

Fryer's EU - Black Sea Report

WHEAT										Freight			
Matif wheat				LIFFE (£)			CME CVB (\$)			Egypt	Algeria	Morocco	
Previous	Mar 26	May-26	Sep-26	Dec-26	May 26	Nov 26	Mar-26	May-26	Baltic	Rouen	Constanza	Russia	Argie
189.25	190.00	194.00	199.75	168.50	171.05	230.75	232.00	26	31	26	21	24	36
Close Jan 13	190.25	191.00	195.50	201.25	168.55	170.00	231.50	232.25	22	26	26	24	
Change	1.00	1.00	1.50	1.50	0.05	-1.05	0.75	0.25	24	29	24	24	
									40	38			

Fob Basis (€)	France	German	Baltic	***CVB	Baltic	FOR Kaposvar	Flat Fob	France	German	Baltic	Baltic	Baltic
US\$	11 pro	12.5 pro	12.5 pro	CVB***	11.5 pro	11 pro	USS	11 pro	12.5 pro	12.5 pro	11.5 pro	14 pro
Feb-26	197	204	203	200	197	190	230	238	237	230	247	
Mar-26	198	205	204	201	198	190	231	239	238	231	248	
Apr-26	199	207	206	204	201	190	232	241	240	234	252	
May-26	202	208	206	205	202	192	235	242	240	235	254	

*NTT = Novorossiysk, Taman, Tuapse				** POC = Pivdennyi, Odessa, Chornomorsk				***CVB = Constanza, Varna, Burgas				Spot CPT markets	
Fob	Russian Azov	Russian NTT*	CVB***	Ukraine POC**	Russian	***CVB	Egypt (11.5)	Egypt (12.5)	Jan 14 - Jan 20	Russian export tax	Russia (12.5 pro)	Rub	Constanza (12pro)
Feb-26	191	226	233	228	223	231	243	246	0.00	approx US\$	\$0.00	\$ (inc. tax)	198.11
Mar-26	-	226	234	228	223	232	243	246	Indicative price	\$229.2	Constanza (12pro)	25/26	26/27
Apr-26	-	227	237	229	223	235	243	247	Previous	0		€192	€186
May-26	-	228	238	230	224	236	244	248				\$224	\$217

The post USDA world is not much changed from the pre USDA report in cash markets with flat price levels still mostly as they were last week. There was some headline support to futures from reports of damaged merchant vessels in the Black Sea but the market is going to have a tough time to sustain a rally with the backdrop of a now very heavy corn supply outlook. French 10.5 pro premiums continue to trade at +3H, with additional vessels in the line-up for Spain and Ireland, whilst the non-EU line-up shows 5 vessels to Morocco plus 3 other handies for Africa, making for a season total 4.3 Mmt (Brussels 3.7 Mmt). Romanian line-ups meanwhile have 4.6MMT soft wheat shipped to 3rd countries against just over 4MMT by the same period last year, and 7.25MMT the year prior. Brussels data is on page 3 this week. Domestic traders describe finding buyers as very challenging to begin the year for old crop, and new crop trade is impossible and Jordan passed on their tender too. In the Black Sea, the USDA's 2MMT increase to Russian wheat production will not be challenged by many (allowing for around 1MMT for Crimea which locals put into their numbers). They solved the 2MMT increase in production by raising winter wheat yields and spring wheat acreage with spring wheat yields standing out for being off the charts relative to trend at 2.4t/ha. We assume that spring wheat farmers will respond to this by returning the planted area to back over 12mha placing our initial new crop guesstimate at 91.2MMT (see page 2 for table breakdown behind this number).

BARLEY										
Fob	France (€)	German (€)	Baltic (€)	CVB (€)	FOR Kaposvar	France (\$)	German (\$)	Baltic (\$)	CVB/Balkans (\$)	Rus/Ukr (\$)
Feb-26	201	200	199	211	185	234	233	232	246	236
Mar-26	202	201	200	212	185	235	234	233	247	237
Apr-26	203	202	201	213	186	236	236	234	248	238
May-26	204	204	205	216	189	238	237	238	251	241

Russian Export Tax	Jan 14 - Jan 20	Indicative price	Aprox US\$	Freight	NW EU	B. Sea	Aussie (Gulf)
	0	\$220	\$0.0	Jeddah	35	28	30

Brussels data shows EU exports up 127kt as of 11 Jan, lifting the total so far to 5.4 MMT, almost 3 MMT higher y/y (see page 3). French Barley continues to drive the markets with vessels for Iraq, India (malting), Tunisia, Morocco and Libya, for a season total 2.4MMT. French FOB indications point to values around—or just below \$235. Germany appears to have some availability, while Black Sea offers remain largely nominal. Barley now faces increasing competition from cheaper corn if the bearish tone there persists. While substitution with corn may make sense for some millers, key destinations such as Saudi Arabia are unlikely to significantly reduce barley imports, given the largely inelastic demand (the cheap feed wheat proved that). Jordan skipped buying wheat today, and we will see if they buy or skip Barley tomorrow. Meanwhile, the Black Sea coaster and handy market will be closely watching Turkey's tender on Thursday for direction.

CORN											
Futures	Mar	Jun	Aug	Fob	Fr Bay €	Poland €	*Rhine €	Constanza €	FOR Kaposvar	Constanza \$	Ukraine \$
Previous	189.75	190.75	195.00	Spot (1-30)	197	185	195	193	192	225	217
Close Jan 13	190.25	190.75	195.00	FM	200	187	196	194	194	226	221
Change	0.50	0.00	0.00	AMJ	204	190	197	193	199	225	220

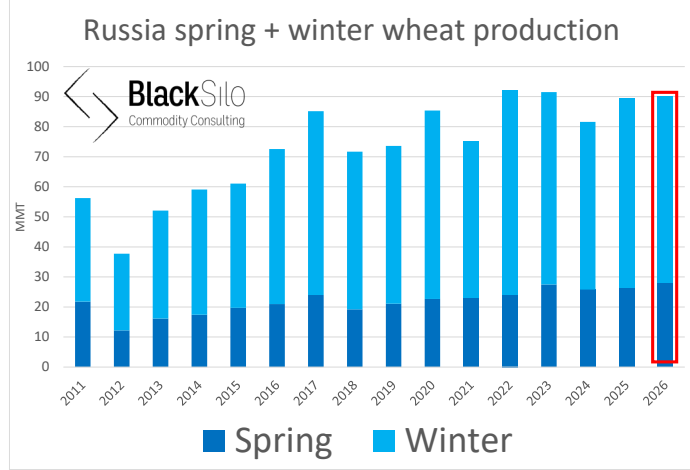
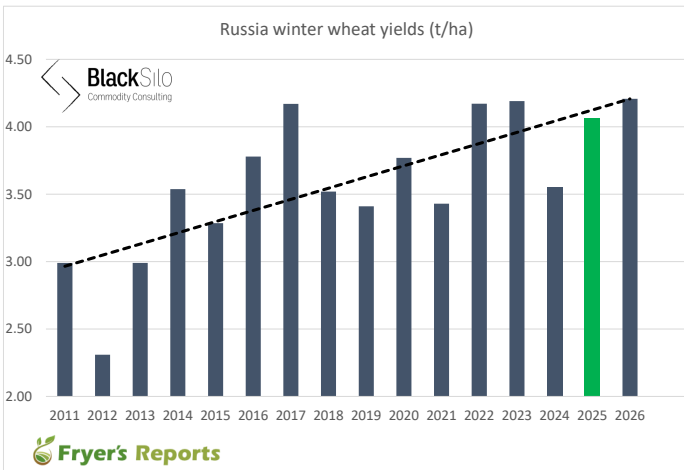
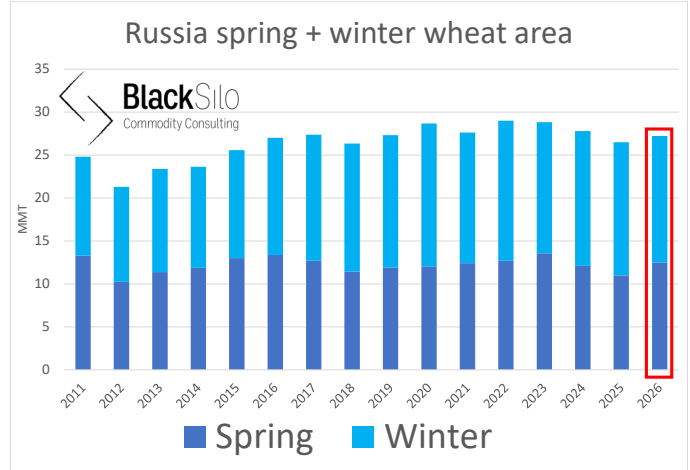
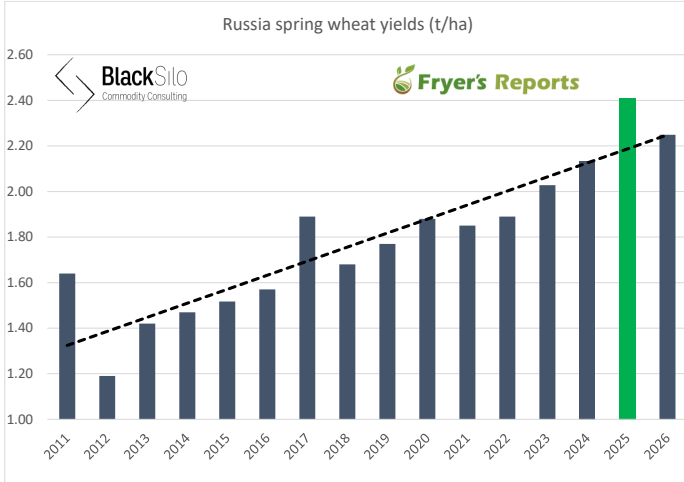
*Basis July	Russian Export Tax	Jan 14 - Jan 20	Indicative price
		0	\$0.0

MATIF corn has relatively so far held firm despite the sharp drop in Chicago. French market is believed to be slow following a more active week, with Rhine trade at near €196 for Jan-June, and quiet Atlantic cash market. Ukrainian corn faces renewed competition from cheaper US and SOAM supplies, though market is helped by the fact that Argentina is nearing the end of its old crop season. Brussels increased EU imports (Oct-Sep) by 656kt to 5.4 MMT as of 11 Jan, down 5% compared to last year where cheap US corn dominates the supply.

World Wheat Fob Comparisons from lowest to highest

	Argentine	Russian	SRW	French	Baltic	CVB	Baltic	German	APW	HRW
	11.5	12.5		11.5	11.5	12.5	12.5	12.5		11/12.5
Feb-26	218	225	228	230	230	233	237	238	241	256
Mar-26	219	225	226	231	231	234	238	239	242	252
Apr-26	220	226	225	232	234	237	240	241	243	245

	\$	Change	€	Change		\$	Change	€	Change
€	1.1647	-0.0020	1	0.0000	UAH	43.2875	-0.1715	50.4170	-0.1472
£	1.3429	-0.0030	1.1537	-0.0006	Turk Lr	43.1096	0.0408	50.2098	0.0350
Rub	78.746	0.4250	91.7149	0.3649	Egypt £	47.1000	-0.0500	54.8574	-0.0429



Russia Wheat Area, Yield and Production (alt)			
Area			
Year	Spring	Winter	Total area
2022	12,700	16,300	29,000
2023	13,560	15,270	28,830
2024	12,100	15,700	27,800
2025	11,000	15,500	26,500
2026	12,500	15,000	27,500
YoY change	14%	-3%	4%
Yield (trend)			
Year	S. yield	W. yield	Total yield
2022	1.89	4.17	3.17
2023	2.03	4.19	3.17
2024	2.13	3.55	2.94
2025	2.41	4.06	3.38
2026	2.25	4.21	3.32
YoY change	-7%	4%	-2%
Production			
Year	Spring	Winter	Total production
2022	24,000	68,000	92,000
2023	27,500	64,000	91,500
2024	25,800	55,800	81,600
2025	26,500	63,000	89,500
2026	28,109	63,111	91,220
YoY change	6%	0%	2%

Russian spring wheat are implied to have been off the charts in terms of its deviation from trend whilst winter wheat yields reached trend levels, despite some challenging growing conditions. Looking to next season, farmers tend to respond even more favourably to yields than price and assuming farmers enjoyed reaping record wheat yields they will expand the area back to near recent levels of over 12mha.

Lets assume a 12.5mha spring wheat area, and a slightly smaller w wheat area of 15mha (switch to sunseeds). Trend yields would mean a big drop in spring wheat yields (but from very high levels) and small increase in winter wheat yields.

Pull it all together and you get an 91.2MMT opening gambit for next seasons total wheat crop that is back up with the '22 and '23 crops.

EU Trade Update as of Jan 11

Exports					Imports					
	25/26 Total	Exports Change	24/25	YOY Change		25/26 Total	Imports Change	24/25	YOY Change	
Soft Wheat	11,561	379	11,752	-2%	Soft Wheat	2,199	54	4,594	-52%	
All Wheat	13,004	389	12,486	4%	All Wheat	3,269	193	5,597	-42%	
Barley	5,414	127	2,361	129%	Barley	275	0	732	-62%	
Corn	675	30	1,001	-33%	Corn	8,873	656	10,973	-19%	Nett
	19,093		15,848	3,245		12,417		17,302	-4,885	-8,130
Wheat Exports		Bulgaria	Germany	France	Baltics	Poland	Denmark	Romania	Others	Total
Jan 11		406	866	3,693	2,122	517	30	3,720	207	11,561
Previous		404	827	3,477	2,013	517	28	3,714	202	11,182
Change		2	39	216	109	0	2	6	5	379
Barley Exports		Bulgaria	Germany	France	Baltics	Poland	Denmark	Romania	Others	Total
Jan 11		144	853	1,988	320	1	94	1,933	81	5,414
Previous		144	852	1,896	288	1	93	1,933	80	5,287
Change		0	1	92	32	0	1	0	1	127

EU Top 5 Wheat Exports

	Jan 11	Previous	Change	24/25	YOY
Morocco	2,169	2,021	148	1,183	83%
Saudi	935	935	0	515	82%
Egypt	843	843	0	818	3%
Nigeria	616	616	0	1,857	-67%
Algeria	662	625	37	815	-19%
Others	6,336	6,142	194	6,564	-3%
Total	11,561	11,182	379	11,752	-2%

EU Top 5 Barley Exports

	Jan 11	Previous	Change	24/25	YOY
Saudi	1,327	1,282	45	702	89%
China	882	882	0	309	185%
Jordan	585	585	0	174	236%
Turkey	441	441	0	33	1236%
Algeria	352	352	0	287	23%
Others	1,827	1,745	82	856	113%
Total	5,414	5,287	127	2,361	129%

EU July-June Corn Imports

	25/26 Jan 11	Previous	Change	24/25	YOY
Brazil	2,947	2,881	66	1,622	82%
USA	2,912	2,615	297	1,693	72%
Ukraine	2,406	2,155	251	6,220	-61%
Others	608	566	42	1,438	-58%
Total*	8,873	8,217	656	10,973	-19%

EU Oct-Sep Corn Imports

	25/26 Jan 11	Previous	Change	24/25	YOY
Ukraine	1,704	919	251	3,561	-52%
USA	2,396	1,632	297	780	207%
Brazil	1,049	983	66	779	35%
Others	277	164	42	592	-53%
Total	5,426	3,698	656	5,712	-5%

24/25

	Jul-Sep 24	Jul-Current	Oct-Current
Ukraine	2659	6,220	3,561
USA	913	1,693	780
Brazil	843	1,622	779
Others	846	1,438	592
Total	5261	10,973	5,712

25/26

	Jul-Sep 25	Jul-Current	Oct-Current
Ukraine	702	2,406	1,704
USA	516	2,912	2,396
Brazil	1898	2,947	1,049
Others	331	608	277
Total	3447	8,873	5,426