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Market News

Turkey imposes 130% import tariff on some grains
25 April – World-grain.com

Turkey has imposed a 130% import tariff on some grain imports, including wheat and corn, Reuters reported, citing a presidential decision published in the Official Gazette.
It comes as some EU countries announced bans on Ukraine grain imports, but traders said the move is mostly to protect the local agricultural sector ahead of May 14 elections. A tight race is expected between President Recep Erdogan’s AKP party and the opposition candidate Kemal Kiliçdaroglu, who is supported by several other political parties.
There was no import tax on wheat, barley, rye, oat, corn and sorghum until April 30.
Turkey had reduced import duties on grains and other agricultural goods after the pandemic in late 2020 and stopped them about a year ago, according to Reuters.

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Europe Set to Curb Ukrainian Grain Deals After Farmers Protest
21 April – voanews.com

The European Union is reportedly preparing emergency curbs on Ukrainian food products after several member states bordering Ukraine imposed their own import bans in recent days, complaining that a glut of cheap produce is hitting their own farmers.
Following a virtual meeting with EU officials on Wednesday, Romanian Minister of Agriculture Petre Daea outlined the bloc’s plans. “The [European] Commission is making available to the five countries [Bulgaria, Hungary, Poland, Romania and Slovakia] 100 million euros [$109.32 million] from its crisis reserve. … It provides for the activation of exceptional safeguarding mechanisms, which means stopping imports until June 5 for the following products: wheat, corn, sunflower seeds and rapeseed,” Daea told reporters.
He added that the deal would be made available only when member states had withdrawn their own unilateral import bans. The EU has yet to confirm details of the planned support package.
Ukraine, the world’s fifth-biggest grain exporter, has struggled to ship agricultural produce from its Black Sea ports to world markets following Russia’s invasion last year.
The European Union ended quotas and tariffs on Ukrainian goods after the outbreak of the war to shore up the Ukrainian economy. Eastern European states claim this has led to cheap grain imports being dumped on their domestic markets.
In the past week, Poland, Hungary, Slovakia and Bulgaria have banned the import of Ukrainian grain and other products, in an apparent breach of EU trade law. Bulgarian Prime Minister Galab Donev said Wednesday that the measures were necessary.
“A significant amount of [Ukrainian] food has remained in the country and disrupted the main production and trade chains," Donev told reporters. "If this trend persists and even increases, it is possible to reach extremely serious consequences for the Bulgarian business.”
Polish Prime Minister Mateusz Morawiecki outlined a $2.4 billion support package for farmers and said the European Union response had been inadequate.

“What the EU is offering us is offered with a delay; it is too little, a drop in the ocean of needs,” Morawiecki told a news conference Friday in Warsaw.

Farmers have staged protests in several countries bordering Ukraine, including Romania.

"Our fear is that this unfair competition coming from our colleagues in Ukraine cannot be borne by the Romanian farmers. We will witness a chain of bankruptcies of Romanian farmers,” warned Liliana Piron of the League of Romanian Agriculture Producers Associations at a protest in Bucharest earlier this month.

Brussels warned this week that the import bans violated EU law.

“Unilateral action is not possible under EU trade policy,” European Commission spokesperson Miriam Garcia Ferrer said Wednesday. Nevertheless, it appears the EU is preparing to approve emergency curbs on Ukrainian imports for certain countries.

The dispute has taken many by surprise, said Ian Bond of the Centre for European Reform, an analyst group.

“In the case of Poland, what’s so strange is that this is so much at odds with the assistance that Poland has given Ukraine in other ways,” Bond told VOA.

“So, this is entirely driven by domestic political considerations to do with protests by Polish farmers, and the risk that government obviously feels that the farmers might defect and vote for some other party in the next elections,” Bond said.

For Ukrainian farmers, the import bans add to the troubles caused by Russia’s invasion.

Volodymyr Bondaruk, executive director of the Pearl of Podillia, a mixed dairy and arable farm near Ternopil in western Ukraine, said, "I would like farmers and the agricultural lobby in the Eastern [European] countries to understand that we face similar problems. We don’t ask for subsidies; we don’t want anything like that. Just help us to sell our goods,” Bondaruk told Reuters.

“We have leftovers from the 2022 harvest. In the previous years, we exported a lot of corn, wheat and other grains to the Middle East countries, African countries. But today because of the war, ports do not accept large amounts of goods,” he added.

The glut of Ukrainian grain in Europe is the result of reduced exports through the Black Sea since Russia’s invasion. A deal brokered by the United Nations and Turkey to reopen the shipping route, known as the Black Sea Grain Initiative, came into force last August.

However, Russia is threatening to end the deal when it’s up for renewal next month.

The ban on imports of Ukrainian grain by some countries in Europe could play into Moscow’s hands, analyst Bond said.

“It seems to me that this increases the chances that Russia will see this as a pressure point and will try to use it as a way of saying, ‘Well, we’re not going to renew the grain deal unless you agree to completely unacceptable conditions.’”

While its domestic import ban remains in place, Poland resumed the transit of Ukrainian products across its territory on Friday.

The European Union said it planned to organize alternative transport, including convoys of trucks, trains and barges, to take grain from Ukraine’s land borders to ports where it could be shipped to the world market.

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Argentina permits wheat export delays again in bid to boost domestic supply

20 April – Reuters

Argentina’s government said on Wednesday grain exporting firms have again been allowed more time to reschedule wheat shipments without penalty, as it seeks to prioritize local supply after a historic drought shrunk the crop.

The temporary extension, authorized by the agriculture secretariat, was published in the government's official gazette. It is set to impact supply from Argentina to global markets.
The drought, which ran from May 2022 to March 2023, hit the country's major farm exports, including wheat, corn and processed soybeans, which are all key sources of foreign reserves for its cash-strapped central bank.
The government's previous extension, which was granted in November, covered sales with shipments beginning in the first two months of the year.

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U.S. winter wheat ratings lowest on record; corn 8% planted -USDA
18 April – hellenicshippingnews.com

The U.S. Department of Agriculture on Monday rated 27% of U.S. winter wheat in good to excellent condition, unchanged from a week ago and the lowest for this time of year in records dating to the late 1980s, while corn planting moved ahead of the average pace during an unusually warm week.
The wheat ratings, reflecting drought in key areas of the Plains wheat belt, matched the average expectation among 11 analysts polled by Reuters. Good-to-excellent ratings for winter wheat in the 15th week of the calendar year have dropped below 30% only one other year in USDA records dating to the late 1980s, in 1996.
Tightening global wheat supplies and the conflict between Ukraine and Russia, two major grain exporters, have raised the importance of U.S. winter wheat production prospects.
Even with U.S. wheat exports on pace to hit a 51-year low in the current 2022/23 marketing year, the United States is still the world's fifth-largest supplier of the food grain.
The current U.S. winter wheat crop is developing ahead of harvest in June and July.
For corn, the USDA said planting was 8% complete by Sunday, behind the average analyst estimate of 10% but ahead of the five-year average of 5% as farmers took advantage of mild weather.
"Sandwiched between severe storms and chilly snow flurries were some unseasonably warm and dry conditions that allowed farmers to get planters rolling," Mike Naig, Iowa's agriculture secretary, said in a statement. Iowa is the largest U.S. corn producer.
However, cold temperatures and late-week rains are likely to slow progress this week, meteorologists said.
The USDA's first estimate of soybean progress for 2023 showed planting as 4% complete, ahead of the average analyst expectation of 2% and the five-year average of 1%.
The U.S. spring wheat crop was 3% planted, the government said, lagging both the average analyst estimate of 5% and the five-year average of 7%.

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Slovakia joins Poland and Hungary in halting Ukraine grain imports
17 April – theguardian.com

Slovakia has joined Poland and Hungary by unilaterally halting imports of grain and other food products from Ukraine to protect its farmers in decisions criticised by Kyiv and the European Commission as unacceptable.
The EU would expect the central European states "to come up with some explanation", a senior official said, after Poland and Hungary announced their bans over the weekend and Slovakia followed suit on Monday. Bulgaria has also said it is considering a ban.

The official said low global prices and demand meant large quantities of Ukrainian grain in particular were staying in the bloc rather than being sold on, adding: “There is an issue … we’ll see what we can do in the coming weeks and months.”

After Russia’s invasion of Ukraine last year, some Black Sea ports were blocked and Ukrainian grain – which is significantly cheaper than that produced in the EU – ended up staying in central Europe mainly because of logistical bottlenecks.

The resulting glut and price crash have hit local farmers hard and pose a pressing political problem, in particular for Poland’s governing nationalist Law and Justice (PiS) party, which has otherwise been one of Ukraine’s most trenchant supporters since the war began but relies on support from rural voters and faces a tight election this year.

Ukrainian grain should at least be allowed to transit through Poland, Ukraine’s agriculture minister, Mykola Solsky, said on Monday as urgent talks to resolve the dispute between the two countries began in Warsaw. “The first step … should be the opening of transit, because it is quite important and it is the thing that should be done unconditionally, and after that we will talk about other things,” he said.

Solsky said Ukrainian agricultural products shipped to and through Poland represented about 10% of the country’s total food exports – a vital sector of its war-ravaged economy – with Hungary accounting for a further 6%.

Poland announced after an emergency cabinet meeting on Saturday afternoon that it was banning many agricultural imports from Ukraine, including those ultimately destined for other countries, until at least early July. “We will never leave farmers without help,” Poland’s prime minister , Mateusz Morawiecki, tweeted. The economic development minister, Waldemar Buda, confirmed on Sunday the ban was “full, including on transit through Poland”.

The country’s agriculture minister, Robert Telus, said the ban was necessary to “open the eyes of the EU to the fact that further decisions are needed that will allow products from Ukraine to go deep into Europe, and not stay in Poland”.

Hungary’s agriculture minister, István Nagy, said later on Saturday that Budapest’s ban on imports from Ukraine of grain and oilseeds, as well as other farm products including fruits, vegetables, dairy, beef, pork and eggs, would last until 30 June. Nagy said Hungary and Poland – which are embroiled in long-running conflicts with Brussels over judicial independence, press freedom and LGBTQ+ rights, and have had EU funds withheld – were acting “in the absence of meaningful EU measures”.

The European Commission’s spokesperson for trade and agriculture said trade policy was an EU-exclusive competence and unilateral actions “are not acceptable. In such challenging times, it is crucial to coordinate and align all decisions within the EU.”

The Ukrainian government said it had “always been sympathetic to the situation in the Polish agricultural sector and responded promptly to various challenges”, but added: “Unilateral drastic actions will not accelerate positive resolution of the situation.”

Solsky said it was “the Ukrainian farmer who is in the most difficult situation. We ask the Polish side to take this into account.”

The Commission proposed emergency funding to farmers in central European member states last month to compensate for the excess of Ukrainian grain, but several have complained it is not enough and farmers have protested volubly.

An EU official said on Monday: “The European Commission has put money on the table but we see it is not matching the expectations of certain member states.”

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Russia may set 18 mln T export quota on fertilisers from June
14 April – Reuters

Russia may cap its export of nitrogen and compound fertilisers at about 18 million tonnes from June 1 to Nov. 30, draft legislation seen by Reuters on Friday showed.
Moscow introduced temporary quotas on some of its fertiliser exports in late 2021 to ensure domestic supplies but has extended them continuously since. The current restrictions were due to expire at the end of May.

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Australia suspends WTO case against China on barley tariffs
11 April – apnews.com

Australia suspended a complaint to the World Trade Organization in a bid to reopen the Chinese market to Australian barley for the first time in three years in the new government's latest step toward repairing relations with Beijing.
China effectively closed it doors to Australian barley in May 2020 by imposing an 80% tariff after the previous Australian government angered Beijing by calling for an independent inquiry into the origins of and responses to the COVID-19 pandemic. The previous conservative government responded by challenging the tariff in the Geneva-based trade body.
On Tuesday, Foreign Minister Penny Wong said her center-left Labor Party government, which was elected in May, had reached an agreement with China that "creates a pathway for the resolution of the dispute over Australian barley."
China had agreed to review its duties on the grain over three or four months, she said, and Australia will temporarily suspend the WTO dispute during that review period.
"Obviously, if the duty is not lifted at the end of the review period, we'll resume our dispute in the WTO," Wong said. She said the Chinese review offered a "significantly shorter time frame" to resolve the dispute than the WTO offered.
The Chinese Embassy in Australia did not immediately respond to a request for comment Tuesday.
The Australian government revealed the agreement a day after China's Foreign Ministry confirmed that Chinese Vice Foreign Minister Ma Zhaoxu will visit Australia and Fiji this week.
Ma plans to hold a new round of political consultations with Australian officials, Chinese Foreign Ministry spokesperson Wang Wenbin said Monday during a regular media briefing.
Official and unofficial trade barriers are costing Australian exporters an estimated $14 billion a year in products including beef, seafood and wood. Trade Minister Don Farrell said Australia hoped the review would become a template for resolving other trade disputes with China, particularly over wine. While barley growers have found other markets, Australian wine producers have struggled to find alternative buyers after China imposed trade barriers in late 2020.
Australia has denied China's claims that it was subsidizing wine to export it at artificially low prices.
Grain Producers Australia, which represents barley exporters, welcomed the new agreement. "This process to reach a resolution would be significantly shorter than if the WTO process continued," Grain Producers Australian chair Barry Large said in a statement.

“We welcome the Labor government’s constructive dialogue and positive progress towards stabilizing the relationship with China, and creating this process and opportunity to recommence the barley trade,” Large said.
In February, Australian and Chinese trade ministers held their first bilateral meeting since 2019, showing signs of improved relations since the previous government was voted out after nine years in power.
During the online exchange, Farrell accepted his Chinese counterpart Wang Wentao’s invitation to visit China. A date has yet to be set.
In December, Wong became the first Australian foreign minister to visit China in four years.
Prime Minister Anthony Albanese raised his concerns about trade in November when he took part in the first formal bilateral meeting with Chinese President Xi Jinping by an Australian government leader since 2016.
China recently lifted trade restrictions on Australian coal that were first imposed in late 2020.

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Kazakhstan introduced a ban on the import of wheat by road
11 April – apk-inform.com

Kazakhstan introduced a ban on the import of wheat by road to the territory of the Republic of Kazakhstan for a period of 6 months. The corresponding Order No. 132 was signed by Yerbol Karashukeev, the head of the Ministry of Agriculture of the Republic of Kazakhstan, on April 10 this year.
As APK-Inform previously reported, such a measure aims to support domestic agricultural producers and keep prices for Kazakh wheat, which are under heavy pressure from cheaper Russian grain.
According to the Union of Grain Processors of Kazakhstan, due to the smuggling of Russian wheat, the Republic annually loses about $500 million.
Grain processors of Kazakhstan opposed the illegal import of Russian grain into the country. However, according to the chairman of the board of founders of the Union of Grain Processors of Kazakhstan, Yevgeny Gan, the ban on the import of grain from the Russian Federation by road will not solve the systemic problems of the industry.

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Morocco's wheat imports jump in March under new quotas
4 April – agrusmedia.com

Morocco's private importers stepped up imports of soft wheat in March to the maximum volume allowed under the government's new "first come, first served" import quota system, as prospects for the country's local crop worsen in the run up to the harvest in May.
Moroccan ports received 508,000t of soft wheat in March, local silo and port data show (see chart). This represents the maximum volume eligible for government rebates under a new 500,000 t/month quota system and is the first time that Morocco has imported wheat at the same rate as local consumption since October — local millers typically process around 450,000-500,000t of wheat a month.
France kept its place as the top supplier with 300,000t arriving in Morocco in March, despite increasing competition from German sellers. German 11.5pc wheat was available fob

Rostock at a similar price to fob Rouen levels for French 10.5pc wheat, with market participants indicating only a €1-2/t ($1.1-2.2/t) difference in freight between the two ports. Morocco imported 115,000t of German wheat in March, as well as 64,000t from Romania's Constanta port — the first imports from this origin since July. And Morocco imported 30,000t from Polish ports.

Morocco's private importers are understood to have booked the full 1.5mn t of wheat allowed under government quotas to arrive in March-May shortly after an official amendment to the rebate system was released in early March. Local market participants expect the bulk to ship from France. Sellers at Rouen are reportedly already covered for over three-quarters of the volume sold and so the latest Moroccan deals have done little to support cpt Rouen prices in France's internal spot market.

The Moroccan government's rebate system is currently set to end on 31 May — one month later than initially planned — to allow local producers to sell without competition from imported wheat. But a deteriorating outlook for domestic crop could encourage the government to bring back the system earlier than usual in the new June-May marketing year. Little rain is forecast for Morocco over the next two weeks, which is a critical period for the country's May-harvested crop.

And with April-May imports capped at a total 1mn t, Morocco is set to fall short of its import needs for the current marketing year, as projected by the USDA (see chart). The country will then start the coming marketing year with lower beginning stocks, even after shifting suppliers in 2022-23 to make up for a near-total lack of Ukrainian and Argentinian supply.

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India plans to relax wheat procurement norms to replenish stocks

3 April – economictimes.indiatimes.com

India has been planning to relax norms to procure wheat from farmers amid untimely rainfall and hail which damaged the crop just before harvesting in key producing central and northern states, government officials and traders told Reuters.

The world's second biggest wheat producer plans to buy 34.15 million tonnes of new-season wheat from local farmers to shore up state reserves after purchases dropped 53% last year to 18.8 million tonnes because of a poor harvest.

New season wheat has started arriving on the market, but the harvest has lost lustre in some districts because of the recent rainfall, said a senior government official, who declined to be named.

"We have allowed Madhya Pradesh state to procure wheat even with 10% loss in lustre. If required we would take call for other states and other parameters such as moisture," the official said. The source didn't wish to be identified in line with official rules.

Madhya Pradesh is the second biggest producer of wheat after Punjab.

Wheat crop has also been damaged in Punjab and Haryana because of rainfall in the past few days and the government would be forced to make similar changes in the procurement rules for these states, said a New-Delhi-based trader with a global trade house.

Punjab, Haryana and Madhya Pradesh accounted for more than 98% of the total wheat procured in 2022.

Crop with lower ustre was getting sold at a big discount to good quality crop in the market and the government buying would stop this distress sale, the trader said.

The state-run agencies have procured 260,000 tonnes of wheat from farmers as on April 2, up from the last year's 46,000 tonnes, another government official said.

The government-backed Food Corporation of India (FCI) buys wheat from farmers at state-set prices to run the world's biggest food welfare programme.

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