

## Information of the situation in the grain market as of March 31, 2019

**WORLD:** World wheat production in 2019, according to the forecast data of the International Grains Council (IGC), will be 758.7 million tons, which is 23.8 million tons more than last year (734.87 million tons).

The harvest of 2018 was the lowest since 2014, the decline in wheat production tightened the price level of export prices on the world market for wheat to \$ 220-240. USA/ton. Australia (-19%), Russia (-16%) and the EU (-9%) had the highest decline in harvest.

In 2019, production growth was associated with an increase in the sowing area and harvest in the EU (+ 8%), Russia (+ 7.6%), Ukraine (+ 10%), Australia (+ 32%), etc.

According to the forecast of production growth at the beginning of the new 2019/29 MY, it is expected that world prices may drop to \$ 195-200. USA/ton.

### Export prices of cereal (doll. USA / ton).

Country	Product	Class/quality	Basis	Price (\$/ton)
<b>Wheat</b>				
<b>Kazakhstan</b>	wheat	3 class	DAP Sary-Agash st.	215
Russia	wheat	protein 12,5%	FOB port of Novorossiysk	228
France	wheat	food.	FOB Rouen port	217
USA	wheat	food.HRW	FOB Gulf of Mexico	223
<b>Barley</b>				
<b>Kazakhstan</b>	barley	coarse grain	FOB port of Aktau	230
France	barley	coarse grain	FOB Rouen port	201
Ukraine	barley	coarse grain	FOB Black sea port	195

### **RUSSIA:**

According to the forecast data of the "IKAR" information agency, wheat production in the Russian Federation in 2019 will amount to 78.5 million tons, against 72.1 million tons in the past 2018. At the same time, exports will not increase much and will amount to 37 million tons, due to the reduction of ending stocks, which at the beginning of 2019/20 MY will be reduced from 14.2 to 8.7 million tons.

From the beginning of 2018/19 MY to March 24, 2019, exports of wheat amounted to 30.2 million tons, with a plan of 36.0 million tons.

According to Rosstat, stocks of grain crops in procurement and processing organizations, as well as in agricultural organizations as of March 1, 2019, amounted to 27.5 million tons, which is 28% lower than last year.

Despite the slowdown in exports, the situation with stocks is getting worse. As in previous periods the situation is most acute, with the situation with grain

stocks in the south of the country, where they are more than twice lower than last year's. The situation in the Center and the Volga region is not so tense, where, however, the reserves are also seriously inferior to those of previous years. Only the Siberian District still has relatively high grain reserves.

Regarding the situation with prices, there was a slight price increase in the south, which is explained by the activation of some exporters in order to fulfill current contracts. In addition, the situation with payment for supplies in the Caspian direction has improved somewhat.

**KAZAKHSTAN:** According to the projected estimates of the International Grains Council in Kazakhstan in 2019, wheat production could reach 14 million tons.

Supply prices for standard wheat with gluten 23% were voiced within 62-65 thousand tenge / ton the basis of EXW, wheat 4 cells. (gluten 18-22%) - 58-60 thousand tenge, wheat 5 cells. - 49-50 thousand tenge per ton.

The average purchase prices for barley were formed at the level of 57-58 thousand tenge per ton EXW free-elevator.

At the same time, in many cases the prices of supply of agricultural producers by 5-8% exceed the level of purchase prices.

The demand of the countries of Central Asia is still low, it is expected that the maximum bid prices will gradually decrease.

According to the data of APK-Inform Agency, as of March 31, 2019, the offer prices for class 3 food wheat are announced within 203-210 USD / ton DAP Sary-Agash, barley on FOB terms Aktau 207-214 USD / ton.