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China's tariffs on Canadian rapeseed to tighten supply

Beijing, 10 March (Argus) — China's decision to impose a 100pc tariff on Canadian rapeseed oil (RSO) and meal (RSM) prompted many trading firms and crushers to cancel their forward delivery contracts, because participants foresee long-term supply concerns.

Most rapeseed crushers and trading firms cancelled their previous contracts for forward deliveries by exercising the force majeure clause.

China's RSO and RSM supplies primarily come from domestic crushing of imported rapeseed supply, and imports. China's anti-dumping probe on Canadian rapeseed imports is still ongoing, but the retaliatory tariffs on Canadian RSO and RSM largely squeezed supplies of both products in China's domestic market.

Local RSO and RSM inventories are more than enough to cover domestic use in the short term, but surging tariffs on both products could weigh on China's receipts from late March onwards. This pointed to a higher likelihood of supply tightness from the second quarter.

The primary Zhengzhou Commodity Exchange (ZCE)-listed RSM futures contract rose to a daily limit of 2,611 yuan/t (\$359/t) on 10 March, the first business day after the tariff announcement, from Yn2,456/t on 7 March. The primary RSO futures on ZCE also climbed by 4.6pc from the previous day to Yn9,204/t on 10 March.

Undisclosed results from China's anti-dumping probe on Canadian rapeseed, as well as uncertainties about China-Australia rapeseed trade flows raised concerns regarding China's supply of rapeseed and its byproducts in 2025.

Canada accounted for more than 74pc and 95pc of China's RSM and rapeseed imports in 2024, respectively, customs data show. RSO imports from Canada contributed less than 1pc to China's total imports, but reducing rapeseed receipt from Canada will tighten China's domestic RSO supplies as well.

China soybeans: Near-curve demand picks up

Beijing, 10 March (Argus) — Chinese crushers stepped up buying April-May loading Brazilian soybeans on 7 March, supporting cfr premiums.

China booked at least two Brazilian cargoes on 7 March. April-loading was sold at 168-170¢/bu cfr over the May Chicago Board of Trade (CBOT) contract for April loading, while prices for May shipment were yet to be confirmed by market close. Market participants reported a

reselling deal from China to other destinations for April-loading on 6 March, at 170¢/bu cfr to the same Chicago futures.

Overall China-bound soybean sales totalled 9-10 cargoes last week, mostly for shipments in March-May. China also secured a June-loading at 158¢/bu and July-loading at 165¢/bu earlier last week, over the July CBOT contract.

Currently Chinese purchases focused on near-curve shipments because of expected falling prices for far-month cargoes. Brazil's record output for the 2024-25 season may add extra pressure on prices when the peak export season starts. This may leave room for negotiation and further price drops for far-curve deliveries.

Renewed interest from China supported cfr premiums for Brazilian beans along the curve, with only falls of 2.5¢/bu seen for June shipment because of lower best offers. Premiums for US new-crop products remained steady, with scarce offers and bids availability.

Australia's Brisbane port reopens after cyclone

Sydney, 10 March (Argus) — Australia's port of Brisbane started receiving ships earlier today for the first time since 6 March, days after cyclone Alfred made landfall in southern Queensland.

But the port has warned that water is continuing to rapidly move down the Brisbane river, creating significant risks. The state's port regulator may alter Brisbane Port's operational settings if river conditions worsen, the port said.

Three ships arrived at the port on 10 March. One of the vessels, the *Regina*, a Japanese-flagged vessel, collected 32,977t of wheat from Brisbane and is en-route to Vũng Tàu in southern Vietnam, according to data from marine analytics firm Kpler.

Brisbane Port will export 111,635t of sorghum this week, but coal shipments are only expected to restart on 17 March. Ships are scheduled to collect 173,806t of thermal coal over 17-18 March and 308,712t over 21-28 March, Kpler data show.

Cyclone Alfred brought higher rainfall to Queensland's coast — affecting Brisbane and other towns — late last week, but it likely had a limited impact on coal production. All of southern Queensland's coal mines sit to the west of Brisbane and avoided heavy rains when the cyclone made landfall.

Malaysian palm oil stocks hit 21-month low in February

Singapore, 10 March (Argus) — Malaysian palm oil stocks hit a 21-month low in February, declining for the fifth straight month, according to preliminary data from the Malaysian palm oil board (Mpob).

Total palm oil stocks fell to 1.5mn t in February, down by 4pc on the month and by 21pc on the year. Crude palm oil (CPO) stocks in February rose by 5pc on the month to 826,000t, but this was outweighed by a 13pc reduction in processed palm oil stocks from January to 686,000t. CPO stocks rose in February in contrast to earlier months where both CPO and processed palm oil stocks fell in tandem. This was likely because Malaysian CPO exports declined to multi-

month lows of 1mn t in February, as price-sensitive consumers reduced buying of palm oil which remained at a premium to rival soft oil soybean oil until early January this year. CPO exports were last below 1mn t over four years ago in February 2021.

Market participants watch palm oil stock levels to gauge supply-demand dynamics. Malaysia's monthly releases are tracked more closely than Indonesia's, as the data on its palm oil industry is considered more reliable. Malaysia is the world's second-largest palm oil producer after Indonesia.

Malaysian CPO production fell for the fifth consecutive month to 1.18mn t in February, down by 4pc on the month and by 6pc on the year. Palm oil production has continued to decline because of excessive rainfall and flooding in east Malaysia, where Sabah registered a 13pc fall, along with a 3pc fall in Sarawak. Palm kernel oil (PKO) production volumes fell by 7,000t on the month to 285,000t, while crude PKO production declined by 5pc or 7,000t to 130,000t.

Oleochemical exports fell by 14pc to 198,000t in February while PKO and palm kernel cake exports rose by 1pc and 10pc to 58,000t and 195,000t respectively. Biodiesel exports rose for a third month to 42,000t in February.

But a supply build-up in Indonesia could lead to more imports into Malaysia, which could rebalance stocks and weigh on CPO prices in the first half of 2025.

Indonesian palm oil exports fall in December: Gapki

Singapore, 10 March (Argus) — Indonesia's palm oil exports dropped sharply in December following an increase in prices that prompted price-sensitive countries to switch to cheaper vegetable oils, data from the Indonesian palm oil association Gapki shows.

Indonesia exported over 2mn t of palm oil products in December, including refined products such as biodiesel and oleochemicals, a fall of nearly 22pc from November's exported volumes. Total crude palm oil (CPO) exports — including processed CPO — fell 27pc to 1.5mn t from 2.1mn t in November.

According to the regulator, the largest decline in palm oil exports was seen in volumes sent to India and China, which fell by around 246,000t and 39,000t, respectively during December. This was likely due to an increase in global palm oil prices at the end of 2024, which saw palm command a significant premium in comparison to other vegetable oils, such as soybean oil.

Indonesian CPO production fell by 11pc to 3.8mn t in December from 4.3mn t in November. Palm kernel oil (PKO) output was also reduced, moving down by 12pc to 361,000t from 412,000t in November.

As a result of the decline in exported volumes and in production, Indonesia's total palm oil inventories remained practically unchanged at 2.58mn t in December, falling by around 6,000t from the end of the previous month, according to Gapki.

PKO exports in December moved down to 97,000t from 100,000t the previous month. Meanwhile, oleochemicals exports moved slightly up to 428,000t, from 425,000t in November.

Market participants typically watch palm oil stock levels to gauge supply-demand dynamics. Indonesia's monthly releases are tracked closely as the country accounts for more than half of the global palm oil production.

China closes, India reopens for Canadian peas

London, 10 March (Argus) — Canadian yellow pea sellers will be likely to have to search for new importing markets, after China decided to impose 100pc tariffs on some Canadian goods including peas, while Indian demand could do little to fill the gap.

China is due to impose new duties on Canadian peas — as well as rapeseed oil, rapeseed oil cake, pork and seafood — from 20 March, according to an announcement from the country's state council on 8 March.

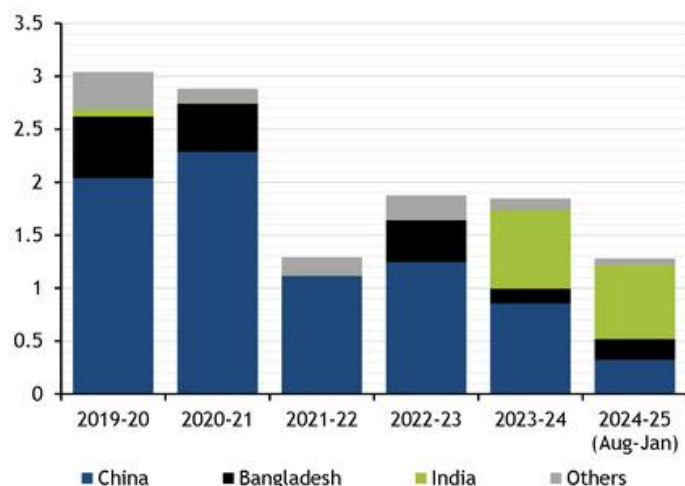
China has accounted for 69pc of Canada's yellow pea exports over the past five marketing years (August-July). That said, India overtook China as Canada's largest yellow pea buyer from December 2023, when India first lifted import restrictions, encouraging a flurry of purchasing.

India's duty-free yellow pea import allowance expired at the end of February, but tariffs were once again lifted from 8 March, allowing the tax-free import of yellow peas for vessels with a bill of lading up to the end of May, according to a notification from the country's finance ministry.

But Indian demand will be unlikely to replace that of China going forward, market participants said. Ample imports to India from December 2023 have supported stocks and pressured local prices in the country, according to traders, leaving appetite for international cargoes thin.

Meanwhile, China and Ukraine signed a deal last week to allow the flow of Ukrainian peas to China, which was previously prohibited by phytosanitary restrictions.

Ukraine is forecast to produce 476,000t of peas in 2024-25, according to the country's agriculture ministry, up from 409,000t the previous year. But this may not be enough to meet China's annual demand, given Canada's average 1.5mn t/yr of yellow peas shipped to the importer across the past five marketing years, according to customs data.



Algeria issues tender to buy wheat for May shipment

London, 10 March (Argus) — Algeria's state grains buyer, OAIC, has issued a tender to buy milling wheat for May shipment, closing on 12 March.

OAIC issued a tender to buy a nominal 50,000t of optional-origin wheat. Trading firms should make offers on a cif basis for shipment from 1-15 May or 15-30 May.

OAIC asked participants to load cargoes shipping from Australia, India or South America one month earlier.

Since October last year, trading firms have been unable to cover sales to Algeria's OAIC with French wheat. This is likely to remain the case for the latest tender, market participants said.

OAIC has booked at least 5.5mn t of wheat (including durum) in the 2024-25 (July-June) marketing year to date, amounting to more than 60pc of the 9mn t of total imports projected by the US Department of Agriculture.

Grains, oilseeds and veg oils tenders

Buyer	Issued	Closes	Status	Cargo	Shipment/ delivery	Price	Seller	Note
Algeria's OAIC	10-Mar	12-Mar	Open	50,000t milling wheat	May			cfr
Jordan's MIT	6-Mar	12-Mar	Open	100,000- 120,000t feed barley	May-Aug			cfr Aqaba
Jordan's MIT	27-Feb	11-Mar	Open	100,000- 120,000t milling wheat	May-July			cfr Aqaba
Japan's MAFF	4-Mar	6-Mar	Closed	94,282t milling wheat	21 Apr - 30 Jun			US (HRW, WW), Can (CWRS), Aus (ASW)
Jordan's MIT	27-Feb	5-Mar	Closed	100,000t feed barley	May-July	\$230 .50/t	Amer opa	cfr Aqaba
Tunisia's ODC	27-Feb	28-Jan	Closed	25,000t milling wheat	25 Mar - 15 Apr	\$262 .12/t	Finagr it	cfr optional origin

Algeria's OAIC	24-Feb	25-Feb	Closed	50,000t milling wheat	Apr-June	cif Mostaganem and/or Tenes
Jordan's MIT	20-Feb	26-Feb	Presumed unrewarded	100,000-120,000t feed barley	Apr-May	cfr Aqaba
Jordan's MIT	19-Feb	25-Feb	Presumed unrewarded	100,000-120,000t milling wheat	May-July	cfr Aqaba

Brazil's February sugar exports below on year

Sao Paulo, 10 March (Argus) — Brazil's sugar exports decreased by 41pc in February from the same month last year, driven by lower volumes available for the international market in the off-season.

Brazil's sugar exports totaled 1.5mn metric tonnes (t) last month, down from 2.6mn t in February 2024, according to trade ministry MDIC data.

That was also below the 1.7mn t shipped in January.

The sugar production in the 2024-25 crop — which goes from April to March — was lower than in the previous season thanks to unfavorable weather conditions. The output since the beginning of the crop until 16 February reached 39.8mn t, down from 42.2mn t in the same period in the 2023-24, according to industry association Unica.

Bangladesh was the main destination for Brazilian sugar for the second consecutive month, accounting for nearly 20pc of total shipments in February. That represented an increase of 13.3 percentage points from Bangladesh's share in the same month last year.

Nigeria was the second largest buyer, with almost 13pc of total shipments last month, followed by Malaysia and Saudi Arabia, with 9.7pc and 9.6pc, respectively.

Brazil did not import a considerable amount of sugar in February.

Weekly wrap of grains and oilseeds insights

Wheat

A stronger euro against the US dollar, geopolitical tensions, and slower global wheat flows have pushed funds to sell European and US futures in recent weeks. This has abruptly erased weather risk premiums in the northern hemisphere. French wheat remains competitive, and a rebound in prices is expected as soon as demand is back, or when fundamental factors prevail. Weather concerns have been increasing, including for the US, India, Ukraine and Russia.

Factors to watch:

- Dry weather in Russia, with temperatures higher than usual for the time of year
- French wheat is competitive for export
- Higher wheat stocks in Australia for the rest of 2024-25 are likely to partially offset northern hemisphere tightness

Corn

The flow of information remains bearish for the global corn market. The US' exports pace is difficult to project because of the new customs tariffs. The big unknown is US corn flows to Mexico. According to the latest data, some 7.5mn t of US corn have been already sold but not loaded to Mexico. A stronger dollar against the US dollar has been putting pressure on EU corn prices. However, the global corn supply and demand balance remains tight, limiting any potential for decline.

Factors to watch:

- Risks of dry weather in Goias and Mato Grosso do Sul in Brazil for safrinha corn
- US corn becomes competitive against Argentinian origin
- Corn market remains tight globally

Barley

Feed barley market is feeling the pressure from the wider grain complex. Tariffs and counter-tariffs have caused uncertainty over trade flows. A stronger euro against the dollar is also pressuring EU grain prices. In this context, feed barley prices are approaching the support level of 200 €/t in Rouen. The market is progressively switches its attention to the new season. In France, winter barley crop conditions are in line with last year's, maintaining some risks for future yields. As for spring barley, the dry weather of recent weeks in France and the rest of Western Europe allowed the planting progress to accelerate, erasing fears of last year's poor harvest scenario.

Factors to watch:

- Abares sees Australian 2024-25 barley production higher than previously expected
- Still muted global demand
- Pressure from the wider grain complex

Rapeseed

The past week was dominated by multiple announcements of US tariffs on imports from Canada and Mexico, which were then put on a month-long pause. The second wave of announcements, this time China's tariffs on Canadian products, presents a more serious blow for the sellers of Canadian canola. Canola prices in Winnipeg are now under pressure, until Canada finds new

export outlets for canola meal. Meanwhile, EU rapeseed prices follows the decrease in canola, already pressured by the stronger euro.

Factors to watch:

- Persistent dry weather in southern Brazil
- China imposes 100pc taxes on imports of Canadian canola oil and meal
- Euronext rapeseed pressured by soybeans and canola

Sunflower

Sunflower prices have been holding strong, but could start declining under pressure from the larger oilseed complex. The fall in EU rapeseed prices and the decline in soybeans in Chicago are the main downward elements now. Support for global sunflower seed prices could still come from the expected decline in palm production until the end of April.

Factors to watch:

- Widening spread between rapeseed and sunflower seed prices in the EU
- Support from the palm oil market

Agenda

- 11 Mar: USDA Wasde report
- 11 Mar : European Commission report on trade flows
- 12 Mar : StatCan principal field crop areas
- 13 Mar : CONAB report
- 13 Mar : US export sales

Feed grains: Competition retreats from spot US corn

Paris, 10 March (Argus) — Ukrainian corn exporters raised offers on Monday after a week where US prices fell too low to follow, while Argentina declared three days of national mourning after flash floods devastated the port city of Bahia Blanca.

Both bids and offers for Ukrainian corn climbed on a fob basis at Pivdennyi-Odesa-Choromorsk (POC) ports on Monday, partly supported from a rising Ukrainian hryvnia against the US dollar.

At destination, bids remained thin. Handysize buyers in Mediterranean markets such as Turkey and Spain levelled bids well below the various asking prices, market participants said. This followed some small trading activity on Handysize vessels of Ukrainian corn at Turkey's port of Marmara late last week, participants said.

Buyers in Turkey have continued to import corn in recent days, despite still no confirmation of an anticipated drop in government import taxes for March-April. Turkey's government last

allowed importers to buy corn with a reduced rate on a first come, first served basis between 11 October and end-December 2024.

Ukrainian sellers faced little competition from corn at Constanta-Varna-Burgas (CVB) ports on Monday, participants said. But there were various Handysized cargoes of corn in the line-up at Constanta for March loading, including one cargo already loaded to Spain. This suggested some small revival in eastern Europe's share of the Mediterranean market, with exporters otherwise dogged by low domestic supply and poor quality.

In Argentina, flash floods caused loss-of-life and crisis in the port city of Bahia Blanca, a major route for corn and barley exports. Heavy rain had already begun to fall across major cropping regions in the first week of March.

Meanwhile, corn sellers in the US continued to snap up demand far and wide, with the US Department of Agriculture (USDA) reporting on Monday 126,000t sold to Japan, which is already ahead on the year in its purchases.

Wheat: Exporters vie for North African demand

London, 10 March (Argus) — Buyers in North Africa are likely to step up purchases on the international wheat market, as a rebound in Paris-listed wheat futures on Monday – breaking five consecutive trading sessions of losses in the last week – could encourage importers to book cargoes on the contract's floor.

May Euronext futures appear to have found their floor in the low €220s/t, and returned to gains on Monday. Algeria's state grains buyer, OAIC, came back to the market, seeking 50,000t of milling wheat for May shipment in a tender set to close on Wednesday.

This could also push Moroccan importers to buy, according to market participants, on further expected tightening to exportable supply in May. And Morocco's state rebate for wheat purchases – set before global price pressure last week – could further attract buyers to the market, with participants expecting significantly lower restitution rates next month.

Ukrainian sellers also continued to target the cif Morocco destination market on Monday, keeping offers of 11.5pc protein grade Ukrainian wheat steady from Friday in the low-to-mid \$260s/t cfr for March-April shipment. This follows an uptick in demand for Morocco-bound Ukrainian wheat volumes in the previous trading session, although buyers were more reserved on Monday.

The recent return in interest for Black Sea wheat from Moroccan buyers follows an expected rise in demand from the country, supported by signs of drought for the local harvest in the 2025-26 marketing year.

But Ukrainian exporters will still have to contend with competitive French origin alternatives. Offers of Ukrainian-origin 11.5pc wheat sat about \$4.50/t above France's flagship 11pc on a cfr basis, which may keep French exporters in a strong position to capture Moroccan demand.

Elsewhere, disruptions caused by cyclone Alfred are likely to be less severe than anticipated in Australia. Rains brought by the cyclone were focused on northern areas of New South Wales

and southeast coastal regions of Queensland, and could boost soil moisture levels for the upcoming winter planting period in April. Some 25-100mm of rainfall is forecast in the key wheat-producing region of northern New South Wales in the four days to 13 March, according to the Australian Bureau of Meteorology.

Meanwhile, Australian wheat exports lagged ahead of year-prior pace, with 1.85mn t shipped in January, compared with 2.62mn t in January 2024, Australia Bureau of Statistics data show.

Tariff fears spur rise in US-Canada rail traffic

Washington, 10 March (Argus) — Rail traffic between the US and Canada rose last week, particularly for automobile shipments, propelled by uncertainty over President Donald Trump's on-again, off-again trade war.

The North American rail industry has been scrambling to keep pace with events, as Trump imposed — and then quickly froze — tariffs on products from Canada and Mexico, while increasing tariffs on Chinese imports. Railroads are particularly vulnerable to trade disruptions. About 38pc of US rail carloads and intermodal units are directly tied to global trade, the Association of American Railroads (AAR) said.

So far, the impacts on commodity shipments have been mixed. But in the highly integrated automobile market, the effects were more immediate, as companies raced to ship vehicles and parts ahead of a 4 March deadline.

Shipments of autoracks, railcars used to haul automobiles and light trucks, from Canada to the US were up by 13pc last week from the 30-day average ahead of the tariff implementation, according to RailState, a provider of rail network intelligence that tracks cross border movements between the US, Canada and Mexico. Northbound shipments were up by 12pc.

On 5 March, Trump granted the top three US automakers a one-month reprieve. Southbound autorack shipments then jumped by 29pc compared with the 30-day average, while northbound shipments were up by 1pc.

Rail movements between the US and Mexico were flat.

The key question for railroads is "where trade policy is headed and whether new tariffs or trade restrictions will help or hinder freight demand", AAR said today in its monthly *Rail Industry Overview*.

Carriers have been tight-lipped on operating changes. Some shippers are worried about the costs associated with changing loading or delivery points if they have to cross-border traffic.

For now, Class I railroads continue to monitor the situation closely. Canadian Pacific Kansas City, which serves Canada, the US and Mexico and is especially exposed, managers remain "focused on working with our customers to meet their needs".

China to focus on domestic grain output in 2025

Beijing, 10 March (Argus) — China is emphasising its national grain output to safeguard food security, and will continue to manage the country's overall agricultural product imports in 2025, according to the government work report.

The grain output target is set at around 700mn t for 2025, which is part of its key economic and social development objectives, minister of agriculture and rural affairs Han Jun said in an interview on the sidelines of the ongoing third session of the 14th National People's Congress on 8 March.

This is up from the 650mn t targeted for 2024 and following a record harvest of 706.5mn t in the year.

The output goal for 2025 can be achieved through yield improvements, particularly in corn and soybeans, but overall sowing acreage will remain steady at 1,790mn mu or over 119mn ha in 2025.

Chinese food supply is generally stable but the supply and demand balance remains tight, with imports needed to fulfill a gap in feed grains, the minister added. China will co-ordinate domestic output and imports by continuing to send clear signals and strengthen expectation guidance, targeting to maintain reasonable prices for local grain in 2025, he added.

China has capped processors' capacity since April 2024 to support the domestic market. Chinese processors previously imported and processed huge volumes of corn and wheat in bonded zones, but the capacity cap, coupled with prolonged clearance processes at Chinese customs for feed grains, including barley and sorghum, has limited China's grain imports since late 2024.

Price and Data

Description	Unit	Price	Date
Corn Ukraine cpt POC spot	USD/t	221-	10.03.2025
Wheat 11.5pc Ukraine fob POC spot	USD/t	240↑	10.03.2025
Wheat 12.5pc Russia fob Novorossiysk spot	USD/t	247↓	10.03.2025
Soybean oil Argentina waterborne fob upriver USD/t month 1 - Houston close	USD/t	988,995↓	10.03.2025
Rapeseed oil fob Dutch Mill RSO - London close	USD/t	1.124,959↓	10.03.2025
Sunflower oil fob northwest Europe 6 ports spot - London close	USD/t	1.207,50↓	10.03.2025

↓ Price dropped in comparison to last report.

↑Price raised in comparison to last report.

-Price has not changed.

References:

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