



International Grains Council

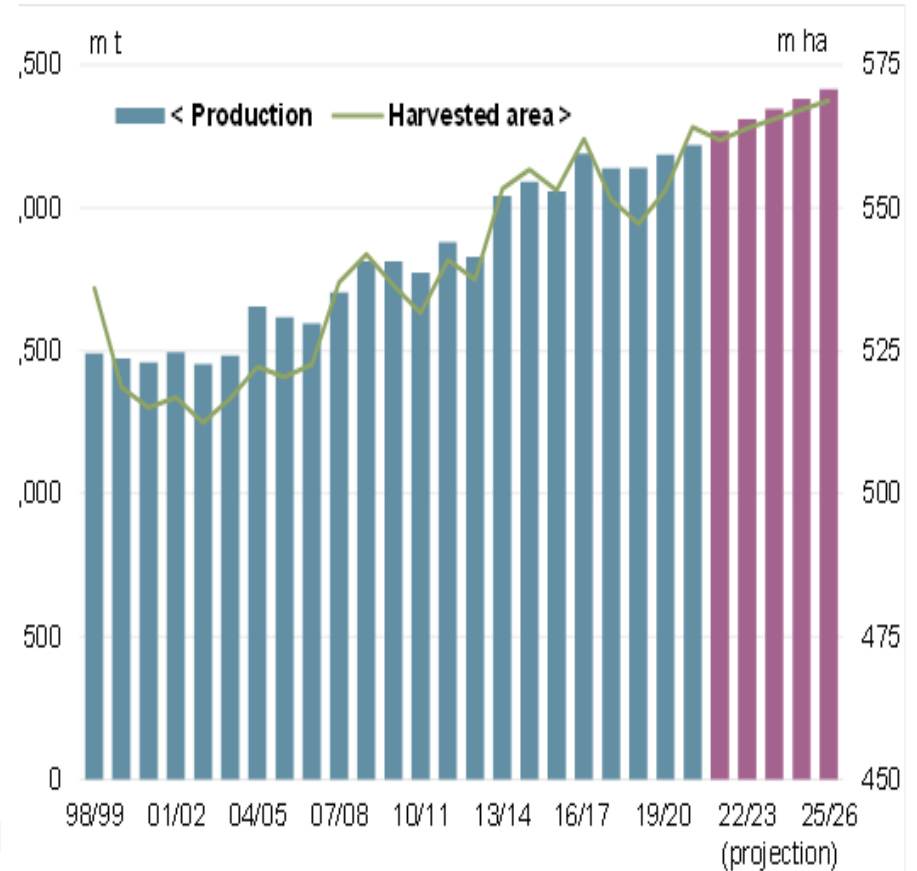
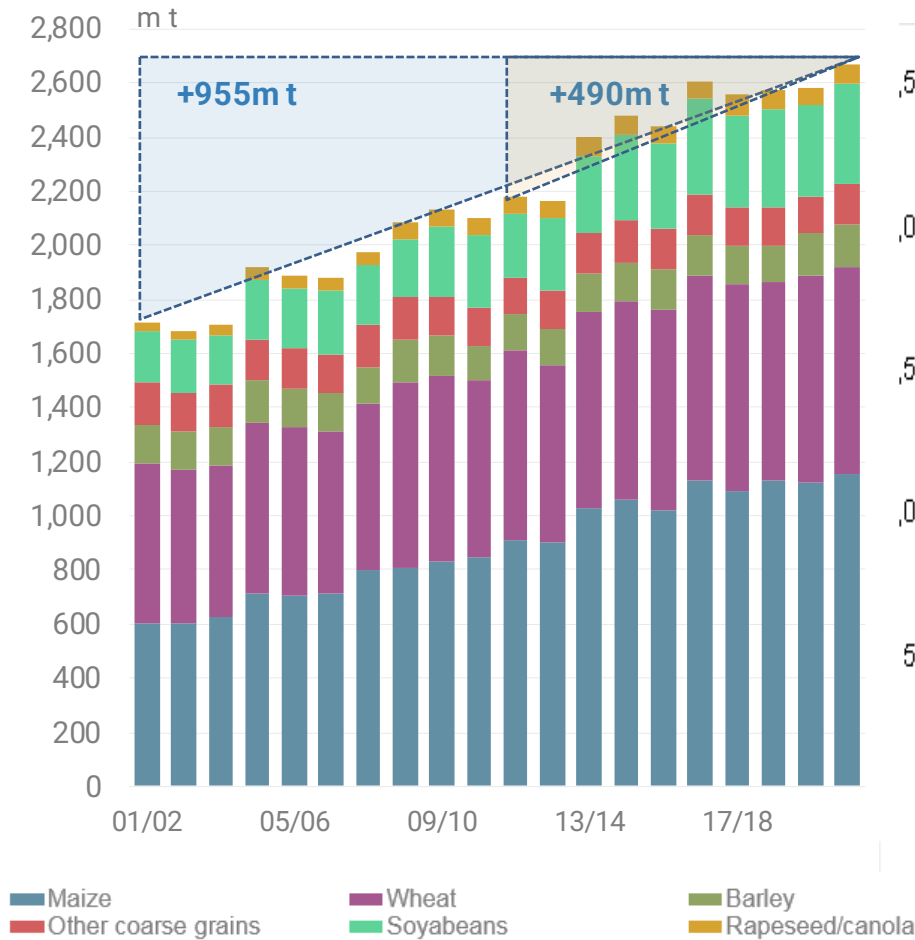
Food Security in Time of Crises

Tuesday 26 April 2022





Productivity gains still a matter of concerns





National trade-related and other policy developments

Logout



International Grains Council

Members »

Home

Markets

Members Information

About us

Conference

BLACK SEA NEWS UPDATES

Latest news on the Black Sea region.

Select: from: to:

Wednesday 30 March 2022

NORTH AFRICA: European Commissioner for Enlargement: EU to allocate €200m (\$220m) to Maghreb countries to help counter grain shortages resulting from the crisis in Ukraine. ® 29 Mar #Blacksearegion

UKRAINE: Russian Mission to the International Maritime Organisation (IMO): with the aim of ensuring safe passage of merchant vessels from Ukrainian ports on the Black Sea (Chernomorsk, Kherson, Mykolaiv, Ochakov, Odesa and Yuzhne), from 27 Mar to establish a humanitarian maritime corridor to operate daily from 8am to 7pm. (IMO) 28 Mar #Blacksearegion

Monday 28 March 2022

AFRICA: African Development Bank: in efforts to stave off a potential food security crisis amid conflict in the Black Sea region, aiming to raise \$1bn to rapidly expand agricultural production in the continent. The emergency food production plan would **Libya** boosting output of wheat, maize, rice and soyabean and would look to produce around 30m t. ® 25 Mar #Blacksearegion

EU: APK-Inform (analysts): the first batches of "several thousand tonnes" of maize from Ukraine have been exported via rail, with prices seen at \$250-\$265/t DAP (delivered at place) for shipments to Poland and the Baltic States, and at \$275/t DAP for shipments to Slovakia. ® 27 Mar #Blacksearegion

INDIA: Govt. official: looking to expand wheat exports to around 30 countries previously reliant on Black Sea supplies, incl. Egypt, Syria, Morocco, Turkey, Azerbaijan, Sudan, the EU (Italy & Greece), Yemen and all north-east African countries, either through government-to-government deals or via private channels. Further, aiming to be a credible long-term supplier of good quality wheat. ® 25 Mar #Blacksearegion

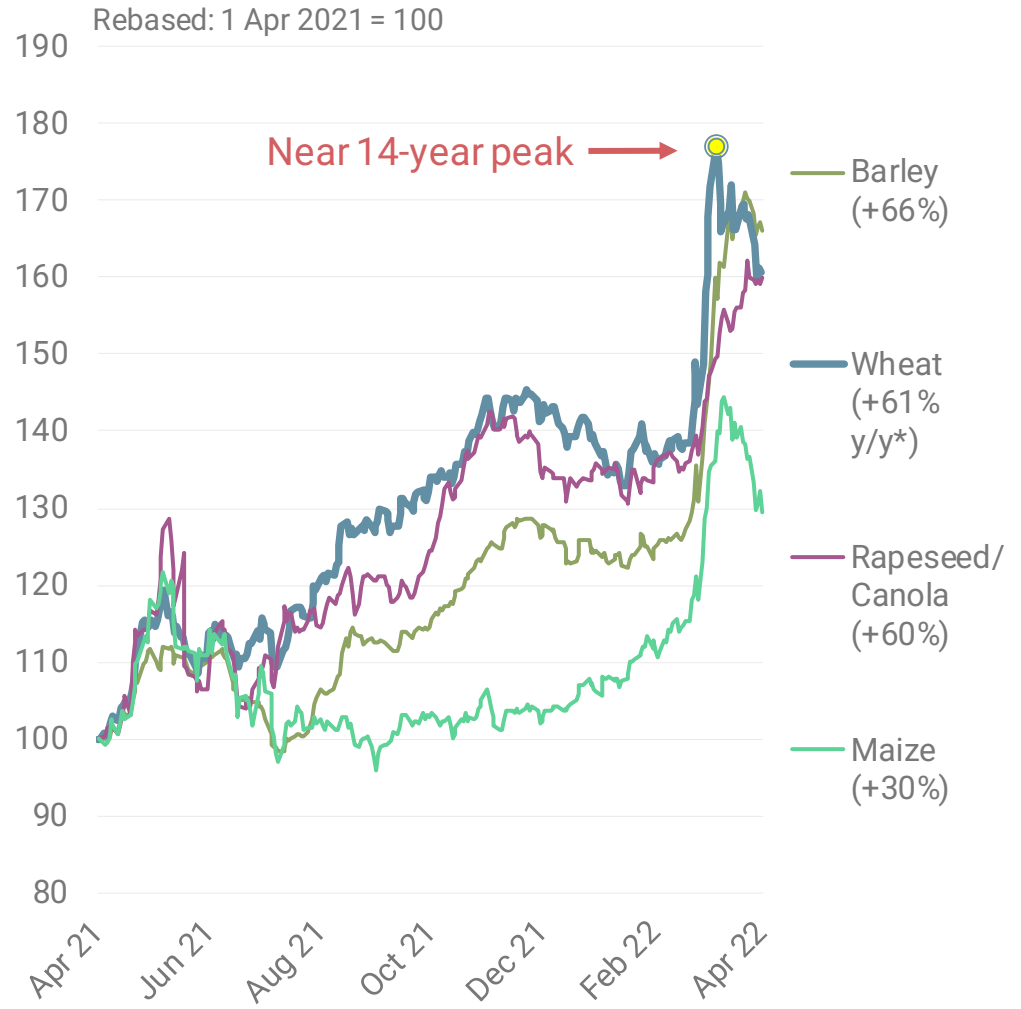


World grains/oilseeds export prices hit the highest in 22 years in mid-March, with wheat at a near 14-year peak

IGC Grains and Oilseeds Index (GOI)



Selected GOI sub-Indices



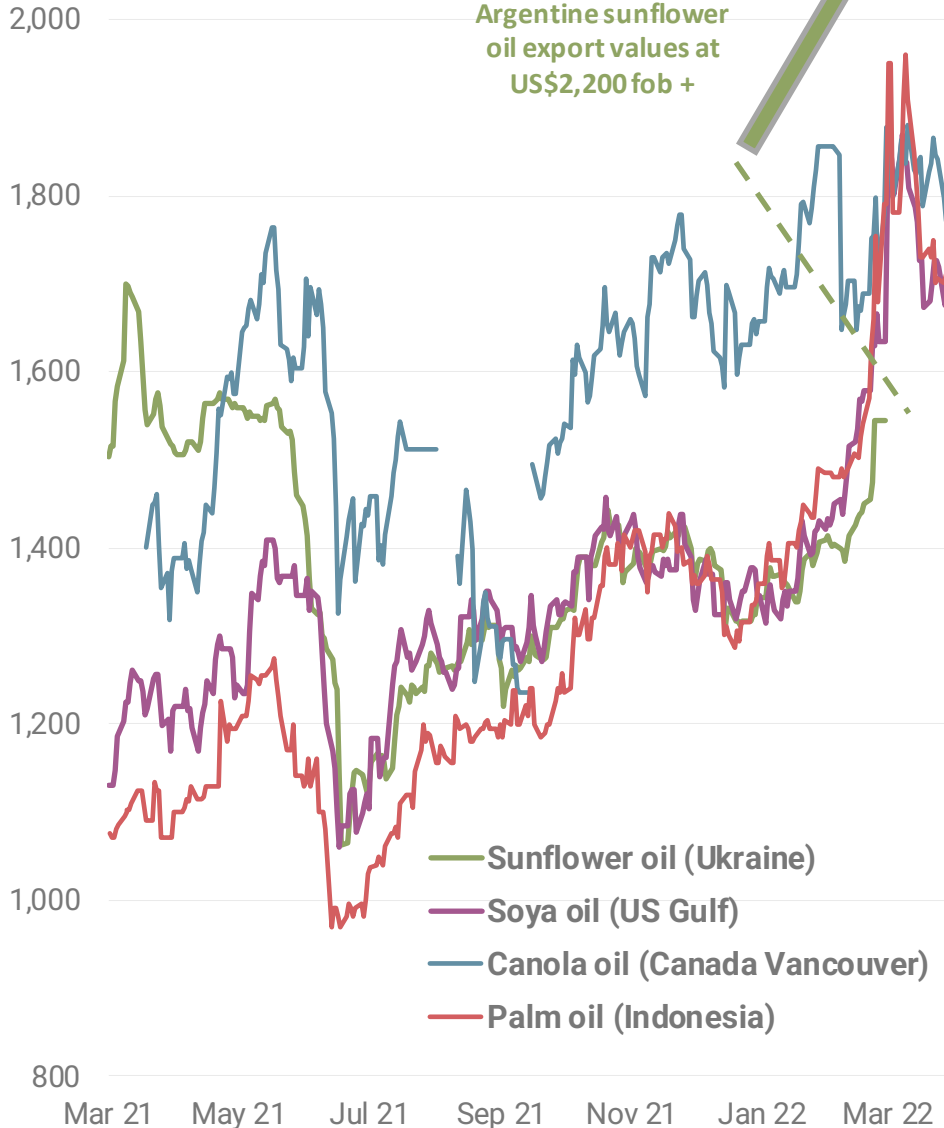
* As at 1 April 2022



Recent weeks have witnessed a surge in international vegetable oils prices on fundamentals, shrinking surpluses

US\$/t fob

Argentine sunflower oil export values at US\$2,200 fob +



Sunflower oil



- Values surge – linked to 80% of exportable supplies being due to Russia/Ukraine
- Quotations for Ukraine no longer listed

Soya oil



- Buyers look to secure supplies as the sunflower oil market disappears
- US domestic S&D balance sheet supportive – record biofuels use, small surplus for exports
- South American crops shrink – surpluses smaller

Palm oil



- Market also supported by fresh demand to replace sunflower oil – Asian importers
- Local consumption (biodiesel mandates) supportive

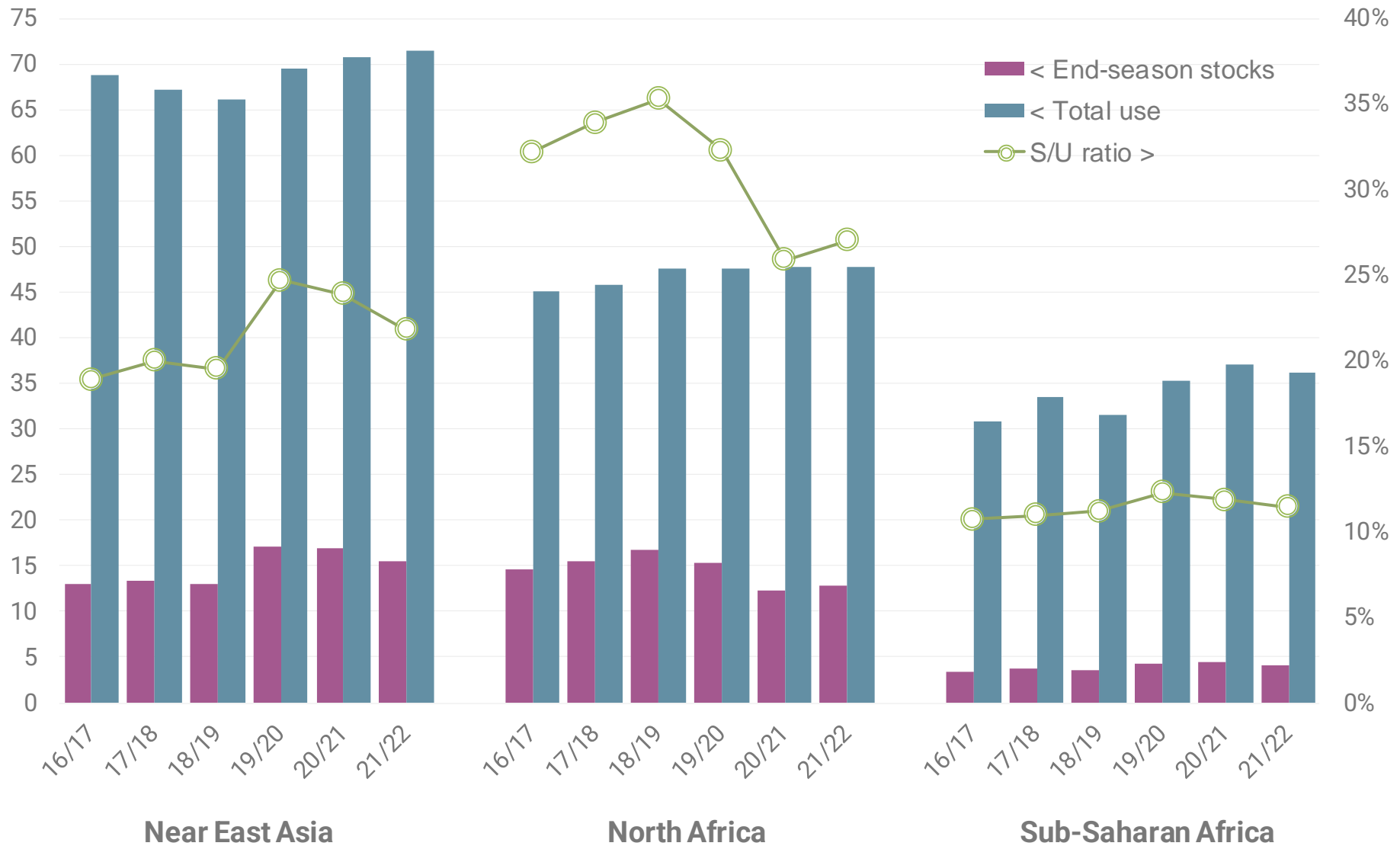
Rapeseed/Canola oil



- Underlying support from Canada's poor harvest



Wheat: Increased use of stocks may be an option to counter potentially lower imports, but not in all regions

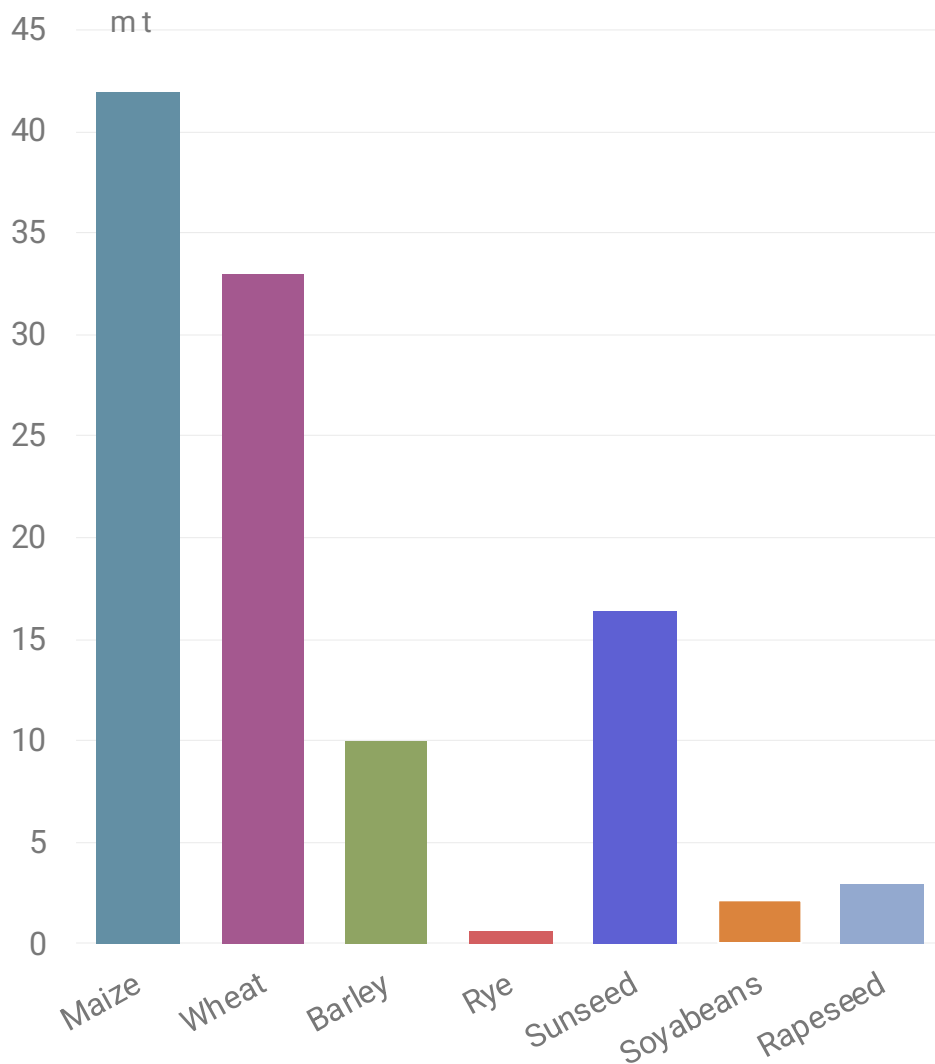


Note: Data for respective local marketing years

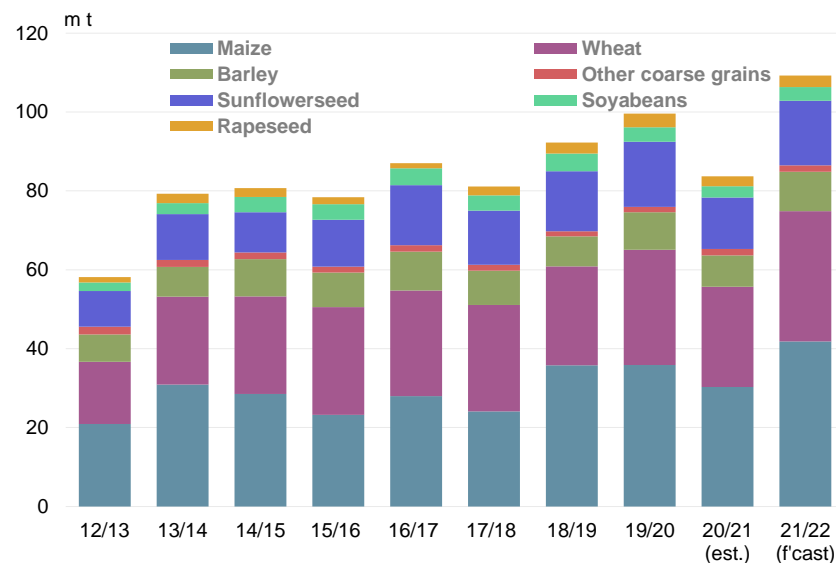


Setting the scene: Ukraine major grains and oilseed production summary

21/22 production



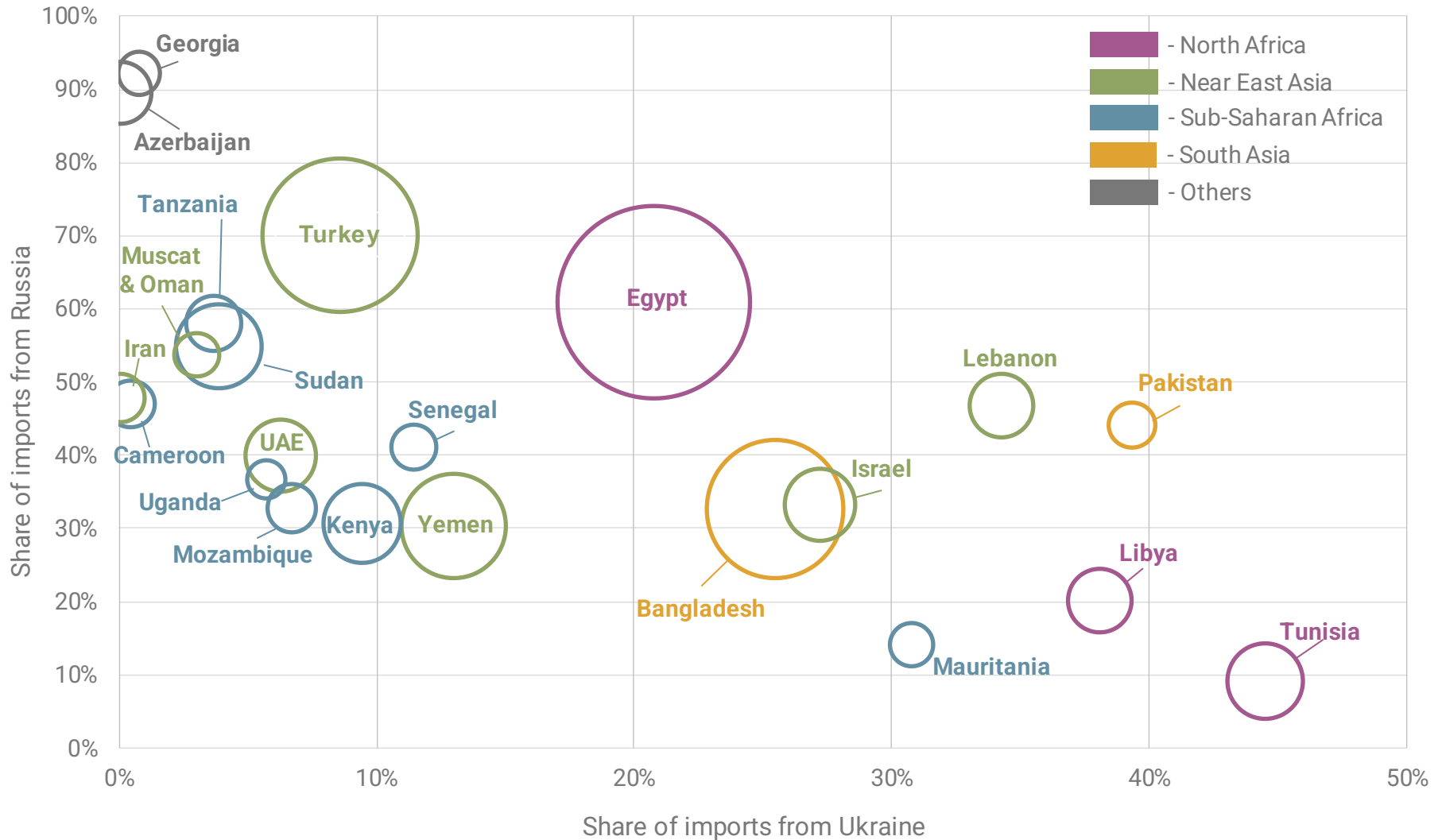
mt	18/19	19/20	20/21 (est.)	21/22 (f'cast)	y/y change
Wheat	25.1	29.2	25.4	33.0	+ 29.9%
Maize	35.8	35.9	30.3	41.9	+ 38.2%
Barley	7.6	9.5	7.9	10.0	+ 25.2%
Rye	0.4	0.3	0.5	0.6	+ 30.9%
Other coarse grains	0.9	1.0	1.1	1.1	- 6.4%
Total grains	69.7	75.9	65.3	86.5	+ 32.6%
Sunflowerseed	15.3	16.5	13.1	16.4	+ 25.1%
Soyabeans	4.5	3.7	2.8	3.4	+ 21.8%
Rapeseed	2.9	3.5	2.6	2.9	+ 14.5%
Oilseeds	22.6	23.7	18.5	22.7	+ 23.1%





Wheat: Some significant importers, notably in NE Asia and Africa, are particularly reliant on supplies from Ukraine and Russia

Share of total imports (average for 2016/17-2020/21, Jul/Jun)*

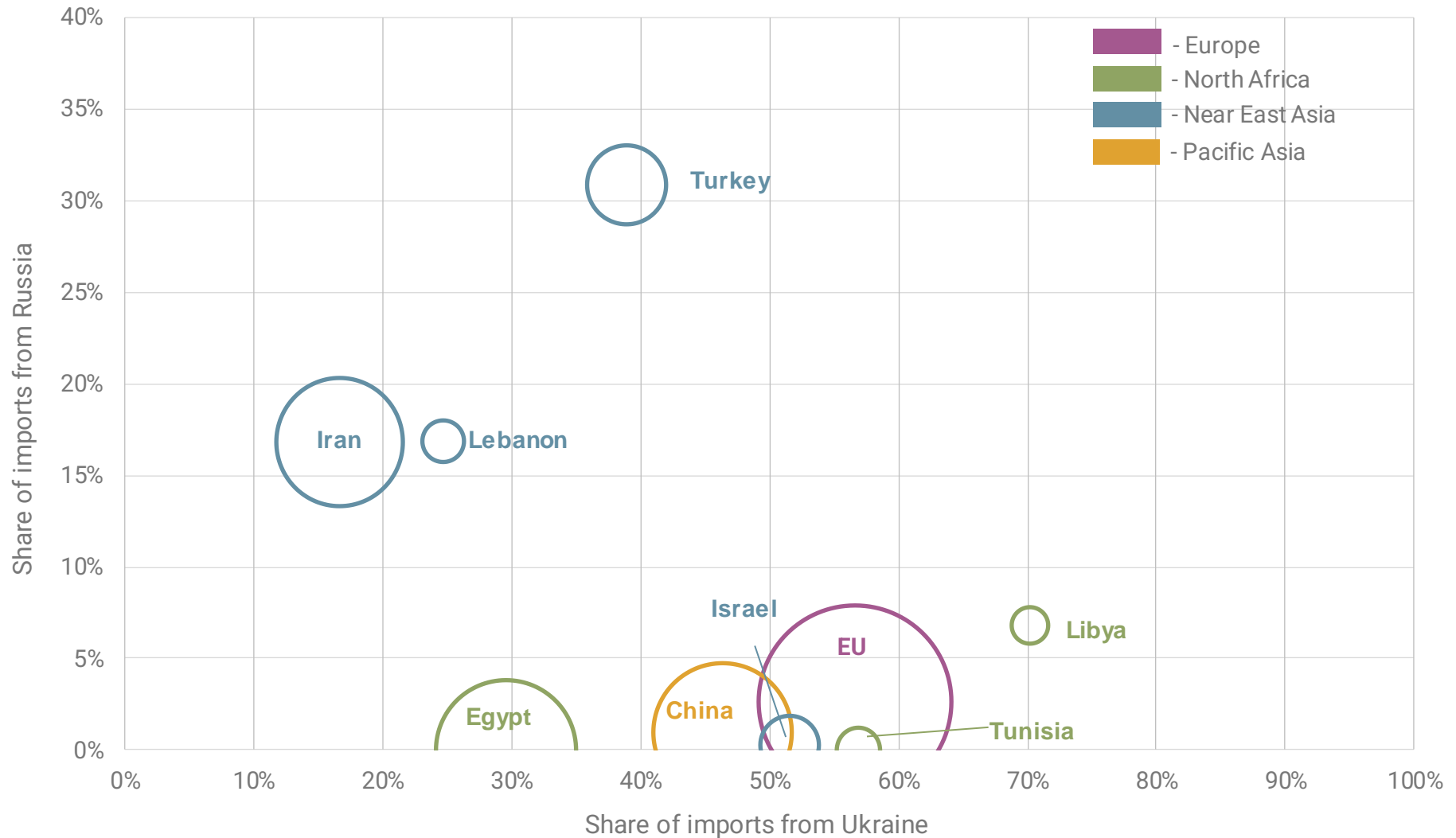


* Net importers with average annual wheat purchases of more than 0.5m t and a combined (Russia + Ukraine) import share of more than 30%. Bubble size represents average import volume. Excludes India, which had negligible imports during the past three years. The EU is not shown as a net exporter.



Maize: Some significant importers, notably in Asia, North Africa and in Europe, are particularly reliant on supplies from Ukraine and Russia

Share of total imports (average for 2016/17-2020/21, Jul/Jun)*

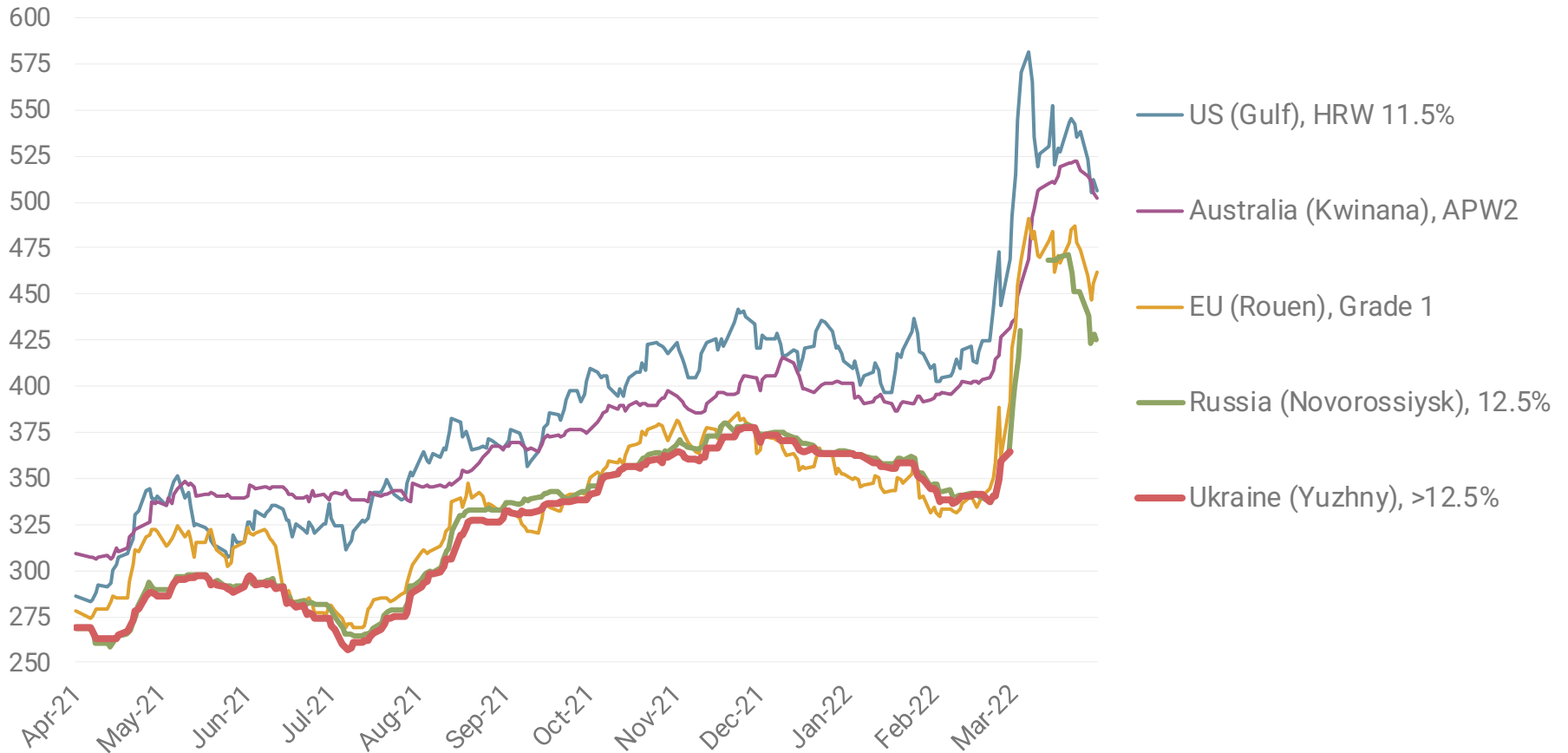


* Net importers with average annual maize purchases of more than 0.5m t and a combined (Russia + Ukraine) import share of more than 30%. Bubble size represents average import volume.



Wheat: Highlighting delivered costs from various origins to Egypt

Wheat: calculated cost and Freight (c&f) prices to Egypt (Alexandria)



Origin, variety	US HRW (11.5%), Gulf	EU (Germany) B quality	EU (France) Grade 1	Australia APW, Kwinana	Russia (12.5%)	India (12%), E ports	India (12%), W ports
Fob*	\$459	\$448	\$427	\$423	\$395	\$345	\$336

* As at 31 March 2022



Maize: Highlighting delivered costs from various origins to the EU

Maize: Calculated cost and freight (c&f) prices to the EU (Rotterdam)



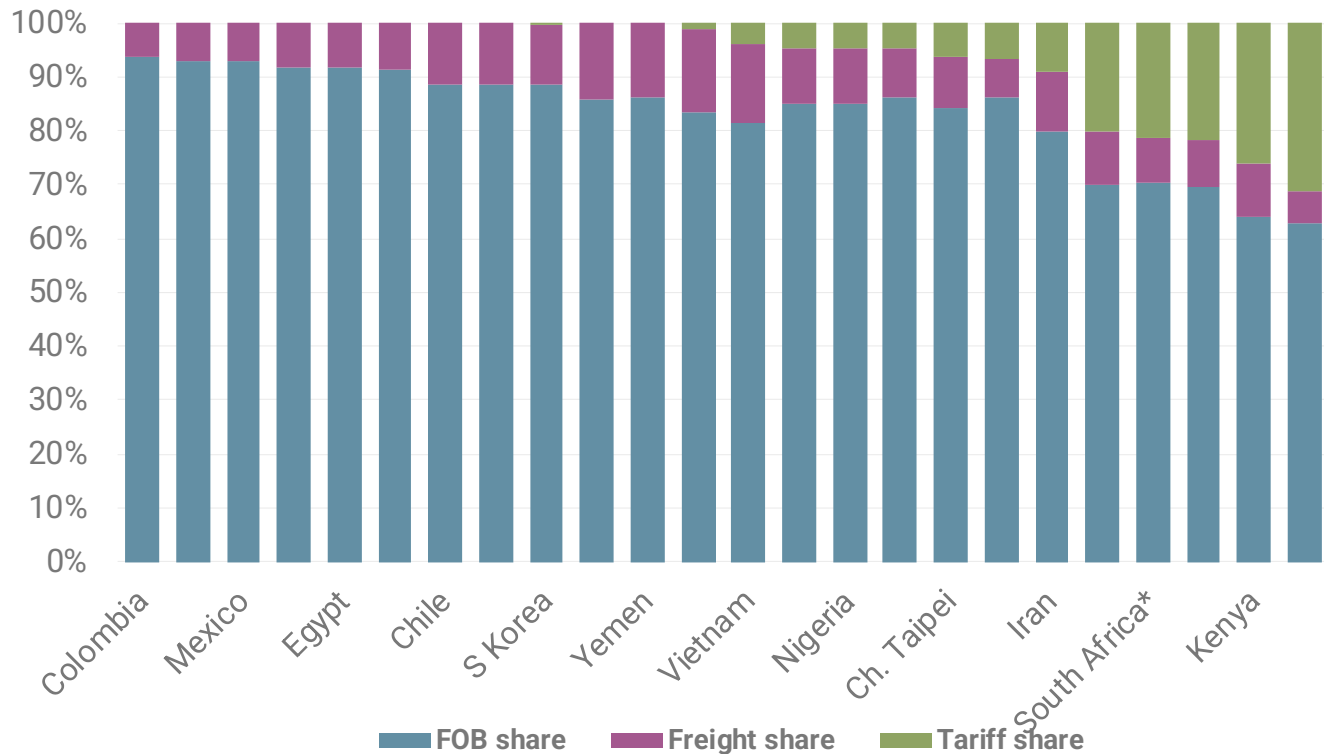
Origin, variety	US, 3YC (Gulf)	Brazil (Santos)	Argentina (Up River)
Fob*	\$352	\$356	\$313

* As at 31 March 2022



Analysing total cost of trade: wheat delivered prices and import tariffs

Composition of wheat delivered costs (incl. applied import tariffs)



- Countries under review account for about one-half of global wheat imports
- **FOB prices** account for around 80% of implied delivered costs (incl. import tariffs) on average, but values range from 60% to more than 90% across countries
- **Freight** represents about 10% of total costs on average (ranging from 6% to 16%)
- Share of **applied tariffs** ranges from 0% to around 30%. However, some importers apply tariff-rate quotas (TRQ) with lower or zero in-quota duties.

* Based on import duty applicable over TRQ volumes.

Note: Price structure calculated based on nominal fob and freight prices from main origins as at 15 Jul 2020, as well as applied tariffs (MFN, general (non-MFN) or preferential basis, where applicable). Non-ad valorem tariffs converted into an ad valorem (%) equivalent using UN-WTO methodology.

Sources: IGC, ITC, WTO, IGC calculations.