

December 19, 2013. At the Agrarian Union of Ukraine a regular meeting of the independent Advisory Council on the Price Situation in the Agricultural Market took place with the participation of the Agrarian Union of Ukraine, the Association "Ukrainian Agribusiness Club", analytical center "Ukragroconsult", AUC "Cossack Grain Union", project "Trading Advisor", independent experts and with the support of USAID-Agroinvest.

**Wheat.** During the current week, prices of food and feed wheat have not changed at the EXW and FOB basis. The price area of food wheat on CPT basis has changed: the lower price decreased on 90 UAH/mt, the higher price increased on 85 UAH/mt. This situation has showed strong differences in products quality.

Some of the market players announced about decreasing of prices on food wheat on 50 UAH/mt and feed on 100 UAH/mt due to formation enough stocks for its further processing. The supply of wheat was also limited due to approaching holidays and plans of processors to sell big batches in next calendar year.

**Table 1. Wheat price level in Ukraine and world**

Supplying basis	Units	11.12.2013	18.12.2013	+/- to lower and higher price (on 11.12.2013)
Ukraine (EXW)				
2 class	UAH/mt	1780-1900	1780-1900	without change
3 class	UAH/mt	1650-1790	1650-1790	without change
feed	UAH/mt	1550-1650	1550-1650	without change
Ukraine (CPT)				
2 class	UAH/mt	1990-2015	1900-2100	(-90) – (+85)
3 class	UAH/mt	1900-1950	1900-1950	without change
feed	UAH/mt	1800-1830	1800-1830	without change
Ukraine (FOB)				
2 class	\$/mt	295-300	295-300	without change
feed	\$/mt	258-263	258-263	without change
CBOT futures on Black Sea Wheat (BSW), Ukraine (December)	\$/mt	303,9	303,9	without change
CBOT futures on Soft Red Wheat (SRW), USA (December)	\$/mt	239,0	227,6	-11,4

The CBOT quotation of price on American wheat decreased on \$11.4/mt due to high stock levels, position weakening on physical market of USA and under the results of Egyptian tender on American wheat.

In short-term perspective, the gradual decreasing of price on wheat is possible due to decreasing of trade activity before holidays.

**Barley.** During the current week, the prices on barley marked have not changed on all bases (table 2). The trade activity is pretty low. Farmers are going to sell big batches of barley for 1900 UAH/mt on EXW basis, so they are keeping product now. Export companies have no interest to this culture because of demand absence on it at the international market.

Table 2. Feed barley price level in Ukraine and world				
Supplying basis	Units	11.12.2013	18.12.2013	+/- to lower and higher price (on 11.12.2013)
Ukraine (EXW)	UAH/mt	1580-1680	1580-1680	without change
Ukraine (CPT)	UAH/mt	1680-1780	1680-1780	without change
Ukraine (FOB)	\$/mt	н/д	н/д	-
BCE futures on barley, Hungary (December)	\$/mt	225,7	227,8	+2,1

We are not forecasting barley price increasing at the end of December – beginning of January in Ukraine.

**Corn.** The corn price on EXW basis has increased on 10-20 UAH/mt for the current week, but this situation is not compensate the price decreasing of previous week. There is a lot of low quality corn at the market, because of impossibility of its long-term storage. The supply of good quality product is decreasing, but still producers are talking about readiness to sell it for 1300-1350 UAH/mt on EXW basis.

On CPT basis prices have not changed (table 3). On FOB basis prices have decreased on \$5/mt that explains by trade activity decreasing before holidays.

Table 3. Corn price level in Ukraine and world				
Supplying basis	Units	11.12.2013	18.12.2013	+/- to lower and higher price (on 11.12.2013)
Ukraine (EXW)	UAH/mt	1120-1230	1130-1250	(+10) – (+20)
Ukraine (CPT)	UAH/mt	1420-1480	1420-1480	without change
Ukraine (FOB)	\$/mt	208-211	203-206	(-5) – (-5)
CBOT futures contract, USA (December)	\$/mt	172,4	167,9	- 4,5

The CBOT quotation of corn price has decreased on \$4.5/mt due to problems with supplying of GM-corn to China.

In short-term period we are not forecasting critical price change at the market. The only possibility for price increasing could be realization of the export-quality corn with the basic moisture indexes.

**Sunflower.** The sunflower seeds price have decreased for all bases during the current week: EXW – 50-100 UAH/mt, CPT – 50 UAH/mt and FOB - \$5/mt (table 4).

The sunflower seeds price decreasing is caused by huge decreasing of sunflower oil export prices on \$15-20/mt on FOB basis. This marked is located under the pressure of palm oil market with its price decreasing due to information about huge stocks of “palm” in Malaysia.

Table 4. Sunflowers seeds price level in Ukraine and world				
Supplying basis	Units	11.12.2013	18.12.2013	+/- to lower and higher price (on 11.12.2013)
Ukraine (EXW)	UAH/mt	3200-3450	3150-3350	(-50)– (-100)
Ukraine (CPT)	UAH/mt	3350-3600	3350-3550	0 – (-50)
Ukraine (FOB)	\$/mt	460-465	455-465	(-5) – 0
BCE futures contract, Hungary (December)	\$/mt	449,6	447,5	-2,1
Sunflower oil price level in Ukraine and world				
Ukraine (FOB)	\$/mt	880-895	865-875	(-15) – (-20)
Netherlands (FOB)	\$/mt	990	975	-15

In short-term period the price on sunflower seeds would be under influence of various factors. From the one side, under influence of world price decreasing on sunflower oil and pressure of gross harvest. From the other side, Ukrainian reprocessing plants need raw materials to produce oil in conditions of seeds deficit. Experts think that market had already reacted on decreasing of oil price and the chances for further sunflower seeds price decreasing are minimal.

**Rapeseed.** The price situation at the rapeseed market is stable. Domestic prices have not changed for last week (table 5). The demand from the side of reprocessing enterprises is low due to formation of necessary stocks of raw material. Export companies could not buy canola for settled price.

The MATIF prices have decreased on 1.5 EUR/mt for last week.

Table 5. Rapeseed price level in Ukraine and world				
Supplying basis	Units	11.12.2013	18.12.2013	+/- to lower and higher price (on 11.12.2013)
Ukraine (EXW)	UAH/mt	3600-3700	3600-3700	without change
Ukraine (CPT)	UAH/mt	3750-3850	3750-3850	without change
Ukraine (FOB)	\$/mt	495-510	495-510	without change
MATIF futures contract, France (February)	EUR/mt	365,25	363,75	-1,5

In short-term period we are not forecasting the price for rapeseed increasing. The absence of demand competition at the market and world trends could be the reason for price decreasing.

**Soybean.** The upward price trend is continuing its action at the Ukrainian market of soybean. The lower price level have increased on 100 UAH/mt on CPT basis, the export price have increased on \$5/mt. The demand increase, limited supply of high quality seeds, and also world trends are stimulating soybean price increasing.

<b>Table 6. Soybean price level in Ukraine and world</b>				
<b>Supplying basis</b>	<b>Units</b>	<b>11.12.2013</b>	<b>18.12.2013</b>	<b>+/- to lower and higher price (on 11.12.2013)</b>
Ukraine (EXW)	UAH/mt	3900-4000	3900-4000	without change
Ukraine (CPT)	UAH/mt	4000-4200	4100-4200	(+100) – 0
Ukraine (FOB)	\$/mt	500-505	505-510	(+5) – (+5)
CBOT futures contract, USA (January)	\$/mt	491,7	494,7	+3,0

The soybean price has increased on \$3/mt at the CBOT during last week. Such a support has been realized by high export demand on American soybean and information about possible complication of weather conditions in “soy belt” of South America.

The last forecast of USDA could turn the soybean quotation of price to decreasing due to increasing of gross soybean harvest forecast in the world to 284.9 mln tons and information about bird flu from the China.

In short-term period we are expecting for a “side” price trend.