

Russian grain prices show mixed dynamics: analysts

Russian grain prices were mixed, fluctuating slightly in the absence of significant market moving factors, analysts said on Monday.

Average EXW prices for third-grade milling wheat declined by 25 roubles (\$0.82) per tonne to 5,800 roubles per tonne in the European part of Russia and lower quality fourth-grade wheat was unchanged at 5,625 roubles per tonne, while feed wheat rose by 75 roubles to 5,175, SovEcon agricultural analysts said in a note.

Barley prices remained stable, while maize prices declined by 300 roubles per tonne to 5,300 roubles.

In the North Caucasus wheat prices were largely unchanged or slightly lower due to weak export demand.

In Siberia and the Urals prices declined while in the regions along the Volga River prices were stable, SovEcon said.

It said wheat prices, primarily those of feed wheat, became stronger in the Central Black Soil area, which may be the result of domestic consumers building up stocks for the end of December and January, when market activity is low.

Another possible explanation may be that consumers decided to raise prices in order to stimulate domestic shipments, SovEcon said.

Deputy Transport Minister Andrei Nedosekov told a government committee meeting on Monday that massive grain exports started hitting domestic animal feed producers, who are complaining about supply shortages.

"We found out that there have been no orders for shipments (of grain) to mixed feed plants as shippers prefer to export grain as fast as possible," Nedosekov said.

Last week the government said that Russian exports were proceeding at a record pace and that a total of 13.3 million tonnes have been exported so far.

Recent outbreaks of African Swine Fever may lift prices especially in regions, which traditionally import feed grain from the affected areas if they decide to impose restrictions, SovEcon said.

It said traders also reported that Ukrainian authorities had stopped grain shipments from the Kursk region, apparently for fear of the disease spreading.



It said traders kept CPT prices for fourth-grade wheat stable at 7,000-7,200 roubles per tonne at deep sea ports.

The Institute for Agricultural Market Studies (IKAR) said FOB prices in Novorossiisk for standard wheat with 11.5 percent protein content declined slightly to \$242 per tonne from \$244 a week before, while at shallow water ports they declined to \$203 per tonne from \$205.

But FOB prices for January delivery were reaching \$250 per tonne, IKAR said.

Rouble denominated sunseed prices declined by 100 roubles to 9,200 roubles per tonne, while sunoil prices declined by 425 roubles to 33,500 roubles per tonne, SovEcon said.

In dollars, sunseeds rose to \$285 per tonne from \$280, IKAR said.

"The main driving force of the price strengthening was the situation in the Volga Valley, where prices reached their bottom and buyers intensified purchases," IKAR said.

Crude sunoil prices were little changed at \$1,076 per tonne compared to \$1,082 per tonne.

Under the pressure of record high supplies, domestic sugar prices in Krasnodar fell to 19,000 roubles per tonne from 20,000 and to \$616 from \$652, IKAR said.

All 77 refineries were processing beets last week.

"We expect first factories to finish the processing in the South of Russia in a couple of weeks, which must be accompanied by first signs of price stabilisation," IKAR said.

Reuters