

**December 26, 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, Association “Ukrainian Agribusiness Club”, AUC “Cossack Grain Union”, project “Trading Advisor”, analytical center “Ukragroconsult” and independent experts.

**Wheat.** During the current week prices of food and feed wheat have not significantly changed at the EXW-elevator and CPT-port bases. Most players have sufficient stocks of products, so they have not stimulated any price changes.

The export market has no trade activity due to limited supply of big batches of wheat and also low demand from the side of importing countries. The prices have not significantly changed (FOB basis): food wheat – decreased on 2 USD per ton, feed – increased on 2 USD per ton.

Table 1. Wheat price level in Ukraine and world				
Supplying basis	Units	18.12.2013	25.12.2013	+/- to lower and higher price (to 18.12.2013)
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	1900-2100	1900-2050	(+50) – (-50)
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	295-298	(0) – (-2)
feed	\$/mt	258-263	260-265	(+2) – (+2)
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	227,6	222,7	- 4,9

The CBOT quotation of price on American wheat have decreased on \$4.9/mt due to weak export demand and under the influence of favorable weather conditions for winter wheat sowing in the USA.

In short-term perspective, the decreasing of trade activity is possible. This will lead to stabilization of price situation and also its decreasing is possible.

**Barley.** During the current week, the prices on barley market have not changed on all bases (table 2). The trade activity is pretty low. The producers have deterred big batches. The single small batches have been sold due to necessity of current assets receiving. The export companies were not interested in barley due to demand absence at the international market.

Table 2. Feed barley price level in Ukraine and world				
Supplying basis	Units	18.12.2013	25.12.2013	+/- to lower and higher price (to 18.12.2013)
Ukraine (EXW)	UAH/mt	1580-1680	1580-1680	without change
Ukraine (CPT)	UAH/mt	1680-1780	1680-1780	without change
Ukraine (FOB)	\$/mt	-	-	-
BCE futures on barley, Hungary (December)	\$/mt	227,8	226,5	-1,3

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

**Corn.** During the current week, the prices on corn market have not changed on EXW-elevator and CPT-port bases (table 3). Most producers have laid the culture on storage. Most processors have formed sufficient stocks of raw materials. Therefore the level of trade activity was low.

The lower corn price limit has increased on 2 USD per ton. That explains by price increasing on the international market.

Table 3. Corn price level in Ukraine and world				
Supplying basis	Units	18.12.2013	25.12.2013	+/- to lower and higher price (to 18.12.2013)
Ukraine (EXW)	UAH/mt	1130-1250	1130-1250	without change
Ukraine (CPT)	UAH/mt	1420-1480	1420-1480	without change
Ukraine (FOB)	\$/mt	203-206	205-206	(+2) – (0)
CBOT futures contract, USA (December)	\$/mt	167,9	171,0	+3,1

The CBOT quotation of corn price has increased on \$3.1/mt due to ethanol price increasing in the USA.

In short-term period the corn price decreasing is possible in Ukraine. The grain with export quality and basic indexes of moisture will cost more.

**Sunflower.** The sunflower seeds price has decreased on 50 UAH per ton at EXW-elevator and CPT-factory bases during the current week due to sunflower oil price decreasing and decreasing of trade activity by reprocessing enterprises. The trade was conducted mostly by small batches, what was caused by lack of current assets and impossibility of long-term sunflower storage.

Table 4. Sunflowers seeds price level in Ukraine and world				
Supplying basis	Units	18.12.2013	25.12.2013	+/- to lower and higher price (to 18.12.2013)
Ukraine (EXW)	UAH/mt	3150-3350	3100-3300	(-50) – (-50)
Ukraine (CPT)	UAH/mt	3350-3550	3300-3500	(-50) – (-50)
Ukraine (FOB)	\$/mt	455-465	455-465	without change
BCE futures contract, Hungary (December)	\$/mt	447,5	-	-
Sunflower oil price level in Ukraine and world				
Ukraine (FOB)	\$/mt	865-875	860-875	(-5) – (0)
Netherlands (FOB)	\$/mt	975	-	-

In short-term period there are no reasons for sunflower price increasing. The price of sunflower oil and demand on it will decrease due to New Year's holidays, but with restoring of trade activity after holidays the prices should increase.

**Rapeseed.** The situation at the rapeseed market was stabile: no trade activity and no price changes (table 5). The trade activity absence is caused by selling or contracting of rapeseed greater part at the beginning of the season. The prices have declarative character now.

Table 5. Rapeseed price level in Ukraine and world				
Supplying basis	Units	18.12.2013	25.12.2013	+/- to lower and higher price (to 18.12.2013)
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	363,75	367,75	+4

The MATIF quotation have increased on 4.0 EUR/mt for last week.

In short-term period we are forecasting stabile price situation and low level of trade activity at the Ukrainian market.

**Soybean.** The price of soybean has decreased on 50 UAH per ton at the EXW-elevator and CPT-factory bases (table 6). Most of the consumers have satisfied their needs before holidays. The export prices have not changed.

<b>Table 6. Soybean price level in Ukraine and world</b>				
<b>Supplying basis</b>	<b>Units</b>	<b>18.12.2013</b>	<b>25.12.2013</b>	<b>+/- to lower and higher price (to 18.12.2013)</b>
Ukraine (EXW)	UAH/mt	3900-4000	3850-3950	(-50) – (-50)
Ukraine (CPT)	UAH/mt	4100-4200	4050-4150	(-50) – (-50)
Ukraine (FOB)	\$/mt	505-510	505-510	without change
CBOT futures contract, USA (January)	\$/mt	494,7	490	-4,7

The soybean price has decreased on \$4.7/mt at the CBOT during last week that was caused by information about improving of weather conditions in “soybean belt” of South America.

In short-term period we are expecting low level of trade activity and “side” price trend. The trade intensification and price increase should be expected after holidays.