

Webinar:

The impact of price and supply chain due to COVID-19 in the Black Sea region

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THE BEGINNING



Housekeeping

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Speakers



Svetlana Malysh

Black Sea Agriculture
Markets Analyst,
Refinitiv



Dr. Aaron Grau

Senior Analyst,
Refinitiv



Nikolay Gorbachov


President,
Ukrainian Grain
Association



Oleg Kryukovskiy

Head of Trading
Department
GTCS Trading DMCC





COVID-19 and Black Sea grains market trends

Svetlana Malysh

Black Sea Agriculture Markets Analyst,
Refinitiv

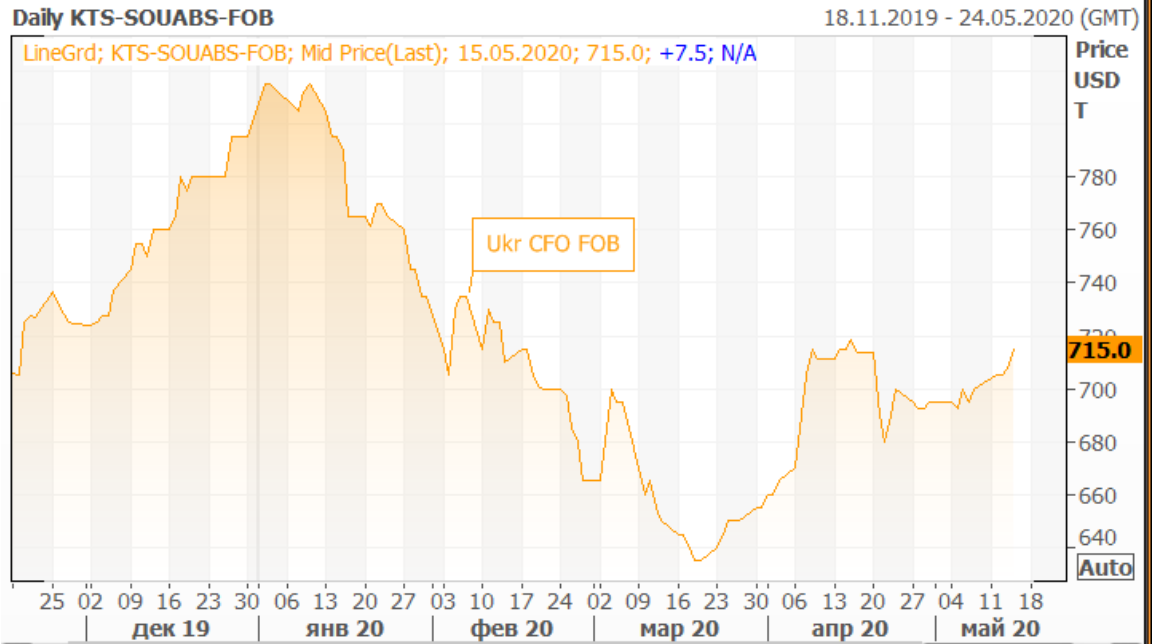
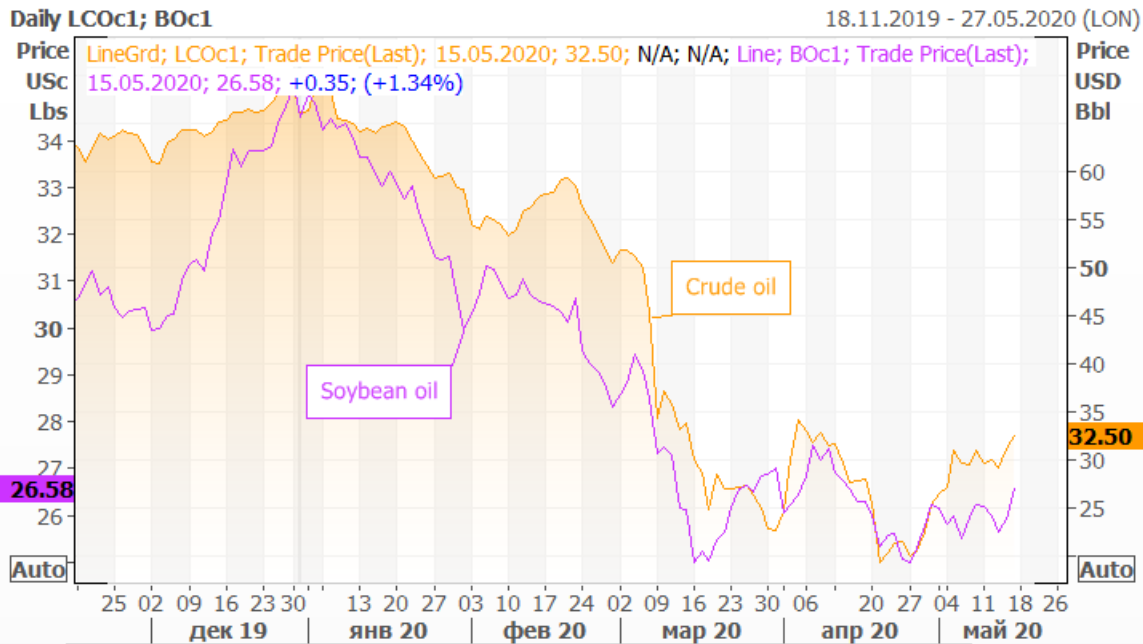
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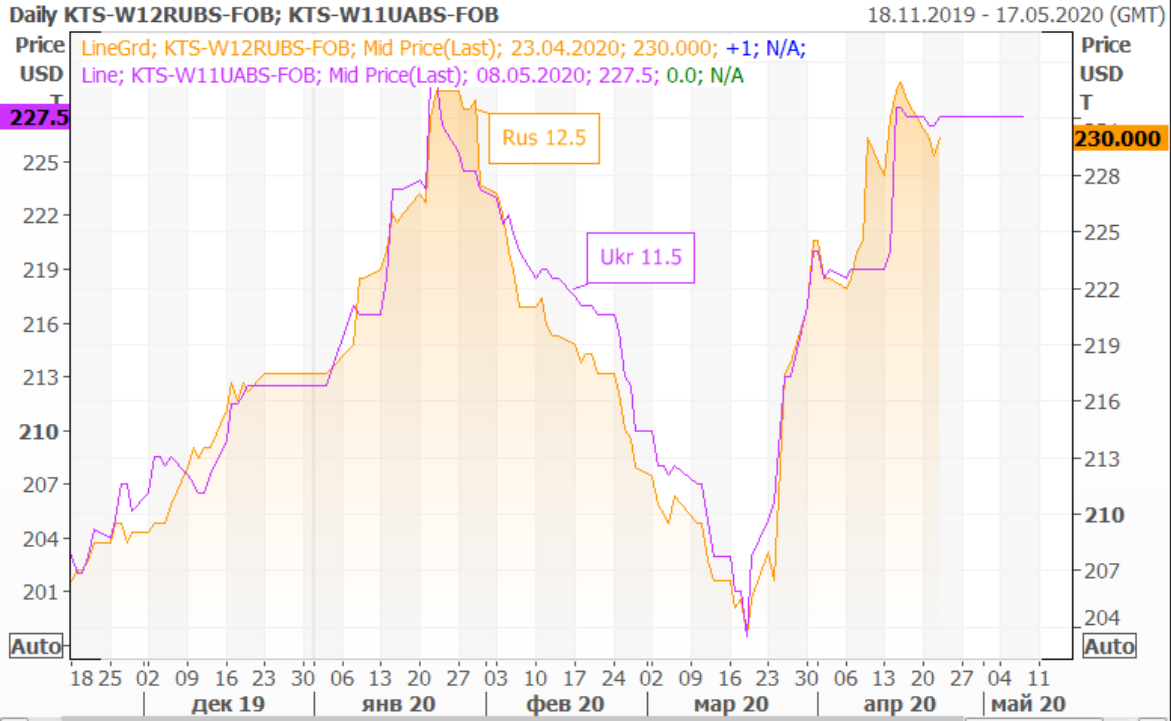
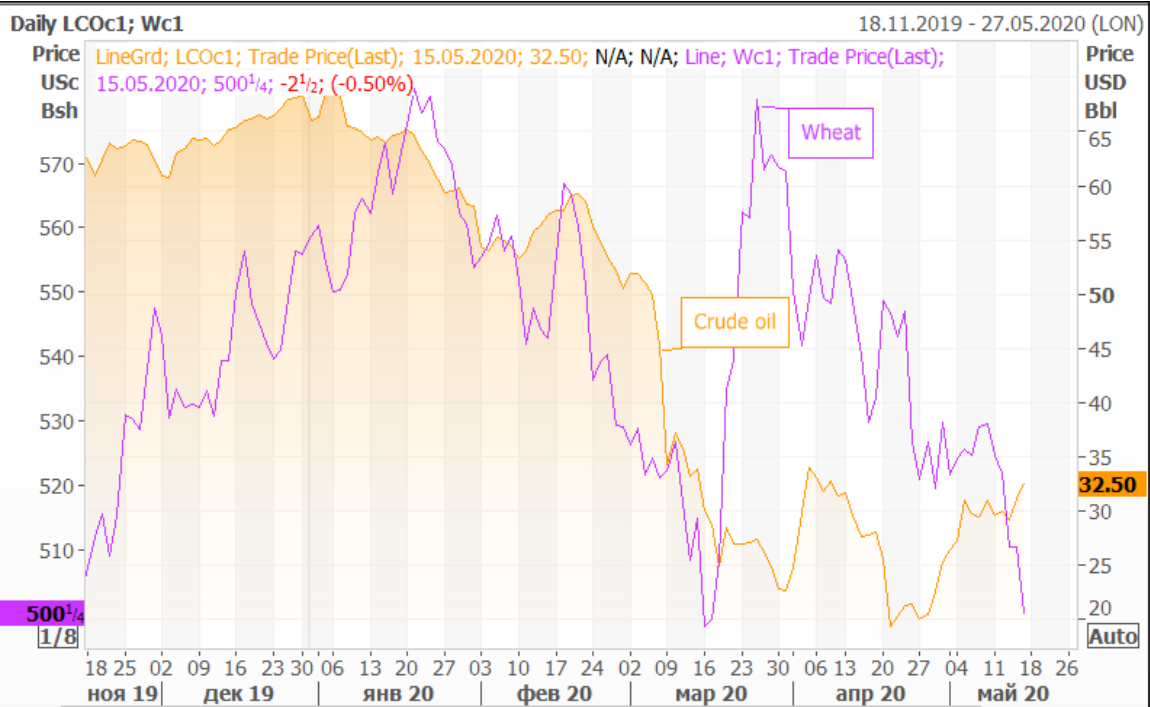
COVID-19 outbreak: first victim

Collapsing crude oil and falling demand drag vegetable oils prices down – Black Sea sunflower oil had experienced the COVID-19 impact the first



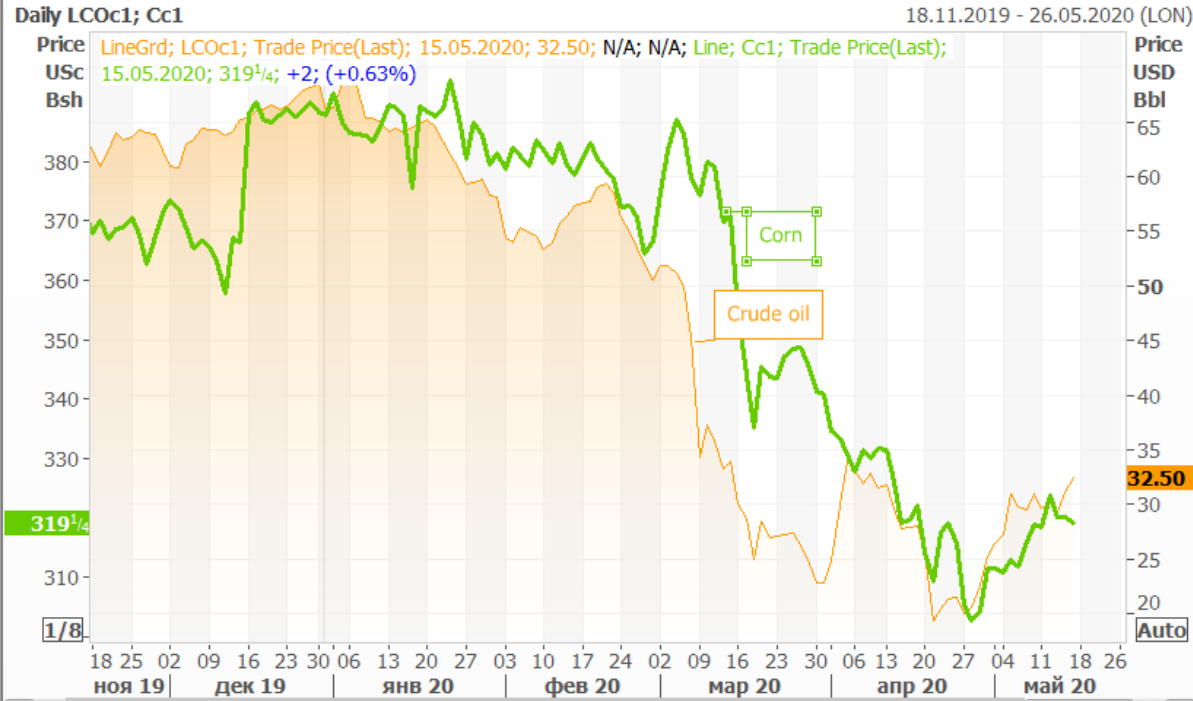
COVID-19 and Black Sea wheat price trends

Panic buyers, willing to cover increased food demand, provoke surge in Black Sea wheat prices



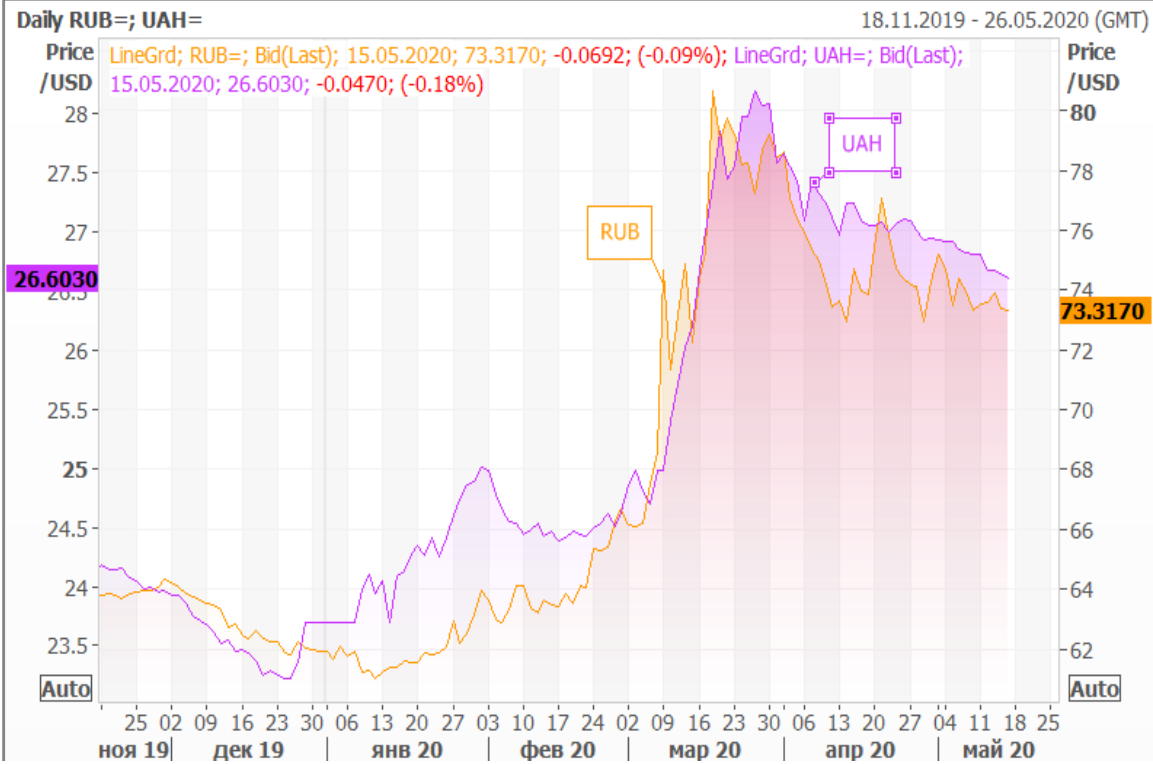
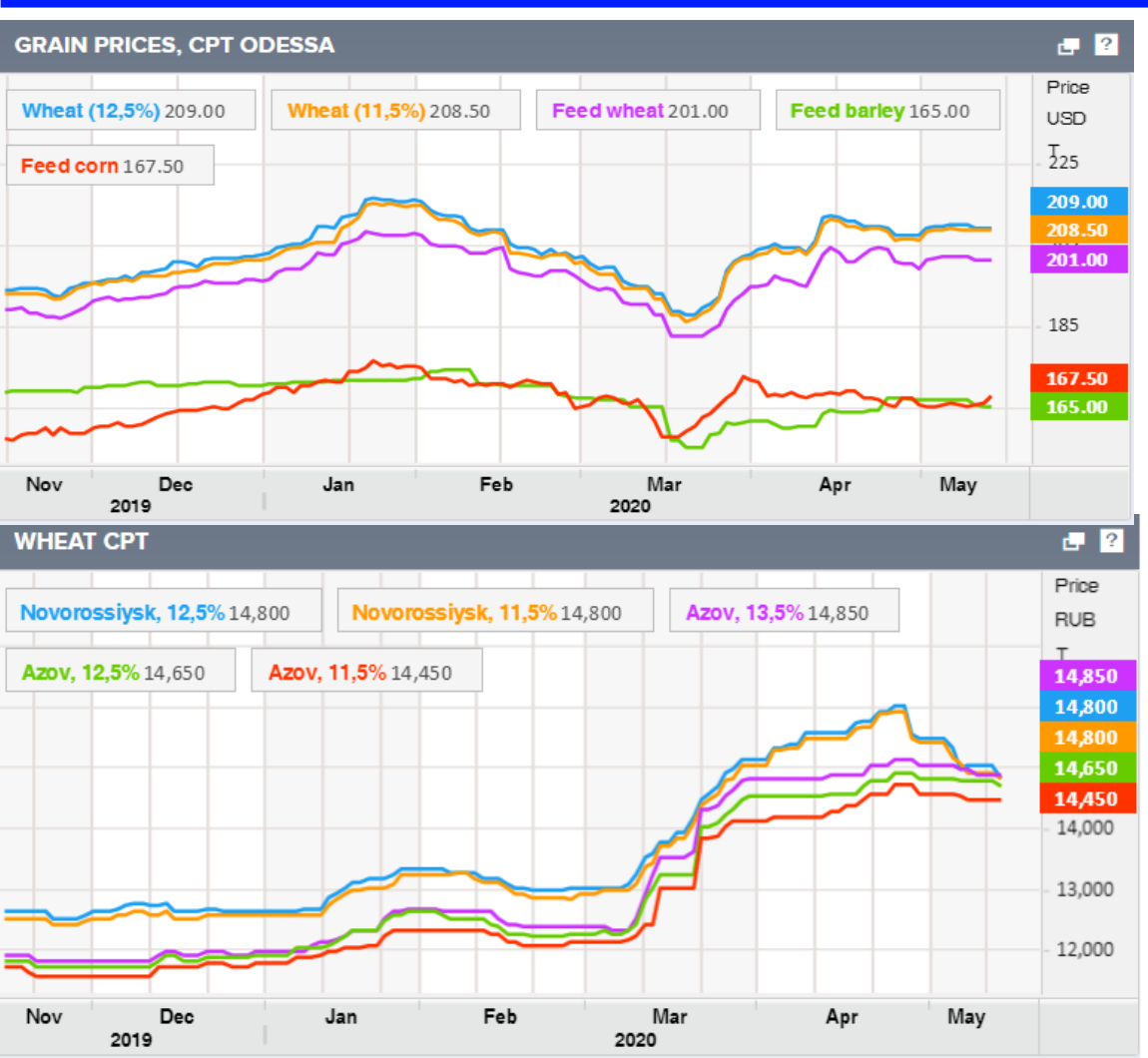
COVID-19 and Black Sea corn price trends

Increased grain production promoted higher exports

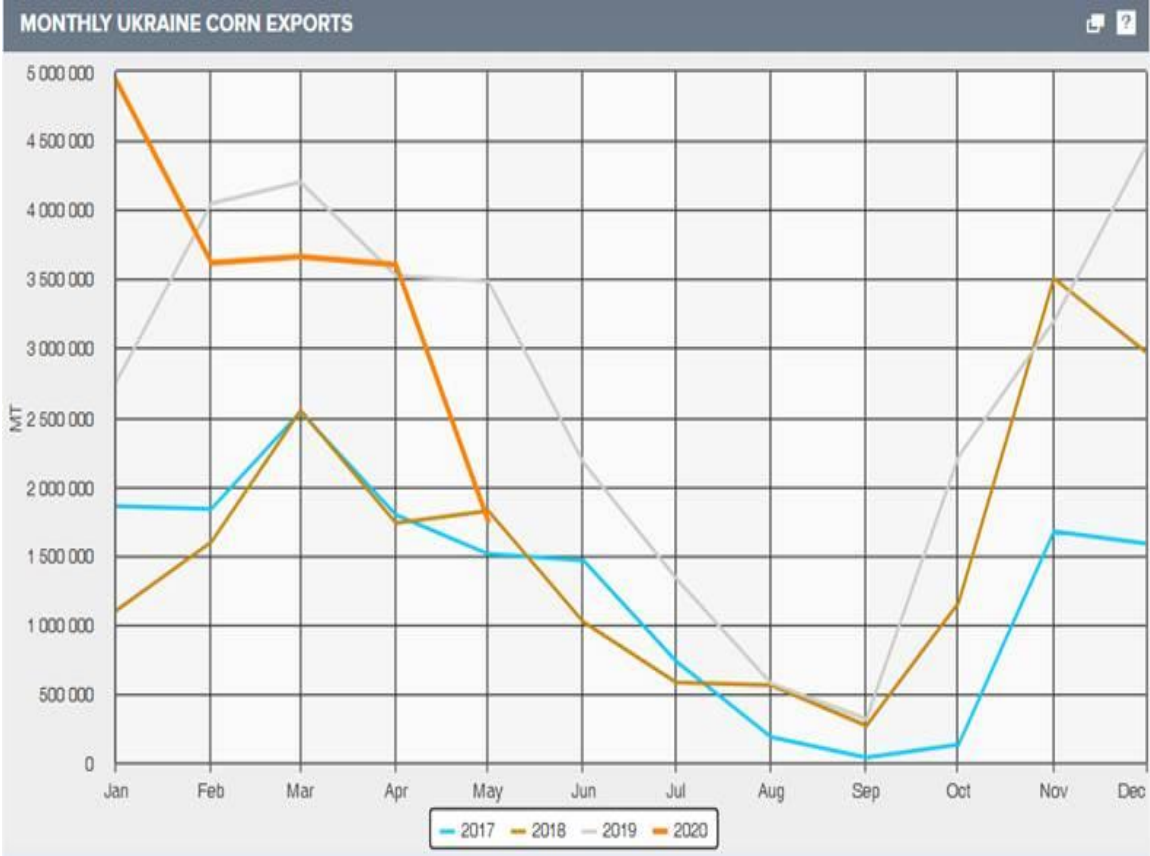
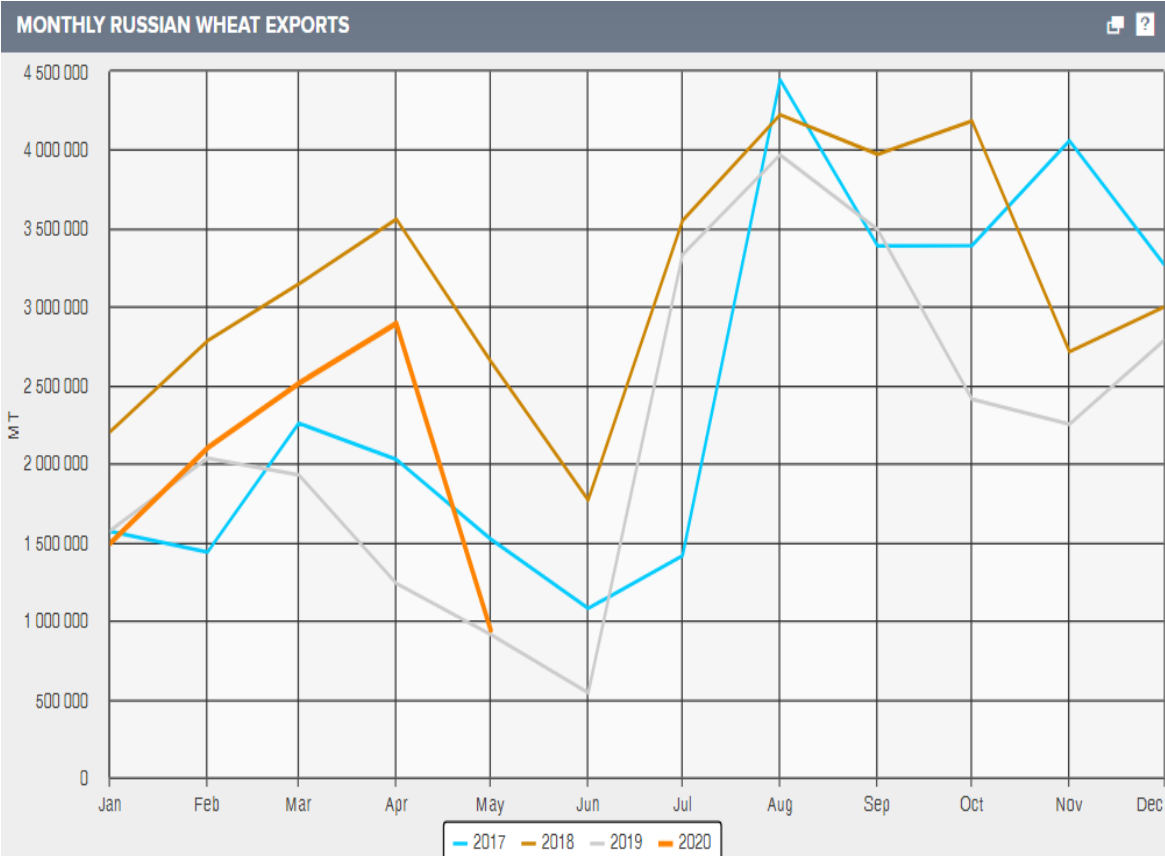


Black Sea origination costs

Domestic prices remained rather strong

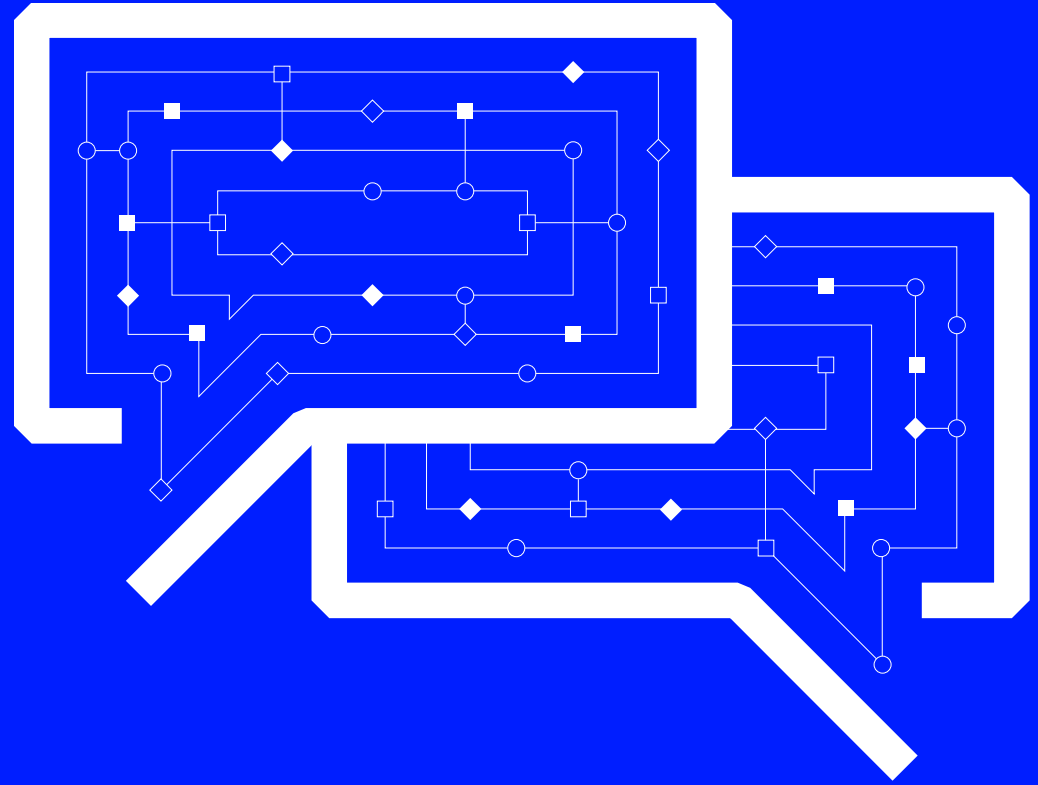


Black Sea grains exports surged during Feb-April 2020



Discussion panel:

Black Sea countries
protection measures to
cope with COVID-19
impact and secure the
substantial food supply



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Panel discussion speakers



Svetlana Malysh

Black Sea Agriculture Markets Analyst,
Refinitiv



Nikolay Gorbachov

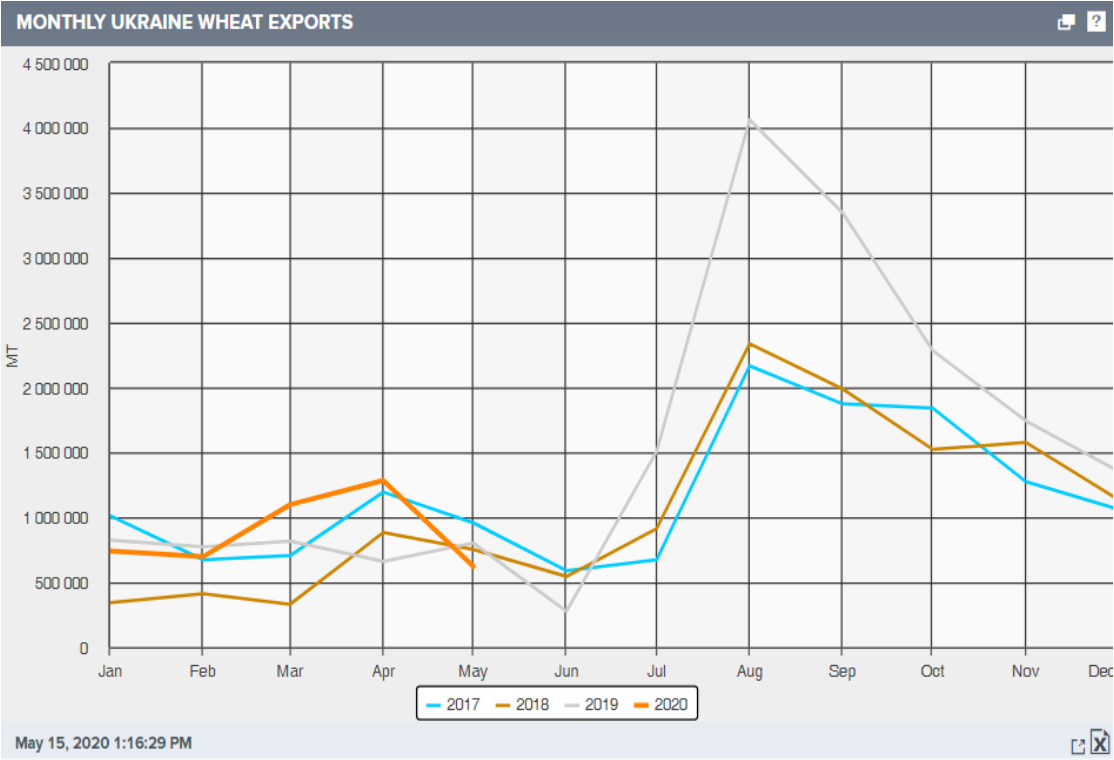
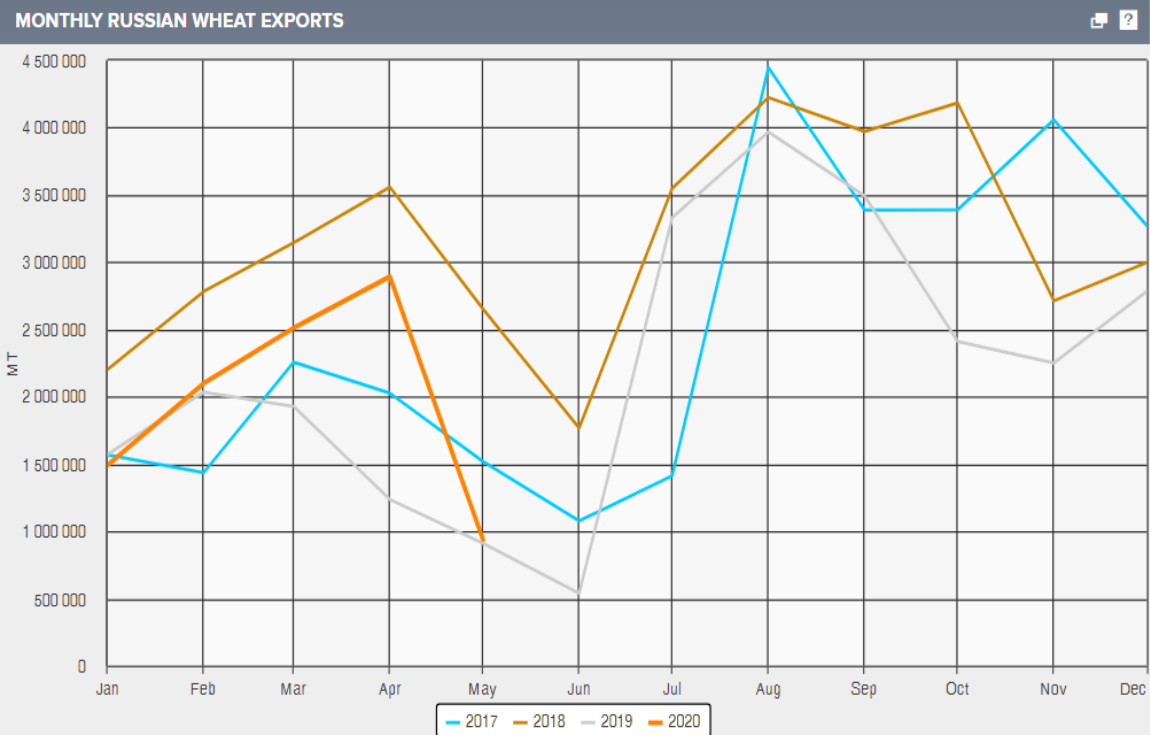
President,
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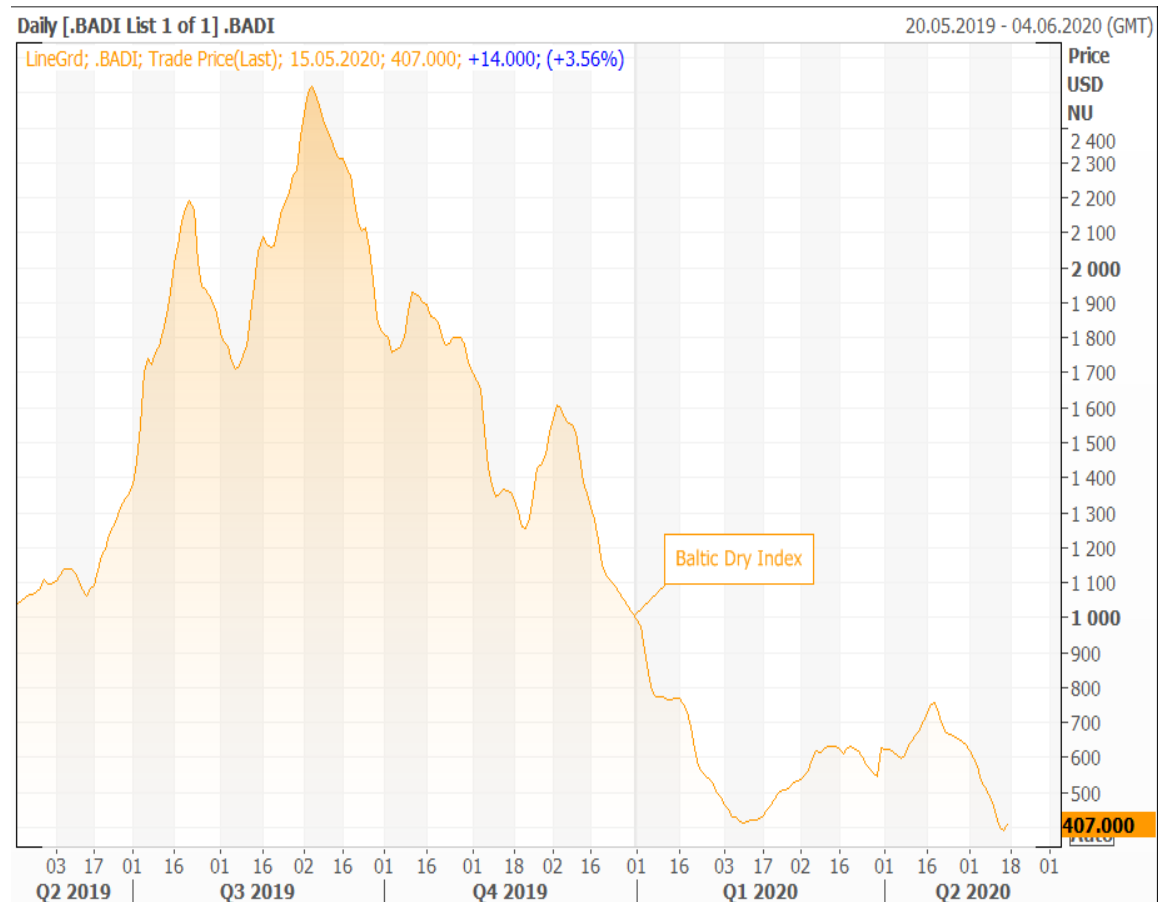
Head of Trading Department
GTCS Trading DMCC

Despite fears on food supply disruptions Black Sea countries remained sustainable partners

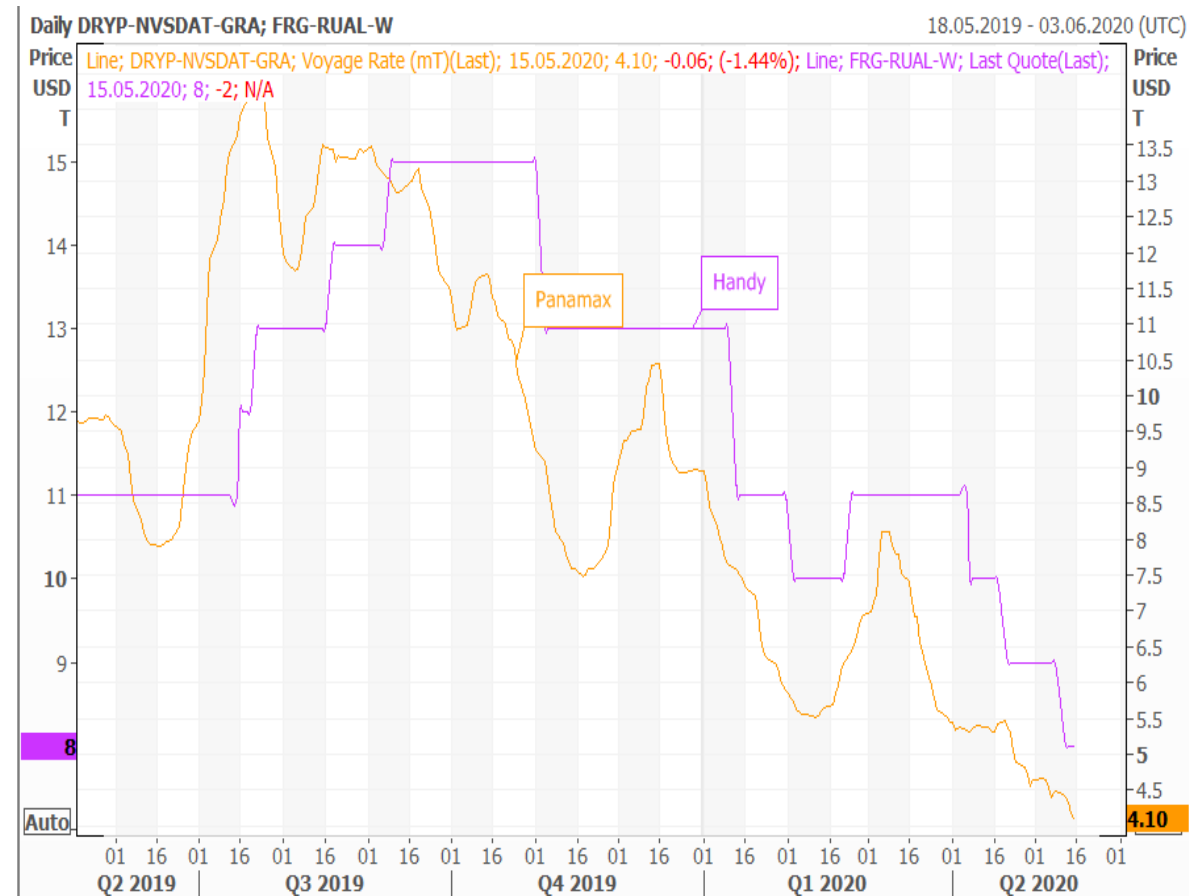


Transportation costs is extremely low on weak demand

Baltic Dry Index



Novoros-Egypt wheat freight rates



COVID-19 trends in the Black Sea region

- **Business activity in the Black Sea due to COVID-19 hadn't been impacted**
- **Shipments and food supply chain from the Black Sea hadn't been disrupted yet**
- **Black Sea grain prices were even supported by strong foreign demand and weaker currencies**

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- **Is it the end of a COVID-19 story or a new reality?**

China urges food companies to boost supplies on fears of further COVID-19 disruption - Reuters News

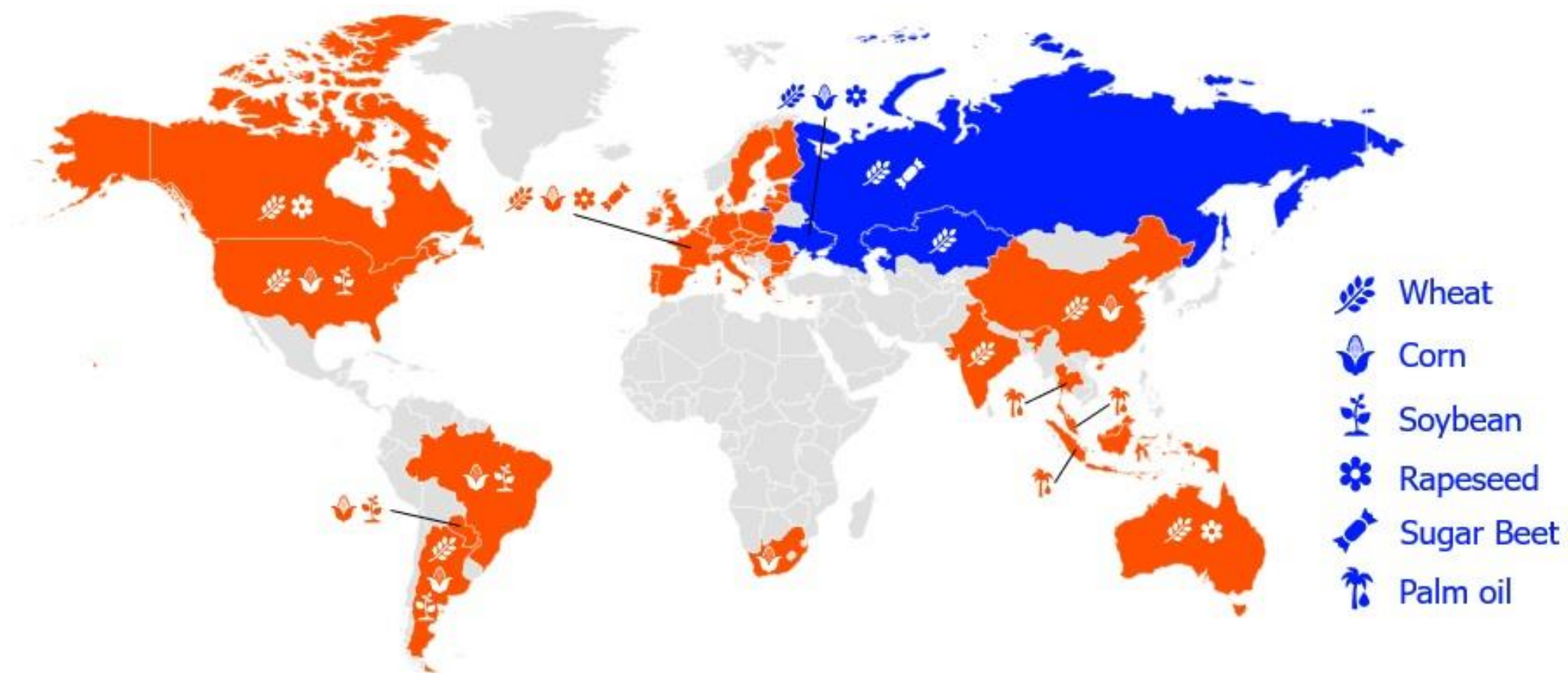


Production outlook on wheat for Black Sea 2020/21 season

Dr. Aaron Grau
Senior Analyst,
Refinitiv

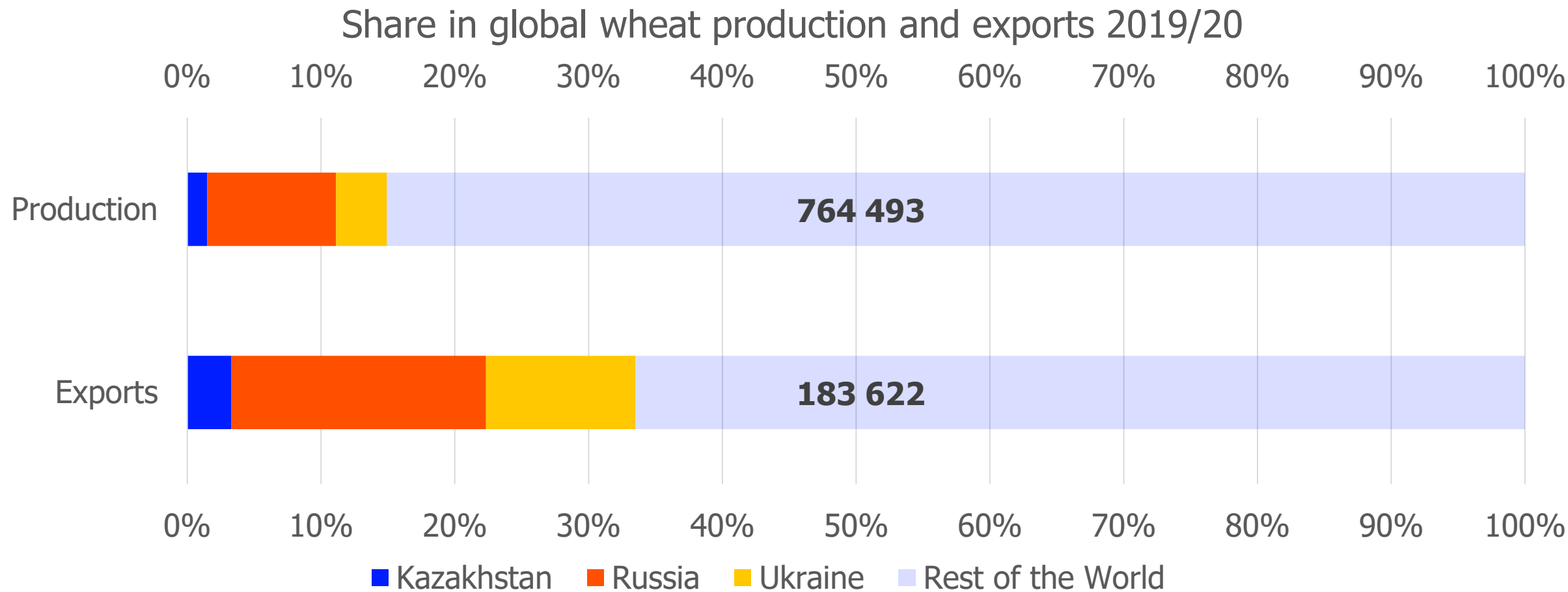
Refinitiv Agriculture Research

Geographies & crops coverage



Black Sea wheat production & exports 2019/20

Importance to global wheat agricultural supply



Source: USDA PSD



Weather

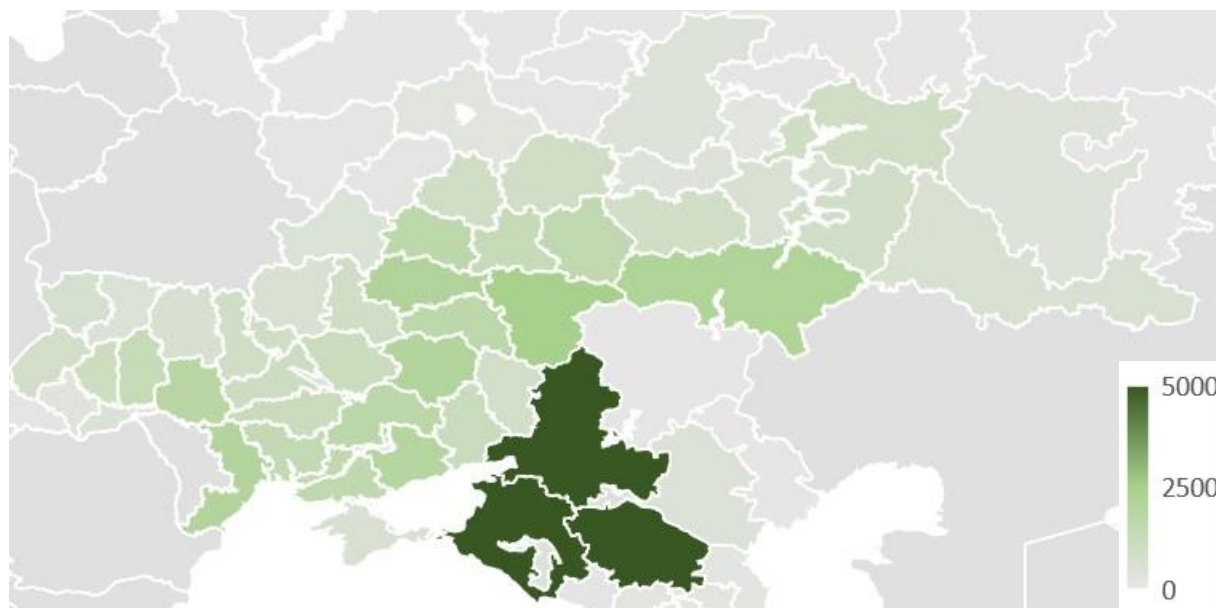
Past & upcoming



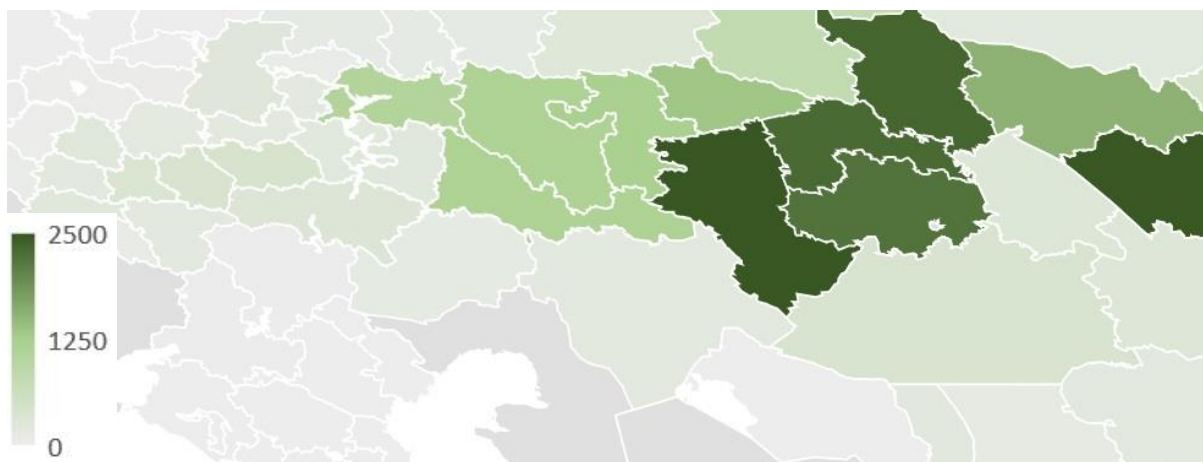
Black sea areas of winter and spring wheat production

2015-2019 average wheat production at oblast level

Past 5-year avg. winter wheat production (in 1,000 mmt)



Past 5-year avg. spring wheat production (in 1,000 mmt)

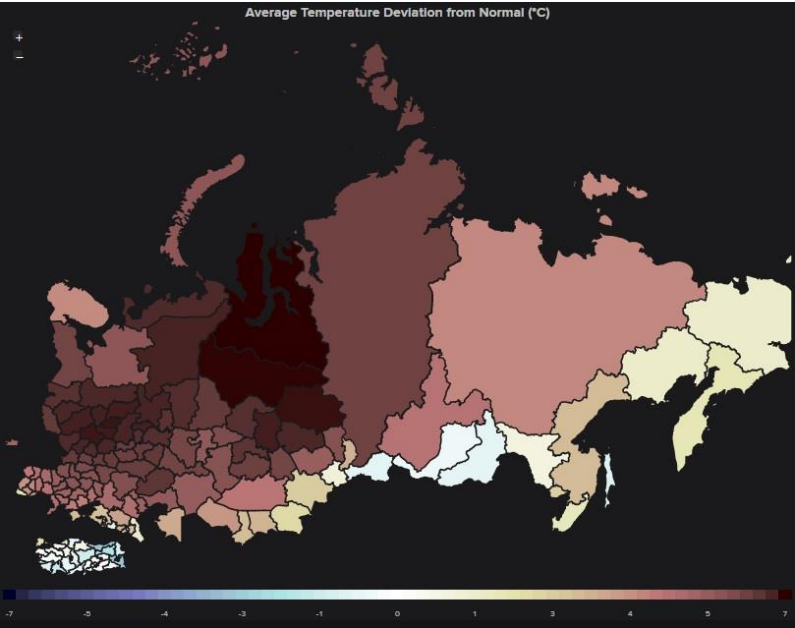


Source: ASRK, ROSSTAT, SSS

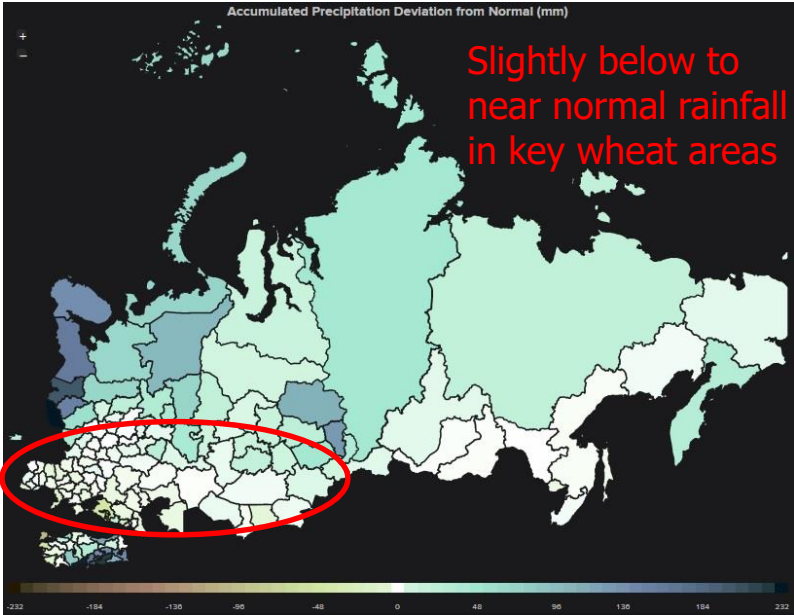
Black sea winter weather

Eurasia December – March average weather

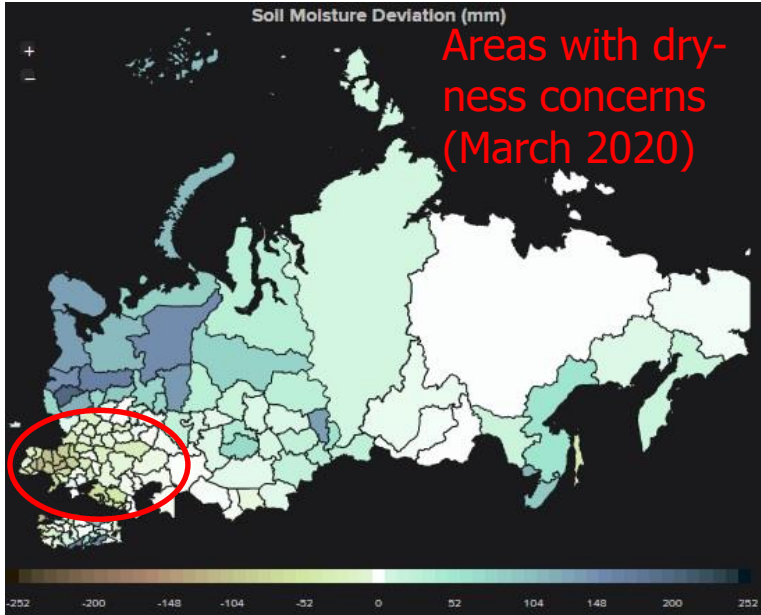
Average Temperature Deviation from Normal (°C)



Accumulated Precipitation Deviation from Normal (mm)



Soil Moisture Deviation (mm) March 2020

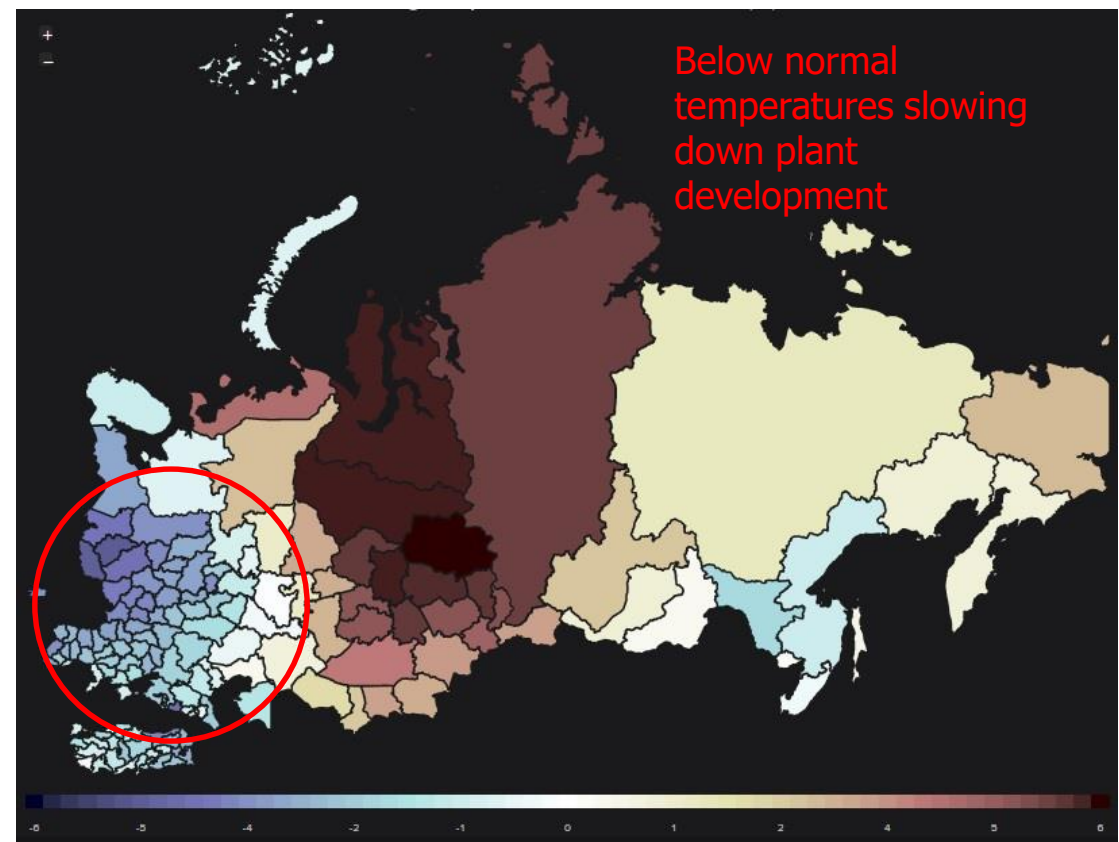


Source: Refinitiv Agricultural Weather Dashboard

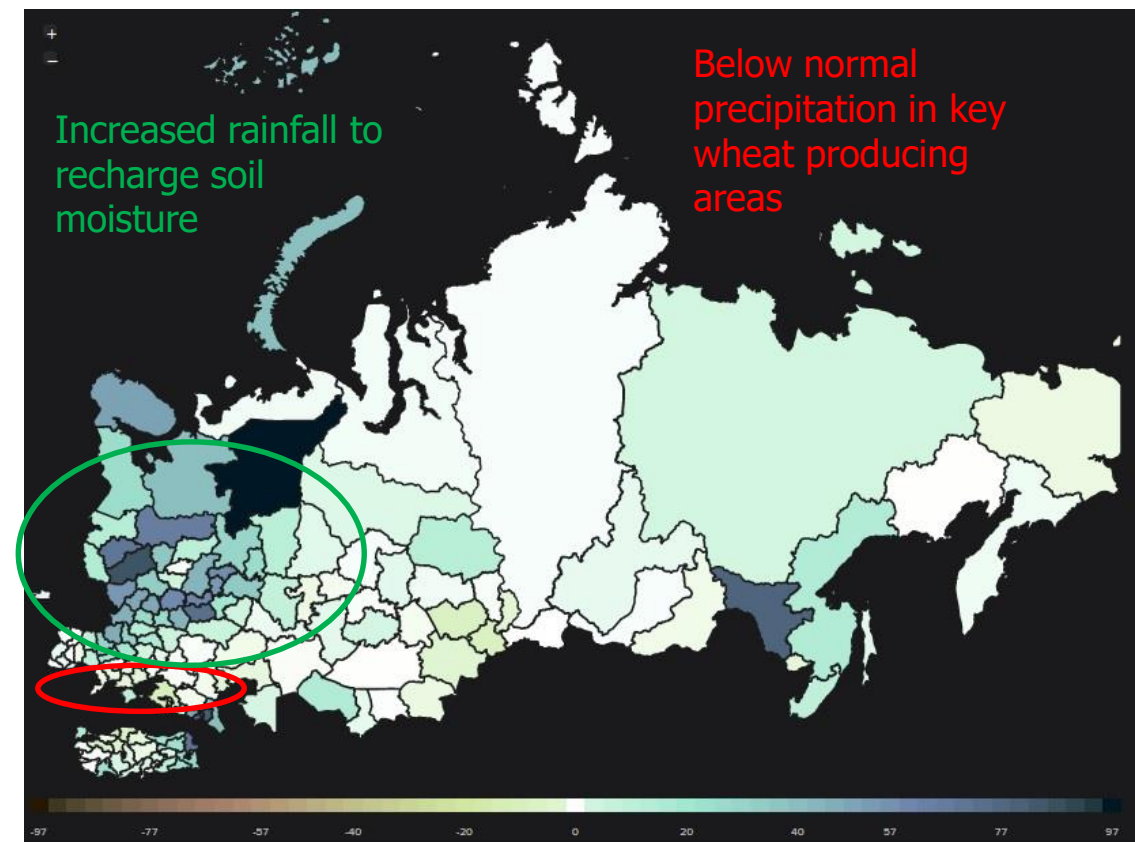
Recent weather

Eurasia average weather 15 April – 15 May

Average Temperature Deviation from Normal (°C)



Accumulated Precipitation Deviation from Normal (mm)

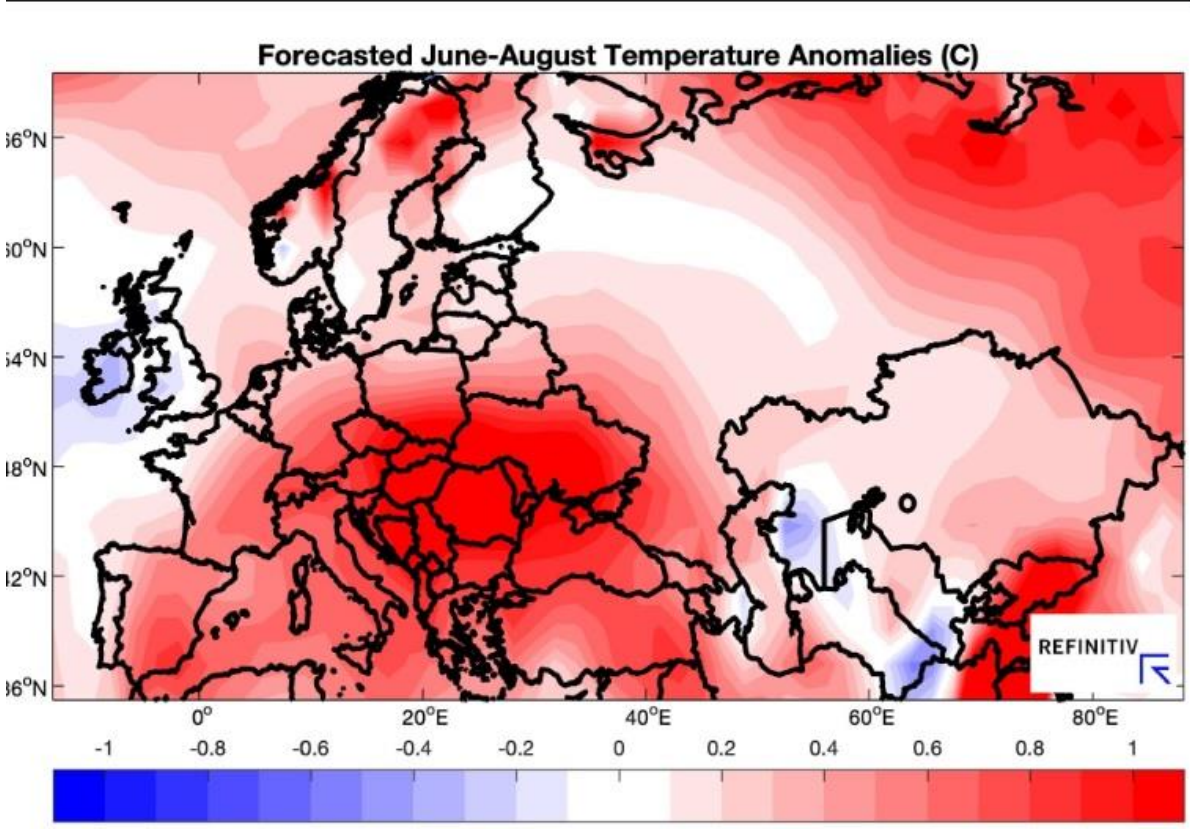


Source: Refinitiv Agricultural Weather Dashboard

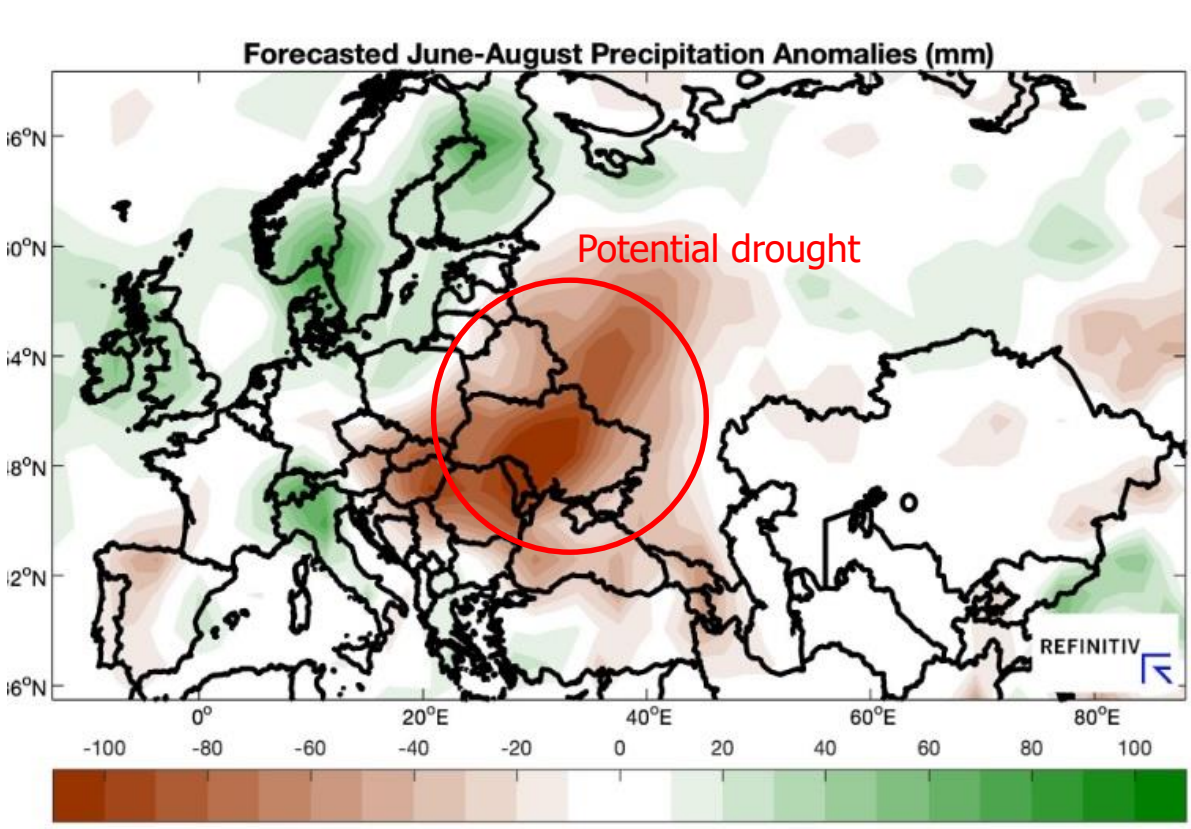
Weather forecast

Eurasia June- August weather outlook

Temperature Anomalies June- August (°C)



Precipitation Anomalies June- August (mm)



Source: Refinitiv Agricultural Weather Dashboard



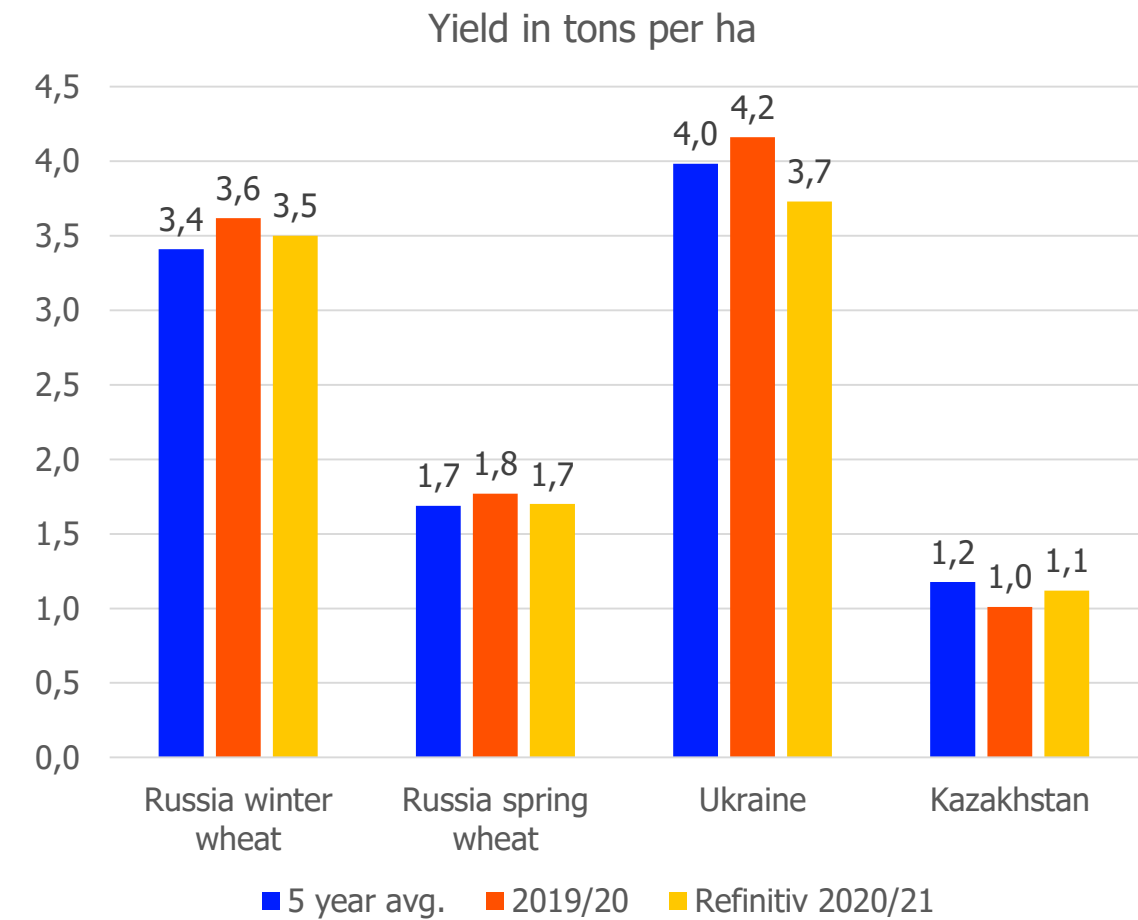
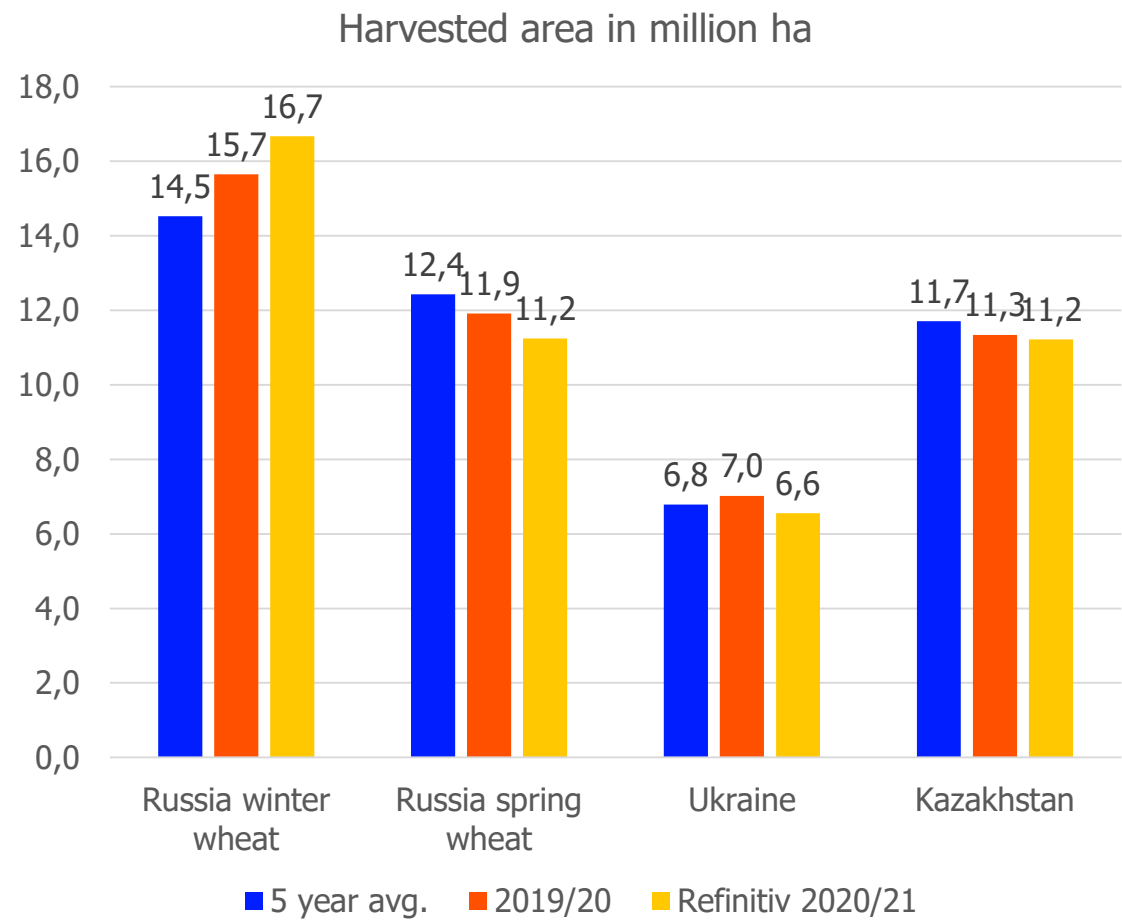
Production Outlook

Black Sea winter and spring wheat



Wheat harvested area & yield outlook 2020/21

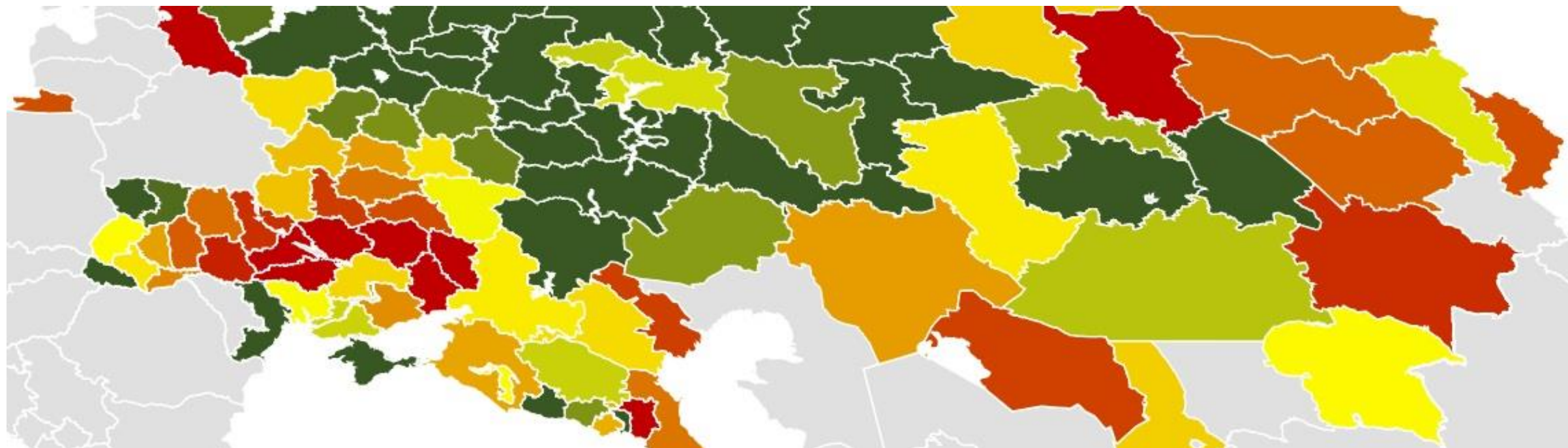
Black Sea countries



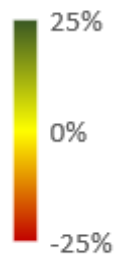
Source: USDA PSD, ROSSTAT & Refinitiv Ag Research

Wheat yield map

Change in yield 2019/20-2020/21



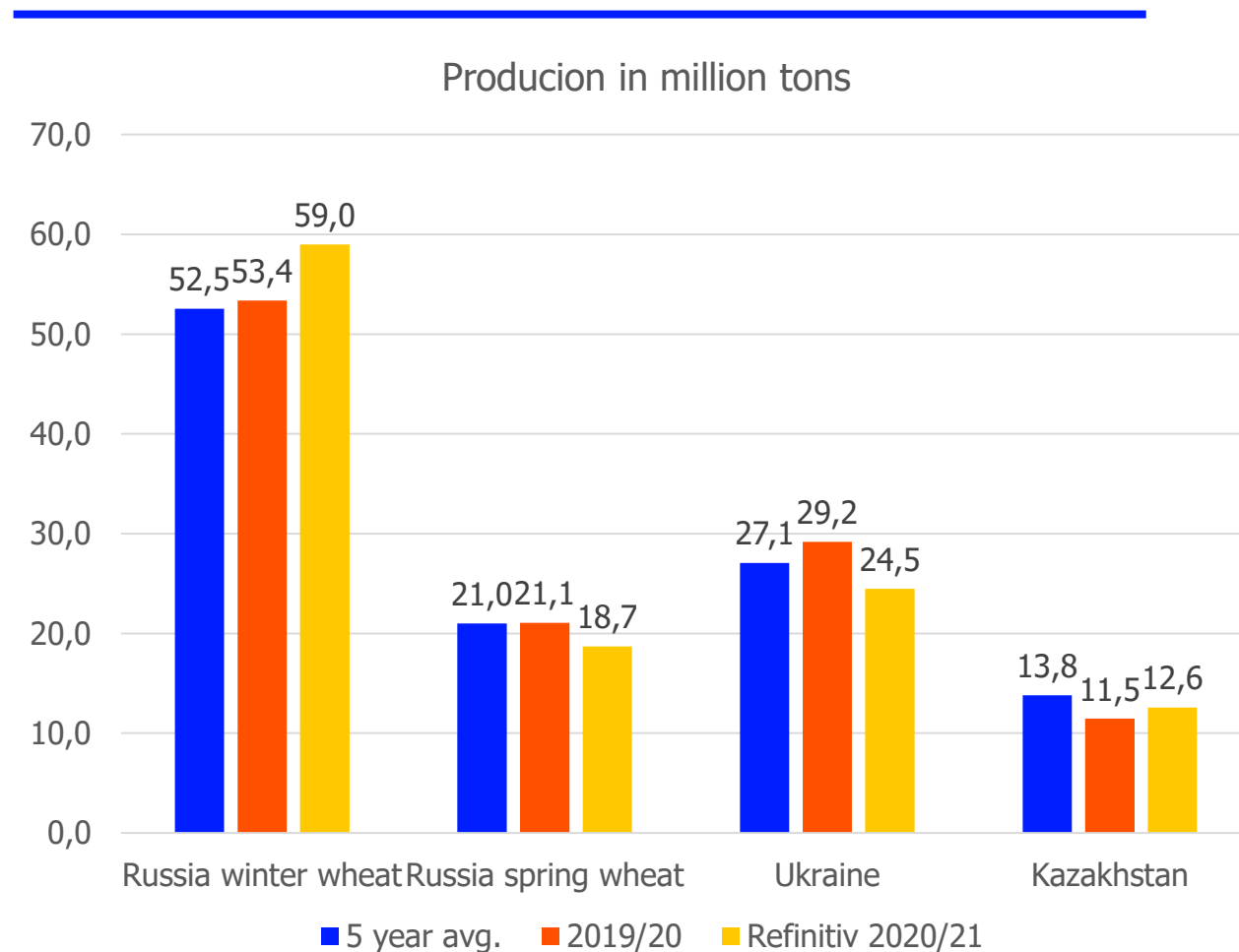
Change Yield in %



Source: own illustration.

Wheat production outlook 2020/21

Black Sea countries



Source: USDA PSD, ROSSTAT & Refinitiv Ag Research

	Russia	Ukraine	Kazakhstan
Refinitiv	77.7	24.5	12.6
USDA	77.0	28.0	13.5
Strategie Grains	78.2	24.6	
APK-Inform		24.5	
ProAgro		25.4	
SovEcon	81.2		
IKAR	77.2		

Source: REUTERS & Refinitiv Ag Research

Thank you