

Mintec Benchmark Prices

Grains Weekly Update

MINTEC BENCHMARK PRICES	MINTEC CODE	CURRENT PRICE	PREVIOUS WEEK'S PRICE	W-O-W	W-O-W%
Wheat Milling A 13% EXW DE	QI02	€266.50/mt*	€265.00/mt**	€1.50/mt	+1%
Wheat Milling 11% DDP Rouen FR	WROF	€284.00/mt	€258.00/mt	+€26.00/mt	+10%
Wheat Durum Amber 13% FOB Canada	9K71	\$c777.50/mt	\$c830.00/mt	-\$52.50/mt	-6%
Semolina EXW IT	WI27	€823.00/mt	€827.00/mt	-€4.00/mt	-0%
Semolina Superior EXW Milan Italy	WI28	€927.00/mt	€932.00/mt	-€5.00/mt	-1%

Prices as at 16:00 London time: 24-February-2022

Previous Prices as at 16:00 London time: 17-February-2022

*Prices as at 16:00 London time: 18-February-2022

**Previous Prices as at 16:00 London time: 11-February-2022

Key Points

- Prices Points Observed can be found on the final page of this report.
- Wheat prices move up on Russian invasion and supply fears.
- Corn: Russian Invasion Causes Prices to Move Upward.
- Volatility is expected by some market participants.

Wheat: Market Moves Upward On Russian Invasion and Supply Concerns

The Mintec Benchmark Prices [MBP] for Wheat Milling 11% DDP Rouen FR [Mintec Code: WROF] was assessed at €284/mt, up €26/mt since last Thursday, when this report was last published. The increase was largely due to the invasion of Ukraine by Russia. The invasion has the potential to cause the Russian and Ukrainian wheat market to become inaccessible to buyers as it is likely that embargoes and heavy taxation are placed on Russian and Ukrainian exports. Naturally it is likely that exportation of goods will not be high on either nation's priority list. This is particularly important as Russia are the number one global exporter of wheat accounting for around 18% of global exports, whilst Ukraine rank fifth, accounting for around 7%. Given that wheat

stocks in key exporting nations are currently estimated by the USDA to be at the lowest since 2007, any export restrictions would tighten an already thin balance sheet. Yet, despite the move up in price, market participants express that they are unsure how the market now moves as this situation is unprecedented.

A trader said "the invasion by Russia is huge for the wheat markets. Russia is by far the largest exporter of wheat to the global marketplace and has become our breadbasket. Sanctions will have to come and this is going to hurt the West and Russia. The most likely thing to happen is super high taxes or outright embargoes on Russian goods meaning that importing them is near impossible. My question is then: where do we buy our Wheat from? If Ukraine and Russia are out of action that doesn't leave a great many options."

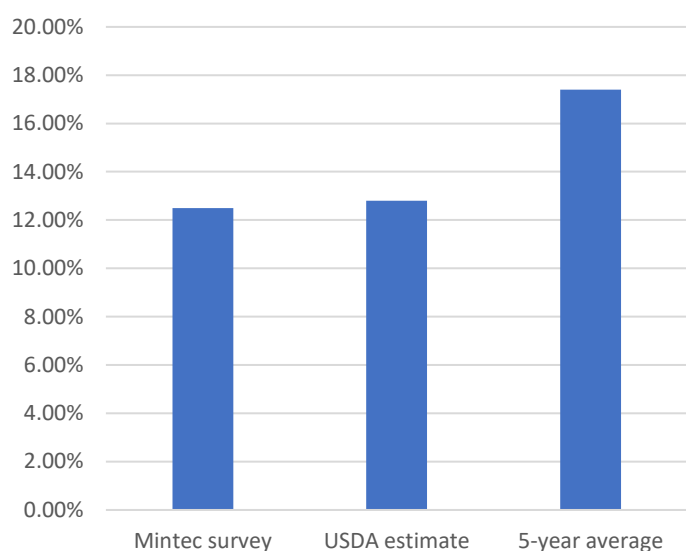
A second trader commented "I don't know what happens now. I will admit I am worried not only for Ukraine but for the world. We all need the supply of commodities that flows out of those nations. Part of me thinks prices now spiral upwards and another part of me thinks that players avoid buying from the black sea for now. It's such a crazy market today most are staying well out of it if they can."

Market players have expressed concerns that should Russia take over Ukraine that Russia could limit exports of all goods from both nations. This idea is based on the fact that food inflation within Russia has soared to over 11% in 2022 and has been difficult to curb despite cuts in taxation. The more sanctions that are placed on..

...Russia from the west the more it could mean that importing and exporting commodities on the open market could come with a huge financial penalty to Russia. This could encourage Russia to supply itself rather than look to for export or import opportunities. If this was to happen, it would remove significant amounts of commodities which the international community relies upon. It has the potential to move prices “up to levels that would be unthinkable”, a buyer commented to Mintec.

A trader said on the matter “it’s quite possible that Russia only looks internally for some time now. We have already seen moves to limit their reliance on foreign exchange and imported commodities. It is not a stretch to think that they will keep the food commodities for ‘Russian-only’ use. The sanctions placed against Russia are likely to cause strong inflation within Russia, but if the territory you are invading has ample food-commodities, this is a natural hedge against these sanctions. In fact, one could go as far as saying this would most impact the West as supply from other nations would be overwhelmed with demand and prices could go to any level in a scenario like this.”

Stocks held by major wheat exporters



To this end it was reported to Mintec that key global buyers of wheat such as Egypt, Algeria and Turkey have instead switched to attempting to buy from the EU. This is particularly important as stock levels within the EU are already at the lowest levels seen since 2006 and increased demand could see these levels sink even

further. Under these conditions it is possible that wheat prices within the EU reach levels of €400/mt, according to market participants.

A European based trader said “I have had enough; I can’t even express without swearing how angry I am. Not only am I angry for the Ukraine but for all of us who have to deal with this nonsense. I thought stupidly that things were getting a little easier in the EU, I was able to buy some decent volumes at a fair price. Today no one will pick up the phone to me, sellers I have known for over two decades treating me like I am a random spam call. There is no doubt in my mind that European wheat prices will move up massively and I really mean *massively*. To what level? I don’t know, but the demand that is going to come through as everyone avoids the Black Sea is incalculable. It’s times like these when I wish I was doing something else.”

The concerns in the market are however, not just limited to upward price movements but being able to get hold of the commodities altogether. This is due to reports that Russia is targeting ports with missiles and not allowing ships to leave. If this continues it is possibly weeks or even months before any goods are seen leaving key Ukrainian ports. This could mean that any goods that normally go in or out of Ukraine are simply stuck. This could potentially also have an impact on farmer planting of new crop as well as exporting harvested commodities.

A buyer commented to Mintec “Let’s forget about prices going up for a minute. I don’t know where we are going to get the goods from, we don’t have an unlimited supply of any of these commodities we are talking about here. This amount of supply removal is akin to having a huge crop failure I don’t think some people are getting that right now. This is a disaster of an enormous magnitude and it’s possible we simply have to go without wheat and corn in some cases.”

Corn: Russian Invasion Causes Prices to Move Upward.

The Mintec prices for corn moved up over the week with the Maize no.2 CME contract [Mintec Code: CRNC] gaining \$14/mt or 5.66% which was largely due to the...

...escalation in the Russian Ukrainian conflict. Market participants have expressed that it is unclear where the market may move in the coming days and weeks. Should Russia continue their invasion of the Ukraine it is highly likely that much of the Ukrainian corn market accounting for around 16% of global exports is inaccessible to buyers of the commodity. Due to the fact that the exporting of corn would not be top of Ukraine's agenda. This has the potential to cause corn prices from Ukraine to skyrocket. As many players are still short of the commodity and do not have long cover according to market players. Alternatively, it is possible that prices from Ukraine decrease as buyers are not willing to take the risk of purchasing from the nation. This has the potential to increase prices from alternative origins as buyers scramble to secure supply according to industry sources.

CRNC - Maize no 2 CME Spot



A trader added some thoughts on the situation “the situation is one I never thought I would see in my lifetime. Ukraine is a key export partner of ours and we cannot get anyone on the phone – and I am not trying to speak to them about doing a deal but to check if they are ok or if we can help. The prices on corn could very well reach levels we have never seen. The global supply and demand balance requires Ukraine to be

operating and there is just no way of knowing when this may be the case again. We have already heard early reports that ports are being blocked and it seems nothing is coming out of Ukraine.”

A separate trader with a differing opinion commented to Mintec “from a humanitarian point of view the escalation in the Black Sea region is a disaster. However, from a commodity standpoint I think it’s being blown a little out of proportion. Ukraine will still be allowed to export as western nations are too reliant on their goods. Russia would be foolish to stop these exports which would be bad in monetary terms for both Russia and Ukraine. Prices for a time will go crazy as the market is too caught up in this whirlwind, however, when things settle prices should go back to normal.”

According to market players a silver lining despite all the issues and volatility currently caused by the Russia and Ukraine crisis is the rapid planting of Safrinha corn in Brazil. To this end it was reported to Mintec that the Safrinha corn crop was around 54% planted. The Safrinha corn crop is important as it represents around 79% of Brazil’s total corn production. The current planting pace is well ahead the five-year average owing to near ideal conditions with soil moisture rated as excellent and good oncoming weather. It is worth mentioning that there is a long way to go before this crop is harvested which takes place around June. Yet, the estimated production levels look large with a potential 89-90 million metric tonnes to be produced. This, combined with the other Brazilian corn crops could realise a total output of 116 million metric tonnes. Which would be a new record increasing corn supplies globally, accord to market participants.

A trader commented “the corn planting is going very...

Methodology, Feedback & Forward-Looking Statements

Mintec is committed to ensuring all published Mintec Benchmark Prices are representative of market value and in line with Mintec's transparency principles we encourage industry participants to reach out to the Proprietary Pricing Team. Any feedback and comments related to this document and prices contained within are welcomed and should be directed to PRA@Mintecglobal.com.

All forward looking statements in this report are the views and expectations of the individual market participants. The Mintec Proprietary Pricing Team does not have a forward-looking view and are not involved in price forecasting.

The Monthly Pricing Update is published at the beginning of the month and contains proprietary data exclusive to Mintec. If you would like to gain access to this report, contact PRA@Mintecglobal.com.

For details on the methodology used to assess the Mintec Benchmark Prices visit this [link](#).



...well particularly in the southern states. The north is a little drier than we would like but it's nowhere near as bad as some years we have seen. It is very early, and I want to stress that anything could happen between now and the harvest. However, I am a glass half full kind of person, and we should have a very large crop from Brazil. Of course, this doesn't calm my fears over the Russia/Ukraine crisis but it does make me more optimistic that someone will be able to supply the corn my livelihood is based on."

Appendix – Price Points Observed

Date Reported	Commodity	Specification	Origin	Incoterm	Location	Price	Currency	Unit	Delivery Horizon	Type	Date Occurred
24/02/2022	Semolina con carat di legge	North Semolina con carat di legge	Ferrara	EXW	Ferrara	805	Euro	MT	Mar	Indication	21/02/2022
24/02/2022	Semolina con carat di legge	Midd Semolina con carat di legge	Italy	EXW	Italy	839	Euro	MT	Mar	Indication	21/02/2022
24/02/2022	Semolina con carat di legge	Northwest Semolina con carat di legge	Turin	EXW	Turin	839	Euro	MT	Mar	Indication	21/02/2022
24/02/2022	Semolina con carat di legge	North Semolina con carat di legge	Milan	EXW	Milan	810	Euro	MT	Mar	Indication	22/02/2022
24/02/2022	Semolina Superior EXW Mil IT	Semola Superior EXW Mil IT	Milan	EXW	Milan	925	Euro	MT	Mar	Indication	22/02/2022
24/02/2022	Semolina Superior EXW Mil IT	Semola Superior EXW Mil IT	Milan	EXW	Milan	927	Euro	MT	Mar	Indication	23/02/2022
24/02/2022	Farina per panificazione	Farina per panificazione	Milan	EXW	Milan	498.5	Euro	MT	Mar	Indication	22/02/2022
24/02/2022	Farina per panificazione	Farina per panificazione	Pescara	EXW	Pescara	509.5	Euro	MT	Mar	Indication	22/02/2022
24/02/2022	Farinetta Durum Flour wheat fine exw IT	north Farinetta Durum Flour wheat fine exw IT	Treviso	EXW	Treviso	265	Euro	MT	Mar	Indication	23/02/2022
24/02/2022	Farinetta Durum Flour wheat fine exw IT	north Farinetta Durum Flour wheat fine exw IT	Turin	EXW	Turin	267	Euro	MT	Mar	Indication	21/02/2022
24/02/2022	Wheat milling	Milling wheat minimum 11%	France	DDP	France	284	Euro	MT	Mar	Indication	24/02/2022
24/02/2022	Wheat milling	Milling wheat minimum 11%	France	DDP	France	284	Euro	MT	Mar	Indication	24/02/2022
24/02/2022	Wheat milling	Milling wheat minimum 11%	France	DDP	France	286	Euro	MT	Mar	Indication	24/02/2022
24/02/2022	Wheat Durum Amber	Number 1	CA	FOB	CA	758	CAD	MT	Mar	Indication	21/02/2022
24/02/2022	Wheat Durum Amber	Number 1	CA	FOB	CA	777.5	CAD	MT	Mar	Indication	24/02/2022
24/02/2022	Wheat Durum Amber	Number 1	CA	EXW	CA	551	CAD	MT	Mar	Indication	21/02/2022
24/02/2022	Wheat Durum Amber	Number 1	CA	EXW	CA	570.5	CAD	MT	Mar	Indication	24/02/2022
22/02/2022	Sunflower Seeds	Sunflower seed	Ukraine	EXW	Ukraine	21,800	UAH	MT	Mar	Indication	22/02/2022
24/02/2022	Sunflower Seeds	Sunflower seed	Ukraine	EXW	Ukraine	22,000	UAH	MT	Mar	Indication	24/02/2022