



Quanton Weekly Communications, Week 3

Quanton Trading Teams

Grains:

FranceAgriMer increased for a second consecutive month its forecast of **French soft wheat exports outside the EU this season**, citing strong demand from North Africa. France is expected to ship 10.6 million tonnes outside the bloc in 2022/23, against 10.3 million forecasted in December and 21% above last season's level. (Reuters)

Saudi Arabia's state grains buyer SAGO will become the **General Food Security Authority (GFSA)**. The change to SAGO, agreed in a cabinet meeting chaired by King Salman bin Abdulaziz, will "unite the efforts of government agencies and the private sector to strengthen the food security system". (Reuters)

Egypt's state grain buyer **GASC** held a rare **corn tender** and booked 50,000 mt of Romanian-origin feed corn. (Agricensus)

Egypt's government plans to **cut wheat imports** 5% in 2023. (Agricensus)

China has approved the import of eight genetically modified (GMO) crops, including GMO alfalfa for the first time after a wait of more than a decade, the country's agriculture ministry said. (Reuters)

China's total corn import in 2022 slipped by 27.3% from the previous year amid overall lower demand and easing domestic supply. Wheat gained 1.9%. (Agricensus)

China's state-backed supply agency sold 142,709 mt of **wheat from state reserves** at an auction held on 11 January, achieved 100% clearance rate. (Agricensus)

Two Asian importers from the **Philippines** and **Thailand** have issued fresh tenders looking for **feed wheat** just ahead of the Lunar New Year. (Agricensus)

A lack of demand and expectations of improved wheat supply could see **European wheat prices crash** to the €250/mt level. (Agricensus)

Bulgaria's wheat production fell by 11.4% in 2022 compared with the previous year to land at 6.34 million mt, while corn down 24.2%. (Agricensus)

US weekly net corn sales for the 2022/23 marketing year surging by 343% to 1.132 million mt in the week ending 12 January.

Exports from Brazil to the 22 countries of the Arab League of nations generated record revenue of \$17.7 billion in 2022, the highest since 1989.

After reducing sowed area estimates last week, the Buenos Aires Grains Exchange (BAGE) also cut **Argentina's corn harvest** projection to 44.5 million mt.

Mexico has introduced a temporary 50% tariff on white corn exports until 30 June. (Agricensus)

Ukraine and Russia:

Putin and Erdogan spoke by phone about exchanging men wounded in Ukraine, the creation of a gas hub in Turkey and the export of grain from the Black Sea.

The Russian government has lowered further the wheat, and corn export tariffs along with a significant drop in barley export tax. (Agricensus)

The export of Russian grain is planned at **55-60 mmt** in 2022/23, while there are no plans to reduce the export quota, reports Interfax with reference to the press service of the Ministry of Agriculture of Russia. (APK)

Ukrainian farmers have finished the harvesting of all grains and oilseeds except for corn. (Agricensus)

Ukraine increased **grain exports** by 25% in the week ending 19 January compared to the previous week and declared 959,000 mt. (Agricensus)

Ukraine seeks to **expand corridor deal to metals**, which could slow grains pace. (Agricensus)

Ukraine is among **TOP-5 world exporters of agricultural products** despite war. (APK)

Corn harvesting **87% completed** in Ukraine. (APK)

Oilseeds and meals:

Indonesia restricting shipments and boost domestic biodiesel consumption is set to squeeze global vegetable oil supplies already undercut by lower output in Southeast Asia and Latin America.

Malaysia, the world's second-largest palm oil producer, said it **might stop palm exports to the EU** after the bloc imposed additional import restrictions on the edible oil due to concerns over deforestation.

India will halt duty free imports of crude soyoil from 1 April, the government said on Wednesday, as the world's biggest importer of vegetable oils tries to support local oilseed farmers.

Brazil's 2022/23 soybean planting advanced 0.4 percentage points for the second week in a row and reached 99.2% of the 43.4 million mt projected area.

BCR: **Argentina's 2022/23 sunflower crop** is projected to reach **4.05 million** mt, stable from the previous crop. (Agricensus)

Canada's grain and oilseeds export pace increased by 15% in the week ending 15 January 15, mainly due to rapeseed. (Agricensus)

China's soybean imports from Brazil fell in 2022 for the second year in a row, data from China's General Administration of Customs showed. (Agricensus)

Coffee, Cocoa, Sugar:

France's plans to allow sugar beet farmers to continue using a banned pesticide for another year have been halted by a European Union court decision excluding such exemptions.

Five Ivorian cashew processing companies have asked the government for an extension of subsidies granted last year, which is needed for them to avoid bankruptcy in 2023. Ivory Coast is the world's top cashew producer, with an annual production of about 1 million tonnes.

India is not looking at allowing more **sugar exports**, dampening speculation that the world's biggest producer of the sweetener would permit a second tranche of overseas shipments. India is the world's biggest sugar exporter after Brazil, exported a record 11 million tonnes in the previous season to 31 Sep 2022.

India is likely to **produce 34.3 million tonnes of sugar** in 2022/23, down 4% from the previous forecast, after sugar cane yields in key producing states were hit by adverse weather.

Agricultural areas where **coffee and sugarcane** are produced in **Brazil**, the world's largest grower and exporter of both coffee and sugar, are currently having their **highest levels of soil moisture** for the last seven years, according to Refinitiv's data. The situation will lead to a larger sugarcane crop in Brazil's centre-south region, with consequently higher sugar and ethanol production.

Starbucks Corp expanded its U.S. partnership with DoorDash Inc, betting that its customers will still be willing to pay more to have their high-end drinks delivered even as the pandemic starts to fade.

Europe's largest sugar producer, **Suedzucker** posted a rise of 73.5% in quarterly earnings as higher sugar and biofuel prices counteracted the impact of rising energy and raw materials costs. (Reuters)

Meat:

India is set to **export a record 50 million eggs** this month, boosted by sales to Malaysia, where there have been acute shortages as soaring feed prices caused by the Ukraine war forced many small-scale farmers to cut output.

Weather:

Three years of drought have dried up **Tunisian** reservoirs, threatening harvests that are critical to the North African country's battered economy and pushing the government to raise tap water prices for homes and businesses. (Reuters)

Weather concerns among producers in **Brazil** are rising as the shift from soybeans to the Safrinha crop begins, but global analysts caution that it may be too soon to worry. (Agricensus)

Hot and dry weather continued to take its toll on crops in **Argentina** during the third full week of January 2023, week-ending 12 January. **Rain is in the forecast** for Argentina in the weeks ahead, however may be too late to salvage the growing season. (Successful Farming)

Nearly 50,000 large dams worldwide could lose more than a quarter of their storage capacity by 2050 as a result of sedimentation build-ups, eroding global water and energy security. (Reuters)

Energy:

A **high-tech dairy farm** is among the first in **Bosnia** turning biogas from animal faeces and silage into electricity, as it aims to become self-reliant at a time when high energy prices pose a risk to the subsidy-dependent agricultural sector.

Global energy majors Chevron Corp, Exxon Mobil Corp and Total Energies are interested in **investing in India's oil and gas exploration** and production sector. Placed as the world's third biggest oil importer and consumer, India buys more than 84% of its oil needs from overseas. (Reuters)

India has set **green hydrogen consumption** targets for some industries, so as to generate demand for cleaner fuel in its quest to reach net zero by 2070. (Reuters)

Bain Capital Private Equity has completed a deal to acquire a stake in renewable fuel producer EcoCeres Inc, as the Boston-based investor strives to ramp up its sustainable investment. After the transaction, EcoCeres would be mutually controlled by Bain Capital and Hong Kong & China Gas (HKCG). (Reuters)

World:

A Uyghur rights group's legal challenge against the British government for not investigating the import of **cotton produced in the Chinese region of Xinjiang** was dismissed by a London court.

Global equity funds secured weekly **inflows for a second straight week** in the week to 18 Jan on hopes over waning inflationary risks and more measured rate hikes from the Federal Reserve, though recent data showed a drop in consumer spending.

China's overall exports to North Korea more than tripled in 2022 from a year earlier as freight train operations between the two countries resumed following a suspension to limit the spread of COVID-19. Chinese outbound shipments to North Korea surged 247.5% year-on-year to \$894 million.

Freights:

In order to increase the volume of exports, large tonnage vessels that deliver agricultural products from the **ports of Great Odesa** by the "grain corridor" have been given priority when passing through the Bosphorus. (APK)

The number of **armed robbery incidents** aboard ships in the **Singapore Strait** rose in 2022, with the strait now accounting for 65 per cent of the total number of incidents in Asia. (S&P)

Tenders:

Egypt's GASC bought corn:

- 50,000 mt, Romanian origin, 336 USD/mt, Nibulon, shipment Feb

Egypt's GASC sold wheat:

- 300,000 mt via the new commodities exchange

Japan bought milling wheat:

- 77,763mt, US and Canada origin

Philippines bought feed wheat:

- 110,000 mt, Australian origin, CBH, shipment Apr-Jun

Thailand tenders for feed wheat:

- 135,000 mt

Tunisia bought durum wheat:

- 125,000 mt, 489.49 USD/mt, Casillo

Algeria bought milling wheat:

- 55,000 mt, 334.50 USD/mt, shipment March

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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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