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Markets at a glance

	FROM PREVIOUS FORECASTS	FROM PREVIOUS SEASON
WHEAT	▲	■
MAIZE	▼	▼
RICE	▼	▼
SOYBEANS	■	▲

Since peaking earlier this year, international food prices have returned to levels last seen prior to the Ukraine war. However, prices of most foodstuffs remain high and continue to be under upward pressure from a range of factors, including low stock-to-use ratios for some commodities, high energy and fertilizer costs, poor weather in several key producing countries, and risks associated to the unresolved conflict in Ukraine. With a majority of countries experiencing food price increases between 10 and 30 percent over the previous year, domestic food price inflation is particularly worrisome, especially for the poor who spend a higher share of their disposable income on food.

The **Market Monitor** is a product of the Agricultural Market Information System (AMIS). It covers international markets for wheat, maize, rice and soybeans, giving a synopsis of major market developments and the policy and other market drivers behind them. The analysis is a collective assessment of the market situation and outlook by the ten international organizations and entities that form the AMIS Secretariat.

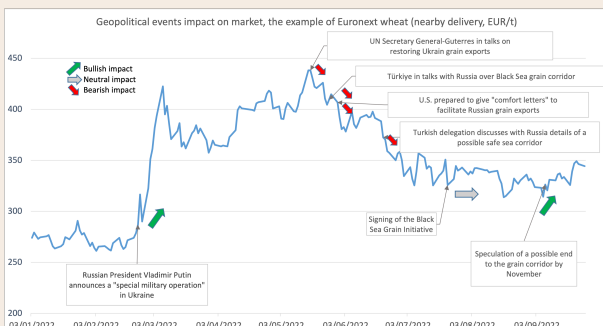
Feature article

Geopolitically driven grain markets: Risks and implications

Throughout 2022, grain markets have been highly volatile, with prices of many staple food commodities reaching record or near-record highs. One important driver of this volatility in prices has been low global stocks held by major exporters. However, price volatility is above levels seen during recent periods of market tightness (2007/08 for wheat, 2012/13 for maize and soybeans) and stocks-to-use ratios, which are a key measure of available supplies, are above the levels that could be observed during these periods. This hints at the fact that a specific additional driver might be at play: geopolitical risk, which is defined here as any risk associated with conflict or tension between countries.

Highlighting the importance of geopolitical risk this year is not to say that other factors haven't contributed to shaping prices: in fact, adverse weather events, high energy and transportation costs, and government policies such as export restrictions have significantly impacted markets. Yet, geopolitical risks deserve particular attention as they differ from traditional shocks, and it is important to understand this difference in order to understand their overall impact on markets.

Over the past couple of months, a key geopolitical driver has clearly been the war between the Russian Federation and Ukraine. This is little surprising considering the high share of both countries in international grain and fertilizer exports and the level of dependence of many low and middle income countries for these supplies. As illustrated in the chart below, the wheat futures price over the past seven months has essentially shifted according to how market participants perceived the relative state of the conflict and its impact on international grain availability and accessibility.



The prospect of a protracted and possibly intensifying conflict between the Russian Federation and Ukraine continues to be the main risk factor for grain prices going forward. In this context two specific features of grain

markets that are driven by geopolitics are worth disentangling in greater detail.

For one, geopolitical risks might lead to a more fragmented physical market and reshuffle international grain trade. The war substantially modified the exchange rate environment, pushing the US Dollar up against the currencies of most other grain exporting countries, including the Russian Federation. Interestingly, though, this higher competitiveness has not resulted in higher Russian exports. Despite a current discount of 12 percent of Russian wheat to the next closest competitor (French wheat) some importers clearly show a preference for low-risk/high-price origins rather than the high-risk/low-price Russian execution. Thus, grains from the Russian Federation now appear less substitutable with grains from other origins, leading to significant regional basis risks and increasing the level of fragility to supply shocks in some parts of the world.

Two, geopolitical risks differ from other shocks as they tend to be less linear, displaying a sudden onset and lack of predictability in the absence of comparable events that would help determine impact and duration. Against this background, a geopolitically driven grain market tends to overshoot, especially as it typically reacts to headlines and rumors that increase perceived threats, risk premiums and uncertainty while facts tend to resolve uncertainty. In fact, the actual signing of the Black Sea Grain Initiative only had a neutral impact on markets while the prospect of the opening of a grain corridor from Ukraine had already pushed down prices.

In all this it is important to remember that the causal relationship between grain market volatility and geopolitical risk can go in both directions, i.e. high market uncertainty can trigger geopolitical tensions which in turn can cause market risk. In the recent past, there have been few occasions where geopolitics were such a dominating feature in price formulation, with the most prominent example being the period prior to the 2007/08 food price crisis that eventually led to the social uprising in many parts of the Arab world. In order to ensure the smooth functioning of markets and avoid any panic-driven price surges in the current crisis, the work of AMIS is crucial. By enhancing transparency in markets and promoting dialogue and coordination among all main market actors, AMIS has contributed to keeping global food trade open and preventing countries from implementing hasty and uncoordinated policy responses that would have further exacerbated the situation.

World supply-demand outlook

Revisions (FAO-AMIS) to 2022/23 forecasts since the previous report

	WHEAT					MAIZE					RICE					SOYBEANS				
	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks
WORLD	10227	612	1375	550	3644	-14362	-801	-4980	-800	-5391	-1743	-2080	-3611	-2050	2140	414	-675	591	-651	-1813
Total AMIS	9882	-100	1432	400	3161	-13993	1200	-4323	-1000	-3820	-964	-480	-1953	-2200	2546	314	-675	591	-951	-1783
Argentina	-1000	-	-	-1500	-	-	-	-	-	-	-	-	-	-	-	-	-	1600	600	-900
Australia	1885	-	-6	1000	-2832	-	-	-55	-	-	46	-	-14	40	85	-	-	-	-	-
Brazil	205	300	205	-	300	-1419	-	781	-	-2200	-	-	-	345	-	4192	-	892	50	700
Canada	198	-	-681	1000	400	461	-	61	-	200	-	-	-	-	-	155	-	-45	100	50
China Mainland	-	200	-	-	93	-	-1000	-	-	-	-952	-	-807	-160	-200	-	-800	-900	-	100
Egypt	-	-500	-	-100	-400	-	-	-	-	-	-345	-350	-695	-	-	-	100	-	-	100
EU	3094	-	2314	-	800	-2500	3000	-2000	-	2500	-	-300	-340	-	-60	-235	-	-184	49	-100
India	-	-	-	-	-	-	-	-	-	-	-	-	427	-2900	2500	-308	-	-8	-	-100
Indonesia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-300	-	-	-	-	-8	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	-	-	-	-	-	-	-	5	-15	20	-	-	-150	-	-50
Nigeria	-	-	-300	-	-400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Philippines	-	-	-	-	-	-	-	-	-	-	-108	200	-226	-	-250	-	-	-	-	-
Rep. of Korea	-	-	-	-	-	-	-800	-	-	-	-30	-	-45	-	35	-	30	30	-	-
Russian Fed.	5500	-	-	-	5500	-	-	-	-	-	10	-	10	-	25	150	-200	-145	200	-153
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Africa	-	-100	-100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-	741	-	91	-	800	-	100	-60	-	50
Türkiye	-	-	-	-	-	-	-	700	-	-	18	-130	-127	-10	-30	-	-	10	-	-10
Ukraine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-	100	200	-250
UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US	-	-	-	-	-	-10535	-	-3810	-1000	-4312	-345	-	-127	-	-179	-4140	-	-610	-2150	-1220
Viet Nam	-	-	-	-	-	-	-	-	-	-	-	100	-105	500	-200	-	95	61	-	-

In thousand tonnes

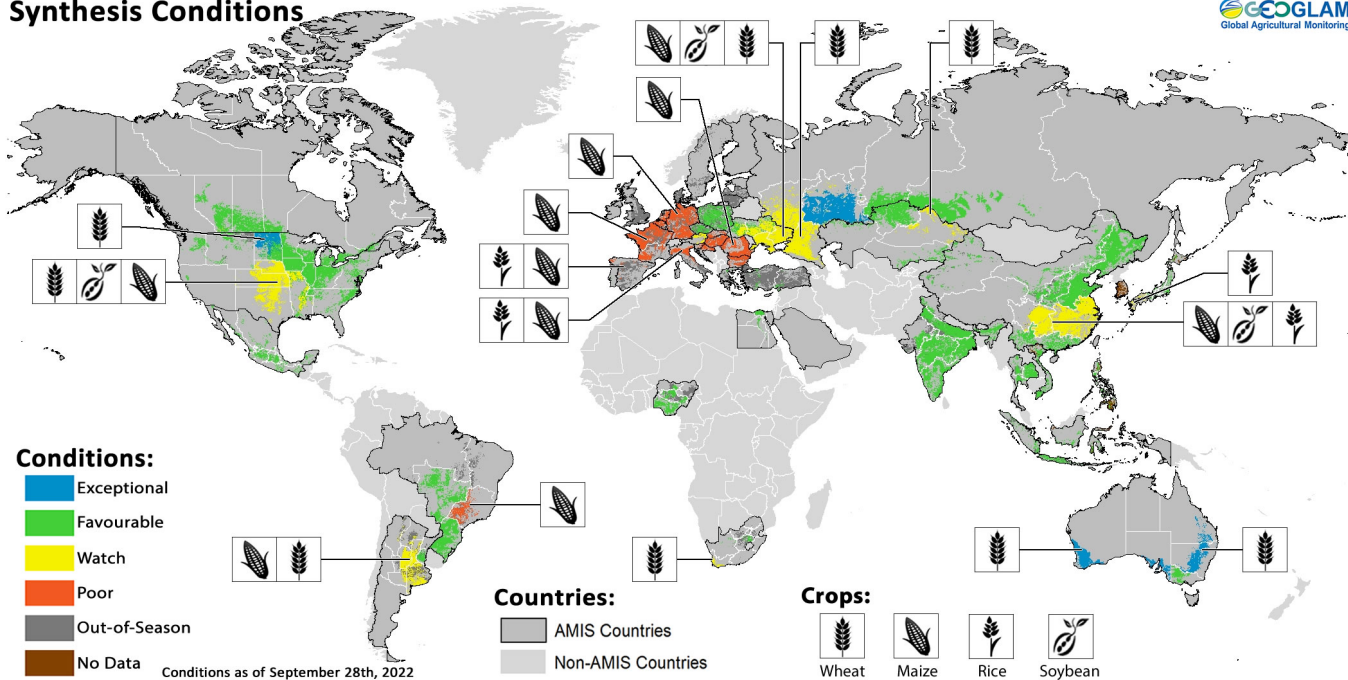
+i Note

Only significant changes (of more than 1 000 tonnes) are displayed in the table.

Crop monitor

Crop conditions in AMIS countries

Synthesis Conditions



Crop condition map synthesizing information for all four AMIS crops as of 28 September. Crop conditions over the main growing areas for wheat, maize, rice, and soybean are based on a combination of national and regional crop analyst inputs along with earth observation data. Only crops that are in other-than-favourable conditions are displayed on the map with their crop symbol

Conditions at a glance

Wheat

In the northern hemisphere, spring wheat harvesting is wrapping up while winter wheat sowing is beginning. In the southern hemisphere, dry conditions persist in Argentina, while Australia benefits from ample rainfall.

Maize

In the northern hemisphere, a hot and dry summer has impacted yields in the US and Europe as harvesting begins. In the southern hemisphere, sowing of the spring-planted crop is beginning.

Rice

In China, harvesting of single-season rice is ongoing. In India, Kharif rice is approaching harvesting in the north. In Southeast Asia, wet-season rice is progressing the northern countries along with dry-season rice in Indonesia.

Soybeans

In the northern hemisphere, harvesting is beginning under mixed conditions in the US and Ukraine. In the southern hemisphere, sowing is beginning in Brazil under favourable conditions.

La Niña and Negative Indian Ocean Dipole Conditions

The El Niño-Southern Oscillation (ENSO) is currently in the La Niña phase. La Niña conditions will likely continue into early 2023 (89 percent chance for October to December and 65 percent chance for December to February), according to the IRI/CPC. Negative Indian Ocean Dipole (IOD) conditions are present and are expected to continue through at least November (78 percent chance), according to the Australia Bureau of Meteorology. Associated with co-occurring La Niña and nega-

tive IOD conditions there are very high risks of severe drought impacts across the Horn of Africa, and heavy rainfall and flooding in Australia and southeast Asia. Additionally, La Niña conditions for a third year in a row raises concerns about repeat dry conditions in eastern East Africa, southern South America, Central and Southern Asia, and southern North America, where multiple rainfall seasons have been below-average since late 2020.

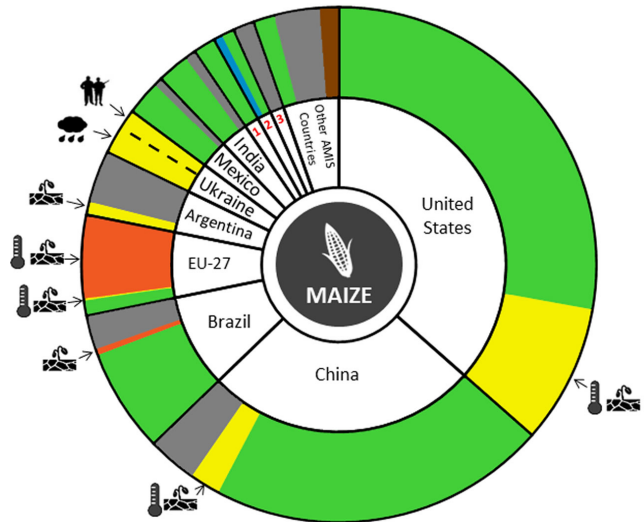
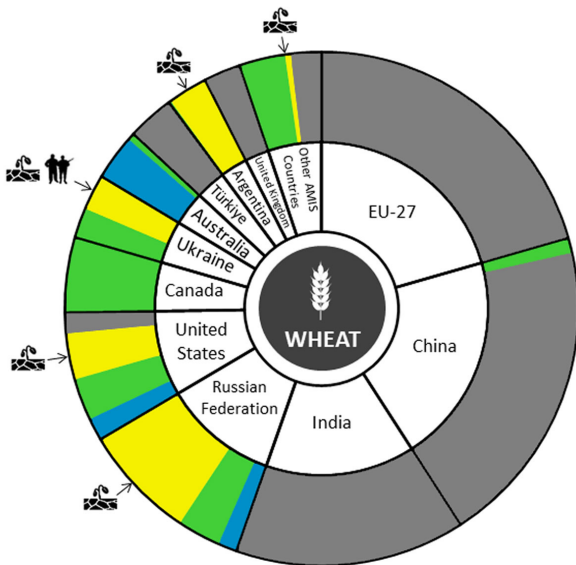
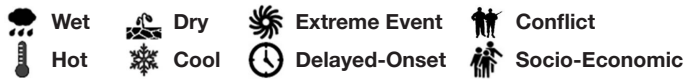
Source: UCSB Climate Hazards Center

Crop monitor

Conditions



Drivers



Canada¹, Russian Federation², South Africa³

Summaries by crop

Wheat

In **Ukraine**, sowing has begun under mixed conditions in the southern and eastern regions due to the ongoing war and some dryness. In the **Russian Federation**, harvesting of spring wheat is wrapping up under favourable to exceptional conditions. Sowing of winter wheat has begun under dry conditions and will require additional rainfall to support crop establishment. In **China**, harvesting of spring wheat is wrapping up under favourable conditions. In the **US**, after a delayed start to the season, harvesting of spring wheat is wrapping up in the Dakotas under exceptional conditions. Sowing of winter wheat is ongoing under dry conditions in the southern and central Great Plains. In **Canada**, spring wheat harvesting is wrapping up under favourable conditions, while winter wheat sowing begins. In **Australia**, above-average yields are expected across the country due to timely and ample rainfall over the winter supporting crop development. In **Argentina**, dry conditions continue to persist across most of the central and northern growing areas, however, some recent rainfall has helped to stabilize the crops in the south.

Maize

In the **US**, conditions in the western and southern Corn Belt remain a concern as harvesting begins. In **Canada**, harvest is ongoing under favourable conditions. In **Mexico**, sowing is wrapping up for the spring-summer season (larger season) under favourable conditions. In the **EU**, impacts of the summer drought, despite the sparse return of rainfall, have brought the yield outlook for crops to a rather uniform poor status across Europe. In **Ukraine**, heavy September rainfall in the northern and western regions combined with cooler temperatures has slowed ripening and delayed harvesting. In the **Russian Federation**, harvesting is ongoing under favourable to exceptional conditions. In **China**, conditions are favourable in the main producing areas of the northeast, offsetting impacts from the earlier hot and dry conditions in the Yangtze River basin. In **India**, conditions are favourable with a total sown area similar to last year and above-average. In **Brazil**, the summer-planted crop (larger season) harvest is wrapping up under favourable conditions in the Central-West and South regions, while poor in the Southeast region. Sowing of the spring-planted crop (smaller) has begun in the south under favourable conditions. In **Argentina**, sowing of the early-planted crop (larger season) continues, albeit delayed due to a lack of soil moisture in many areas.

+i Pie chart description

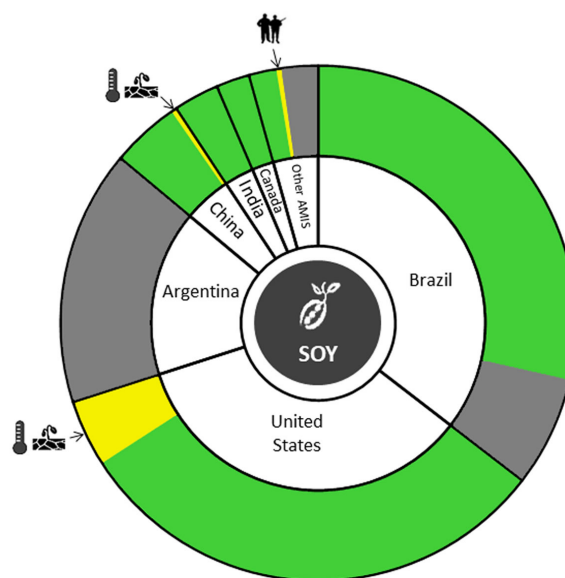
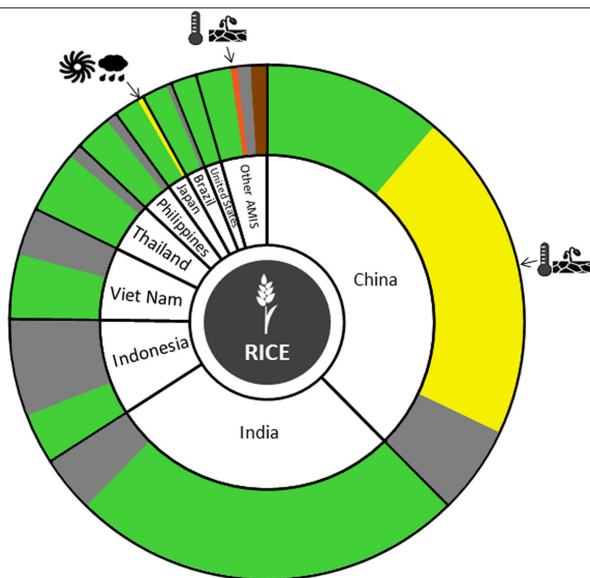
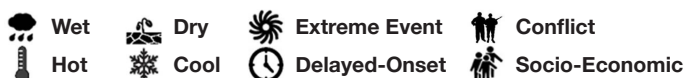
Each slice represents a country's share of total AMIS production (5-year average), with the main producing countries (95 percent of production) shown individually and the remaining 5 percent grouped into the "Other AMIS Countries" category. Sections within each country are weighted by the sub-national production statistics (5-year average) of the respective country and account for multiple cropping seasons (i.e. spring and winter wheat). The late vegetative to reproductive crop growth stages are generally the most sensitive periods for crop development.

Crop monitor

Conditions



Drivers



Rice

In **China**, harvesting is ongoing for single-season rice, however, hot and dry conditions during the summer months impacted the yield potentials of both single-season and late-season crops in the Yangtze River basin. In **India**, conditions are favourable as harvesting approaches in the northern states. There is a slight reduction in the total sown area compared to the average and last year, primarily in the eastern states. In **Indonesia**, sowing of dry-season rice enters the late stages as harvesting of earlier sown crops continues under favourable conditions. In **Viet Nam**, wet-season rice is continuing to develop under favourable conditions in the north. In the south, harvesting is ongoing for summer-autumn rice (wet-season) while the other wet-season rice (autumn-winter rice and seasonal rice) continues to develop. In **Thailand**, wet-season rice is in the young panicle forming stage under favourable conditions. In the **Philippines**, wet-season rice sown between July and August is in the tillering stage under favourable conditions. In **Japan**, typhoon Nan-madol impacted the south, bringing heavy rainfall and flooding. In **Brazil**, sowing has begun in the south. In the **US**, harvest is ongoing.

Soybeans

In the **US**, conditions remain generally favourable as harvesting begins, albeit with earlier hot and dry conditions likely impacting yields in Kansas and Nebraska. In **Canada**, harvesting is ongoing under favourable conditions. In **China**, conditions are favourable as harvest begins. In **India**, crops are in the maturity stage under favourable conditions with a total sown area similar to last year, but higher than the average. In **Ukraine**, conditions are favourable as harvest begins, however, conditions remain mixed along the southern and eastern regions due to the ongoing war. In **Brazil**, sowing is beginning under favourable conditions in the South region and some areas with enough soil moisture in the Central-West region.

Information on crop conditions in non-AMIS countries can be found in the GEOGLAM Early Warning Crop Monitor, published 28 September.

+i Sources and disclaimers

The Crop Monitor assessment is conducted by GEOGLAM with inputs from the following partners (in alphabetical order): Argentina (Buenos Aires Grains Exchange, INTA), Asia Rice Countries (AFSIS, ASEAN+3 & Asia RiCE), Australia (ABARES & CSIRO), Brazil (CONAB & INPE), Canada (AAFC), China (CAS), EU (EC JRC MARS), Indonesia (LAPAN & MOA), International (CIMMYT, FAO, IFPRI & IRRI), Japan (JAXA), Mexico (SIAP), Russian Federation (IKI), South Africa (ARC & GeoTerralmage & SANS), Thailand (GISTDA & OAE), Ukraine (NASU-NSAU & UHMC), USA (NASA, UMD, USGS - FEWS NET, USDA (FAS, NASS)), Viet Nam (VAST & VIMHEMARD). The findings and conclusions in this joint multiagency report are consensual statements from the GEOGLAM experts, and do not necessarily reflect those of the individual agencies represented by these experts.

More detailed information on the GEOGLAM crop assessments is available at <https://cropmonitor.org>.

Policy developments

Wheat

- On 31 August, **Egypt** increased the purchase price of wheat from local farmers from EGP 880 per ardeb (USD 300 per tonne) on average to EGP 1 000 per ardeb (USD 340 per tonne, +13.6 percent), for the 2023 season in an effort to encourage farmers to cultivate wheat.
- On 14 September, the General Authority for supply Commodities in **Egypt** made it mandatory for wheat traders to register with the National Commodities exchange.
- After extending export restrictions scheduled from 8 July to 30 September 2022 (see July 2022 issue of the AMIS Market Monitor), on 10 September **Kazakhstan** lifted restrictions on wheat and meslin, as well as wheat flour.

Rice

- On 2 September, **Egypt** limited the maximum selling price of unpackaged and packaged rice by setting them at EGP 12 per kg (USD 0.62 per kg) and EGP 15 per kg (USD 0.78 per kg) respectively, in order to curb inflation.
- On 9 September, **India** imposed a 20 percent export duty on non-Basmati rice (with the exception of parboiled rice) to boost domestic supplies amid a fall in area planted with paddy in the current Kharif season. Furthermore, exports of broken rice were banned to ensure adequate availability for the domestic poultry industry, other animal feedstock, as well as ethanol production. Due to loading in progress, exceptions to the rice export ban were allowed until 15 October 2022.
- On 12 September, the National Rice Policy and Management Committee in **Thailand** approved a THB 150 billion (USD 3.9 billion) rice income guarantee scheme for the 2022/23 rice season. Assistance to farmers includes : THB 86.7 billion (USD 2.3 billion) for market price support and THB 63.3 billion baht (USD 1.7 billion) in the form of per hectare direct payments of THB 6 250 (USD 163) per hectare, to registered rice farmers to encourage them to delay domestic market sales. Additionally, millers will receive a 3 percent subsidy to keep rice stocks during periods of excess supply.

Soybeans

- On 5 September, **Argentina** rolled out a preferential exchange rate for soybean (dubbed the "soy dollar") in a bid to promote exports, allowing farmers to convert earnings to local currency at ARS 200 per dollar, i.e., far higher than the official rate of ARS 140 per dollar. On 30 September, this soy dollar scheme was terminated.

- On 19 September, **China** instructed farmers to reduce the soybean use in animal feed by 30 million tonnes, or opt for other feeding alternatives, to keep soybean import costs down and rein in inflation.
- On 19 September, the Ministry of Agriculture in **Indonesia** announced plans to enhance soybean productivity from 1.6 to 4 tonnes/hectare through improved and high-yielding seed varieties, including genetically modified organisms. To encourage farmers to switch from maize to soybean production, a Presidential Directive instructed the National Food Agency to set a reference selling price for soybeans at around IDR 10 000 (USD 0.67) per kilogram, and state-owned enterprises are now required to buy soybean from local farmers. A budget of IDR 400 billion (USD 26 000) is also envisioned to expand the soybean planting area.

Biofuels

- On 6 September, with immediate effect, **Argentina** updated the domestic prices of biodiesel for blending with diesel, as well as for bioethanol made from sugarcane and maize to take account of inflationary pressures. The price of biodiesel was updated from ARS 198 143 (USD 1350) to ARS 220 000 (USD 1498) per tonne. The price for maize-based bioethanol was updated from 96.3 pesos (USD 0.65) to 107.4 pesos (USD 0.72). Moreover, the blending rate that was increased on 16 June to 12.5 percent was extended by another 60 days (see July 2022 issue of the AMIS Market Monitor).
- On 14 September, the Environment, Public Health and Food Safety Committee of the **EU** agreed to end the use of soybean and palm oil as biofuel feedstock in a bid to halt global deforestation (see also July 2022 issue of the AMIS Market Monitor).
- On 10 September, to support the production of sugar-based and cassava-based ethanol, **Thailand** extended the existing price subsidy programme for gasohol (E20 and E85) and biodiesel (B10 and B20) until 2024.

Fertilizers

- On 27 September, to offset price increases affecting farmers, the **US** allocated USD 500 million in grants to increase domestic fertilizer production. Eligible entities include for-profit businesses and corporations, non-profit entities, tribes and tribal organizations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local governments.

Policy developments

Across the board

Export restrictions

- After an initial export prohibition was imposed in March and extended in June (see April and July 2022 issues of the AMIS Market Monitor), on 13 September **Egypt** lifted the ban on the export of staple commodities such as wheat, flour, fava beans, vegetable oils, maize, lentils and pasta.

Support to food systems

- On 12 September, a **US** Presidential Executive Order was released to promote agriculture innovation, food security and climate change. The Order advocates greater reliance on sustainable biomass production and the creation of climate-smart incentives. Notably, the use of biotechnology and biomanufacturing is promoted as a source for food and agri-

culture innovation; sustainability and land conservation; food safety, quality and nutrition; agricultural productivity; and diversification of food sources.

Other

- On 14 September, **Türkiye** reinstated a 10 percent import tax on sunflower seed oil, abolishing the duty-free regime which was applied on vegetable oils during the Covid-19 pandemic.
- On 2 September, the **EU** and **Thailand** finalized wide ranging provisions of a Partnership and Cooperation Agreement covering, inter alia, trade and investment-related cooperation; the promotion of sustainable food systems; digital trade; trade facilitation, (sanitary and phytosanitary measures, technical barriers to trade), customs cooperation and transparency; environment; climate change; and energy

+i Note

Only AMIS participants are marked in **bold**.

International prices

International Grains Council (IGC) Grains and Oilseeds Index (GOI) and GOI sub-Indices

	Sep 2022 Average*	Change	
		M/M	Y/Y
GOI	306.4	-1.0%	+9.7%
Wheat	299.9	+2.4%	+9.1%
Maize	307.4	+0.2%	+12.8%
Rice	179.5	+3.1%	+7.9%
Soybeans	303.3	-3.1%	+10.1%

*Jan 2000=100, derived from daily export quotations

Wheat

Despite mounting recessionary fears and a strong US dollar, world export prices posted net gains during September, partly linked to uncertain prospects for Ukraine's seaborne exports. With the market focus shifting to planting conditions for 2023/24 winter crops, worries about persistent dryness propelled US prices higher, overshadowing disappointing export demand. Worsening drought was also a concern for Argentina's 2022/23 crop. EU prices firmed as exporters faced stiff competition from domestic users, but with advances capped by competitive offers from Black Sea suppliers and improving weather for new season sowing. Despite declining export taxes, heavy local availabilities and perceived trade difficulties, prices in the Russian Federation also increased amid firming domestic values and slow winter wheat planting progress.

Maize

The IGC sub-Index firmed slightly in September, with the average climbing to a three-month peak, as US supply side concerns just about compensated for late-month macroeconomic woes. Downgraded Midwest production prospects, linked to poorer yields and a smaller planted area, were the main catalyst for net gains in US (Gulf) prices, but with support too, from firmer barge freight rates and heightened speculation about the pos-

sibility for renewed Black Sea shipping disruptions. Up River quotations in Argentina also strengthened, drawing support from advances in CME futures and occasionally muted producer selling interest. Brazilian fob values were little changed overall and priced at an increasingly wide discount to equivalent US supplies. Following the resumption of activity at three Black Sea ports, traders noted a return of spot deep sea offers out of Ukraine.

Rice

Average international rice prices posted solid gains month-on-month, as the market reacted to the imposition of a 20 percent export duty and a ban on exports of 100 percent broken rice from India. Activity in the latter slowed and prices firmed, as traders attempted to conclude previously agreed sales and began to incorporate the new duties into fob quotations. Thai offers also advanced on expectations for stronger demand over the coming months, with Vietnamese values likewise advancing. Quotes in Pakistan were also higher amid concern that recent heavy floods had caused significant damage to 2022/23 production.

Soybeans

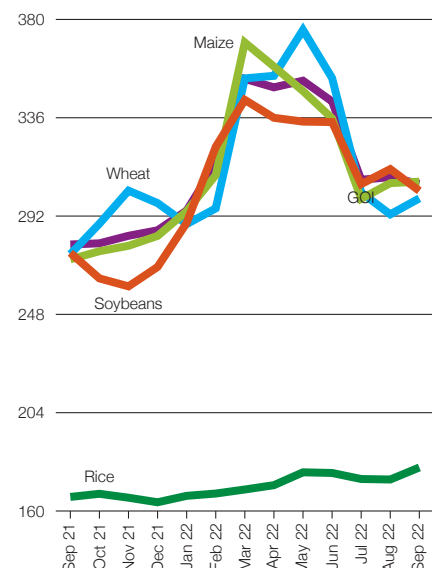
Average international soybean prices retreated during September, the IGC GOI sub-Index falling by about 3 percent to its lowest in eight months. Sentiment was often shaped by a worsening global macroeconomic backdrop and associated declines in outside markets and other commodities, coupled with a firmer US dollar. Fundamentals were also a key influence, notably early 2022/23 crop harvesting in the US and prospects for much-improved out-turns in South America, where seeding commenced in Brazil. Against the backdrop of a marked uplift in farmer sales, heightened competition from Argentine exporters also weighed on global values at times.

IGC commodity price indices

		GOI	Wheat	Maize	Rice	Soybeans
2021	September	279.3	274.9	272.6	166.3	275.6
	October	279.8	288.6	276.3	167.7	264.1
	November	283.2	303.4	278.7	165.9	260.5
	December	285.6	297.8	283.1	163.9	269.2
2022	January	294.5	288.4	294.2	166.8	288.9
	February	315.4	295.4	310.4	167.8	323.0
	March	353.4	353.6	369.7	169.6	344.0
	April	349.6	354.8	358.9	171.6	336.0
	May	352.6	375.3	347.9	177.3	334.3
	June	343.3	353.8	335.7	177.0	334.1
	July	308.2	302.5	299.7	174.3	306.3
	August	309.4	292.8	306.7	174.1	313.0
	September	306.4	299.9	307.4	179.5	303.3

(..... January 2000 = 100)

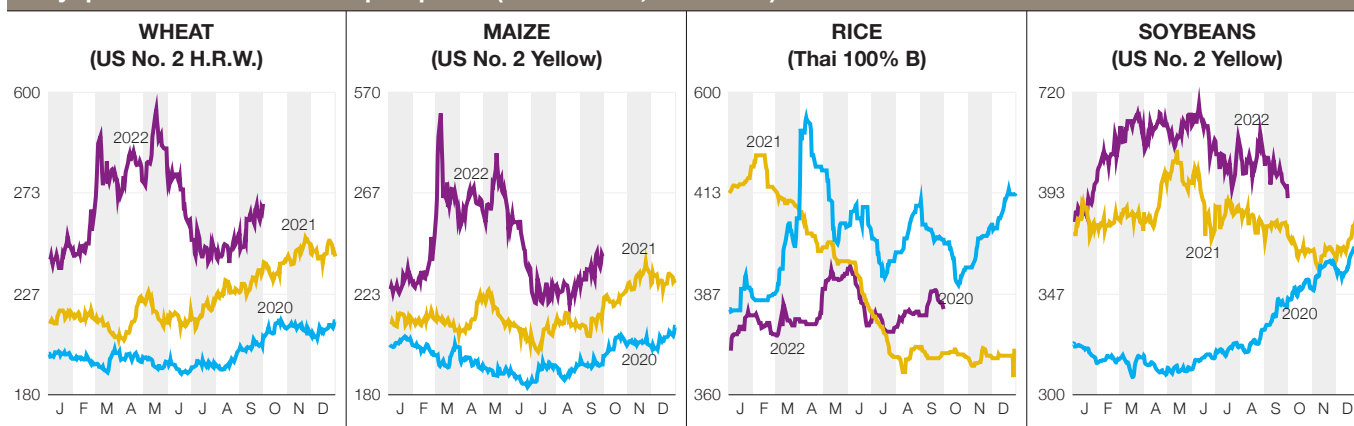
IGC commodity price indices



International prices

Selected export prices, currencies and indices

Daily quotations of selected export prices (USD/tonnes, 2020-2022)



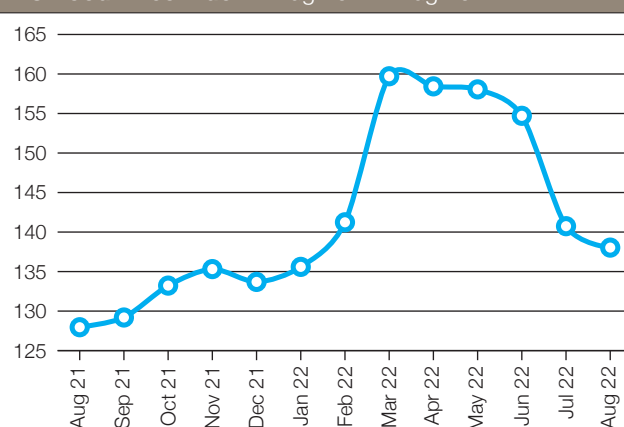
Daily quotations of selected export prices

	Effective date	Quotation	Month ago	Year ago	% change M/M	% change Y/Y
	USD/tonne					
Wheat (US No. 2, HRW)	30-Sep	445	404	357	+10.1%	+24.6%
Maize (US No. 2, Yellow)	29-Sep	359	330	294	+8.8%	+21.8%
Rice (Thai 100% B)	30-Sep	428	423	393	+1.2%	+8.9%
Soybeans (US No. 2, Yellow)	30-Sep	573	631	522	-9.2%	+9.8%

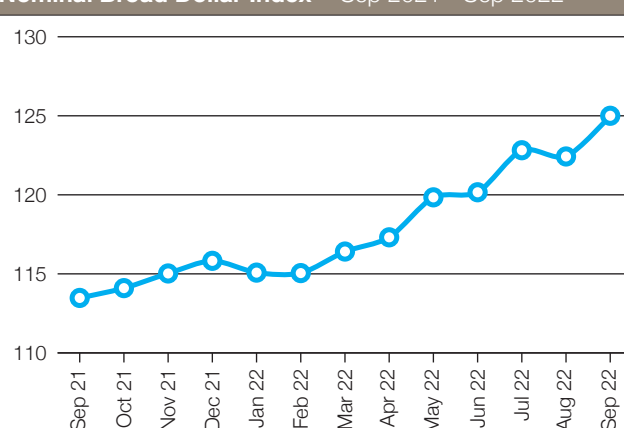
AMIS countries' currencies against US Dollar

AMIS Countries	Currency	Sep 2022 Average	Monthly Change	Annual Change
Argentina	ARS	143.4	-5.7%	-31.5%
Australia	AUD	1.5	-4.0%	-8.7%
Brazil	BRL	5.2	-1.8%	0.8%
Canada	CAD	1.3	-3.1%	-4.9%
China	CNY	7.0	-3.1%	-8.0%
Egypt	EGP	19.4	-1.2%	-19.0%
EU	EUR	1.0	-2.2%	-15.9%
India	INR	80.2	-0.9%	-8.3%
Indonesia	IDR	14983.1	-1.0%	-4.9%
Japan	JPY	143.2	-5.5%	-23.1%
Kazakhstan	KZT	475.5	-0.2%	-10.5%
Rep. of Korea	KRW	1395.5	-5.4%	-16.0%
Mexico	MXN	20.0	0.3%	0.0%
Nigeria	NGN	427.9	-2.0%	-4.0%
Philippines	PHP	57.7	-3.2%	-12.9%
Russian Fed.	RUB	59.2	0.6%	23.0%
Saudi Arabia	SAR	3.8	-0.1%	-0.2%
South Africa	ZAR	17.6	-5.0%	-17.1%
Thailand	THB	37.0	-3.2%	-10.7%
Türkiye	TRY	18.3	-1.6%	-53.2%
UK	GBP	0.9	-5.5%	-17.6%
Ukraine	UAH	36.7	-0.6%	-27.2%
Viet Nam	VND	23626.1	-1.0%	-3.7%

FAO Food Price Index Aug 2021 - Aug 2022



Nominal Broad Dollar Index Sep 2021 - Sep 2022



Futures markets

Overall market sentiment

- Markets showed a slightly bullish trend in September for grains and a bearish trend for soybeans, with concerns about a global recession and fears of more disruption to Black Sea trade being dominating features.
- Intensifying tensions in Ukraine significantly lowered traded volumes on the CBOT, a phenomenon already observed previously during the war.
- The realized and the anticipated volatilities remained high across all grain markets.
- Managed money showed a renewed interest for grains and oilseed, with total net long positions rising back to the June level.

MONTHLY PRICE TREND



Futures prices

Chicago and Euronext wheat and maize futures inched higher month-on-month against fears for renewed export disruptions in the Black Sea and a possible end to the grain corridor. For the moment, this bullish trend seems to be of limited strength as shipments through the corridor continue to flow uninterrupted, and Russian grain production this year is at a record high. On top of that, concerns about a global recession are hurting grain demand, while the record high US dollar caps potential price rallies. Future price developments are likely to be determined by the evolution of the security situation in the Black Sea. Lower demand and a looming economic recession will likely keep grain prices under downward pressure, at least as long as the corridor holds and grain exports keep flowing out of Ukraine.

Volumes & volatility

Historical (or observed) volatility displayed a decline in soybeans and maize but remained exceptionally high in wheat in view of the continued geopolitical risk in the Black Sea. Implied volatility, a measure of the market's expectation of forward risk, reached its third highest level on record for wheat on the news that four Ukrainian regions would hold a referendum regarding their annexation by the Russian Federation. This high level of volatility and uncertainty weighed on the risk as perceived by market participants, which ultimately led to lower wheat futures volumes on the American market (minus 16 percent) and the European market (minus 7.5 percent). Conversely, less price fluctuation on soybean futures led to an 18.5 percent jump in volumes month-on-month.

Volumes for CBOT maize futures decreased by 30 percent this month in a context of waning demand from ethanol producers. In contrast, the volumes on Euronext maize futures increased by 14 percent as harvest progressed quickly in Western Europe, which typically stimulates hedging activity.

Forward curves

Maize and soybeans displayed a slightly more pronounced contango as the harvest started in the US, adding tensions to storage prices. Thus, prices on the far-out deliveries are higher considering the more expensive carry costs. The contango configuration is particularly significant in soybeans as the commodity is more sensitive to fears of a recession-led demand cut, which adds even more tensions to storage needs.

The forward curve of Euronext wheat futures maintained its backwardation, but the configuration is less steep than the previous month as near-term demand for European wheat decreased, relieving some tensions on the price of the nearby-delivery contract.

Investment flows

Managed money displayed a renewed interest for grains and oilseed futures, with total net long positions rising back to the June level. For CBOT maize, managed money traders have kept increasing their net long position for eight consecutive weeks. Their net long position on the soybean contract is higher year-on-year but did not change much month-on-month. Funds kept a net short position in CME wheat, illustrating their bearish stance on this market, while they increased their net long positions on the wheat and maize contracts on Euronext.

Euronext futures volumes and price evolution

Average daily volume (1000 tonnes)	Sep 2022	M/M	Y/Y
Wheat	2 564.0	-7.6%	-4.9%
Maize	118.4	+14.1%	+10.6%

Prices (USD/t)	Sep 2022	M/M	Y/Y
Wheat	331.8	-1.6%	+14.3%
Maize	325.1	-1.5%	+26.3%

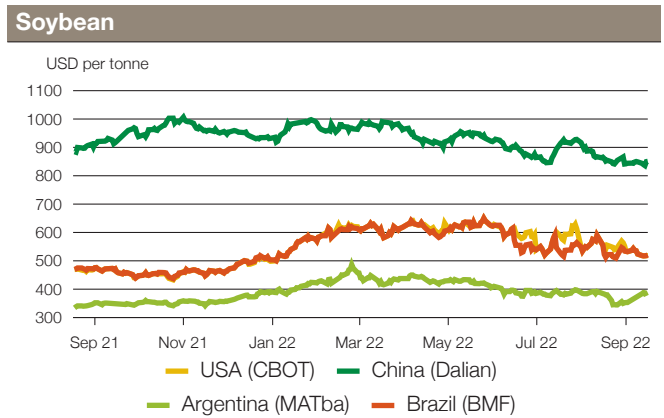
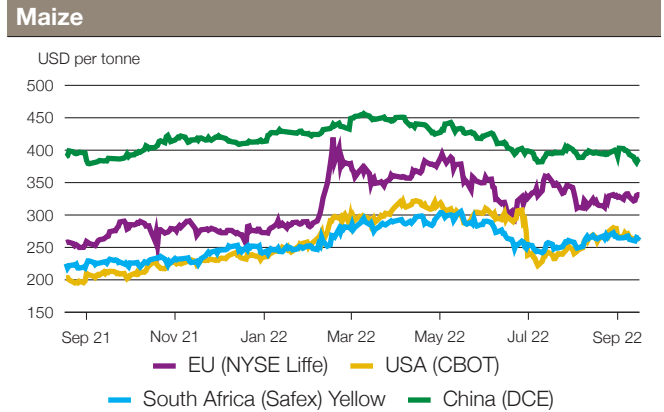
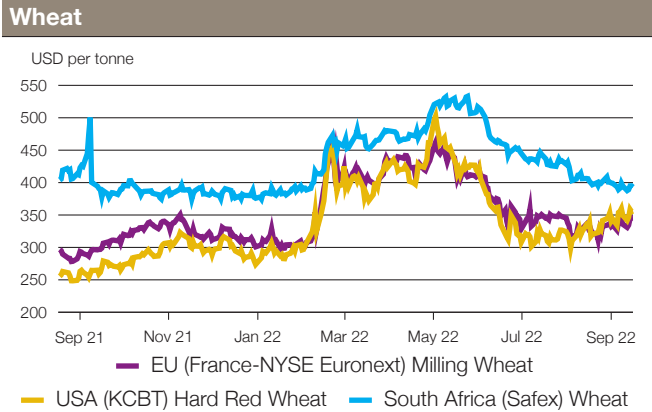
CME futures volumes and prices evolution

Average daily volume (1000 tonnes)	Sep 2022	M/M	Y/Y
Wheat	11 819.1	-15.8%	+22.6%
Maize	27 004.0	-30.3%	-2.4%
Soybean	25 004.5	+18.5%	+36.6%

Prices (USD/t)	Sep 2022	M/M	Y/Y
Wheat	315.1	+7.7%	+20.9%
Maize	266.3	+7.5%	+29.0%
Soybean	526.0	+0.9%	+11.7%

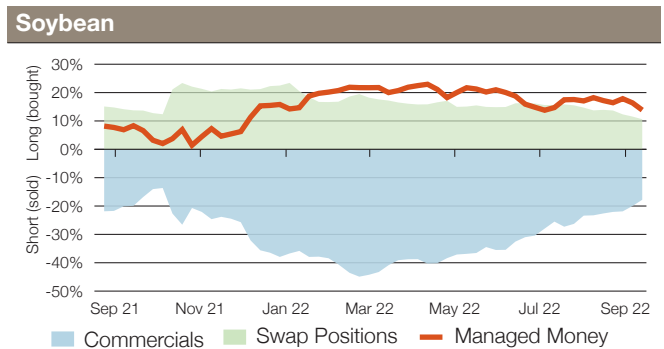
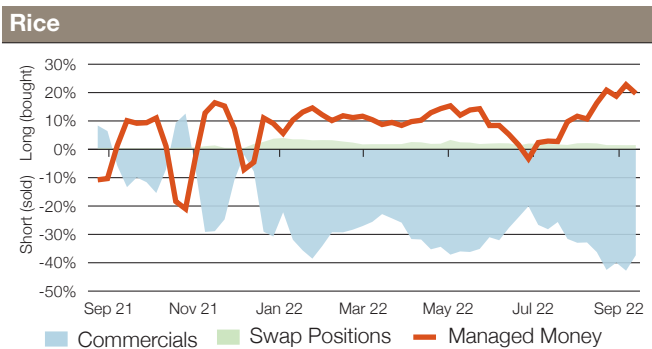
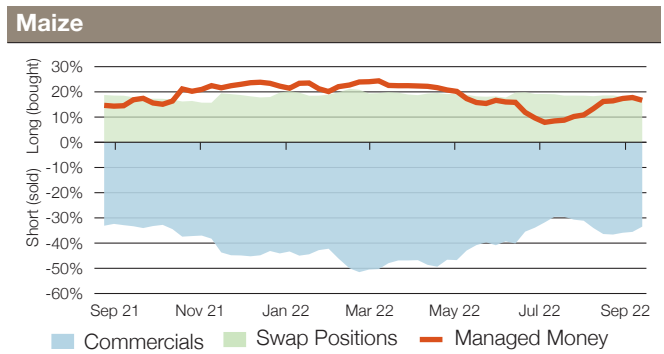
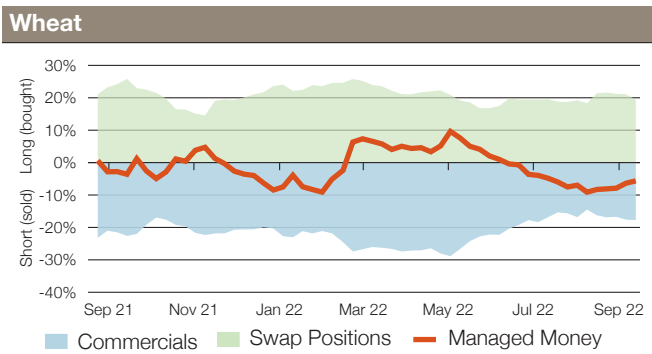
Market indicators

Daily quotations from leading exchanges - nearby futures



CFTC commitments of traders

Major categories net length as percentage of open interest*

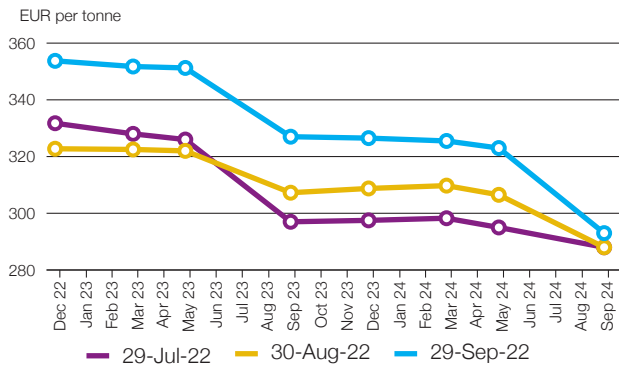


*Disaggregated futures only. Though not all positions are reflected in the charts, total long positions always equal total short positions.

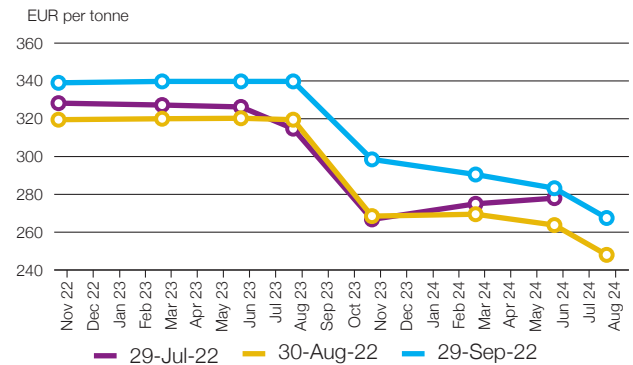
Market indicators

Forward curves

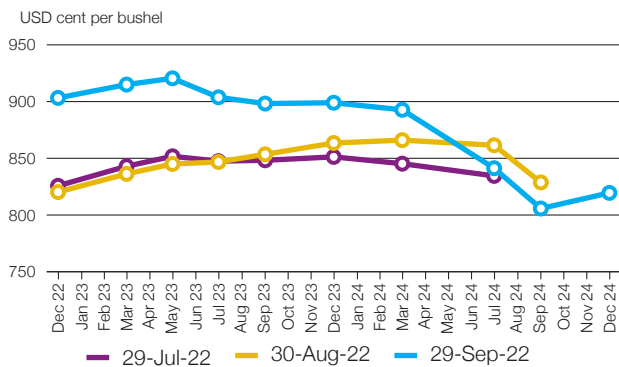
Euronext wheat (EBM)



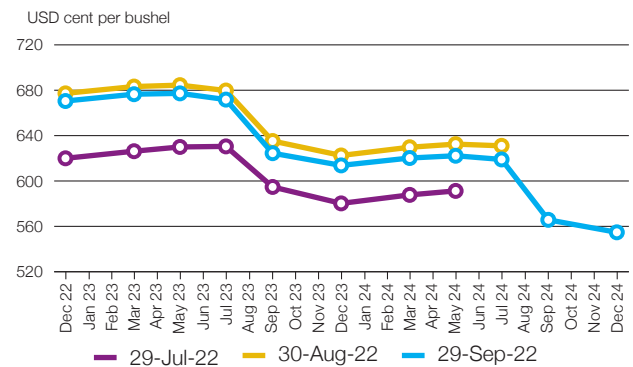
Euronext maize (EMA)



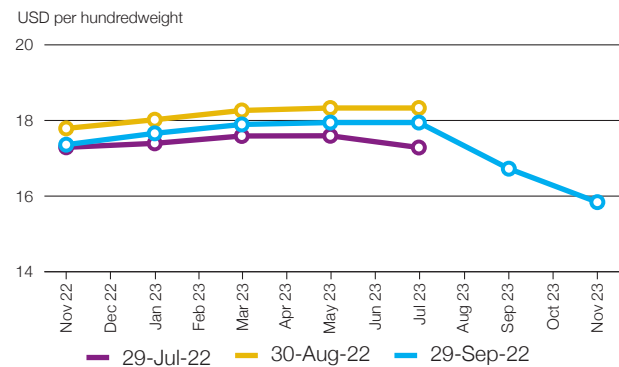
CBOT wheat



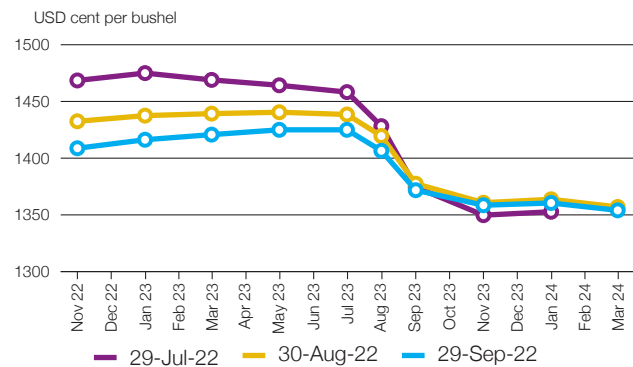
CBOT maize



CBOT rice

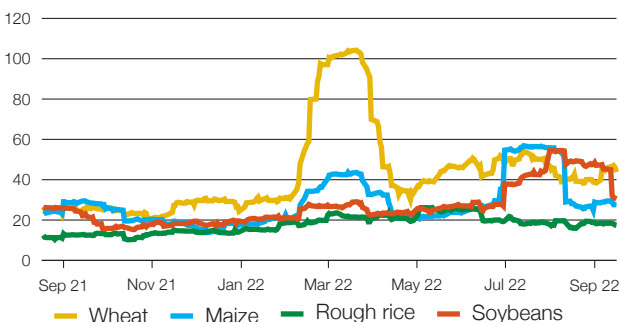


CBOT soybean

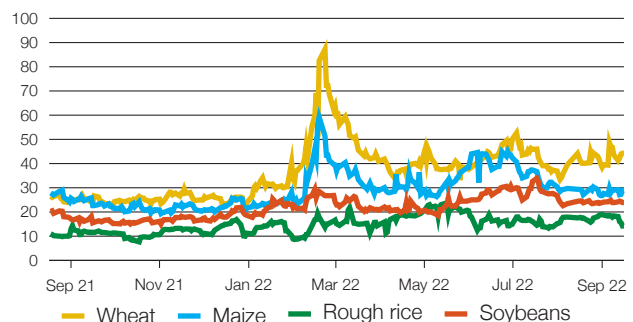


Historical and implied volatilities

Historical Volatility (30 days)



Implied Volatility (Daily)



+i AMIS market indicators

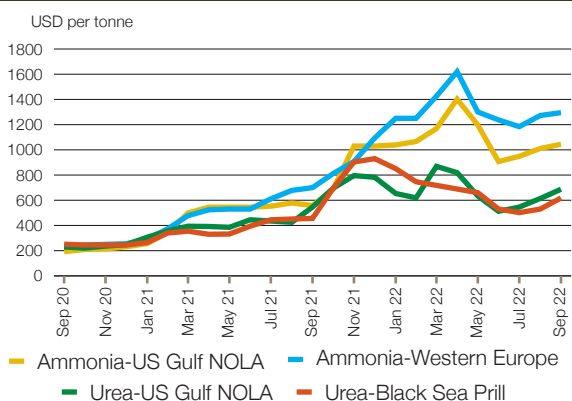
Several of the indicators covered in this report are updated regularly on the AMIS website. These, as well as other market indicators, can be found at:

<http://www.amis-outlook.org/amis-monitoring/indicators/>

For more information about forward curves see the feature article in No. 75 February AMIS Market Monitor 2020.

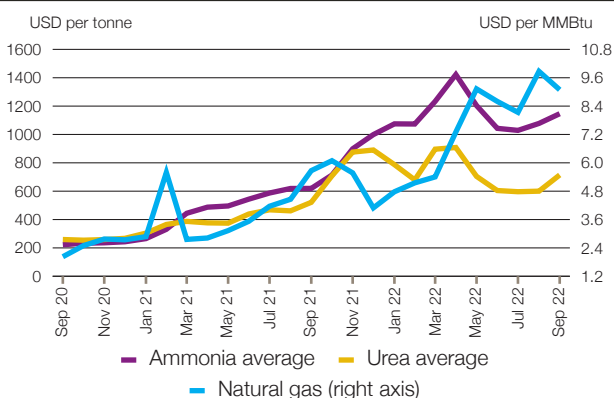
Fertilizer outlook

Ammonia and urea (spot prices)



Prices for nitrogen fertilizers, which rely heavily on natural gas as a feedstock, increased further in September - while other fertilizers saw slight price declines in view of lower seasonal demand. Although natural gas prices were lower in September, the decline was not sufficient to reinvigorate fertilizer production in Europe, keeping supply tight. The recent escalation in the Black Sea conflict and related high natural gas prices continue to generate uncertainty in fertilizer markets.

Ammonia average, urea average and natural gas (spot prices)



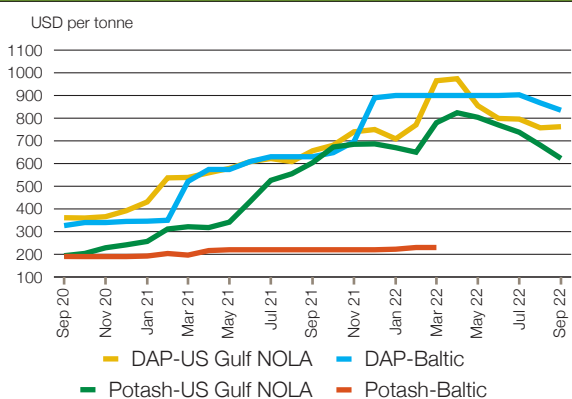
■ **Natural gas** prices decreased in early September as gas inventories in Europe were bolstered by Liquefied Natural Gas (LNG) imports and lower household demand following seasonal trends. However, concerns of shortages remain, particularly in Europe, evidenced by the spike in prices toward the end of the month on the news of further supply cuts from the Russian Federation and damage to gas pipelines.

■ **Ammonia** prices were up slightly in September. Prices for natural gas were still too high for many producers in Europe to consider restarting ammonia production. Despite high demand from Europe as a result of curtailed production, prices have not increased substantially - suggesting there is enough supply on global markets. Exports out of China are up, following lower domestic industrial demand.

■ **Urea** prices increased considerably in September. With European prices up in particular, companies and traders, such as those in Egypt and Indonesia, were eager to sell to the European market - providing upward price pressure in markets outside of Europe.

■ **DAP** prices were down in September, especially in the Baltic, with lower demand internationally outweighing ongoing export restrictions in China and reduced supply from the Russian Federation.

Potash and phosphate (spot prices)



■ **Potash** prices reduced in September as more Belarussian product made its way to international markets. Lower demand and high inventories in countries such as Brazil contributed to the price declines.

	Sep-22 average	Sep-22 std. dev.	% change last month*	% change last year**	12 month high	12-month low
Ammonia-US Gulf NOLA	1044.0	-	+3.3	+87.1	1402.2	688.4
Ammonia-Western Europe	1295.0	10.0	+1.8	+85.0	1620.0	812.0
Ammonia avg. across regions	1146.3	3.3	+6.4	+85.0	1422.4	713.8
Urea-US Gulf	687.2	16.4	+11.9	+25.8	868.8	512.5
Urea-Black Sea	617.8	56.5	+16.6	+35.5	930.0	502.0
Urea avg. across regions	714.5	7.5	+19.1	+37.0	908.0	596.2
DAP-US Gulf	762.5	5.0	+0.7	+16.2	974.0	680.8
DAP-Baltic	835.0	10.0	-3.7	+32.5	903.0	648.0
Potash-Baltic	-	-	-	-	230.0	220.0
Potash-US Gulf NOLA	622.5	18.5	-8.6	+3.1	824.0	622.5
Natural gas	8.1	0.7	-7.7	+58.6	8.8	3.7

All prices shown are in US dollars
 Source: Own elaboration based on Bloomberg
 *Estimated using available weekly data to date.

+i Chart and tables description

Ammonia and urea: Overview of nitrogen-based fertilizer prices in the US Gulf, Western Europe and Black Sea. Prices are weekly prices averaged by month.

Potash and phosphate: Overview of phosphate and potassium-based fertilizer prices in the US Gulf, Baltic and Vancouver. Prices are weekly prices averaged by month.

Ammonia average and urea average: Monthly average prices from ammonia's US Gulf NOLA, Middle East, Black Sea and Western Europe were averaged to obtain ammonia average prices; monthly average prices from urea's US Gulf NOLA, US Gulf Prill, Middle East Prill, Black Sea Prill and Mediterranean were averaged to obtain Urea Average prices.

Natural gas: Henry Hub Natural Gas Spot Price from ICE up to December 2017 and from Bloomberg (BGAP) from January 2018 onwards. Prices are intraday prices averaged by month. Natural gas is used as major input to produce nitrogen-based fertilizers.

DAP: Diammonium Phosphat

Ocean freight markets

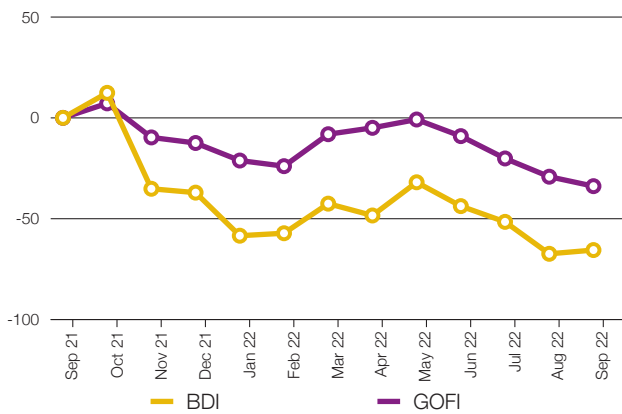
Dry bulk freight market developments

	Sep-22 average	Change	
		M/M	Y/Y
Baltic Dry Index (BDI)	1477.3	+5.7%	-65.5%
sub-indices:			
Capesize	1399.8	+27.8%	-78.6%
Panamax	1845.9	+6.0%	-51.4%
Supramax	1559.1	-8.8%	-52.8%
Baltic Handysize Index (BHSI)	912.1	-8.5%	-51.2%

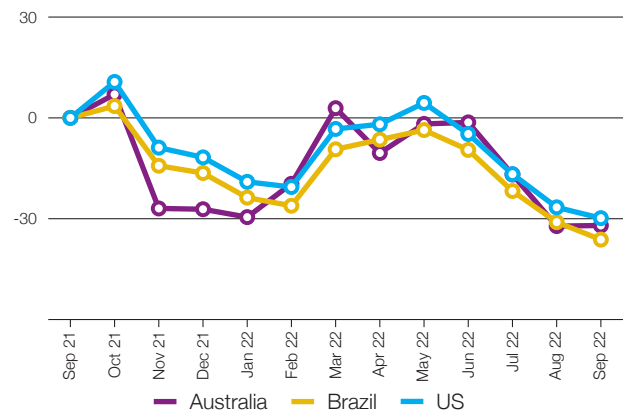
Source: Baltic Exchange, IGC. Base period for BDI: 4 January 1985 = 1000; for BHSI: 23 May 2006 = 1000; for GOFI: 1 January 2013 = 100

	Sep-22 average	Change	
		M/M	Y/Y
IGC Grains and Oilseeds Freight Index (GOFI)	158.0	-6.6%	-33.9%
sub-Indices:			
Argentina	201.3	-7.6%	-32.8%
Australia	120.9	+0.3%	-32.0%
Brazil	205.0	-7.6%	-36.2%
Black Sea	164.6	-7.3%	-37.9%
Canada	115.8	-7.6%	-32.3%
Europe	130.6	-6.8%	-30.3%
US	127.9	-4.4%	-29.8%

BDI and IGC GOFI



Selected IGC GOFI sub-indices



- The dry bulk freight complex saw some improvement during the past month, underscored by a 6 percent month-on-month rise in average **Baltic Dry Index (BDI)** quotations. Although the benchmark rebounded from more than a two-year low at the end of August, average values remained around two-thirds below year ago levels.
- The recent increase in rates partly stemmed from news that China had removed pandemic-induced restrictions in some regions, even though concerns persisted about the country's zero-COVID approach and an ongoing crisis in the domestic property sector. Participants also noted accelerating Chinese imports of coal, notably from Indonesia and the Russian Federation, on surging demand for air conditioning and the need to compensate for reduced hydropower generation amid hot and dry weather in some areas. Additional support came from brisk coal imports by India in the run up to its late-September festive season.
- Against this backdrop, average **Capesize** earnings advanced by more than one-quarter month-on-month, as rates

increased across key loading areas, including in Brazil, a major iron ore origin.

- Aside from brisk demand for coal shipments, **Panamax** values were underpinned by fresh enquiries for grains and oilseeds dispatches from South America and the US Gulf, while stronger activity was also noted in Australia and the northern Pacific.
- Despite accelerating fixing in South America after the recent upturn in soyabean sales by Argentina and continued solid maize shipments from Brazil, **Supramax** and **Handysize** earnings were slightly lower month-on-month, with rates in the former sector weighed by limited demand at the US Gulf, while the latter vessel segment witnessed a slowdown in dispatches out of Europe.
- Softening bunker prices contributed to a 7 percent month-on-month drop in the **IGC Grains and Oilseeds Freight Index (GOFI)**, which touched a 16-month low in early-September.

+i Source: International Grains Council

Baltic Dry Index (BDI): A benchmark indicator issued daily by the Baltic Exchange, providing assessed costs of moving raw materials on ocean going vessels. Comprises sub-Indices for three segments: Capesize, Panamax and Supramax. The Baltic Handysize Index excluded from the BDI from 1 March 2018.

IGC Grains and Oilseeds Freight Index (GOFI): A trade-weighted composite measure of ocean freight costs for grains and oilseeds, issued daily by the International Grains Council. Includes sub-Indices for seven main origins (Argentina, Australia, Brazil, Black Sea, Canada, the EU and the USA). Constructed based on nominal HSS (heavy grains, soybeans, sorghum) voyage rates on selected major routes.

Capesize: Vessels with deadweight tonnage (DWT) above 80,000 DWT, primarily transporting coal, iron ore and other heavy raw materials on long-haul routes.

Panamax: Carriers with capacity of 60,000-80,000 DWT, mostly geared to transporting coal, grains, oilseeds and other bulks, including sugar and cement.

Supramax/Handysize: Ships with capacity below 60,000 DWT, accounting for the majority of the world's ocean-going vessels and able to transport a wide variety of cargos, including grains and oilseeds.

Explanatory note

The notions of **tightening** and **easing** used in the summary table of "Markets at a glance" reflect judgmental views that take into account market fundamentals, inter-alia price developments and short-term trends in demand and supply, especially changes in stocks.

All totals (aggregates) are computed from unrounded data. World supply and demand estimates/forecasts are based on the latest data published by FAO, IGC and USDA. For the former, they also take into account information provided by AMIS focal points (hence the notion "FAO-AMIS"). World estimates and forecasts produced by the three sources may vary due to several reasons, such as varying release dates and different methodologies used in constructing commodity balances. Specifically:

PRODUCTION: Wheat production data from all three sources refer to production occurring in the first year of the marketing season shown (e.g. crops harvested in 2016 are allocated to the 2016/17 marketing season). Maize and rice production data for FAO-AMIS refer to crops harvested during the first year of the marketing season (e.g. 2016 for the 2016/17 marketing season) in both the northern and southern hemisphere. Rice production data for FAO-AMIS also include northern hemisphere production from secondary crops harvested in the second year of the marketing season (e.g. 2017 for the 2016/17 marketing season). By contrast, rice and maize data for USDA and IGC encompass production in the northern hemisphere occurring during the first year of the season (e.g. 2016 for the 2016/17 marketing season), as well as crops harvested in the southern hemisphere during the second year of the season (e.g. 2017 for the 2016/17 marketing season). For soybeans, the latter approach is used by all three sources.

SUPPLY: Defined as production plus opening stocks by all three sources.

UTILIZATION: For all three sources, wheat, maize and rice utilization includes food, feed and other uses (namely, seeds, industrial uses and post-harvest losses). For soybeans, it comprises crush, food and other uses. However, for all AMIS commodities, the use categories may be grouped differently across sources and may also include residual values.

TRADE: Data refer to exports. For wheat and maize, trade is reported on a July/June basis, except for USDA maize trade estimates, which are reported on an October/September basis. Wheat trade data from all three sources includes wheat flour in wheat grain equivalent, while the USDA also considers wheat products. For rice, trade covers shipments from January to December of the second year of the respective marketing season. For soybeans, trade is reported on an October/September basis by FAO-AMIS and the IGC, while USDA data are based on local marketing years except for Argentina and Brazil which are reported on an October/September basis. Trade between European Union member states is excluded.

STOCKS: In general, world stocks of AMIS crops refer to the sum of carry-overs at the close of each country's national marketing year. For soybeans, stock levels reported by the USDA are based on local marketing years, except for Argentina and Brazil, which are adjusted to October/September. For maize and rice, global estimates may vary across sources because of differences in the allocation of production in southern hemisphere countries.

For more information on AMIS Supply and Demand, please view AMIS Supply and Demand Balances Manual.

AMIS - GEOGLAM Crop Calendar Selected leading producers*

WHEAT		J	F	M	A	M	J	J	A	S	O	N	D
China (18%)	spring			Planting			C		Harvest				
	winter		C	C	C		Harvest					Planting	
EU (17%)	winter				C	C		Harvest				Planting	
India (14%)	winter	C	C		Harvest							Planting	
Russian Fed. (12%)	spring				Planting		C	C		Harvest			
	winter		C	C	C		Harvest					Planting	
US (6%)	spring						C	C		Harvest		Planting	
	winter			C	C				Harvest			Planting	
MAIZE		J	F	M	A	M	J	J	A	S	O	N	D
US (30%)					Planting		C	C	C		Harvest		
China (24%)	north				Planting		C	C		Harvest			
	south			Planting		C	C			Harvest			
Brazil (10%)	1st crop	C	C		Harvest							Planting	C
	2nd crop		Planting	C	C				Harvest				
Argentina (5%)					Harvest						Planting	C	C
EU (5%)					Planting		C	C	C		Harvest		
RICE		J	F	M	A	M	J	J	A	S	O	N	D
China (28%)	intermediary crop					Planting		C	C	C		Harvest	
	late crop							Planting		C	C	Harvest	
	early crop			Planting		C	C			Harvest			
India (24%)	kharif						Planting		C	C		Harvest	
	rabi		C		Harvest								
Indonesia (7%)	main Java		C	C		Harvest						Planting	
	second Java					Planting		C	C	C		Harvest	
Viet Nam (5%)	winter-spring		C	C		Harvest						Planting	
	summer/autumn						Planting		C	C		Harvest	
Thailand (4%)	winter					Planting			C	C		Harvest	
	main season						Planting		C	C		Harvest	
	second season	Planting	C	C	C		Harvest						
SOYBEANS		J	F	M	A	M	J	J	A	S	O	N	D
Brazil (38%)		C	C		Harvest							Planting	C
US (31%)							Planting	C	C	C		Harvest	
Argentina (13%)		C	C	C		Harvest						Planting	
China (5%)							Planting	C	C		Harvest		
India (3%)							Planting	C	C		Harvest		

*Percentages refer to the global share of production according to the latest AMIS-FAO estimates available for the most recent season

- Planting (peak)
- Harvest (peak)
- Planting
- Harvest
- C Weather conditions in this period are critical for yields
- Growing period

For more information on AMIS Supply and Demand, please view AMIS Supply and Demand Balance Manual

Main sources

Bloomberg, CFTC, CME Group, FAO, GEOGLAM, IFPRI, IGC, OECD, Reuters, USDA, US Federal Reserve, WTO

2022 AMIS Market Monitor release dates

February 3, March 3, April 7, May 5, June 2, July 7, September 8, October 6, November 3, December 8