



Quanton Weekly Communications, Week 34

Quanton Trading Teams

34 ships left three Ukrainian ports (Odesa, Pivdennyi and Chornomorsk) 1 – 23 Aug, carrying 724 kmt of agricultural products. **Corn accounted for 68%** of the overall export volume, wheat 14%, and meal 10%. Soybean, sunflower seed and oil, mix feed were also shipped for export through the ports. (APK)

Grains:

French wheat protein slips further in latest harvest results. (Reuters)

Algeria again leads **French wheat exports** this week as Rouen handles 260k mt. (Agricensus)

Europe is facing its worst drought in at least 500 years, with two-thirds of the continent in a state of alert or warning, reducing inland shipping, electricity production and the yields of certain crops. (Reuters)

China's long heatwave and drought is posing a "serious threat" to the country's autumn crops and everything possible should be done to try to expand water availability. (Reuters)

Brazil's agriculture minister Marcos Montes said the country expects to be **ready to export corn to China** in about a month or two. (Agricensus)

Recent cooler temperatures across most of the **U.S. Corn Belt** have been **helping** many of the Crop Watch corn fields fill their ears at a slower rate, which can often lead to bigger yields, west still needs rain. (Reuters)

Pro Farmer Crop Tour continues to point to **potentially smaller yields** for both corn and soybeans across key US corn and soybean states. (Agricensus)

India has sufficient stocks of wheat and there is **no plan to import wheat**, the government clarified on Sunday after some media outlets reported New Delhi was planning to import wheat. Local wheat prices jumped to a record 24,453 rupees (\$305.97) per tonne on Friday. (Reuters)

India's cabinet approved a policy to **restrict wheat flour exports** to calm prices in the local market. (Reuters)

India will likely **restrict some rice exports** as its domestic supply is under threat, a move that could add to the chaos in global food markets and worsen hunger. (Bloomberg)

Egypt's state grains buyer **directly purchased 240,000 tonnes of Russian wheat** on Monday. GASC bought six 40,000 tonne-cargoes on a C&F basis, with payment via **180-day letters of credit**. (Reuters)

The European Bank for Reconstruction and Development (**EBRD**) signed a sovereign guaranteed loan deal worth **150 million euros** with **Tunisia's state cereals office** to support grain imports. (Reuters)

CONAB: **Brazil** is expected to harvest **150.3 million mt of soybeans** and **125.5 million mt of corn** in 2022/23. (Agricensus)

Agrural: Second corn **safrinha harvest** works in the centre-south of Brazil reached a completion of 90%, new crop sowing slow. (Agricensus)

Ukraine and Russia:

Exports of key Ukrainian agricultural commodities have fallen by almost half since the start of the Russian invasion earlier this year compared to the same period in 2021. From 24 Feb to 15 Aug this year, Ukraine has exported **3.8 mmt of corn**, **1.4 mmt of sunflower seeds**, almost **1 mmt of sunflower oil** and around **640,000 mt of wheat**. (Reuters)

Ukraine's agricultural exports are likely to rise to about 4 million tonnes in August, from 3 million tonnes in July, thanks to the U.N.-brokered deal that unblocked Ukrainian sea ports. (Reuters)

Ukraine has restored a rail link to neighbouring Moldova after a 23-year hiatus and the connection could carry 10 million tonnes of freight a year. (Reuters)

Russia exported 6.9 mln tonnes of grain from 1 July to 21 Aug, down 12% compared to the same period last season. Wheat export down 12% to 5.928 mmt, barley down 11.6% to 797 kmt, corn up 7.4% to 179 kmt. (APK)

Oilseeds and meals:

India is committed to importing **2.6 mmt of palm oil** products worth \$3.16 billion. The commitment was part of dozens of deals **Indonesia's** trade minister signed during a recent visit to India. (Reuters)

Chinese authorities sold 27,333 mt of **soybeans** out of the 501,100 mt offered in **23rd state auction**. (Agricensus)

Spain is set to increase its **purchases of sunflower oil by more than 40%** in the 2022/23 season. (Agricensus)

Russia Ministry of Agriculture **lowers sunoil export duty by 85%** to \$143.4/mt in September. (Agricensus)

The **export of sunflower meal from Ukraine** since the beginning of the war (March-July 2021/22) amounted to only 481 kmt, **down 73% y/y**. (APK)

Coffee, Cocoa, Sugar:

Ivory Coast cocoa farmers welcomed light rainfall last week, which will be good for the development of the October-to-March main crop. (Reuters)

Germany's second largest sugar producer Nordzucker on Thursday said it will start this year's sugar refining season on 3 Sep and reported success in converting **80% of its refinery plants to oil fuel** because of uncertainty about gas supplies. (Reuters)

Sugar production in Brazil's key Center-South region is expected to total 2.85 million mt in the first half of August, reflecting a **5% y-o-y decline**. (S&P)

Meat:

With almost all of **Texas in drought**, ranchers are **sending ever more cattle off to slaughter**, a trend likely to increase beef prices over the long term due to dwindling supply from the largest cattle region in the US. (Reuters)

Vietnam has temporarily **suspended** the use of its first home-grown African **swine fever vaccine** after dozens of pigs inoculated with the shots died this month. (Reuters)

Weather:

Heatwave in China is the **most severe ever recorded in the world**. (New Scientist)

China's largest freshwater lake Poyang Lake is now fully visible, testifying to the dramatic impact of a long drought and heatwave on a vital part of the country's irrigation infrastructure. (Reuters)

As China's record heatwave starts to subside, farmers are assessing the damage caused by a prolonged drought and the government is urging them to **replant or switch crops** where they can. (Reuters)

China calls for more cloud seeding to protect autumn crops from drought. (Agricensus)

After annual rains that have left dozens dead in **Sudan**, thousands of people in the farming town of Al Managil and surrounding villages have lost homes and property in what they say is the **worst flooding in a decade**. (Reuters)

The worst drought in the **Horn of Africa** in more than **40 years** looks almost certain to persist after the WMO said that forecasts for October-December show a high chance of drier-than-average conditions. (Reuters)

World:

Protesters broke barricades and shouted slogans **against Modi** in New Delhi. Farmers are demanding that the government guarantee **a minimum support price for all produce** and clear all farmer debts. (Reuters)

Kenya's Eurobonds fell after veteran opposition leader Raila Odinga formally challenged the results of this month's presidential election at the country's Supreme Court. William Ruto had won the election against Odinga by a slim 50.49%-48.5% margin. (Reuters)

Pakistan Prime Minister invited **Qatar** to invest in Pakistan's energy and aviation sectors during a meeting with the **Qatar Investment Authority** in Doha, planned to highlight sectors including renewable energy, food security, industrial and infrastructure development, tourism and hospitality. (Reuters)

CPI dipped 0.15% this week in Russia, declined for the seventh week running, as the rouble's appreciation in the past few months and a drop in consumer demand slow the pace of price growth, although households' expectations of future inflation increased. (Reuters)

Recent tax cuts in Brazil should gradually boost demand for gasoline and ethanol in Brazil through year end, but not enough to reach pre-pandemic levels. (Reuters)

Brazil is expected to seize a record 500 tonnes of illegal pesticides in 2022, more than twice the volume in 2020, as the government steps up enforcement amid surging demand for agrochemicals. (Reuters)

Champagne grape pickers have had to start the harvest earlier this year, as climate change forces the makers of the French sparkling wine to rethink how they make the product. (Reuters)

Fintech firm Bespoke Financial is looking to expand its 'buy now pay later' service for **cannabis businesses** in California and Massachusetts later this year. (Reuters)

Fertilisers:

Australia's environment minister rejected a request to block construction of a A\$4.5 billion (\$3.1 billion) **fertiliser plant** after consulting traditional owners about its potential impact on ancient indigenous rock art. (Reuters)

Global fertilizer companies operating in **Brazil** can **increase local output** of important crop nutrients if the government continues to improve the regulatory framework for the sector. (Reuters)

Indian cooperative **Krishak Bharati Cooperative** (KRIBHCO) has signed a **long-term deal** to import **one million tonnes of phosphatic fertilisers** from Saudi Arabia. (Reuters)

Freights:

Broker Marsh and Lloyd's of London **insurer Ascot** have provided coverage for a vessel carrying grain and food products **from Ukraine's Black Sea ports** under its new marine cargo and war insurance facility. (Reuters)

Germany prioritized the transportation of materials and equipment essential for **energy production** on part of the country's rail networks in case water levels on the Rhine fall further and hamper shipping by river. (Reuters)

Dry bulk freight rates softened for a fourth consecutive week, weighed down by subdued demand across the capesize and panamax vessel segments and weakening iron ores prices. (Agricensus)

Tenders:

Japan bought wheat:

- 118,881 mt, US, Canada and Australia origin, shipment Oct – Feb

Jordan tenders for barley:

- 120,000 mt, shipment Dec – Feb

Taiwan bought wheat:

- 19,675 mt, NS, 417.91 USD/mt
- 8,925 mt, HRW, 411.62 USD/mt
- 5,425 mt, soft white, 372.79 USD/mt

Jordan bought barley:

- 60,000 mt, Cargill, 328 USD/mt
- 60,000 mt, Viterra, 328 USD/mt

South Korea's mills bought US wheat:

- 50,000 mt, 331 – 333 USD/mt soft wheat, 375 – 377 USD/mt winter and spring wheat, CHS

South Korea's KOCOPIA bought non-GMO corn

- 60,000 mt, 378 USD/mt, Cargill, shipment Nov
- 60,000 mt, 379.40 USD/mt, POSCO, shipment Nov

Last week:

Egypt's GASC tenders for vegoil:

- 3,000 mt soyoil, shipment Oct - Nov
- 1,000 mt sunflower oil, shipment Oct – Nov

Iraq tenders for US wheat:

- 50,000 mt

Saudi' SAGO bought wheat:

- 180,000 mt, SALIC, shipment Oct – Feb

Bangladesh tenders for wheat:

- 50,000 mt

Jordan bought wheat:

- 60,000 mt, 385.50 USD/mt, Cargill, shipment Feb

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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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