Vietnam's 5% broken rice was offered at \$420/mt, up from \$415 a week ago. (Reuters)

About 69% of the U.S. crop was in an area experiencing drought as of May 3, the USDA has said, including most major wheat areas of Oklahoma and top producer Kansas. Heavy rains this week could threaten production by either knocking over mature plants, or raising the risk of diseases for plants that are still developing. (Reuters)

Thailand's will relax down the country's feed wheat and corn import requirements for the next three months. (Agricensus)

Ukraine and Russia:

Deputy Minister: Ukraine can feed itself, will step up grain exports using alternative routes. (Reuters)

U.N. Secretary-General: the problem of global food security could not be solved without restoring Ukrainian agricultural production and Russian food and fertilizer output to the world market. (Reuters)

Ukraine is forecast to have a significant shortage of storing facilities in the 2022/23 season due to a sharp fall in exports resulting from Russia's invasion. (Reuters)

Zelenskiy: Ukraine could lose tens of millions of tonnes of grain due to Russia's blockade of its Black Sea ports, triggering a food crisis that will affect Europe, Asia and Africa. (Reuters)

Russian attacks on Ukraine's grain infrastructure look like attempts to reduce the competition in Russia's export markets. (Reuters)

Reports of Russia moving Ukrainian grains across to their boarder raises questions about the Eastern regions ability to tend to their crops and if/how/when that grain it to the market. (Commodity 3)

Vysotsky: about 400 kmt of grain were took away from occupied territories of Ukraine.

Ukraine has formally closed its four Black and Azov sea ports. "The adoption of this measure is caused by the impossibility of servicing ships and passengers, carrying out cargo, transport and other related economic activities" (Reuters)

Ukraine hopes to grow export capacity by 50% in the next few months by expanding facilities on its western border, but it will still be far short of pre-war levels. More than ten seaports carried 75% of Ukraine's foreign trade. The country was forced to trade through small Danube River ports and use railway terminals on its western border. (Reuters)

Ukrainian sowing of spring crops has reached 50% complete. (Agricensus)

Russia lowers export tax on wheat to \$114.3/mt; first cut since March. (Platts)

Russia will harvest 87 mln mt of wheat in 2022, up from a record 86 mln mt produced in 2017. Particularly, winter wheat crop will reach 64 mln mt compared to 53 mln mt in 2021. (APK)

Ukraine exported more than 1.2 mln tonnes of grains and oilseeds in April. Corn 768.5kmt, wheat 127.1kmt, barley 25.4kmt. (APK)

In Ukraine, the forward prices of new-crop barley stabilized last week, while the indicative export prices of old-crop barley continued declining. (APK)

Oilseeds:

German environment ministry: corn, soy are not the only way for Germany to cut CO2 emissions from fuels. (Reuters)

Malaysia's palm oil inventories at the end of April likely rose for the first time in six months as production and imports climbed. (Reuters)

Malaysia aims to regain palm oil market share in EU amid global shortage. In recent years, some companies have introduced "palm oil-free products", and

the European Union (EU), the world's third-biggest palm buyer, has ruled to phase out palm oil-based biofuels by 2030. (Reuters)

Most of Argentina's farming areas will have little to no rainfall over the next seven days, which will help speed up the harvest of the 2021/22 soybean crop that has a production estimate of 42 million tonnes. (Reuters)

Soybean stocks in China rose again for the fifth consecutive week to 4.48 million mt in the week ending April 29, leading to increased crush volumes, though the crush figure came in slightly below expectations. (Reuters)

Cargill is moving ahead with plans to construct a \$350 million canola crushing facility outside Regina, Saskatchewan. (Agricensus)

The Indian Government has announced that it will allow the import of up to 550,000 mt of genetically modified soybean. (Agricensus)

In April, Turkey increased sunflower oil trade volumes after the sharp decline in March. In 2021/22 MY, Turkey may import record 1-1.1 mln mt of sunflower oil. (APK)

The purchasing prices of wheat are going down this week in Russian ports of the Black and Azov Seas. (APK)

Coffee and Cocoa:

Rainfall was below average last week in most of Ivory Coast's cocoa-growing regions but remained adequate for the development of the Apr-to-Sep mid-crop. (Reuters)

Cotton:

Primark expands sustainable cotton programme, pledged to train an additional 125,000 smallholder cotton farmers in more sustainable farming methods in India, Pakistan and Bangladesh by the end of 2023. (Reuters)

Meat:

African swine fever has been found in a wild boar in Italy's capital Rome. (Reuters)

Bird flu puts free-range and organic chickens into lockdown from Pennsylvania to France. (Reuters)

The protracted lockdown and the challenge of moving food in and around Shanghai is slowing the China's normally booming meat trade. (Reuters)

British pig industry struggling: currently it costs 203 - 216 pence/ kg to produce a pig, but average pig prices remain <170 pence/kg, meaning many producers are losing tens of thousands of pounds each week. (Reuters)

World:

Brazilian food processor BRF SA attributed disappointing first-quarter results to a rise in costs and inflation in its domestic market. (Reuters)

Corteva Inc reported a 19.6% jump in first-quarter operating earnings, driven by strong demand for crop protection products such as herbicides and insecticides. (Reuters)

Fertilizer sector set for biggest profits in years on Russia-Ukraine conflict.
(Reuters)

Brazil's new agriculture minister Marcos Montes will visit Jordan, Egypt and Morocco in a tour starting this week to discuss increasing fertilizer imports from those countries. (Reuters)

Freights:

Freight rates extend losses as Chinese lock-downs dampen demand.
(Agricensus)

Sanctions Force Sovcomflot to Seek Sale of Tankers. The "fire sale" includes as much as a third of its fleet in the next 10 days as first reported by Lloyd's List. (The Maritime Executive)

Panamax Market: A slow week, which was expected perhaps following holidays and in parts of the world the start of the week. This side the Atlantic kicked off on a slightly firmer footing than previous with some talk of positional tightness in area. Asia was said by some to have found a floor but with limited activity so far impacted by varying holidays it was less easy to call so far, according to sources.

Panamax Index – 3175 (up 7.46 % over last week)

Panamax 4 TC – 27,236 (up 7.82 % over last week)

Panamax 5 TC – 28,572 (up 7.45 % over last week)

P2A (Continent/Far East) – 39,250 (up 4.57 % over last week)

P6A (Singapore/ECSA RV) – 30,218 (up 9.43 % over last week)

Supramax Market: Despite the big pressure on cargo supply from the Black Sea and Baltic, the market keeps firm sentiment. ECSA and USG pushing rates even with ships ballasting from the Continent and Mediterranean does not change strong demand in those market. Stable Pacific market supporting good levels that owners are asking. Today's levels are in the low USD 30,000 per day for Atlantic return voyage on Supra with premium for Ultras. Pacific RV are trading in the high USD 20,000 per day. Fronthaul Black Sea to Far East is like Continent to Far East fixing in the low/ mid USD 20,000 per day on Tess 58.

BSI 10TC – 30,024 (down 0.17 % over last week)

S1B (Canakkale via Med-Bsea/China-S.Korea) – 23,683 (no change over last week)

S4B (Skaw-Passero/USG) – 19,313 (up 2.46 % over last week)

BHSI 7 TC – 29,516 (up 2.84 % over last week)

HS1 (Cont med-ECSA) – 20,029 (up 2.14 % over last week)

HS3 (ECSA/Cont-Med) – 39,356 (up 5.67 % over last week)

Tenders:

Taiwan's MFIG bought corn:

- 55,000 mt, South Africa origin, Viterra, shipment Sep

South Korea's MFG and FLC bought corn:

- 68,000 mt, 385.49 USD/mt, South American origin, shipment Aug
- 69,000 mt, 383.49USD/mt, South American origin, shipment Aug

South Korea's MFG bought soymeal:

- 61,000 mt, Cargill, South Africa origin, shipment Oct

South Korea's KOFMIA bought US wheat:

- 50,000 mt, CGI, US origin, shipment Jun-Jul

South Korea's millers tenders for wheat:

- 50,000 mt, US origin, shipment Jun-Jul

Tunisia bought soft wheat:

- 100,000 mt, optional origin, excluding the Black Sea

Tunisia bought feed barley:

- 75,000 mt, optional origin, excluding the Black Sea

Last week:**Egypt's GASC** tenders for vegoil:

- Unspecified quantity, shipment Jun – Jul

Algeria's OAIC bought durum wheat:

- 50,000 mt, shipment May – Jun

Turkey's TMO bought sunflower oil:

- 12,000 mt, 1,997 USD/mt C&F Mersin, Yayla, shipment May – Jun
- 6,000 mt, 2,007 USD/mt C&F Tekirdag, Prime, shipment May – Jun

Turkey's TMO bought wheat 12% CNF:

- Iskenderun, 25,000 mt, Dakka, 412.00 USD/mt
- Iskenderun, 25,000 mt, Grainstar, 413.90 USD/mt
- Mersin, 50,000 mt, Crossagro, 412.61 USD/mt
- Izmir, 25,000 mt Erser, 410.00 USD/mt
- Bandırma, 25,000 mt, Tiryaki, 406.90 USD/mt
- Tekirdag, 25,000 mt, Grainstar, 406.90 USD/mt
- Derince, 25,000 mt, Dakka, 411.90 USD/mt
- Derince, 25,000 mt, Tiryaki, 411.80 USD/mt
- Samsun, 25,000 mt, Bek Tarım, 404.80 USD/mt
- Trabzon, 10,000 mt, Bek Tarım, 411.90 USD/mt
- Trabzon, 10,000 mt, Erser, 411.80 USD/mt

South Korea's NOFI bought soymeal:

- 60,000 mt, 591.8 USD/mt, LDC, shipment Aug

South Korea's feed makers bought soymeal:

- 120,0000 mt, 571 USD/mt

Jordan tenders for feed barley:

- 120,0000 mt, no purchase made

Phillipines' SMC bought wheat:

- Indian origin, shipment July

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Transforming agricultural products in time, location and form sets the core of our business. For trading opportunities and general enquiries:

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