

## Information on the situation on the grain market as of December 28, 2018

### WORLD:

World wheat production in 2018 according to the USDA will be 733.4 million tons, which is 29.7 million tons lower than last year.

Yields, lower than in the previous season, are expected in a number of exporters, including Australia, Russia, Ukraine and the EU, but production is expected to increase in the United States, Canada and Argentina.

At the same time, wheat trade from last year will be reduced from 181.2 million tons to 177.3 million tons (-3.9 million tons), stocks will decrease to 268.1 million tons, against 279.9 million tons last season.

According to a prospective estimate, Russia will remain the world's largest exporter, although the expected volume of shipments is 36.5 million tons, which is 4.9 million tons below last year's record of 41.4 million tons.

Improvement suggestions in the local market will keep the import needs of the countries of North Africa, and purchases in the region, according to the International grains Council can drop by 2.1 million tons to 25.7 million tons – mainly due to a reduction in Algeria and Morocco. With an expected volume of purchases of 12.5 million tons (12.4 million tons), Egypt will retain its place as the world's largest importer.

### Grain export prices (USD/ ton).

Country	Goods	Class/quality	Basis	Price (\$/ton)
				28.12.18
Russia	wheat	protein 12.5%	FOB Novorossiysk port	238
Ukraine	wheat	protein 12.5%	FOB Black sea port	236
France	wheat	the food.	FOB the port of Rouen	238
USA	wheat	the food.HRW	FOB Gulf of Mexico	249
<b>Kazakhstan</b>	barley	fodder	FOB Aktau port	197
France	barley	fodder	FOB the port of Rouen	241
Ukraine	barley	fodder	FOB Black sea	237

### RUSSIA:

News Agency "ICAR", Russia has adjusted its estimates of production and export of grain in Russia. Taking into account the preliminary data of Rosstat, the estimate of wheat production in Russia was increased by 1.2 million tons to 72.1 million tons, taking into account the calculated volumes in Siberia and the Volga region, where the main increase occurred.

The forecast of wheat exports in 2018/19 MY increased from 33.3 million tons to 34.5 million tons. At the same time, the export potential of the South has exhausted itself to a greater extent, and in order to achieve the indicated volumes of exports it will be necessary to intensify exports from outlying regions (Volga region, Siberia), competing with local processing.

The forecast of barley production will be 17 million tons.

According to preliminary data, 28.2 million tons of grain were exported from the country, including 23.8 million tons of wheat, which is more than 70% of the export potential, from the beginning of the season to 27 December 2018. A year earlier on the same date, the export of all grain was at the level of 28.4 million tons, and wheat-21.5 million tons.

Grain in the first half of the season was exported mainly to Egypt, Turkey, Saudi Arabia, Bangladesh, Nigeria, Vietnam, etc.

KAZAKHSTAN: Prices for standard wheat with gluten 23% were announced within 54-55 thousand tenge / t on the basis of EXW, wheat 4 cl. (gluten 18-22%) – 47-49 thousand tenge, wheat 5 cl. – 43-44 thousand tenge per ton.

Average purchase prices for barley were formed at the level of 47-49 thousand tenge per ton EXW Franco-Elevator.

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

In the wheat market, the domestic market continues to support prices, as well as an insufficient number of both grain cars and covered wagons.

In the market for fodder barley, prices were still supported by stable demand from Iranian buyers.

Demand from Central Asian countries for wheat was still active.

According to "APK-inform" IA on December 29, the offer prices for food wheat of the 3rd class are announced within 188-193 USD/t DAP Sary-Agash, which is 1-2 USD/t higher than last week.

In turn, the offer prices for grain class 4 are fixed in the range of 177-181 USD/t DAP Sary-Agash, which is 2 USD /t higher than the previous week.