

# APKINFORM

## AGRIMARKET WEEKLY

WORLD AND THE CIS

Nº 38 | 30 September | 2023

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#### AGRIMARKET WEEKLY REPORT (UPDATE)

PRICES

Provides top-quality information about the Black Sea market of oilseeds, veg oils and grains, and covers Ukrainian, Russian and Kazakh markets.	3 to 5 months	6 to 11 months	12 months and more
E-MAILED: Weekly + daily from Monday till Friday	\$80 per month	\$70 per month	\$60 per month

#### OILSEEDS AND OILS MONTHLY OUTLOOK

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Provides top-quality information for the previous month about the Black Sea market of oilseeds and veg oils, and covers Ukrainian and Russian markets.	3 to 5 months	6 to 11 months	12 months and more
E-MAILED: Monthly	\$85 per month	\$80 per month	\$70 per month

#### AGRIMONTH: GRAINS

PRICES

Provides top-quality information for the previous month about the Black Sea market of grains, and covers Ukrainian, Russian and Kazakh markets.	3 to 5 months	6 to 11 months	12 months and more
E-MAILED: Monthly	\$85 per month	\$80 per month	\$70 per month

#### SUBSCRIBERS OF AGRIMARKET WEEKLY REPORT GET 20% DISCOUNT FOR SUBSCRIPTION

If you want to receive the demo-version of the AgriMonth or the Oilseeds and Oils Monthly Outlook contact us at [market@apk-inform.com](mailto:market@apk-inform.com)

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## XXI INTERNATIONAL CONFERENCE "FAT&OIL INDUSTRY-2023" WILL HAVE UKRAINIAN FAT AND OIL MARKET PROSPECTS DISCUSSED

Ukraine remains one of the key suppliers of fat and oil products to the global market, despite military actions and logistical difficulties. Therefore, it is important for all market participants and related industries to know the main trends, estimates and forecasts in order to effectively plan the development of their business.

**APK-Inform announces the XXI international conference "Fat&Oil Industry-2023" to be held on October 23 in Lviv (Ukraine).**

The situation in the Ukrainian oilseeds market is changing rapidly. A new season is just around the corner, while the background includes restrictions on exports to a number of EU countries and problems with maritime logistics, caused by the military actions of the Russian Federation, which are moving into the new year. And also – the harvest prospects, the change in the structure of the distribution of oilseeds between export and processing...

Therefore, we are forming the conference agenda in such a way as to discuss the most pressing issues, to provide objective and complete information from the first hands of the business for making decisions on where to move forward.

In particular, at Fat&Oil Industry-2023, we will discuss the following topics:

- Changes in the structure of oilseeds production: a forced step or a long-term trend? S&D balance: redistribution of consumption
- Oilseeds production in the EU: focus on Eastern Europe
- The growth of the soybean market: the potential of production, sale, and processing
- Ukrainian rapeseed VS new logistic possibilities

During the discussion session for exporters, we will discuss:

- Global changes in the geography of sunflower oil exports: substitution of the Ukrainian product in the main markets
- Record oil exports: impact, consequences for the industry and possible restrictions
- Alternative export routes: what changed with the start of the full-scale invasion of the Russian Federation on February 24, 2022?

In addition to presentations by top speakers, the conference will traditionally feature a lot of live communication, networking, new prospective acquaintances, and the conclusion of mutually beneficial contracts.

You can register on the [APK-Inform website](#).

[Terms of participation](#)

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**MYANDE GROUP IS THE EXCLUSIVE SPONSOR OF FAT&OIL INDUSTRY-2023**

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**MYANDE GROUP** is the Exclusive Sponsor of the XXI International Conference "Fat&Oil Industry-2023", which will be held on October 23 in Lviv (Ukraine).

Myande Group is one of the world leaders in the field of providing technologies and complex installations for the fat and oil industry, as well as for deep processing of grains.

The company supplies equipment and provides engineering and design services to companies producing oils and fats, starch and its derivatives, specializing in meal fermentation, evaporation, and crystallization.

The company provides unique production process developments using advanced processing technologies, equipment that has proven its reliability and energy efficiency.

Myande is known around the world due to the high quality of the offered products, exceptional professionalism of the team of engineering and technical specialists, advanced production facilities, modern quality assurance system and real customer orientation.

The equipment of Myande Group is successfully operating in about 60 countries around the world.

Participants of **Fat&Oil Industry-2023** will be able to meet Myande Group representatives, learn more about their products and services, and negotiate mutually beneficial cooperation.

[Agenda of the conference](#)

***Hurry up to register – the event will start in less than a month!***

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**REFINED SUNFLOWER OIL EXPORT FROM UKRAINE SET A 3-YEAR RECORD**

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According to preliminary data from APK-Inform Agency, in 2022/23 MY, the export of refined sunflower oil from Ukraine amounted to about 535 thsd tonnes (+5% y-o-y). This became the maximum for the last 3 seasons, and the second-largest export volume since 2019/20 MY (666 thsd tonnes).

The EU countries remained the main importers of Ukrainian refined oil, with a share of 45% against 44% in the 2021/22 MY. The export growth in this direction was about 7% in the season-2022/23.

At the same time, it is worth noting a more significant increase in the exports in the direction of Malaysia (3 times), Turkey (3.8), Jordan (+25%), and the UAE (+25%).

*You can learn more about the export trends of Ukrainian fat and oil products and the industry as a whole during the XXI International Conference "Fat&Oil Industry-2023", which will be held on October 23 in Lviv (Ukraine).*

*Register on the [APK-Inform website](#).*

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## HOT ISSUE

*Here is the most important news of this week regarding the influence of the war in Ukraine on the Ukrainian and global agricultural markets.*

### FIELD WORKS AND PRODUCTION PROSPECTS

#### UKRAINE HARVESTED MORE THAN 30 MLN TONNES OF GRAIN

As of September 28, the harvesting campaign of grains and pulses in Ukraine was conducted through 6.972 mln ha (64% of the forecast). With the average yield at 43.7 q/ha, the production reached 30.467 mln tonnes, reported the press service of the Ministry of Agrarian Policy of Ukraine with reference to the operational information on the harvesting campaign progress.

In terms of crop, as of reporting date, farmers collected:

- **wheat** – 22.204 mln tonnes from 4.693 mln ha (yield — 47,3 q/ha);
- **barley** – 5.863 mln tonnes from 1.505 mln ha (yield — 39 q/ha);
- **corn** – 793.2 thsd tonnes from 146.5 thsd ha (yield — 54,2 q/ha);
- **buckwheat** – 157.8 thsd tonnes from 109.4 thsd ha (yield — 14,4 q/ha);
- **millet** – 139.9 thsd tonnes from 64.2 thsd ha (yield — 21,8 q/ha).

Oilseeds were collected as follows:

- **sunflower seeds** – 5.031 mln tonnes from 2.194 mln ha (yield — 22,9 q/ha);
- **rapeseed** – 4.003 mln tonnes from 1.396 mln ha (yield — 28,7 q/ha);
- **soybeans** – 2.205 mln tonnes from 860.5 thsd ha (yield — 25,6 q/ha).

**Sugar beet** harvesting is also ongoing and farmers collected 2.29 mln tonnes from 49.6 thsd ha with a yield of 462.2 q/ha.

#### UKRAINE CAN HARVEST UP TO 79 MLN TONNES OF GRAINS AND OILSEED IN 2023 – SOLSKYY

This year, Ukraine can harvest up to 79 mln tonnes of grains and oilseeds, which will exceed last year's volume by approximately 7 mln tonnes. The Minister of Agrarian Policy and Food of Ukraine, Mykola Solskyy, said this on the air of the National Telethon on September 26, reports RBC-Ukraine.

“I want to remind you that in May, at the beginning of planting, we thought that we would have around 63-64 mln tonnes, then we raised the forecast to 67-68 mln tonnes, then more than 70 mln tonnes. In the last two weeks, we are talking about the harvest, which will probably be somewhere around 79 mln tonnes, that is, at least seven mln tonnes more than last year,” said the minister.

However, he noted, that farmers in Ukraine are currently “interested at what price they can sell the crops.”

“Ukraine needs to be able to export 5 mln tonnes a month, and so far it's a bit more than 3 mln tonnes. Obviously, this is a significant difference. When there is such a significant difference, logistics is always expensive and grain is cheap because the demand for logistics is much greater than the supply. It needs to be balanced, which is why the government has strong hopes for exports via the Danube River and the Black Sea. And in this way, the price of the product should rise,” explained M. Solskyy.

#### DROUGHT IN UKRAINE HELPS REDUCE THE COST OF CORN – EXPERTS

The long absence of precipitation in Ukraine contributes to the active pace of the harvesting campaign and the high quality of corn. This was noted during the weekly briefing on September 26 by experts of the analytical center of the agricultural cooperative “PUSK”, created within the framework of the Ukrainian Agrarian Council, the press service of the UAC reported.

“The forecast model does not show precipitation in Ukraine in the near future. Therefore, the moisture content of corn grain will remain low, on average 17-20%, while last season this indicator was 30-35%. This will help reduce the cost of corn grain, as one drying cycle will be enough for the harvested crop,” analysts said.

At the same time, they stated that the shelling of the ports of Odesa and the Danube hinders the export of corn. Herewith, Ukrainian grain is currently in demand from China, exclusively on the CIF basis, with delivery in October-December at a conditional price of \$250/t.

“Currently, on all bases, weekly price tags for Ukrainian corn lose 3-5 USD/t. The grain supply is high, but logistical problems are and will continue to be a factor of the price decline for corn, especially as the harvesting campaign unfolds. The next week, the price level for 1 tonne of corn can be expected as follows: CPT river ports – 140-150 USD/t, DAP border – 145-155 USD/t”, experts forecast.

**FIELD WORKS AND PRODUCTION PROSPECTS****WAR LOSSES OF UKRAINIAN FARMERS EXCEEDED \$40 BLN – HAIDU**

Direct and indirect losses of Ukrainian farmers due to the war exceeded \$40 bln. This was discussed during the round table “18 months of war. Losses of the agricultural sector and prospects for the recovery of the industry,” said Oleksandr Haydu, head of the Committee of the Verkhovna Rada of Ukraine on Agrarian and Land Policy, reports Ukrinform.

According to the parliamentarian, the confirmed direct losses of the agricultural industry exceeded \$8.7 bln. This includes the destruction of infrastructure, economic facilities, logistics chains, and the destruction and theft of grain and agricultural machinery by the enemy.

“And there are also indirect losses – at least \$30.5 bln. And, unfortunately, this is not the final score. Because when we accurately calculate the damage caused by the enemy's detonation of the Kakhovka HPP, the amount will be much greater,” said O. Haydu.

Also, according to him, it is difficult to assess the consequences of contamination of agricultural land with explosive objects, and destruction of the upper layers of the soil due to shelling and detonations during demining.

“We see that a large area is mined. 174.000 km<sup>2</sup> of Ukrainian lands are potentially contaminated with explosive objects. And this is without taking into account the temporarily occupied regions”, the deputy detailed, informing in this connection about the preparation of the draft law “On soil quality”.

**EXPORT NEWS****IN THE Q1 OF 2023/24 MY UKRAINE EXPORTED GRAINS BY 2 MLN TONNES LESS Y-O-Y**

According to the State Customs Service, in 2023/24 MY, as of September 29, Ukraine exported 6.538 mln tonnes of grains and pulses including 1.951 mln tonnes in September, reported the press service of the Ministry of Agrarian Policy of Ukraine.

Last year, as of September 30, total grain exports reached 8.576 mln tonnes (4.278 mln tonnes in September).

In terms of crops, in the current season, Ukraine shipped:

- wheat – 3.253 mln tonnes (3.005 mln tonnes in 2022/23 MY);
- barley – 613 thsd tonnes (762 thsd tonnes);
- rye – 0.7 thsd tonnes (3.9 thsd tonnes);
- corn – 2.649 mln tonnes (4.777 mln tonnes).

The total export of flour from Ukraine as of September 29 amounted to 35.9 thsd tonnes (23.9 thsd tonnes in 2022/23 MY), including 34.8 thsd tonnes of wheat flour (21.4 thsd tonnes).

**EXPORT OF 50 MLN TONNES OF GRAIN PER YEAR WILL NOT SATISFY UKRAINE – VYSOTSKYY**

The annual export of grain at the level of 50 mln tonnes will not satisfy the Ukrainian sector, because in order to ensure this indicator, it will be necessary to reduce the planting area by 20-25%, which can hurt the economy. First Deputy Minister of Agrarian Policy and Food Taras Vysotskyy stated this in an interview for Ukrainian Radio, Ukrinform reports.

“We manage to export 4 mln tonnes per month without an active “grain corridor” and under conditions of restrictions. Such a figure will definitely not confuse anyone in Europe, it is conventionally 50 million tons per year. But such a figure will not satisfy our Ukrainian sector, because to ensure this figure we need to reduce the planting area by 20-25%. And this concerns a huge number of shareholders who live on rent, employees of agricultural enterprises, this is investment in equipment, etc. Therefore, simply abandoning a quarter of the territory and stopping planting is painful and negative for the economy,” he said.

According to T. Vysotskyy, a compromise must be found in this matter not because of a decrease in exports, but because the role of the agricultural sector is huge.

“Any decrease is a blow to the economy. 50 mln tonnes is not enough for us to function normally in the future. In the agricultural sector, you can stop, but it is very painful. We hope that there will be understanding on the part of European countries, and we will continue to move together in the economy, as well as in cooperation against the aggressor. We can already see that there is a high probability of entering October by working together to overcome challenges,” the deputy minister added.



## EXPORT NEWS

## UKRAINE OFFICIALLY INTRODUCED GRAIN EXPORT LICENSING TO 5 EASTERN EUROPEAN COUNTRIES

In order to verify and approve the export of certain agricultural goods to Bulgaria, Romania, Slovakia, Hungary, and Poland, by [resolution dated September 19 No. 1020](#), the Cabinet of Ministers of Ukraine introduced licensing of export of certain goods to the specified countries. This was reported by the State Customs Service of Ukraine on September 28

In particular, the Resolution of the CMU dated December 27, 2022 No. 1466 “On approval of the lists of goods, the export, and import of which are subject to licensing, and quotas for 2023” was supplemented by Appendix 6, which includes the following items:

1001 99 00 00 – wheat and a mixture of wheat and rye (meslin), others;

1005 90 00 00 – corn, others;

1205 10 90 00, 1205 90 00 – rapeseed, crushed or not crushed: rapeseed with a low erucic acid content; others;

1206 00 91 00, 1206 00 99 00 – rapeseed, crushed or not crushed: rapeseed with a low erucic acid content; others.

Resolution No. 1020 entered into force on the day of its official publication.

## RUSSIA ONCE AGAIN ATTACKED ODESA PORT

On the night of September 25, Russia launched another missile attack on the Odesa region, damaging the infrastructure of the Odesa port, the Defense Forces of Southern Ukraine reported.

As a result of the hits of two Onyx missiles, several near-port granaries were partially destroyed. More information has not yet been released, it is only known that there were no casualties.

The building of the Odesa sea station was also significantly damaged.

## RUSSIAN DRONES AGAIN ATTACKED THE DANUBE PORTS OF UKRAINE

On the night of September 26, Russia struck another blow to the infrastructure of the Danube ports of Ukraine. Oleg Kiper, the head of the Odesa Regional Military Administration, reported this on his Telegram channel.

“Most of the drones have been shot down. Unfortunately, the port infrastructure was hit in the Izmail district. The building of the checkpoint, warehouses, about 30 trucks, 6 vans were damaged. Firefighters extinguished the fires,” said the head of the region.

He also noted that two men, truck drivers, were wounded during the attack.

## RUSSIA'S ATTACKS ON UKRAINIAN DANUBE PORTS WILL NOT CHANGE THE PICTURE OF GRAIN EXPORTS – EU COMMISSION

Following the Russian attacks on Reni and Izmail, the EU Commission will increase the use of all transport modules for transporting Ukrainian grain to foreign markets, including rail, river, and road transport, to fully exploit the potential of the Danube transport hub. European Commissioner for Transport Adina Velyan stated this on September 25 during the press conference following the negotiations with the Deputy Prime Minister for the Reconstruction of Ukraine Oleksandr Kubrakov, Ukrinform reports.

“We discussed these attacks on Reni and Izmail. As we have heard from the minister, and we can confirm this, some facilities are out of order, which has not made our task any easier. On the other hand, there are not only Ukrainian ports on the Danube. We are considering this whole Danube cluster, studying its other capabilities, particularly in Romanian ports, using the Sulina Canal. We see this in conjunction with increasing the port's capacity in Constanța and discussed the measures necessary for this,” the European Commissioner noted.

According to her, the creation of conditions for simplifying control and other procedures at border crossing points is among such measures implemented in cooperation with Ukraine. In this connection, Velyan noted the strategy of development of such checkpoints on the border as a positive achievement, which was jointly developed by Ukraine and Romania. Such a strategy provides a clear understanding of what is needed to improve operations across all transport 'modules', including rail, barge, or road transport.

In turn, Oleksandr Kubrakov noted that Ukraine is grateful to the EU Commission and the Romanian government for such efforts because Ukraine relies heavily on the Danube export route. According to the Ukrainian government official, grain traders also take into account this “front-line” situation and try to deliver directly by ship, without storing grain in the port infrastructure, in order to eliminate the potential risks of destruction of this food right in the port.

## EXPORT NEWS

## UKRAINE TO OPEN A NEW RAILWAY CORRIDOR FOR THE EXPORT OF GRAIN – KULEBA

In the near future, Ukraine plans to open another land railway corridor for the export of Ukrainian grain. The Minister of Foreign Affairs of Ukraine, Dmytro Kuleba, said this in an interview with Interfax-Ukraine.

“We have now opened an alternative “grain corridor” and are testing it. We will also open another land railway corridor. In other words, the fact that we continue to increase the carrying capacity of all corridors taken together is an absolute reality,” the minister said.

Answering the question of whether the topic of the Black Sea Grain Initiative functioning is still relevant, D. Kuleba noted that “hope dies last”.

“Hope is the last to die, I'll put it this way. The Black Sea Grain Initiative is the last to die. But it is obvious that we still need to work on alternative solutions, and we are working on them quite successfully,” he emphasized.

## POLAND WANTS TO TRANSFER CONTROL OVER THE TRANSIT OF UKRAINIAN GRAIN TO OTHER EU COUNTRIES

Poland wants to transfer control over the transit of Ukrainian grain through the territory of the country to Germany and Lithuania. Such a proposal was expressed by Polish Minister of Agriculture Robert Telus during an online meeting with his Ukrainian counterpart Mykola Solskyy on September 27, the Polish publication Rzeczpospolita reported.

“Poland will not only support subsidies for the transit of Ukrainian grain, proposed by the European Commissioner for Agriculture, Janusz Wojciechowski, but also wants to transfer control from our country to Lithuania and Germany, to the ports where the grain is transported and leaves the territory of the EU,” said R. Telus.

He also added that Poland offered Ukraine to conclude an agreement that would guarantee the non-delivery of Ukrainian grain to the Polish market until the end of 2023.

“I asked, if Poland says that we do not want these four crops on the Polish market by the end of the year, will Ukraine ensure that they are not on our market? He (M. Solskyy - editor) said yes,” the minister noted.

## POLAND IS STUDYING THE PROPOSED MECHANISMS FOR LICENSING UKRAINIAN AGRIPRODUCTS EXPORT

The Polish government is currently studying the mechanisms for issuing licenses to Ukrainian exporters of agriproducts proposed by Ukraine. This was stated by the Minister of Agriculture and Rural Development of Poland Robert Telus during an online meeting with the Minister of Agriculture and Food of Ukraine Mykola Solskyy, the press service of the Ministry of Agrarian Policy reported on September 27.

“The Polish government is discussing this issue, in particular, determining who will approve or disapprove the issuance of such licenses,” said R. Telus.

Besides, Robert Telus drew attention to the fact that Poland wanted Ukraine to withdraw the complaint it submitted to the WTO regarding restrictions on the export of agricultural products to neighboring EU countries.

Following the meeting, it was agreed to discuss the results of this issue study in a week.

In addition, M. Solskyy said that in the coming days, there will be a tripartite meeting of the Ministers of Agriculture of Ukraine, Poland, and Lithuania regarding the transfer of veterinary control to the territory of the country of export destination in order to improve transit through Poland.

“The Minister of Agrarian Policy of Ukraine said that a similar procedure must be agreed for the transit of agricultural products through Polish territory and to Germany. He reminded that in August such a control mechanism was agreed upon by Hungary and Slovakia,” the press service added.

## UKRAINE AND POLAND WILL RESOLVE THE GRAIN DISPUTE – GORBACHOV

Ukraine and Poland will reach an agreement on the mechanism for regulating the export of Ukrainian grain. Such conviction was expressed by the President of the Ukrainian Grain Association, Mykola Gorbachov, on September 28.

He noted that currently Ukraine and Poland are actively working on technical issues of resolving the regulation of Ukrainian grain exports to Poland, in particular, regarding the licensing of Ukrainian exports in agreement with the country of destination. Working groups of the parties are actively working, in particular, regarding the transit of Ukrainian grain through Poland.

**EXPORT NEWS**

“Ukraine and Poland will calmly reach an agreement on the export of grain and coordinate the mechanisms of grain control and transit. No loud political statements have any influence on the resolution of technical issues by working groups, including those with the participation of the EU Commission. And emotional political statements should be considered as a given during the election process and politicians' interest in attracting the voter's attention,” the UGA president emphasized.

**UKRAINIAN GRAIN EXPORT TOPIC SHOULD BE CUT OFF EMOTIONS – ZELENSKY**

Ukraine hopes for constructive cooperation with neighboring countries in resolving the issue of Ukrainian grain export. President of Ukraine Volodymyr Zelenskyy stated this in his evening address to Ukrainians on September 25.

As the president noted, Ukraine's grain export was the main topic of the meeting he held with government officials and his office that day.

“We coordinated the next steps and recorded the achieved results. First – the EU Commission supported the road map of mutual monitoring of grain exports. This is completely rational. Second, we are gradually removing emotions from this topic on most issues. Work with neighbors can and must become quite constructive, and Ukraine is doing everything for this,” said V. Zelenskyy.

He also thanked the partners of Ukraine who did not allow violations of trade rules of the European Union and the Association Agreement.

“We expect the same constructive joint work as with Bulgaria and Romania from other neighboring countries. The European Union is a space for mutual understanding and cooperation,” the president emphasized.

**THE PRIME MINISTER OF ROMANIA EXPLAINED THE REJECTION OF THE FURTHER BAN ON THE EXPORT OF UKRAINIAN GRAIN**

After September 15, Romania did not introduce a unilateral ban on the import of Ukrainian agricultural products, as some Eastern European countries did, because it believes that Ukraine should be helped as much as possible until the war ends. This was announced by the Prime Minister of Romania, Marcel Ciolacu, RBC-Ukraine reports.

As the head of the country's government noted, based on this position, he suggested the option of licensing the export and import of Ukrainian agricultural products, after consultations with the President of Romania Klaus Iohannis.

“Thanks to the dialogue, we found this licensing system for exports from Ukraine, so that farmers are protected, but we did not come up with a ban. Because that would be a signal that we don't want to help Ukraine, which is not true,” said M. Ciolacu.

He also added that the governments of Poland, Slovakia, and Moldova are interested in the possibility of introducing a similar licensing system.

“Poland and Slovakia also want this system to be used. The licensing system will also be introduced with the Republic of Moldova,” the Prime Minister noted.



## PRICES & DEALS

### WHEAT | BLACK SEA MARKET

#### UKRAINE

#### ■ FOB / DAP / CPT-PORT

In Ukraine, the number of wagons with grain moving to the western borders is gradually increasing.

The average daily wagons transfer with grain cargoes through border crossings as of September 27 amounted to 485 wagons per day, which is 4% higher than in August (465 wagons), but lower than the value of the previous week (490 wagons).

Weekly **wheat export** volume declined to 334,7 thsd tonnes (+27% w-o-w).

The **average cost of wheat export shipments** in the reporting period at 168 USD/t.

During September 22-28, wheat **exports by road** totaled 8 thsd tonnes (+12%) through border crossings.

In the Danube ports, on the CPT basis, grain shipments are carried out without significant changes. Water shipping logistics are stretched to their limits, and commodity flows are being reordered to land transport. Bid prices changed insignificantly.

On the FOB basis, export price indications underwent further downward changes for feed grains, while milling wheat prices remained largely unchanged.

Oversupply put pressure on feed wheat prices.

#### ■ FORECAST

Is not excluded the possibility of upward price changes in the ports of Great Odesa, which until now have been purely indicative, as the need for the formation of large batches is growing.

#### CASH MARKET PRICES (FOB prices excluding VAT)

Trade date Friday, September 29, compared with Friday, September 22

Ukraine (deep-sea ports)	min	weekly change	max	weekly change	average	weekly change
<b>Offer, FOB, USD/t</b>						
12.5% milling wheat	195		200		198	
11.5% milling wheat	185		195		190	
Feed wheat	165	-2	172	-4	167	-5
<b>Bid, FOB, USD/t</b>						
12.5% milling wheat	185		196		190	
11.5% milling wheat	178		190		185	
Feed wheat	160	-2	169	-4	163	-5
<b>Bid, CPT-port, USD/t (Danube ports)</b>						
Milling wheat	160		170		163	
Feed wheat	135		143		138	

Official currency exchange rate — September 29, 2023

USD/UAH	Weekly change	EUR/UAH	Weekly change
36,57	0,00	36,57	-2,33

#### RUSSIA

#### ■ MARKET TRENDS

From September 27, the export duty on wheat was at 4528.7 RUR/t.

As of September 25, Russia harvested 87.1 mln tonnes of wheat (-13.3% y-o-y).

#### ■ FOB

According to the results of the week, prices remained without significant changes.

Traders continued to ship according to previously concluded contracts.

#### ■ CPT

Relatively low trade is noted. With the growing volume of offers in the domestic market, external demand remains restrained.

#### ■ FORECAST

External conditions and an increase in domestic market supply will put pressure on prices.

#### CASH MARKET PRICES (FOB prices excluding VAT)

Trade date Friday, September 29, compared with Friday, September 22

Russia (deep-sea ports)	min	weekly change	max	weekly change	average	weekly change
<b>Offer, FOB, USD/t</b>						
12.5% milling wheat	230		243		237	
Feed wheat	223		233		227	

Official currency exchange rate — September 29, 2023

USD/RUR	Weekly change	EUR/RUR	Weekly change
96,77	0,80	101,95	-0,25

**KAZAKHSTAN**
**■ DAP**

The trade activity is relatively low. Despite the growing volume of offers in the domestic market, external demand is still restrained.

Export-oriented companies reported shipments under previously concluded contracts.

Logistical problems also persisted, namely, inconsistency of plans and disruption of shipment deadlines.

Offer prices for 3rd grade wheat was announced in the range of 225-335 USD/t DAP-Saryagash, and for 4th grade grain prices were fixed in the range of 310 USD/t DAP, 5th grade – 285-295 USD/t DAP on the same terms of delivery.

Offer prices for hi-pro wheat were fixed at USD 350 USD/t DAP-Saryagash.

Kazakhstan has officially limited the import of Russian wheat by rail. The ban on the import of grain by railway transport will be from October 11 for a period of 6 months.

**CASH MARKET PRICES**

Trade date Friday, September 29, compared with Friday, September 22

Kazakhstan	min	weekly change	max	weekly change	average	weekly change
Offer, DAP-Saryagash, USD/t						
3-grade milling wheat	325	5	335	5	330	5

Official currency exchange rate — September 29, 2023

USD/KZT	Weekly change	EUR/KZT	Weekly change
475,08	-0,04	500,53	-5,46

**■ FORECAST**

Low trading activity will remain.

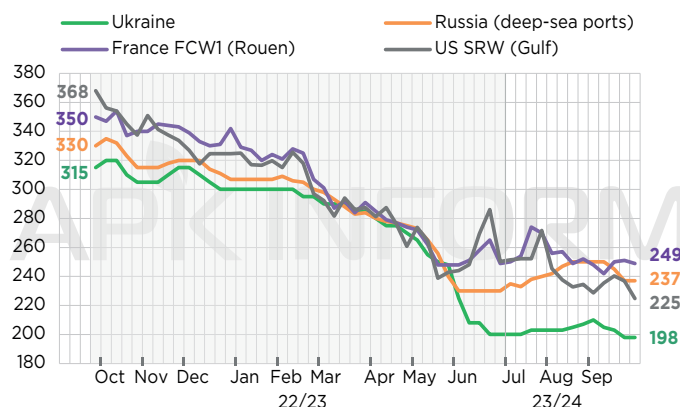
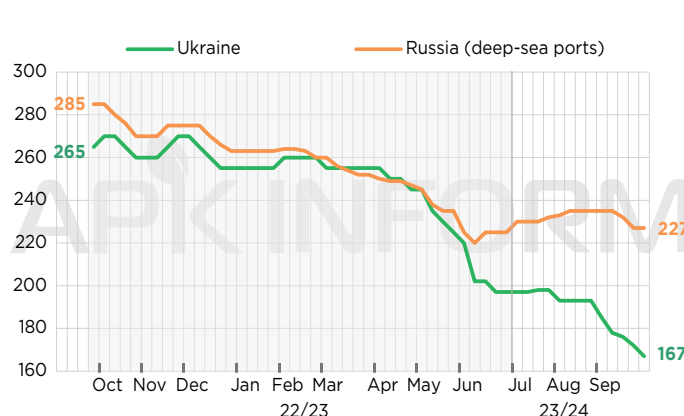
Pricing in the segment will depend on the demand of top importers, as well as the logistics factor.

Competition from the Russian grain industry will influence the formation of prices.

**WHEAT | WORLD MARKET**
**PRICES**

Trade date Friday, September 29, compared with Friday, September 22

EXCHANGE MARKET					
Commodity	Exchange/month	Country	Delivery terms	Settle, USD/MT	Weekly change
Wheat	CBOT, Dec	USA	EXW	198,9	-6,6%
Wheat, milling	Euronext, Dec	France	CPT Rouen	248,2	-1,2%
Wheat	LIFFE, Nov	EU	EXW	226,7	-3,5%
Wheat	BCA, Nov	Argentina	EXW	224,5	-13,7%
CASH MARKET					
Commodity	Month	Country	Delivery terms	USD/MT	Weekly change
Wheat, SRW	Sep	USA	CPT Gulf of Mex.	224,7	-5,1%
Wheat	Sep	Argentina	FOB	303,0	-3,2%
Wheat, milling	Sep	France	FOB	249,0	-0,8%

**Price dynamics of milling wheat (offer, FOB), USD/t**

**Price dynamics of feed wheat (offer, FOB), USD/t**

**TRADE DEALS**

Date	Buyer	Status*	Commodity	Volume, MT	Delivery time	Supplier	Cost, USD/MT, delivery terms
25.09.2023	Taipei (Taiwan Flour Millers' Association)	B	milling wheat	93' 125	November-December	USA	385,4-408,98; 348,11-350,43; 318,72-324,71 C&F
26.09.2023	Bangladesh	AT	milling wheat	50' 000			
26.09.2023	Tunisia	AT	milling wheat	100' 000	October-November		
27.09.2023	Egypt (GASC)	AT	milling wheat	60' 000	November		
27.09.2023	Tunisia	B	milling wheat	100' 000	October-November		274,69-278,25 C&F
27.09.2023	Egypt (GASC)	B	milling wheat	170' 000	November	Romania, Bulgaria	255 FOB

Status\*: B - bought; S - sold (export tender); TP - tender postponed; AT - announced tender; CT - cancelled tender.

## COARSE GRAINS | BLACK SEA MARKET

## UKRAINE

## ■ FOB / DAP / CPT-PORT

As of September 28, 793.2 thsd tonnes were harvested from an area of 146.5 thsd ha.

In the reporting period, corn export increased to 142.2 thsd tonnes (+12% w-o-w), and barley decreased to 17.1 thsd tonnes (-53% w-o-w).

During September 22-28, corn deliveries by road amounted to 2.9 thsd tonnes (-15%).

The average price of barley export batches at 165 USD/t and of corn – to 174 USD/t.

In the Danube ports, on a CPT basis, grain shipments will continue to be carried out in a limited manner. But corn trade became more active.

On the FOB basis, oversupply and low demand put pressure on corn prices. Price indications for Ukrainian grain from distant markets, in particular China, are increasingly appearing, which may indicate positive expectations for deliveries from deep-sea ports.

## CASH MARKET PRICES (FOB prices excluding VAT)

Trade date Friday, September 29, compared with Friday, September 22

Ukraine (deep-sea ports)	min	weekly change	max	weekly change	average	weekly change
Offer, FOB, USD/t						
Corn	170	-5	178	-2	175	-3
Barley	153	-5	160	-3	155	-6
Bid, FOB, USD/t						
Corn	165	-3	173	-2	168	-3
Barley	145		155		150	
Bid, CPT-port, USD/t (Danube ports)						
Corn	140		153	-2	148	-2
Barley	125	-3	132	-3	130	-1

Official currency exchange rate — September 29, 2023

USD/UAH	Weekly change	EUR/UAH	Weekly change
36,57	0,00	36,57	-2,33

## RUSSIA

## ■ MARKET TRENDS

Export duty on Russian barley was at 789.5 RUR/t, and for corn – 2616,4 RUR/t.

As of September 25, Russia harvested 20.7 mln tonnes of barley (-12.7% y-o-y) and corn – 2.2 mln tonnes (+37.7%).

## ■ FOB

In the reporting period, prices remained unchanged.

## ■ CPT

The trade activity is observed to be relatively low. Despite the growing volume of offers in the domestic market, external demand is still restrained.

## CASH MARKET PRICES (FOB prices excluding VAT)

Trade date Friday, September 29, compared with Friday, September 22

Russia (deep-sea ports)	min	weekly change	max	weekly change	average	weekly change
Offer, FOB, USD/t						
Barley	175		190		180	

Official currency exchange rate — September 29, 2023

USD/RUR	Weekly change	EUR/RUR	Weekly change
96,77	0,80	101,95	-0,25

## KAZAKHSTAN

## ■ FOB

In the segment of feed barley, no significant price changes were recorded. Sellers continued to report of low grain sales.

In the direction of China, sellers also reported inconsistencies in plans.

Offer prices on terms of DAP-Saryagash were announced in the range of 195-200 USD/t, and on terms of delivery FOB-Aktau were fixed at 220 USD/t.

Offer prices on Dostik/Altynkol delivery conditions ranged between 215-220 USD/t

## CASH MARKET PRICES (FOB prices excluding VAT)

Trade date Friday, September 29, compared with Friday, September 22

Kazakhstan	min	weekly change	max	weekly change	average	weekly change
Offer, FOB Aktau, USD/t						
Barley	220		230		225	
Offer, DAP Altynkol, USD/t						
Barley	215		230		220	

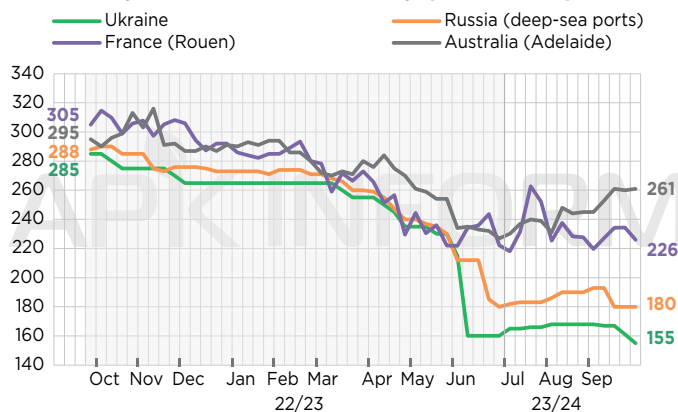
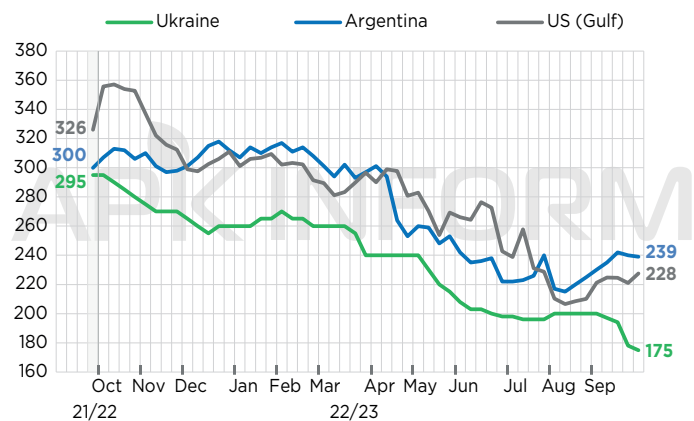
Official currency exchange rate — September 29, 2023

USD/KZT	Weekly change	EUR/KZT	Weekly change
475,08	-0,04	500,53	-5,46

**COARSE GRAINS | WORLD MARKET**
**PRICES**

Trade date Friday, September 29, compared with Friday, September 22

EXCHANGE MARKET					
Commodity	Exchange/month	Country	Terms of delivery	Settle, USD/MT	Weekly change
Corn, yellow	CBOT, Dec	USA	EXW	187,6	-0,1%
Corn	Euronext, Nov	France	FOB	219,4	-1,5%
Corn	BCA, Dec	Argentina	EXW	193,5	-5,7%
CASH MARKET					
Commodity	Month	Country	Delivery terms	Settle, USD/MT	Weekly change
Corn	Sep	USA	CPT Gulf of Mex.	227,5	2,9%
Corn	Sep	Argentina	FOB	239,0	-0,4%
Barley	Sep	France	FOB	226,0	-3,5%

**Price dynamics of feed barley (offer, FOB), USD/t**

**Price dynamics of corn (offer, FOB), USD/t**

**TRADE DEALS**

Date	Buyer	Status*	Commodity	Volume, MT	Delivery time	Supplier	Cost, USD/MT, delivery terms
25.09.2023	Iran (SLAL)	AT	corn	180`000	November-December	Brazil, Europe, the Black Sea region	
25.09.2023	South Korea (KFA)	B	corn	65`000	January	South America or South Africa	263,75 C&F
26.09.2023	South Korea (KFA)	AT	corn	136`000	December-January		
26.09.2023	Mexico	B	corn	1`000`000	2023/24 MY	USA	
26.09.2023	Mexico	B	corn	600`000	2024/25 MY	USA	
26.09.2023	Tunisia	AT	feed barley	50`000	October-November		
27.09.2023	Algeria (ONAB)	AT	corn	90`000	October-November		
27.09.2023	Algeria (ONAB)	AT	feed barley	30`000	October-November		
27.09.2023	South Korea (KFA)	B	corn	122`000	December-January	South America or South Africa	262,33; 264,5 C&F
27.09.2023	Tunisia	B	feed barley	50`000	October-November		219,69-224,49 C&F
28.09.2023	Algeria (ONAB)	B	corn	60`000	October	Argentina, Brazil	260-262 C&F
28.09.2023	China	B	corn	50`000-1`000`000	October-December	Ukraine	
28.09.2023	Iran (SLAL)	B	corn	180`000	November-December		

Status\*: B - bought; S - sold (export tender); TP — tender postponed, AT — announced tender; CT — cancelled tender.

## OILSEEDS AND BY-PRODUCTS | BLACK SEA MARKET

### UKRAINE SUNFLOWER SEEDS AND BYPRODUCTS

#### ■ KEY FACTORS OF INFLUENCE:

Last week, Ukraine officially introduced licensing for the export of sunflower seed, rapeseed, wheat and corn to five Eastern European countries. But not all countries agreed to the proposed conditions, in particular, Poland does not yet plan to lift the ban on the import of Ukrainian agriproducts. In addition, the accumulation of wagons for transfer is increasing at the border crossings between Ukraine and Poland, since on September 16, Poland expanded the list of goods prohibited for import, which includes restrictions on meal and cake.

The offer prices for Ukrainian SFO for delivery in October increased to 750-775 USD/t FOB, supported by the increase in prices for this product on the European market.

Bid prices for sunflower meal decreased to 215-225 USD/t FOB due to increased supply from the Black Sea region.

There were no significant price changes in the sunflower seed sector on the export market. The demand of importers from the EU accelerated, but the main volumes in September were still shipped to Moldova and Turkey.

Bid prices for Ukrainian soybeans decreased under the pressure of expectations of a high harvest of this crop in Ukraine, the active progress of the harvesting campaign in Eastern Europe, and the saturation of the European market with domestically produced oilseed. High demand from Egypt and Turkey remained: 51.000 and 44.000 tonnes were shipped to these destinations in September, respectively.

A slight increase in prices was observed on the rapeseed export market, due to similar dynamics in the global market of this oilseed, which, in turn, received support from the soybean segment. Bid prices on the CPT-port basis varied mainly in the range of 340-355 USD/t. Active rates of shipment to the EU countries were maintained, but a significant volume went in transit for further export to Asian countries.

#### ■ FORECAST

##### Main factors influencing the export market:

The high pace of the harvest campaign in the Northern Hemisphere and the increase in oilseed supply will put pressure on prices.

The seasonal increase in the rates and volumes of processing and, accordingly, exports will increase the load on the western crossings, where already there has been a significant increase in queues from wagons since the beginning of September.

The situation surrounding the grain conflict with the EU countries may aggravate the issue of logistics in the direction of the western borders.

The soybean market is under pressure from the arrival of the new crop, but some short-term support may be received from the global market, in particular due to the deterioration of soybean crops in the US.

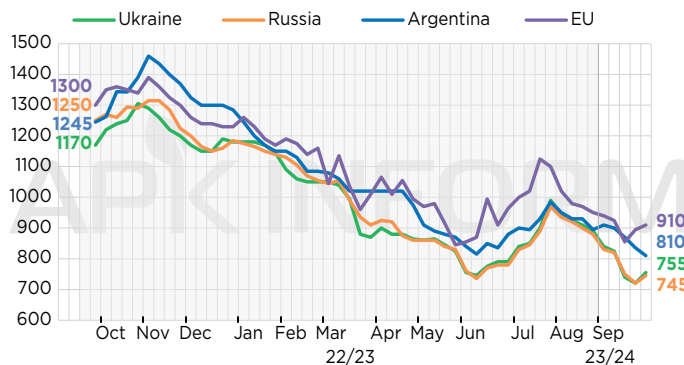
Analysts again reduce the estimates of canola production in Australia and oilseeds in the EU, which may continue to support the Ukrainian rapeseed market, however, the reduction of rapeseed imports by the European Union from the beginning of 2023/24 MY (EU Commission data) acts as a factor restraining the growth of prices.

#### CASH MARKET PRICES

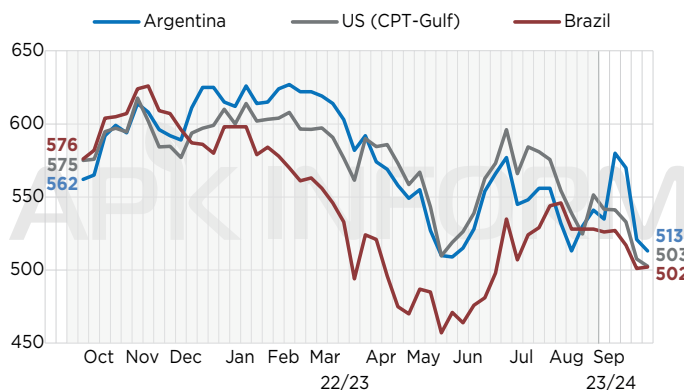
Trade date Friday, September 29, compared with Friday, September 22

Ukraine	min	weekly change	max	weekly change	average	weekly change
<b>Offer, FOB, USD/t (Sep-Oct)</b>						
Crude SFO	740	30	775	25	755	35
<b>Bid, FOB, USD/t (Sep-Oct)</b>						
Crude SFO	700	20	730	15	725	15
<b>Bid, CPT, USD/t</b>						
Crude SFO	670	20	690	25	680	20
Sunflower meal	190	-10	210	-10	200	-10
Soyabeans	350	5	365	-5	355	-5
Rapeseed	340	5	355		350	
Sunflower seed	280		300		290	
<b>Bid, CPT-port, UAH/t</b>						
Soyabeans	14300		15000	-200	14600	
Rapeseed	13600	300	14300		14000	100
Sunflower seed	10400		12000		11800	
<b>Offer, DAP-border, USD/t</b>						
Crude SFO	750	-30	780	-30	760	-30
Sunflower meal	245		255	-10	250	
<b>Bid, DAP-border, USD/t</b>						
Crude SFO	730	-35	760	-20	750	-20
Sunflower meal	225	-10	240	-5	235	-5
Soyabeans	340	-10	355	-35	350	-25
Rapeseed	340	10	350		345	5

#### Price dynamics of sunflower oil (offer, FOB), USD/t



#### Price dynamics of soybeans (offer, FOB), USD/t



Official currency exchange rate — September 29, 2023

USD/UAH	Weekly change	EUR/UAH	Weekly change
36,57	0,00	36,57	-2,33



## RUSSIA / SUNFLOWER SEEDS BYPRODUCTS

## ■ KEY FACTORS OF INFLUENCE:

The prices for sunflower oil on the Russian export market rose last week after a two-month decline. By the end of the reporting week, the offer prices SFO with delivery in October reached 740-770 USD/t FOB, depending on the direction of sale. However, market participants noted that demand remained quite restrained, with bid prices rising more slowly than expected and in the range of 710-715 USD/t FOB. In particular, Turkish importers declared the bid prices no higher than 680-700 USD/t FOB, while Russian exporters were not ready to trade in this range.

Offer prices for Russian sunflower oil for delivery in January increased to 795-800 USD/t FOB.

The export duty on sunflower oil in October, like the previous 4 months, will be zero. The duty on sunflower meal will decrease to 7,519.6 rubles/t from 7,995.3 rubles/t in September.

Sunflower seed processing products are not subject to the new temporary flexible export duties introduced on a wide list of goods from October 1, 2023 to December 31, 2024 and applicable to deliveries outside the EAEU. The duty will amount to 4-7% at an exchange rate of 80-95 RUR/USD (for an exchange rate of less than 80 rubles/USD, the rate will decrease to zero) and will apply to almost the entire list of the fat and oil complex. In particular, this list includes oilseeds and processed products, the export of which has significantly increased in recent years and which are practically not consumed in the domestic market: flaxseed, rapeseed oil, soybean oil, etc. Market participants already note that this will negatively affect

## CASH MARKET PRICES

Trade date Friday, September 29, compared with Friday, September 22

Russia	min	weekly change	max	weekly change	average	weekly change
Offer, FOB, USD/t (Oct)						
Crude SFO	730	20	770	20	745	25
Sunflower meal	225	-15	240	-10	230	-15
Bid, FOB, USD/t (Oct)						
Crude SFO	690	20	730	20	720	20
Sunflower meal	215	-5	225	-10	220	-5

Official currency exchange rate — September 29, 2023

USD/RUR	Weekly change	EUR/RUR	Weekly change
96,77	0,80	101,95	-0,25

the production potential of the specified products in the new season.

## ■ FORECAST

## Main factors influencing the export market:

Faster harvesting campaign compared to last year, the increase in the supply of oilseeds on the domestic market and the expectation of a high harvest will put pressure on prices.

Maintenance of zero duty on the export of sunflower oil will contribute to the active pace of shipment, while the introduction of new rates on the export of other processed products may act as a restraining factor.

## OILSEEDS AND BY-PRODUCTS | WORLD MARKET

## PRICES

Trade date Friday, September 29, compared with Friday, September 22

EXCHANGE MARKET					
Commodity	Exchange/month	Country	Terms of delivery	Settle, USD/MT	Weekly change
Soybeans	CBOT, Nov	USA	EXW	468,5	-1,6%
Soybeans	BCA, Nov	Argentina	EXW	410,1	-11,7%
Rapeseed	Euronext, Nov	France	FOB	466,3	-0,8%
Canola	WCE, Nov	Canada	FOB	524,0	-2,9%
Soybean oil	CBOT, Oct	USA	EXW	1266,3	-5,6%
Palm oil, crude	BMD, Dec	Malaysia	CPT-port	804,7	2,5%
Soybean meal	CBOT, Oct	USA	EXW	414,4	-3,2%
CASH MARKET					
Commodity	Month	Country	Delivery terms	USD/MT	Weekly change
Soybeans	Sep	USA	CPT Gulf of Mex.	502,7	-1,0%
Soybeans	Sep	Argentina	FOB	513,0	-1,5%
Soybeans	Oct	Brazil	FOB	502,0	0,2%
Sunflower seed	Sep	Argentina	FOB	450,0	0,0%
Soybean oil	Sep	Argentina	FOB	911,0	-2,5%
Soybean oil	Oct	Brazil	FOB	920,0	-2,5%
Soybean oil	Oct	EU	FOB mill	1064,0	-1,0%
Sunflower oil	Oct	EU	FOB Rotterdam	910,0	1,7%
Sunflower oil	Sep	Argentina	FOB	810,0	-3,0%
Rapeseed oil	Oct	EU	FOB mill	1043,0	-0,6%
Palm oil, crude	Oct	Malaysia	CIF Rotterdam	910,0	0,0%
Soybean meal	Sep	Argentina	FOB	471,0	0,6%
Soybean meal	Oct	Brazil	FOB	467,0	1,5%
Sunflower meal	Sep	Argentina	FOB	245,0	6,5%

## TRADE DEALS

Date	Buyer	Status*	Commodity	Volume, MT	Delivery time	Supplier	Cost, USD/MT, delivery terms
25.09.2023	Iran (SLAL)	AT	soybean meal	120`000	November-December	Argentina, Brazil, India	
27.09.2023	South Korea (MFG)	B	soybean meal	60`000	December-January	South America	511,99 C&F
28.09.2023	Iran (SLAL)	B	soybean meal	120`000	November-December		

Status\*: B - bought; S - sold (export tender); TP — tender postponed, AT — announced tender; CT — cancelled tender.

## S&D BALANCES AND EXPORT STATISTICS

Supply and demand balance of sunflower seed in Ukraine

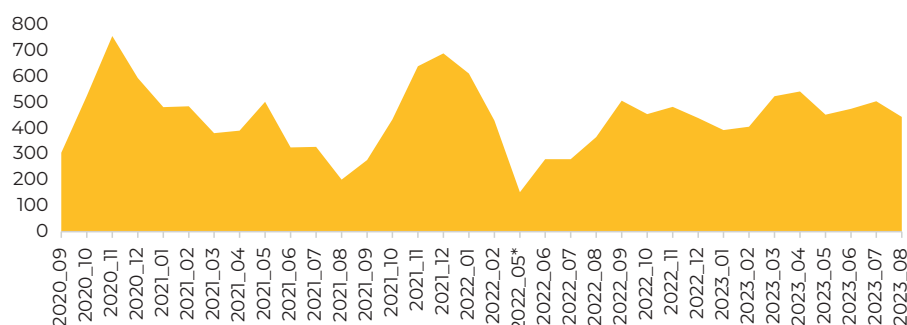
	2021/22 `000 tonnes	2022/23 `000 tonnes	2023/24 `000 tonnes	Changes, %	
				2022/23- 2021/22	2023/24- 2022/23
Beginning stocks	284,8	3 470,7	82,5	up 12,2 t.	-97,6%
Planted areas, `000 ha	7 000,0	5 440,0	5 720,0	-22,3%	+5,1%
Harvested areas, `000 ha	6 930,0	5 385,6	5 682,4	-22,3%	+5,5%
Yield in clean weight (APK-Inform), t/ha	2,57	2,33	2,36	-9,2%	+1,3%
Production in clean weight (APK-Inform)	17 792,4	12 548,4	13 410,6	-29,5%	+6,9%
Imports	21,1	31,0	30,0	+47,4%	-3,3%
<b>Total supply</b>	<b>18 098,3</b>	<b>16 050,1</b>	<b>13 523,0</b>	<b>-11,3%</b>	<b>-15,7%</b>
Consumption	12 997,4	14 104,1	12 566,3	+8,5%	-10,9%
processing for oil	11 561,3	13 900,0	12 400,0	+20,2%	-10,8%
seeds	27,2	28,6	29,0	+5,1%	+1,4%
others	51,5	47,1	15,6	-8,4%	-66,8%
losses	1 357,4	128,4	121,7	-90,5%	-5,2%
Exports	1 630,2	1 863,5	800,0	+14,3%	-57,1%
<b>General distribution</b>	<b>14 627,6</b>	<b>15 967,7</b>	<b>13 366,3</b>	<b>+9,2%</b>	<b>-16,3%</b>
Ending stocks	3 470,7	82,5	156,7	-97,6%	+90,0%
Stocks-to-distribution ratio	23,7%	0,5%	1,2%		

Supply and demand balance of sunflower oil in Ukraine

	2021/22 `000 tonnes	2022/23 `000 tonnes	2023/24 `000 tonnes	Changes, %	
				2022/23- 2021/22	2023/24- 2022/23
Beginning stocks	126,5	120,8	65,5	-4,5%	-45,8%
Production	5 024,3	5 952,6	5 300,6	+18,5%	-11,0%
large-scale specialized enterprises	4 193,6	4 925,5	4 441,9	+17,5%	-9,8%
medium and small-scale enterprises	830,7	1 027,1	858,7	+23,6%	-16,4%
Imports	1,03	0,64	0,14	-37,8%	-78,2%
<b>Total supply</b>	<b>5 151,8</b>	<b>6 074,1</b>	<b>5 366,2</b>	<b>+17,9%</b>	<b>-11,7%</b>
Consumption	538,2	361,7	367,0	-32,8%	+1,5%
losses	144,0	18,0	16,0	-87,5%	-11,1%
Exports	4 492,8	5 646,8	4 870,0	+25,7%	-13,8%
<b>General distribution</b>	<b>5 031,0</b>	<b>6 008,5</b>	<b>5 237,0</b>	<b>+19,4%</b>	<b>-12,8%</b>
Ending stocks	120,8	65,5	129,2	-45,8%	+97,2%
Stocks-to-distribution ratio	2,4%	1,1%	2,5%		

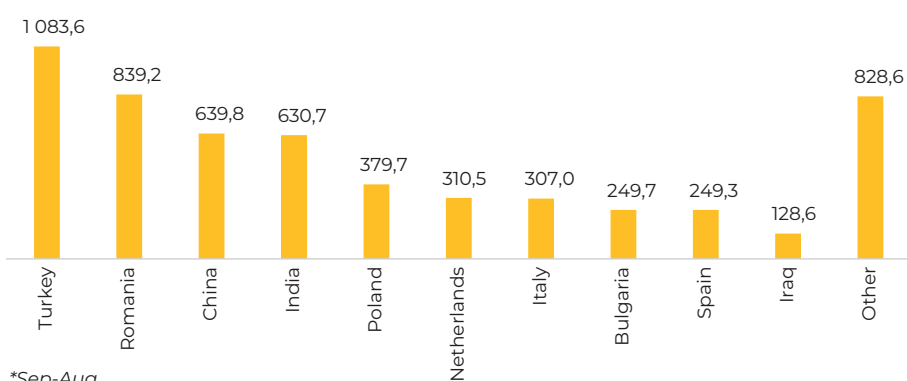
## S&D BALANCES AND EXPORT STATISTICS

Export of sunflower oil from Ukraine, thsd tonnes



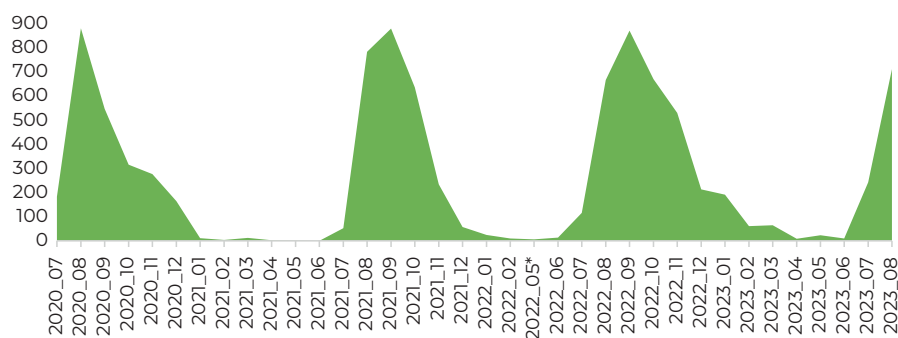
2022\_05\* contains data for 1-25 May

Key destinations for Ukrainian sunflower oil in 2022/23 MY\*



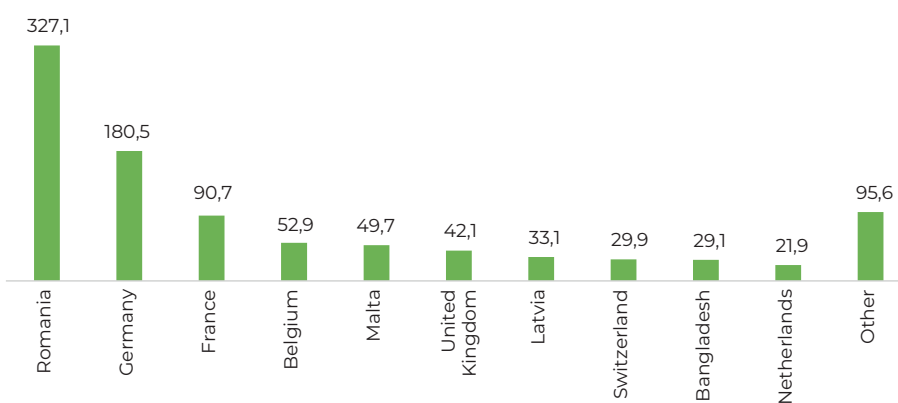
\*Sep-Aug

Export of rapeseed from Ukraine, thsd tonnes



2022\_05\* contains data for 1-25 May

Key destinations for Ukrainian rapeseed in 2023/24 MY\*



\*Jul-Aug

# INSIGHTS

## TOPIC

**SEPTEMBER 14-15  
TASHKENT 2023**



**SEPTEMBER 14**  
INTERNATIONAL  
HOTEL TASHKENT

**SEPTEMBER 15**  
AMIRSOY  
MOUNTAIN RESORT

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## ASIA GRAINS&OILS CONFERENCE IN TASHKENT 2023: FOCUS ON EFFICIENCY AND DIVERSIFICATION

In mid-September, the capital of Uzbekistan hospitably welcomed the participants of the third international conference «Asia Grains&Oils Conference in Tashkent 2023». The conference was organized by APK-Inform Asia (Kazakhstan) in partnership with Inter Standart Consult (Uzbekistan) and Expo Time (Kazakhstan), co-organized by Event Group (Kazakhstan).

Asia Grains&Oils Conference in Tashkent-2023 became a truly large-scale event and brought together delegates from 20 countries – representatives of companies exporting and importing agricultural products, processors, agricultural holdings, industry associations, logistics companies and financial institutions, and government bodies. Thus, about 60 companies from Uzbekistan – representatives of the grain and oilseeds market – took part in the event.

The atmosphere at the event matched the weather – comfortable and warm.

This time, the organizers offered a new format for the conference – the first day was held traditionally, in the session hall, and the second – at the Amirsoy Mountain Resort, and was completely devoted to negotiations in the B2B format.

The session covered the global trends in the economy and foreign trade of Central Asia, grain and flour markets, and the fat and oil industry.

As our regular speaker, EBRD Leading Regional Economist Eric Livni, noted, in 2022, the economies of the Central Asian countries demonstrated their resilience in an unstable geopolitical situation, and in 2023, active growth continued.

Among the positive factors for the economies of Central Asian countries, E. Livni noted the following: the migration of companies and people to Central Asia (mainly to Kazakhstan) from the Russian Federation, and the opening of China after the pandemic. And among the negative ones: sanctions, interruption of transit flows due to the escalation of the war in Ukraine, as well as the “fragile” political situation in the Central Asian countries.

**Alexander Karavaitsev**, senior economist at the International Grains Council, said that in the new season the global market expects a rollback in wheat production due to a reduction in yields in key exporting countries. In his opinion, record carryover stocks of wheat will somewhat compensate for the reduced grain production in 2023/24 MY, but nevertheless, the total volume of supply will be limited.

The discussion of global trends were followed by regional ones.

**Daulet Uvashev**, director of Harvest Kazakhstan LLP, during his speech at an international conference, announced an updated forecast for the harvest and export of wheat in Kazakhstan. According to his estimates, despite the increase in planting areas to the maximum level in the last 10 years – up to 13.72 mln ha – this year the wheat harvest in the Republic of Kazakhstan will not exceed 12.5 mln tonnes (against a record 16 mln tonnes last year). He clarified that the decrease in the total harvest forecast was due to unfavorable weather conditions during the growing season (drought) and harvesting (heavy rains).

The expert expects that the export potential of wheat from Kazakhstan in the current season will be about 9.5 mln tonnes (grain + flour in grain equivalent). In the recently finished 2022/23 MY, grain deliveries to foreign markets were 1 mln tonnes higher (10.5 mln tonnes), which was the highest figure since 2011, according to «Harvest Kazakhstan» estimates.

The main sales markets will remain the countries of Central Asia – they account for about 69% of all shipment of Kazakh wheat. In 2022/23 MY, non-CIS countries accounted for 27% of Kazakh wheat exports – this is slightly higher than the average for the last 5 years. This season, grain deliveries to China and Afghanistan are expected to grow, which could increase the share of exports to non-CIS countries to 30-35%.

But the production is one thing, and quality is quite another. This season, in Kazakhstan, there is an ambiguous situation with the quality of new crop grain – due to difficult weather conditions, experts expect a large share of sprouted wheat, some of which will not even be able to be used for feed. On the other hand, in this situation those agricultural producers who have large stocks of high-quality wheat of the 2022-harvest can win – prices for this grain can soar much higher than the current ones.

**Saltanat Orazova**, Head of Laboratory of the Department of «Agro-Industrial Complex» of «SGS Kazakhstan Ltd» LLP, said that Kazakhstan's wheat of the 2023-harvest, collected before the rainy season, has a higher protein content (>14.5%) and gluten (>32.2%), but due to drought during the growing season, the natural weight is quite low (the grain is «slim») and averages ~77.1 kg/hl. According to SGS Kazakhstan estimates, the share of sprouted grain in the total wheat crop in Kazakhstan will be from 5 to 15%, but there are areas where this figure reaches 50-60%. There were no such figures even in 2019, when there were similar weather conditions, the expert noted.

At the conference, there was an information that many Kazakh farmers take their grain (collected before the rains) from the elevators in order to prevent mixing with wet wheat and preserve high-quality dry wheat for further sale and planting next year.

According to **Daulet Uvashev**, this situation plays into the hands of farmers and traders who have large stocks of high-pro wheat of the 2022-harvest – with a high protein content and good natural weight. Prices for wheat of this quality in Kazakhstan can rise to 150 000 tenge, believes D. Uvashev.

*“I would like to draw your attention to the fact that now not a single farmer is ready to sell what has already been threshed, due to the unclear situation of what will happen next. There will be a time lag when there seems to be some harvesting, but there will be no real offers until the producer understands the quantity and quality of the harvested grain before and after the rains,”* said **Sergey Domaev**, director of the B-Agro Sever LLP company, which deals with both crop production and trading.

An interesting point – many speakers in their speeches emphasized that **in order to survive and develop, companies need to increase efficiency and pay attention to diversification**. This applies to both agricultural producers, processors, and traders.

Thus, according to the forecasts of Oybek Zufarov, Chairman of the Board of the Association of Oil and Fat Enterprises "Uzyogmoysanoat", in the next 5 years in Uzbekistan the number of enterprises processing oilseeds will decrease by about 10 times – to 30. This will happen due to the consolidation of competitive enterprises and the exit of inefficient processors from the market.

According to him, today there are 300 oil production enterprises in the country, the total processing capacity is 4.3 mln tonnes of oilseeds per year. At the same time, capacity utilization reaches only 62%. As a result of the closure of inefficient enterprises, this figure could increase to 80%, the speaker noted, while the total processing capacity will remain at the same level.

*“The production volumes of vegetable oils by the remaining enterprises will be enough to saturate the domestic market and for export,”* believes O. Zufarov.

Another speaker, FAO national project coordinator **Aziz Nurbekov**, emphasized that agricultural producers in Central Asia need to diversify crops, actively use new varieties, introduce proper crop rotation and switch to resource-saving technologies. Thanks to this approach, Uzbekistan was able to achieve a significant increase in wheat yield – according to FAO estimates, this figure has increased more than 8 times over the past 30 years.

Another successful example of diversification that producers and traders of crop products should strive for is **pulses**. Co-founder of the Global Export company Sardor Abaskhanov emphasized that in the future the role and importance of legumes in the countries of Central Asia will grow – this is a global trend. Particularly, in terms of mung bean exports, Uzbekistan is already among the TOP 10 global suppliers. At the same time, there is a decline in production and exports of beans and chickpeas in the country.

Incredible, but true: Kazakh traders told their Uzbek colleagues at the Asia Grains&Oils Conference that they supply chickpeas to Turkey. At the same time, Uzbekistan imports chickpeas from Turkey, although it could do it directly from Kazakhstan! Thus, the conference once again confirmed its enormous practical value.

*“I am sure that if we establish cooperation with our Kazakh colleagues, we will be able to be more competitive in the market,”* says S. Abaskhanov.

During the oilseed session, participants discussed the trends in the palm oil market, its consumption in the world and prospects in Uzbekistan.

One of the speakers was Fadhil Hassan, Head of Foreign Division of the Indonesian Palm Oil Association (GAPKI), which was a Gold Sponsor of our conference.

According to F. Hassan, Uzbekistan is a promising market for the sale of Indonesian palm oil. Over the past 5 years, the volume of palm oil shipments to the countries of Central Asia has been quite low, but the largest volumes have been supplied to Kazakhstan and Uzbekistan.

As the speaker noted, vegetable oil consumption has a strong correlation with economic growth. It is forecasted that economic growth of Uzbekistan in the future will be quite high and will be around 5% in 2023-2024. Therefore, experts expect that the consumption of vegetable oil (including palm oil) will also grow.

The conference also touched upon the development of the Kazakh fat and oil industry, since the Republic of Kazakhstan is the closest neighbor and the main supplier of both oilseeds and processed products to Uzbekistan. Commercial Director of Qazaq Astyq Group LLP Alexander Buzhenitsa, in particular, spoke about the positive impact of the duty on the export of sunflower seeds introduced by Kazakhstan in February 2023.

*“There are a large number of factories in the country that were underloaded with seeds. And only with the introduction of the duty it became possible to increase the production capacity of sunflower oil and increase the export potential,”* the speaker noted.



According to A. Buzhenitsa, the strategic and consistent policy of the government should be to develop the production and export of processed products, not raw materials.

As part of the third international conference «Asia Grains&Oils Conference in Tashkent 2023», a special Technological session was also held. At this session, world market leaders – manufacturers of equipment for the fat and oil industry – spoke about modern technical and technological solutions for the industry.

**Nastya Jiang, Regional sales manager of Myande Group Co. LTD**, the General Sponsor of the conference, spoke about the Myande profile and optimal edible oil project execution practice.

The representative of the Gold Sponsor – **Kemiline Agro** – technical support specialist **Maxim Kirin** presented optimal solutions for oil refining.

Representative of the **Buhler** company (Exclusive Sponsor of the conference), regional sales manager of Buhler Service LLC **Renat Butasov** spoke about the advanced technologies that the world-famous brand offers for processing oilseeds.

The session included a presentation by another sponsor, **You-Trade Global**. The director of the company, **Yer Muhanbetkaliev**, presented an online trading platform for traders, agricultural producers, transport companies, suppliers of equipment, storage and packaging services.

After a busy information day, participants were able to get a boost of energy and positive emotions at what had already become a traditional bowling tournament. This time they played not only for “interest”, but also for prizes from the sponsor of the cultural program – the AgroProTrade company.

The second day of the conference – B2B negotiations – was held at a picturesque resort and brought a lot of communication, new acquaintances, experience, partnership agreements and contracts.

APK-Inform sincerely thanks the partners and sponsors who helped organize another unforgettable conference in Tashkent!

The event was held with the support of industry associations of Uzbekistan – the Association of Oil and Fat Enterprises of the Republic of Uzbekistan "Uzyogmoisanoat", the Assembly of Economy of Uzbekistan, JSC "Uzdonmakhsulot" and the Association of Exporters of Uzbekistan.

The sponsors were: Myande (General Sponsor), Kemiline Agro (Gold Sponsor), Indonesian Palm Oil Association GAPKI (Gold Sponsor), B-Agro Sever (Exclusive Sponsor), Buhler (Innovation Sponsor), LATFLEX, You-Trade and AgroProTrade (Sponsor of the cultural program).

Thank you to all participants for finding the opportunity to come in such difficult times, for communication, exchange of experiences and positive emotions! We don't say goodbye, but say “See you!”. Follow the announcements of the time and location of new events in the [APK-Inform feed](#).

## AGRINEWS

### WORLD

**The European Commission lowered the forecast for the wheat and corn harvest in the EU**

**Due to the drought, the wheat harvest in Australia may decrease by more than 2 million tonnes**

**The harvesting of corn and soybeans has been stepped up in the USA**

**Brazil has started soybeans planting**

**Grain production in India in 2023/24 MY may increase by 1.5 million tonnes per year**

**Morocco plans by the end of the year to import up to 2 million tonnes of wheat**

**Malaysia expects to increase palm oil production in 2024**

**India may enter 2023/24 MY with record vegetable oil stocks**

**Canola imports to China in 2022/23 MY significantly exceeded previous expectations**

### UKRAINE

#### THE PRELIMINARY CONSEQUENCES OF THE LAST MISSILE ATTACK ON THE PORT OF ODESA BECAME KNOWN

A massive air attack by Russian missiles and drones on Odesa [on the night of September 25](#), destroyed a ground-level warehouse for grain storage, with approximately 40.000 tonnes of grain, and several ships moored near the piers of the marine station, in addition to the building of the marine station and the hotel. Reports Interfax -Ukraine with reference to information from the Odesa publication "Dumskaya".

"The second Onyx missile hit the port infrastructure. The ground-level warehouse for storage of grain, which is loaded from there into dry cargo holds, was destroyed. Up to 40.000 tonnes of products could be stored in the warehouse, but that's not even the point – the damage could have affected the grain delivery system from the warehouse to the wharf along with the loading mechanisms," the report says.

It will be difficult to restore the grain delivery system to the pier in a short time, writes the Odesa publication, and adds that the Odesa port will not yet be able to receive bulkers and ship food products.

Several ships moored near the docks of the sea station were also damaged. In particular, several foreign tugboats of a private towing company under a time charter. The extent of the damage is being determined, but it could amount to hundreds of thousands of US dollars.

According to "Dumskaya", the commercial ship Comet was standing at one of the piers, ready to leave the port. The 113-meter-long, 10.000-tonne bulk carrier Comet has been in port since the start of the full-scale invasion. The extent of its damage is not yet known.

#### HALF OF THE SHIPS BLOCKED AFTER THE INVASION OF THE RUSSIAN FEDERATION WERE ABLE TO LEAVE THE PORTS OF UKRAINE

As of September 26, 50 ships out of 100, that were blocked in Ukrainian ports after the Russian invasion of Ukraine, remain in Ukraine. Such data was reported by the Institute of the Black Sea Strategic Studies and the BlackSeaNews Monitoring Group.

On the specified date, most of the blocked ships are in the ports of the Mykolaiv region – 29. Another 14 ships are blocked in the port of Kherson, 5 – in Mariupol.

"2 sea vessels out of 41, which were blocked on February 24, 2022, remain in the ports of the Odesa region for various reasons. In particular, the EMMAKRIS III bulk carrier remains in the port of Chornomorsk, which was detained in July 2022 at the request of the Prosecutor General's Office of Ukraine to investigate its alleged Russian owner. There is one COMET bulker left in the port of Odesa," the monitoring said.

It is also reported that 15 ships out of 50 blocked belong to ship-owning companies from the EU countries (8 – to Greece, 3 – to Malta, 1 each – to Bulgaria, Germany, Estonia, and Denmark), 14 vessels belong to shipowners from Turkey, and 8 – from Ukraine. Other shipowners include companies from Norway and China, Great Britain, Montenegro, Bangladesh, the Marshall Islands, Lebanon, Egypt, and Singapore.

"There is no reliable information regarding the condition of the vessels remaining in the port of occupied Mariupol," the message states.

## UKRAINE

## SEAPORTS OF UKRAINE SHOULD REACH THE LEVEL OF 30% OF THE PRE-WAR AGRIPRODUCTS EXPORT – UAC

In the difficult current conditions, increasing the volume of food exports by sea to at least 30% of the level that was exported before the full-scale invasion would improve the overall export performance of Ukrainian agricultural products. This opinion was expressed by the Deputy Chairman of the Ukrainian Agrarian Council, Denys Marchuk, on the air of the National Telethon, the press service of the UAC reported.

“The work of the maritime humanitarian corridor developed by our military gives hope. As of September 25, only two ships with a total volume of 20.000 tonnes have left. But they showed that the corridor can work. This is a signal to the world that security is ensured in the water area under our control. In the future, the free passage of ships by sea will only improve. However, currently, the danger still remains, especially in the ports,” D. Marchuk said.

He also added that there are now ships waiting in line for passage to the seaports of Ukraine, which can export approximately 120 thsd tonnes of food products. This includes the vessels for the export of industrial goods. In addition, the efficiency of the river ports of Ukraine is increasing.

“Despite constant shelling by the Russians, today the river ports export Ukrainian agricultural products quite efficiently. In September, we expect a good result from the export of agriproducts in this direction – about 3 mln tonnes. In general, for today, it is necessary to establish a stable monthly export of 4.5 mln tonnes of food products for the normal functioning of the Ukrainian agricultural sector”, the deputy head of the UAC believes.

## THE UKRAINIAN GOVERNMENT INTRODUCED AN AGRICULTURAL EXPORT VERIFICATION MECHANISM FOR FIVE NEIGHBORING COUNTRIES

On September 26, Prime Minister of Ukraine Denys Shmyhal signed a resolution on the introduction of a mechanism for the verification and approval of four groups of Ukrainian agricultural exports for five neighboring countries. This was announced by the Communications Department of the Secretariat of the Cabinet of Ministers of Ukraine.

As the Prime Minister noted during the government meeting, Ukraine is preparing relevant documents with Romania and Bulgaria.

“These countries did not violate trade rules of the European Union and the Association Agreement and did not introduce unilateral restrictions. Thank you for this, Ukraine highly values responsible partnership,” said D. Shmyhal.

He also emphasized that in order to solve the grain crisis, Ukraine presented a mechanism for the verification and authorization of four types of agriproducts, which was supported by the European Commission. On September 28, the next meeting of the coordination platform on export and transit issues will be held, at which it is planned to finalize the presented proposals.

“Four countries have worked out the Ukrainian plan, expressed their constructive comments and proposals, and are ready for discussion. And only one country is against it. Unfortunately... We have neither a logical nor an economic explanation for this,” the Prime Minister noted.

## UKRAINIAN GRAIN DID NOT “RUIN” THE POLISH MARKET – EXPERT

The analysis of grain prices (in particular, wheat) in Ukraine and Poland allows us to conclude that supplies of Ukrainian grain did not have a significant impact on the price situation in this segment of the Polish market. This was stated by Oleg Nivyeyskyy, the Vice President of Economic Education of the Kyiv School of Economics (KSE), on September 25, in his Telegram channel.

According to experts, this analysis gives at least two “interesting conclusions”.

“First. Polish farmers currently have almost twice as much income. Why – the reasons are known to everyone. We are at war, logistics are very expensive, there are risks, limited export opportunities, etc.,” Nivyeyskyy believes.

The second conclusion, he added, is that the dynamics of grain prices in the Polish market generally correspond to the dynamics of global prices.

“So there is no evidence that Ukrainian exports “ruined” their market,” the expert summarized.

## UKRAINE

## UKRAINE DOES NOT EXPORT GRAIN TO NEIGHBORING COUNTRIES WITHOUT THEIR APPROVAL – SOLSKYY

Ukraine has developed a procedure for verifying the export of four agricrops in accordance with the decision of the EU Commission and currently does not export agricultural products to five border countries without their approval. This was stated by the Minister of Agrarian Policy and Food of Ukraine Mykola Solskyy during the meeting of the ministers of agriculture of the Visegrad Group countries (Poland, the Czech Republic, Slovakia, and Hungary), the press service of the Ministry of Agrarian Policy reported on September 26.

"We are introducing an internal procedure for verifying the export of 4 crops (corn, rapeseed, sunflower seed, wheat) to 5 EU countries. This procedure provides for the issuance of a license by the Ukrainian Government within 30 days from the date of the export application receipt. The relevant resolution of the Government has already been adopted, and therefore export to 5 countries without their approval is no longer possible. During these 30 days, Ukraine informs the EU Commission and the relevant country about receiving an export application," M. Solskyy emphasized.

He also emphasized that the mechanism, when exports do not take place without the approval of a neighboring country, is as constructive and clear as possible and takes into account the interests of all parties.

"Ukraine has sent proposals to neighboring countries on how exactly such a mechanism will operate and is waiting for answers and possible options for solutions. As of today, the official answer came from Romania," the minister added.

## UKRAINE DID NOT EXPORT SUNFLOWER SEED TO MOLDOVA IN SEPTEMBER

According to the Customs Service of Moldova, in the period from September 1-25, 2023, there were no deliveries of sunflower seeds from Ukraine to the territory of the country, NOI.md reports.

"As for the export of sunflower seeds from the Republic of Moldova to Ukraine, only one transaction was recorded during this period – on September 1, 21.5 tonnes of the oilseed worth 213.3 thsd lei were shipped," the department added.

It is also reported that the planting area under sunflower seeds in Moldova in 2023 is about 388.9 thsd ha, from which it is planned to collect about 1.01 mln tonnes of the oilseed.

Last week, the association of agricultural producers of Moldova "The Power of Farmers" demanded that the government of the country [introduce a ban](#) on the import of sunflower seeds from Ukraine, since this allegedly leads to a fall in prices for oilseeds on the domestic market.

## UKRAINE AND CANADA SIGNED AN UPDATED FREE TRADE AGREEMENT

President of Ukraine Volodymyr Zelenskyy and Prime Minister of Canada Justin Trudeau signed an updated Free Trade Agreement between the two countries. It will replace the current Agreement that has been in effect since 2017. This was reported by the press service of the Ministry of Economy of Ukraine on September 23.

According to Yulia Svyridenko, First Deputy Prime Minister and Minister of Economy of Ukraine, the new Agreement brings significant changes to the trade regime between Ukraine and Canada. Also, within the framework of this document, the countries concluded an Agreement on digital trade, which became the second for our country after the corresponding Agreement was signed with Great Britain.

"This Agreement takes the trade relations of the two countries to a new dimension because when preparing the document, we applied a new liberal method in the field of services – everything that is not prohibited is allowed. So, the Agreement does not regulate what is allowed, but on the contrary – it carefully prescribes exceptions to the complete freedom to provide services. This should contribute to the maximum development of trade in services between Ukraine and Canada. The section dealing with the trade in goods contains new rules of origin that allow the use of parts or ingredients from the EU, Britain, Israel for goods exported to Canada duty-free. This will expand the involvement of Ukrainian manufacturers in global supply chains," explained Yulia Svyridenko.

According to her, the section on the protection of business interests was updated in the Agreement, adding a comprehensive and modern set of legal instruments for investment protection. The conditions for the temporary entry of employees of Ukrainian companies to Canada for the purpose of providing services were also expanded and simplified.

"The new Agreement also includes updated chapters on rules and procedures of origin, competition policy, monopolies and state-owned enterprises, public procurement, environment, labor, development and administration of measures and transparency, anti-corruption and responsible business conduct," the press service added.

## RUSSIA

### IN 2023, RUSSIA CAN HARVEST THE SECOND-LARGEST GRAIN CROP – EXPERT

In 2023 the grain harvest in Russia could be about 140 mln tonnes, which will be the second record in terms of volume in history. This forecast was expressed by the general director of the ProZerno company, Vladimir Petrichenko, TASS reports.

“Now we are reaching a grain yield of about 31 q/ha. This will help, I believe, to collect 140 mln tonnes of grain in bunker weight, including 90 mln tonnes of wheat. These are very high figures, second only to a result last year,” the expert said.

In general, according to ProZerno estimates, grain production in Russia in 2023 is projected at 140.2 mln tonnes, incl. wheat – 90.1 mln tonnes, barley – 20.8 mln tonnes.

“The corn harvest is expected to be 15.2 mln tonnes, but the final figures will depend, among other things, on possible losses of the crop. However, the pulses harvest could be very high – 5.8 mln tonnes,” added V. Petrichenko.

## CIS COUNTRIES

### KAZAKHSTAN HARVESTED 60% OF GRAINS

To date, in Kazakhstan, 10.3 mln ha of planting areas have been harvested, which is almost 60% of the planned area. Therefore, grain harvest amounted to 9.5 mln tonnes, including 6.9 mln tonnes of wheat, the press service of the Ministry of Agriculture reported.

Despite unfavorable weather conditions, the expected grain harvest will be enough to fully supply Kazakhstan with bread, flour, and pasta, the Ministry of Agriculture believes. The country has a large volume of high-quality grain from last year's harvest.

“The export potential will decrease due to the reduction in productivity, but the country will retain its positions on traditional export markets,” the Ministry of Agriculture is confident.

### KAZAKHSTAN BANNED THE IMPORT OF WHEAT BY ROAD AND RAIL – OFFICIALLY

Kazakhstan introduced a ban on the import of wheat by road and rail transport. The corresponding order No. 337 was signed by the Minister of Agriculture of the Republic of Kazakhstan on September 25.

The restrictions are imposed for a period of 6 months and apply to the import of wheat (code of the commodity nomenclature of foreign economic activity of the Eurasian Economic Union: 100119; 100199):

- to the territory of the Republic of Kazakhstan by road transport from third countries and from the countries of the Eurasian Economic Union (from October 11, 2023);
- to the territory of the Republic of Kazakhstan by rail transport from third countries and EAEU countries, except for the import of wheat to the address of licensed elevators, grain processors, and poultry enterprises (from September 25, 2023).

The Department of agri-food markets and processing of agricultural products of the Ministry of Agriculture is instructed to form and send a list of licensed elevators, grain processors, and poultry enterprises for JSC "National Company "Kazakhstan Temir Zholy".

It is clarified that the ban does not extend to the transit of products through the territory of the Republic of Kazakhstan.

### KAZAKH FARMERS WILL INCREASE THE AREA UNDER SUNFLOWER SEEDS IN 2024 – EXPERT

To reduce risks and to balance profits, Kazakh farmers will pay more attention to drought-resistant crops, such as sunflower seeds. This opinion was expressed by Farid Abitaev, General Director of Oilseeds Experimental Farm LLP.

“We have been dealing with sunflower seeds in the east all our lives and know very well the break-even point, which is 6 q/ha. Everything above 6 q/ha is a profit (if we calculate from a price of 150`000 tenge/t, then the cost is 90`000 tenge/t). No matter what people may say about sunflower seed, that it won't be planted, from year to year the area expands. This speaks for itself,” the expert emphasized.

According to him, this year the area under sunflower seeds increased by 15%.

“Next year there will be growth again since the seeding rate is small, and when planting sunflower seeds, the cost of seeds is lower compared to wheat. Plus, sunflower seed is a drought-resistant crop, which is very important now,” noted F. Abitaev.



## CIS COUNTRIES

He said that in general, due to the drought in the East Kazakhstan region this year, the yield of grains decreased by 2 times, of legumes – even more. Sunflower seeds also suffered but to a lesser extent. Farmers estimate that the harvest is expected to decline by about 15%.

As for wheat, according to market participants, the share of sprouted grain in 2023 may be up to 50%, and not 15%, as the Ministry of Agriculture reports.

F. Abitaev warned that there is a threat of an acute shortage of wheat seeding material for next year – the shortage could reach 1 mln tonnes (with a requirement of 2 mln tonnes).

The expert noted that one of the tools for reducing risks for farmers is insuring crops against drought and excess rainfall. Moreover, now the cost of an insurance contract for farmers is subsidized by 80% by the state.

“This tool is very effective, considering that every year we face drought. We insure our crops, and we are paid an insurance premium; if we talk about numbers, it is 1 to 5. The costs are 5 times less than we received the insurance premium. In the East Kazakhstan region, most farms use this tool, and very actively, after all, we are in the zone of risky farming,” said F. Abitaev.

According to the Agricultural Credit Corporation, over three years of implementing index insurance for deficit and excess soil moisture, Kazakhstani farmers received 2 bln and 552 mln tenge as insurance payments, which is 1.6 times higher than the total amount of insurance premiums.

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#### IN THE NEXT 3 YEARS, KAZAKHSTAN WILL LAUNCH 5 CROSS-BORDER TRANSPORT AND LOGISTICS HUBS

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Kazakhstan aims to become a full-fledged transport and logistics hub in Central Asia and the Caspian region. To implement this task, transport, logistics, and trade hubs are being created around the country, on the borders with China, Kyrgyzstan, Uzbekistan, the Russian Federation, and the Caspian Sea. To monitor the progress of work on creating this network, Deputy Prime Minister of the Republic of Kazakhstan Serik Zhumangarin held a meeting of the operational headquarters.

The project for the construction of the multifunctional sea terminal “Sarzha” in the Caspian Sea is at the finish line.

According to S. Zhumangarin, the Caspian transport hub project should be considered together with the order of the head of state on the construction of a high-speed railway from Chelyabinsk to Iran through Kazakhstan.

“We are on the verge of signing an agreement on a free trade zone with Iran for a wide range of goods; we are faced with the task of bringing trade turnover with Iran to \$3 bln. And this is despite the fact that the main goods supplied will be food products. The Qaztrade Trade Policy Center, for its part, needs to work out mechanisms to support grain exporters to Iran,” said the Deputy Prime Minister.

Another project is the industrial trade and logistics complex (ITLC) “Alatau” on the border with Kyrgyzstan.

It is planned to create a food hub at the Khorgos hub, a place for collecting, storing, and distributing food products from Kazakh and foreign producers for subsequent export to Chinese and Asia-Pacific food markets.