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Brazil's Mato Grosso 2025-26 soy crop costs rise

Sao Paulo, 18 February (Argus) — Brazil's central-western Mato Grosso state increased its estimates for the 2025-26 soybean crop production costs once again this month, based on higher fertilizer and seed costs.

Operational costs for the 2025-26 soybean crop — which include inputs, machinery and labor, among others — were estimated at R4,051/hectare ($709/ha) in January, according to the state's institute of agricultural economics Imea.

The outlook rose by 1.2pc from the R4,005/ha reported a month prior. Estimated costs for this crop are also higher than the 2024-25 crop's consolidated costs of R3,970/ha.

Estimated seed costs led the hikes, reaching R617/ha last month, 6.3pc above the R581/ha in December. But that is still below the R678/ha in the 2024-25 crop.

Pesticides costs increased by 0.3pc to R1,115/ha in January, while fertilizers costs rose by 0.2pc to R1,845/ha on the month.

Corn

Estimated costs for the 2025-26 corn crop using advanced technologies in Mato Grosso reached R3,055/ha last month, behind the R3,237/ha in the 2024-25 cycle.

Seeds costs led the decrease to R686/ha in January, below the R763/ha from the prior season.

Pesticide costs feel to R664/ha in January, below the R736/ha from the 2024-25 crop. Fertilizer costs dropped to R1,337/ha, behind last season's R1,342/ha.

Cotton

Imea decreased its projection for 2025-26 cotton production costs by 1.1pc to R10,709/ha in January, but it still surpasses last season's R9,590/ha.

Fertilizer costs dropped 1.9pc to R3,926/ha, but remained above R3,543/ha from the prior season. Pesticide costs decreased to R4,540/ha, an 1.7pc drop on the month but above the R4,012/ha from the 2024-25 crop.

Estimated seed costs increased by 3.1pc to R1,037/ha, above last cycle's R991/ha.

Estimated costs in January were calculated based on an average exchange rate of R5.9903/$1 for soybeans and R6.0212/$1 for both corn and cotton.

EU rapeseed crush rose in Jan with Australian canola

London, 18 February (Argus) — European rapeseed crush volumes increased by 112,000t on the month in January. Soybean and sunflower seed crushing fell by 73,000t and 80,000t respectively, as EU and UK crushers took advantage of steady Australian canola imports.

Rapeseed crushing rose by 7pc, mostly due to a strong start in Australia's canola export season, with much of the supply heading to Europe. Higher-than-average exports can be attributed to a large harvest, strong European demand and increased port capacity.

High soybean oil prices helped make rapeseed oil more attractive in January. Soybean crushing fell by 5pc on the month, with high prices after the US issued guidance on the 45Z production tax credit to allow US low-carbon fuel producers to immediately start claiming credits, supporting demand for US soybeans and soybean oil. Month 1 CBOT soybeans futures reached a six-month high on 21 January, and month 1 CBOT soybean oil reached a two month high on January 17.

Sunflower seeds made up just 13pc of total crushed oilseeds in the EU and the UK, down from a 2024 average of 16pc and a six-month low. Crush volumes fell significantly on the month and the year, by 16pc and 26pc respectively. Many Ukrainian sunflower crushing plants remained idle or operated at reduced rates in January, with lower demand for sunflower oil pressuring crush margins.

EU-27 + UK crushing volumes					***1,000t***
	January	**December**	**% m-o-m change**	**Jan-24**	**% y-o-y change**
Soybean	1,270	1,343	-5.4%	1,170	8.5%
Sunflower seed	434	514	-15.6%	589	-26.3%
Rapeseed	1,656	1,544	7.3%	1,680	-1.4%
Semi-refined	335	332	0.9%	356	-5.9%
Fully-refined	580	547	6.0%	613	-5.4%
Total					
Total oilseed	3,360	3,401	-1.2%	3,439	-2.3%
Total refined	914	878	4.1%	969	-5.7%

Global vegoils: Destination SFO prices push higher

Kyiv, 18 February (Argus) — Sunflower oil (SFO) prices at destination markets trended higher in the week to 18 February, at least in part thanks to limited Black Sea supply and firm European SFO demand.

Indian buyers stepped up their SFO purchases in the past seven days, with SFO cargoes changing hands at $1,215-1,225/t cif India for spot shipment. On Monday, Ukrainian SFO changed hands at $1,220/t cif India for March shipment. This was despite a larger number of offers of Russian product in India's import market. Recent trading activity was driven by concerns of lower supply from Ukraine and Russia, market participants said.

That said, sellers held their SFO offers firm at $1,225-1,230/t cif India. Some Indian buyers could turn to locally crushed vegoils if the prices continued to rise.

At the same time in China, prices for Black sea SFO cargoes kept rising last week. Sellers offered Russian SFO for February-March shipment at $1,170/t cif China, while Ukrainian products were offered even higher, at above $1,200/t cif for the same shipment period. This was considerably above buyers' price ideas of around $1,150/t cif China.

Meanwhile, China's palm olein (PO) market remained quiet in the past week without any sales heard. Rising PO prices further pressured China's import margins, stalling the country's buying pace. For April shipment, Chinese import margin weakened to below minus 600 yuan/t (minus $82.4/t) on 18 February, down from negative Yn350/t on 14 February.

Exporters and trading firms also largely kept away from the market, particularly for prompt loading, because of muted Chinese demand. Market participants were yet to see any offers for February-March shipments this week.

Meanwhile, China's domestic PO demand remained weak, because most processors and downstream users still preferred soybean oil because of its more competitive price. China's domestic stocks for palm oil products remained at around 400,000t by the end of last week, nearly unchanged from the previous seven days.

Elsewhere, SFO prices on cif Turkey basis rose over the past seven days, up by $25/t on the week. But trading activity was limited last week, with no deals heard on a cif Mersin basis.

European SFO prices trading on a fob six ports basis firmed in the week to 18 February, supported by higher trading activity, with at least ten cargoes changing hands in the reporting week.

On Wednesday, both the April-May-June (AMJ) and July-August-September (JAS) strips heard traded at $1,220/t fob six ports, while the October-November-December (OND) contract changed hands at $1,110/t fob six ports. Later in the week, OND traded at $1,095/t fob six ports on Thursday, while JAS changed hands again at $1,220/t fob six ports on Friday. At least one deal was heard on Monday for the OND contract at $1,100/t fob six ports.

And March, the AMJ and JAS strips traded on Tuesday at $1,220/t fob six ports, while OND changed hands at $1,110/t fob six ports.

Wheat: Sellers lock in sales of remaining old crop

Paris, 18 February (Argus) — Russia's fob market came closer to trading on Tuesday as traders met face to face, while in western Europe a sharp rise in freight rates somewhat jeopardised

French sellers' chances in the waiting game for Moroccan importers to cover their March-April needs.

French sellers reported rates at around $18/t for shipping a Handysize vessel from Rouen to Casablanca on Tuesday, up by around $4/t from rates two weeks ago. Exporters continued to make offers fob Rouen in basis terms to Euronext March wheat futures, which reached a €10/t discount to the May contract on Tuesday after five trading sessions of the spread steadily widening. Sellers were mindful of growing pressure from Argentina, with offers of Argentinian 11.5pc wheat cfr Morocco managing to stay relatively immune to climbing fob levels.

Meanwhile, the second day of an industry gathering in Dubai brought some traders of Russian wheat back to the table, where sellers had previously been absent. Discussions for 12.5pc wheat for March-early-April loading took place at $248-250/t fob Novorossiysk, participants said, with sellers reluctant to issue firm offers.

But Russian wheat was largely on the sidelines of the latest market development, namely Saudi Arabia's state purchase of 920,000t of wheat for a period spanning the northern hemisphere's old and new crop period. Traders expect Romanian wheat to take the lion's share of the volume at Russia's expense. Those offering Romanian old-crop wheat secured a price cif Saudi Arabia which on an equivalent fob basis was substantially above current spot market levels, participants said.

This made a poor time to buy for Jordan's state buyer MIT, which typically takes Romanian wheat. The buyer cancelled its tender to buy up to 120,000t of wheat for June-July despite attracting offers from a handful of trading firms on Tuesday.

Meanwhile, traders in North America slowly returned to the market after a public holiday and prior to that, a conference in Miami, where participants were largely preoccupied by an incoming cold snap affecting wheat now in the ground. Firming sentiment combined with firming prices — Argus assessed soft red winter (SRW) wheat at above $250/t fob US Gulf on Monday for the first time in three months — could herald a slowdown in weekly export sales of US current-crop which continued to advance rapidly into the first week of February.

Feed grains: China eyes Australian feed

London, 18 February (Argus) — Importers in China have focused at least some of their demand on Australian products, with cargoes of Australian barley and sorghum changing hands last week, according to market participants.

China-bound demand has strengthened after the end of the lunar new year holiday earlier this month, particularly for May-June positions, as buyers began to mull alternatives to waning Black Sea supply in the second half of the corn marketing year (October-September).

And a deteriorating outlook for South American corn could boost demand further for alternative origins. In Argentina, drought across 38pc of corn planted areas has pressured crop conditions, with only 67pc of areas rated normal or better, some 16 percentage points below the previous year, according to latest data from the Buenos Aires Grain Exchange.

Anticipated tightness in the global corn balance sheet has already offered some support to international feed crop prices. Prices of feed wheat rose by around $5/t on the week on a fob Western Australia basis, encouraging a ramp-up in farmer selling of Producers in Australia have ramped up sales of feed-grade wheat, market participants said.

Elsewhere, prices of Ukrainian corn shipping from deepwater Pivdennyi/Odesa/Chornomorsk (POC) ports firmed on Tuesday, as sellers, spurred on by an uptick in demand, lifted offers by some $4/t on the day. Buyers were also willing to discuss prices a little higher, according to market participants, although the upward revision in bids was less steep, ticking just $2/t higher on the day.

Buyers in the Turkish delivered market also continued to eye Ukrainian corn, with bids heard for minibulker and Handysize cargoes shipping to Turkish Mediterranean ports. But buyers and sellers were not much closer to reaching a resolution on the cif market, with the bid-offer spread at about $5/t cif Turkey on Tuesday, compared with $6/t on a fob POC basis.

Canada awards C$33mn for rail and port projects

Washington, 18 February (Argus) — The Canadian government has awarded C$33.1mn ($23.3mn) to six rail and port projects in Alberta and British Columbia aimed at making the supply chain more resilient and efficient.

The funds will come from the National Trade Corridors Fund, which is focused on supporting investment in critical transportation assets that support economic activity in Canada.

"At a time when Canadians are increasingly focused on the need to expand internal trade and to diversify Canadian exports, a key area of focus must be the debottlenecking railways and ports,"

Canadian energy and natural resources minister Jonathan Wilkinson said on 12 February.

The largest award went to Canadian National (CN), which will receive C$10mn for its Jaleslie siding extension project at the Port of Vancouver. The project will provide an additional option for long trains to pass in the single-track corridor between the port and Kamloops, British Columbia, supporting freight and passenger rail service.

NSD Development Corporation was awarded C$6.2mn to help develop a multi-commodity inland port facility in Terrace, British Columbia. Liquid and dry bulk commodities will be shipped through the facility, which will service as a rail and truck hub for northwestern British Columbia.

The Battle River Railway will receive C$5.7mn to help upgrade three bridges and develop an industrial park in Forestburg, Alberta, to help maximize rail line efficiency, reduce bottlenecks and boost first-mile fluidity.

Richardson International will receive C$5mn to help add 15 storage tracks at its North Vancouver Terminal, realign existing tracks, and make other improvements in order to strengthen intermodal connections and support regional trade.

The government awarded C$3.5mn to Quasar Platform to create a digital platform that monitors railcars and freight in real-time, providing greater visibility on shipments.

And C$2.7mn will go to IntermodeX Logistics to help build a container yard and establish a transloading facility at the Port of Prince Rupert.

Price and Data

Description	Unit	Price	Date
Corn Ukraine cpt POC spot	USD/t	220↑	18.02.2025
Wheat 11.5pc Ukraine fob POC spot	USD/t	239,50-	18.202.2025
Wheat 12.5pc Russia fob Novorossiysk spot	USD/t	249↓	18.02.2025
Soybean oil Argentina waterborne fob upriver USD/t month 1 - Houston close	USD/t	1.024,925	18.02.2025
Rapeseed oil fob Dutch Mill RSO - London close	USD/t	1.137,148↑	18.02.2025
Sunflower oil fob northwest Europe 6 ports spot - London close	USD/t	1.222,50↑	18.02.2025

↓ Price dropped in comparison to last report.

↑Price raised in comparison to last report.

-Price has not changed.

References:

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