

## **CSI Daily News 7.02.2025**

### **BR weather: Rains persist across the country**

Sao Paulo, 7 February (Argus) — Brazil's main agricultural regions experienced 35-75mm of rainfall, with up to 135mm in Mato Grosso state's northeast and isolated showers in Minas Gerais state, according to the US National Oceanic and Atmospheric Administration (NOAA).

Areas in Sao Paulo state around Marilia and Sao Jose do Rio Preto cities — major sugar and ethanol production hubs — got as much as 125mm. Minas Gerais experienced 95mm in its south, while the northern portion, bordering Goias state, accumulated 135mm.

The central-west region accumulated 45-85mm in the last week, reaching 85-135mm on the border between Mato Grosso and Goias. Parana state's north experienced 55-75mm. Most of Santa Catarina and Rio Grande do Sul states got 25-45mm.

For next week, NOAA forecasts predominantly dry weather in the central strip. Areas in Mato Grosso around Querencia and Sinop cities should get as much as 45mm. Parana's north and Rio Grande do Sul may get 15mm, while Rondonia state should experience 35-75mm.

### **Feed grains: US, Ukraine compete in Spanish Med**

London, 7 February (Argus) — Prices of optional-origin corn cif Spanish Mediterranean ports shed value on Friday, pressured by a ramp-up in competition for destination demand between sellers of Ukrainian and US product.

*Argus'* corn cif Spanish Mediterranean ports assessment fell by \$2/t on the day, with US and Ukrainian cargoes both now offered in the low-\$240s/t, according to traders. Offers of US corn into European markets have become increasingly competitive, as sellers may seek to commit sales ahead of any further US trade tariff developments, according to market participants.

That said, Ukrainian cargoes kept an edge in the spot market, while US offers sought to catch demand from late-March onward, market participants said. Sellers in the US had committed 1.26mn t of 2024-25 (October-September) corn to Spain as of 30 January, latest US Department of Agriculture (USDA) export sales data show, compared with no volumes sold to Spain in the 2023-24 season.

In contrast, offers of Ukrainian feed wheat to the east coast of Spain firmed on the day on Friday, with sellers supported in part by renewed demand for March-loading cargoes. Buy-side attention was largely concentrated on feed wheat consignments loading from April earlier

this week. Feed wheat prices in Ukraine's domestic market also continued its upward trend, gaining \$1/t on a cpt Pivdennyi/Odesa/Chornomorsk (POC) deepwater ports basis for a third consecutive trading session. Domestic market prices have received a boost from firm demand for feed wheat deliveries to port, according to market participants.

In Ukraine's domestic barley market, meanwhile, a buyer-seller standoff curbed activity on Friday. Demand remained firm, but many buyers were unwilling to put a value to bids, according to market participants, while sellers in turn adopted a wait-and-see attitude to offering.

Barley prices in Ukraine's fob market also strengthened, as indicative prices of coaster-sized barley cargoes – with thin supply pressuring bulk volume availability – exceeding those of Handysize 11.5pc protein content milling wheat cargoes, according to market participants.

### **Wheat: SE Asia price up on latest deals**

Paris, 7 February (Argus) — In southeast Asia, delivered prices firmed despite further market talk of resales of Australian wheat originally bound for China.

Offers of both Argentinian and Australian Standard White (ASW) 9pc wheat ended the week both in the low-\$270s/t cfr Indonesia, traders said. This, despite extra volumes in the market as certain traders this week sought to resell or delay a number of cargoes on their way to China from Australia and Canada, market participants said.

Prices reflect the relatively square position that many traders now hold on Australian wheat, market participants said. Those offering fresh volumes of Australian wheat to Indonesia began to integrate the cost of originating wheat on the local market into their final cfr offers.

Meanwhile, sellers offering Argentinian wheat in the upriver market raised offers on Friday after cargoes for March loading on Thursday changed hands in the mid-high \$230s/t fob, participants said, following trades between \$230-232/t fob at the start of the week. The country is now in its peak export season, and fob liquidity picked up as exporters covered sales to both Morocco and southeast Asia, market participants said. Traders expect export availability to begin to tail off as soon as March.

But despite the rise in cfr levels from Australia and Argentina, Black Sea wheat remained priced out of the southeast Asian market on Friday. At Ukraine's Pivdennyi-Odesa-Chornomorsk (POC) ports, exporters struggled to fend off competing demand from the country's domestic millers, as cpt POC prices for milling wheat rose again for the third day in a row. In the fob market, steady bids allowed exporters to edge spot offers higher on the day in tandem.

In Russia, wheat export taxes announced on Friday for 12 February onwards inched up on the week in both dollars and roubles, contrary to market expectations of a slight drop. Sellers offering 12.5pc wheat fob Novorossiysk raised offers on Friday after days of little-to-no movement.

At France's port of La Pallice, a wave of farmer selling prompted by volatile Euronext futures earlier in the week subsided on Friday. Traded levels regained their premium to the March futures contract after wheat changed hands at parity with the contract in the past two days, market participants said. Levels at Rouen meanwhile held steady on the day, with exporters' basis for prompt, February-March delivery to port slightly above bids at equal to the May futures contract for delivery towards the end of the July-June marketing year.

## Tunisia buys barley in tender

London, 7 February (Argus) — Tunisia's state grain buyer, ODC, has booked 75,000t of feed barley for shipment in March-April in a tender that closed today, at a price that is above ODC's previous tender purchase in January.

ODC bought three 25,000t cargoes from trading firm Viterra, at \$254.49/t cfr. The cargoes are to be shipped across three consignments — on 10-20 March, 15-25 March and 25 March–5 April.

The buyer received offers from eight trading firms in a range of \$253.88-294.50/t cfr. Promising submitted the least competitive offer. The other participants were Al Ghurair, Bunge, Casillo, Cofco, Euro Commodities and Raya.

In its previous tender, ODC purchased 75,000t of feed barley from Viterra at \$238.47/t cfr.

### Grains, oilseeds and veg oils tenders

Buyer	Issued	Closes	Status	Cargo	Shipment/ delivery	Price	Seller	Notes
Jordan's MIT	06- Feb	12- Feb	Open	100,000- 120,000t feed barley	Apr - 1h May			cfr Aqaba
Bangladesh' s DGF	04- Feb	19- Feb	Open	50,000t milling wheat	Within 40 days of l/c			ciflo Chattogram, Mongla
Tunisia's ODC	06- Feb	07- Feb	Closed	75,000t feed barley	Mar-Apr	\$254 .49/t	Viterr a	cfr
Japan's MAFF	04- Feb	06- Feb	Closed	96,725t milling wheat	21 Mar - 20 Apr			US, Can
Jordan's MIT	30- Jan	05- Feb	Cancelled	100,000- 120,000t feed barley	Apr - 1h May			cfr Aqaba
Jordan's MIT	29- Jan	04- Feb	Cancelled	100,000- 120,000t	2H Apr - 1H Jun			cfr Aqaba

## Canadian canola, barley stocks down, wheat up: StatCan

London, 7 February (Argus) — Total canola and barley inventories in Canada contracted on the year by the end of December, while total wheat stocks edged higher, according to Statistics Canada's (StatCan's) latest principal field crop stocks report.

About 11.38mn t of canola were held in commercial and on-farm stocks in Canada as of 31 December last year, down from 14.09mn t a year earlier.

Barley stocks also fell on the year, to 4.96mn t from 5.46mn t a year earlier.

In contrast, stocks of wheat, including durum, climbed on the year to 24.48mn t from 24.25mn t. Increased durum stores, which rose by 428,000t on the year, proved more than enough to offset smaller non-durum wheat stocks, which fell by 199,000t over the same period, StatCan data show.

Corn stocks grew by just 17,000t to 11.32mn t.

Canada's total stocks on 31 July		'000t		
Crop	Dec 22	Dec 23	Dec 24	
Wheat, all	24,821	24,251	24,481	
— Durum wheat	4,120	3,187	3,615	
— Wheat excluding durum	20,701	21,064	20,865	
Barley	5,165	5,462	4,958	
Canola (rapeseed)	13,017	14,087	11,382	
Corn	11,862	11,300	11,317	
Dry peas	2,185	1,886	1,686	

## Brazil's Rio Grande do Sul ends soy planting

Sao Paulo, 7 February (Argus) — Brazil's southern Rio Grande do Sul finished sowing its 2024-25 soybean crops this week, after posting a delayed progress for most of the past weeks because of extremely dry weather.

Activities advanced by 1 percentage point to 100pc of the estimated area in the week ended 6 February, according to regional rural agency Emater-RS estimates. Work had been almost fully interrupted since mid-January.

A large portion of crops registered a significant reduction of yields from its initial potential, with some posting total losses and becoming unfeasible for harvesting.

The 2023-24 crop was fully sowed a year ago, while the five-year average for this time of year is also of 100pc.

The state expects to produce 21.7mn metric tonnes (t) of soybeans in the 2024-25 season, up by nearly 17pc from 18.6mn t in the 2023-24 crop. The 2024-25 soybean crop is set to be sowed in 6.8mn hectares (ha) and register average yields of 3,179 kg/ha, both up from 6.7mn ha and 2,784 kg/ha in the prior cycle.

### **Summer corn**

Rio Grande do Sul's 2024-25 summer corn harvesting advanced to 43pc from 38pc of the planted area from 30 January-6 February.

That is in line with the total harvested at this time a year ago for the 2023-24 crop, while the five-year average is of 38pc.

Summer corn planting is yet to finish in the state, advancing slowly amid dry weather conditions. Activities advanced to 99pc from 98pc of the expected area in the week ended 6 February, after barely moving since 24 January.

That is in line with pace posted by the 2023-24 crop a year prior and compares with a five-year average of 97pc sowed.

The state expects to produce 5.3mn t of summer corn in the 2024-25 season, an almost 18pc increase from the 4.5mn t in 2023-24. Rio Grande do Sul's 2024-25 summer corn crop is set to be sowed in around 748,510ha and register average yields of 7,116 kg/ha. The previous season was planted on 808,915ha, posting average yields of 5,634 kg/ha.

## **Brazil to boost SSP deals for 2025-26 soy crop**

Sao Paulo, 7 February (Argus) — Brazil will increase purchases of phosphate-based SSP 18-23pc in the 2025-26 soy crop from the previous one as its price has fallen far enough below the more nutrient-rich MAP 11-52 to make it the most affordable option for farmers.

Market participants reached deals for around 200,000 metric tonnes (t) of SSP during the Fertilizer Latino Americano (FLA) conference, in Rio de Janeiro state on 27-29 January, they said. SSP purchases usually occur in the last quarter of each year, but deals were postponed in 2024 and intensified in early 2025.

Brazilian ports will receive around 214,725t of SSP in January-February, according to maritime agency Unimar. That is more than the 145,780t in the same period in 2024, according to Global Trade Tracker data.

Import market prices are set to continue favoring SSP deals, as the nutrient costs less in this fertilizer than in MAP. The price of P2O5 in SSP 19pc was 12pc lower than that of the same nutrient in MAP 11-52 as of late January. The P2O5 content in SSP 19pc was 3pc lower than the nutrient in MAP 11-52 a year ago. *Argus'* MAP 11-52 weekly range was assessed at \$635/t

cfr Brazil as of late January, while SSP 19pc was at \$205/t cfr, compared to \$560/t cfr and \$198/t cfr a year prior, respectively.

Domestic market sales are also focused on SSP, while potash (MOP) deals took place mainly in late 2024. As MOP prices in the import market are firming, demand has been reducing in the domestic market. Deals of mainly SSP, MOP, NP 08-40 and NPS 08-40+5S are the most advanced to cover farmer needs for the 2025-26 soybean season, to be planted as of mid-September in main producing states.

Market participants who operate in Brazil estimate that around 35pc of fertilizer needs to grow soybean were purchased nationwide by early February. That compares with nearly 40pc purchased in central-western Mato Grosso state, a main producing hub.

There are more offers available of SSP 18.5pc P2O5 — a grade that is usually destined to southern states — in central-western states than usual, which has added additional supply to the region. Drier-than-usual weather — caused by the La Nina phenomenon — in southern Parana and Rio Grande do Sul states is hampering agricultural activities and preventing farmers from purchasing fertilizers.

Most deals are taking place under barter transactions because rates for SSP are more attractive than other fertilizers in the domestic market, according to market participants. Barter transactions are the main type of financing for Brazilian crops and consist of farmers trading part of their oilseed or grain production for inputs needed to grow the crop, including seeds, pesticides and fertilizers.

### **Barter to increase share on financing**

Barter transactions are expected to intensify further in the 2025-26 crop as Brazil's interest rate is expected to rise, making it difficult for farmers to acquire credit lines with banks.

The country's target interest rate is at 13.25pc, up from 11.25pc in late January 2024. Market participants expect the rate to increase by 1 percentage point in March. A higher interest rate increases financing costs for farmers.

More deals have been taking place under barter transactions for Mato Grosso's next crop, market participants said. Funding from multinational companies, which are mainly traded in the barter modality, accounted for around 29pc of the 2024-25 soybean crop funding, nearly steady from almost 30pc in the prior season, according to the state's institute of agriculture Imea.

Credit lines taken directly with banks accounted for the lion's share of the financing of Mato Grosso's 2024-25 soybean crop, at nearly 31pc, reaching R15.3bn (\$2.6bn), up from 17pc — or R8.4bn — a year earlier. Federal aid accounted for around 9pc of the soybean funding in Mato Grosso in the 2024-25 crop, up from 4pc in the previous season, according to Imea.

Self-financing in Mato Grosso significantly decreased by nearly 13 percentage points to around 19pc in the 2024-25 season from a year prior, reaching R7.9bn, as farmers had less funds available and reduced the pace of sales.

## **China soybeans: Demand for Brazilian beans**

Beijing, 7 February (Argus) — Chinese buyers showed increased interest in Brazilian soybeans as cfr premiums for the product fell, leading to several cargoes trading overnight.

Premiums to the Chicago Board of Trade (CBOT) futures fell by 1-4¢/bu for April-May, July-August shipments, following muted demand from China in previous days.

The lower indications resulted in China's demand returning for Brazilian cargoes. An April-loading deal was done at a 5¢/bu fob discount to the May CBOT contract. May-loading volumes were sold at a 12¢/bu fob premium over the May CBOT contract for shipment in the first half of the month, and at a 21¢/bu fob premium for delivery during 16-31 May. China also secured a June-loading cargo at a premium of 108¢/bu cfr over the July CBOT contract overnight.

Chinese crushers continued to focus on South American products as the export season approaches, coupled with uncertainties surrounding US-China trade flows. Exporters offered soybeans from optional sources including Argentina and Uruguay, or mixed products from these two origins at 100¢/bu for May shipment and 103¢/bu for June loading. Volumes loaded solely from Uruguay were offered at 98¢/bu for June loading, lower than Brazilian soybeans by 15¢/bu.

But the current price spread failed to attract crushers' purchases from Argentina and Uruguay, given the low protein content in beans. Crushers need to mix them with high-protein soybeans if they process products from these two sources to achieve a target of producing soybean meal with 43pc protein content. This may necessitate additional peeling and drying procedures before crushing, potentially raising costs as well.

## **China corn: Dalian-listed corn futures rise**

Beijing, 7 February (Argus) — China's corn futures listed on the Dalian Commodity Exchange (DCE) rose in the first trading days after the lunar new year, but market liquidity has yet to recover this week.

The primary May contract closed at 2,300 yuan/t (\$315.60/t) on 6 February, a five-month high since early September and marking a rise of Yn17/t from the last trading session before the week-long lunar new year holiday (*see chart*). State-owned firms announced plans to expand corn purchases from local suppliers in northeastern regions over the lunar new year break, leading to futures gains.

Trade flows from farmers in the key cropping regions showed no signs of recovery this week. Selling activity typically resumes by mid- to late-February, with roughly 90pc of products sold by late-April to early May. Farmers in northeastern regions and the North China Plain, the country's largest corn belts, sold 57pc and 59pc of their products respectively as of 6 February. The selling paces marked a rise of 6 percentage points and 3 percentage points on the year respectively, according to market sources.

Truckloads at north ports has increased as deliveries from farming regions to users gradually picked up, traders said. Trading firms at north ports received 296 truckloads of corn on 7 February, a considerable increase from only 36 truckloads reported on 5 February, the first working day after the lunar new year (*see chart*).

The rise in DCE futures also created ripples on the spot market, with trading firms' indications at north China ports increasing by Yn10/t from late January to Yn2,130-2,140/t in the week to 7 February. Domestic products at China's southern Guangdong ports similarly rose to Yn2,250-2,260/t from Yn2,240-2,250/t two weeks earlier.

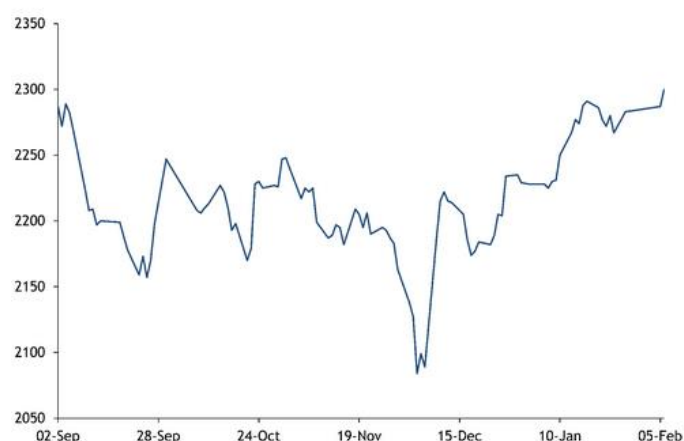
The price spread between cropping and consuming regions remained as wide as Yn120/t this week, attracting delivery flows as trading firms in north China ports may have profits if they delivered products to south China, given overall seaborne freight rates and port fees of Yn90/t. But corn processors in most regions have yet to resume operations, which may limit corn consumption in early to mid-February.

Chinese corn buyers received higher indications from global corn sources this week, resulting from the strengthening Chicago-listed corn futures, which edged up to \$5.05/bushel (bu) on 5 February from \$4.93/bu a week earlier. US corn prices offered for April shipment were at \$270/t for products shipping from the US Gulf coast on 7 February, while corn on a cfr basis was offered at \$260-265/t for cargoes delivered from the Pacific northwest.

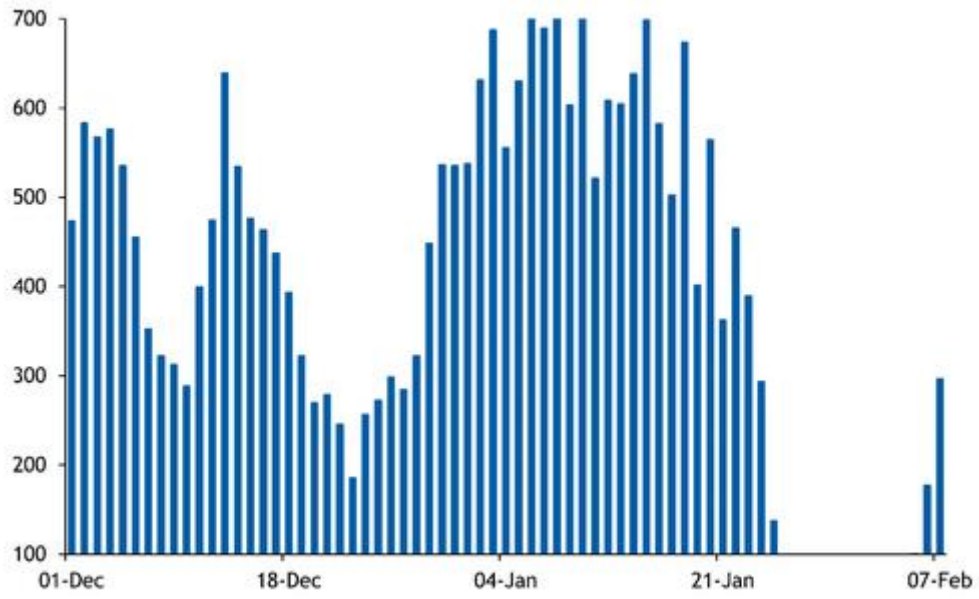
China has purchased US corn cargoes, according to some traders. But others were sceptical that purchases had been made. This could not be confirmed or invalidated at the time of writing.

The profitability of imported corn, reflected by the local-imported corn spread, was at Yn64/t on 7 February. China's private grain processors remained mostly absent from the global corn market at current spread levels.

#### China corn futures (Yn/t)



### Corn arrivals at China's north ports (Truckloads)



## Price and Data

Description	Unit	Price	Date
Corn Ukraine cpt POC spot	USD/t	216-	7.02.2025
Wheat 11.5pc Ukraine fob POC spot	USD/t	237.50↑	7.02.2025
Wheat 12.5pc Russia fob Novorossiysk spot	USD/t	243,50↑	7.02.2025
Soybean oil Argentina waterborne fob upriver USD/t month 1 - Houston close	USD/t	1.024,71↑	7.02.2025
Rapeseed oil fob Dutch Mill RSO - London close	USD/t	1.097,208↓	7.02.2025
Sunflower oil fob northwest Europe 6 ports spot - London close	USD/t	1.195↑	7.02.2025

↓ Price dropped in comparison to last report.

↑Price raised in comparison to last report.

-Price has not changed.

### References:

[www.direct.argusmedia.com](http://www.direct.argusmedia.com)