



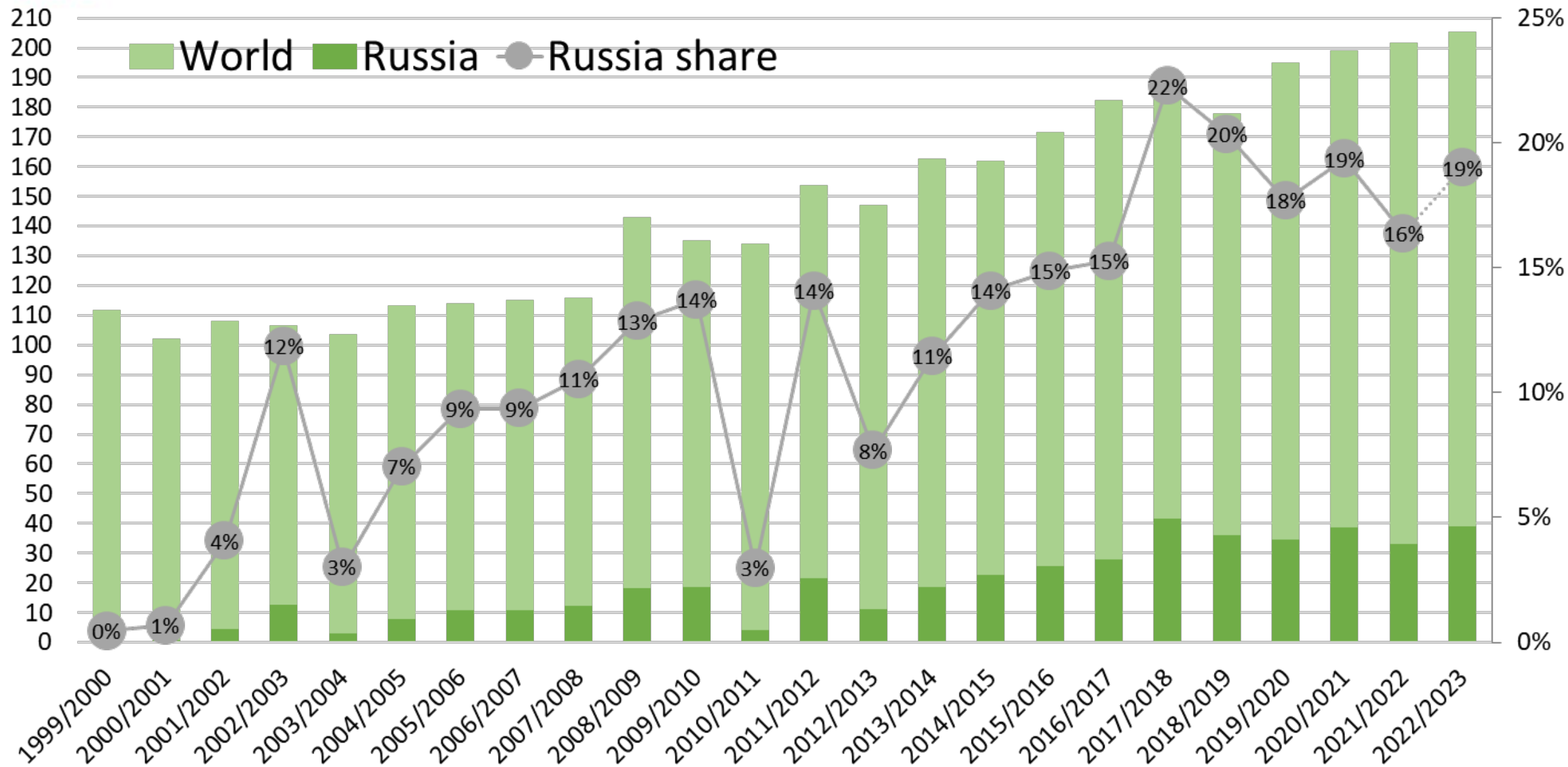
Dmitri Rylko
General Director
IKAR LLC

Russian wheat and grain in 2022/23

Istanbul, May 20, 2022

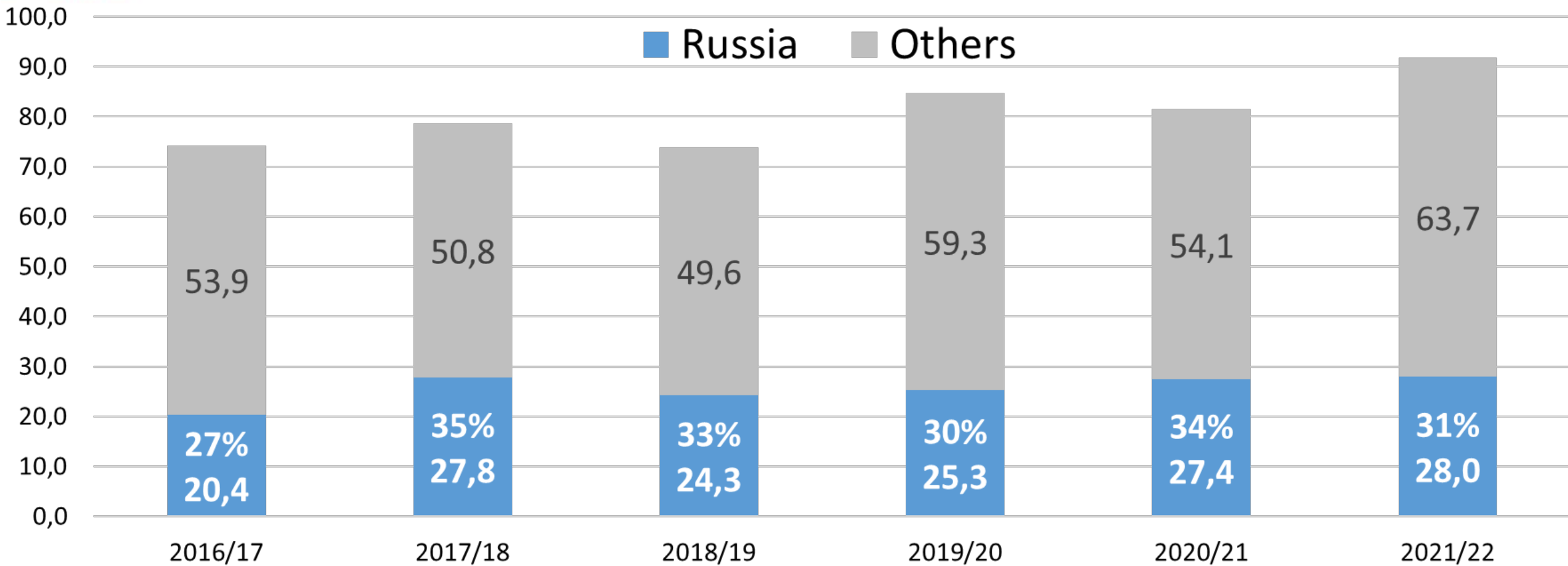


Global wheat export and Russia's share, MMT





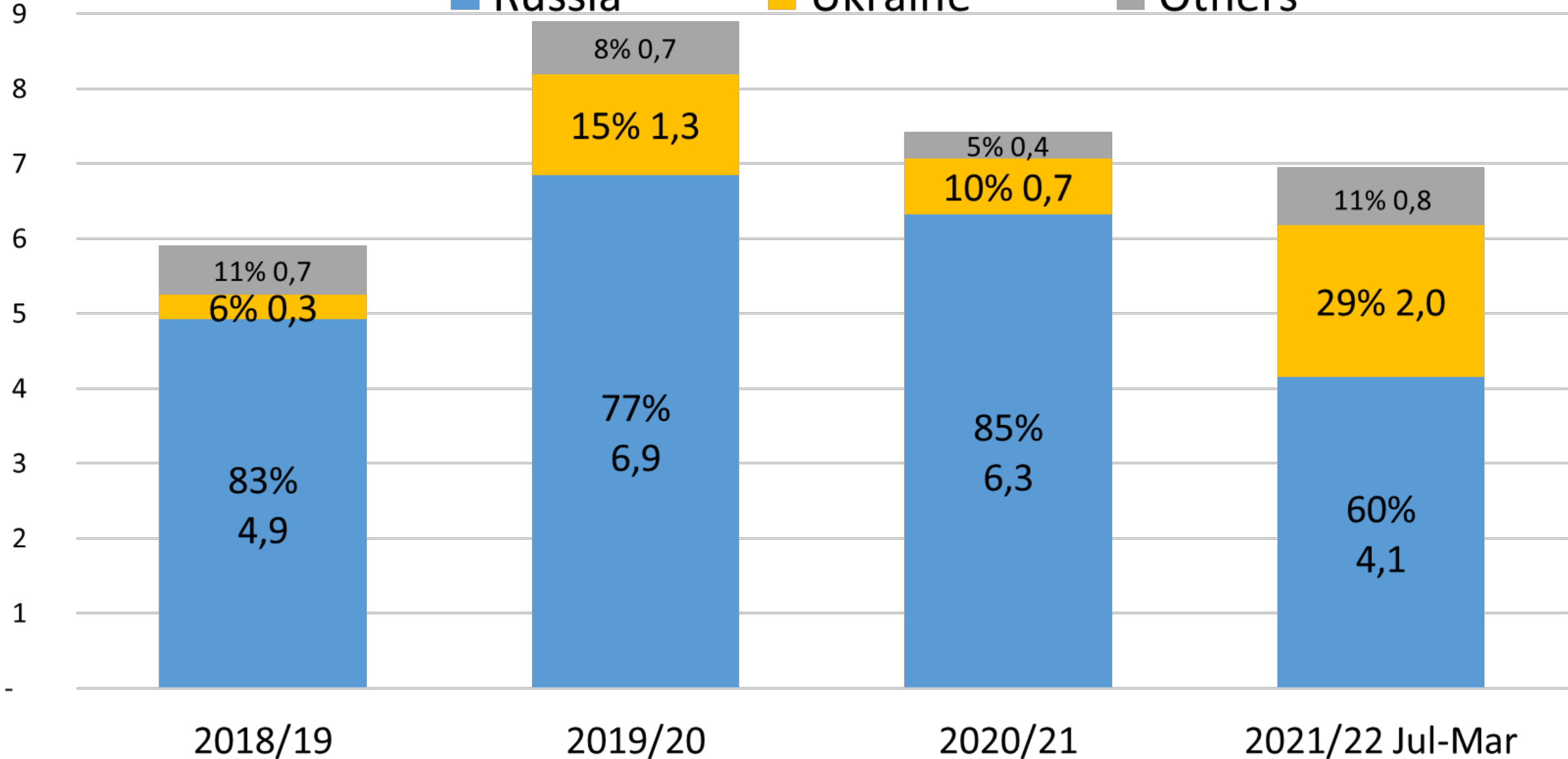
Russian wheat share in Mid.East and Africa import, MMT





Turkish wheat import, RU/UA share, MMT

■ Russia ■ Ukraine ■ Others





End of the season for the Russian wheat/grain

Contradictory blend of:

Sanctions

Ruble sharp dropping and sharp strengthening

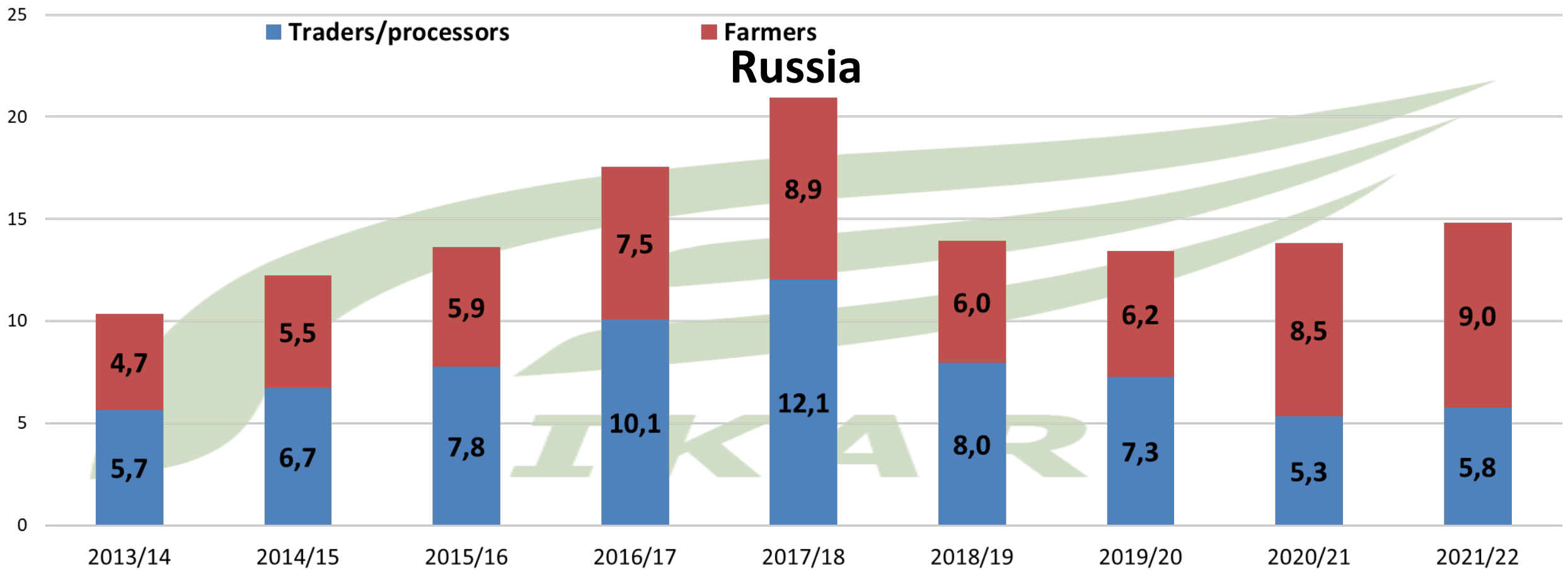
Export duties and quotas

2022 crop headaches in various parts of the world and...

...Consequent international price rise...



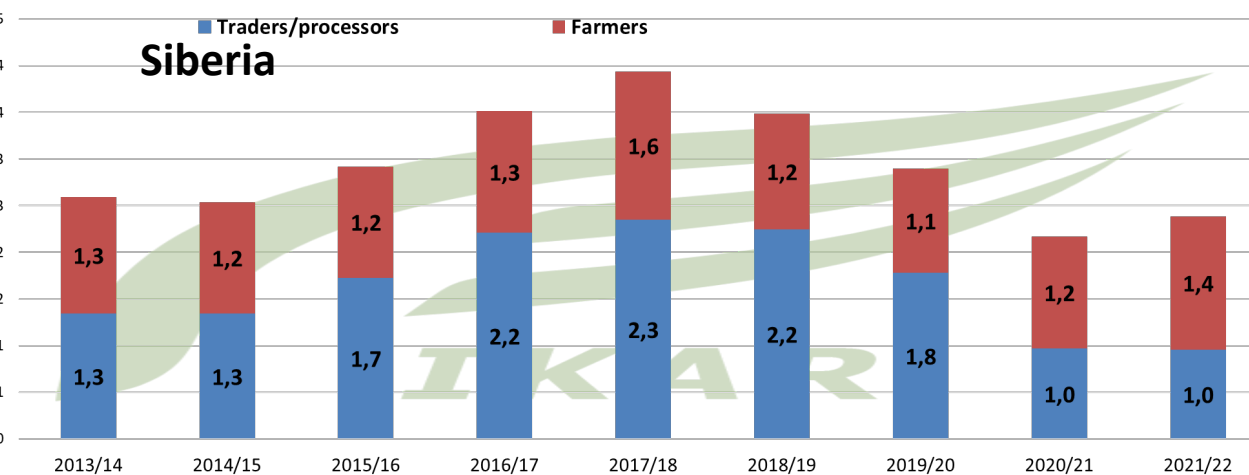
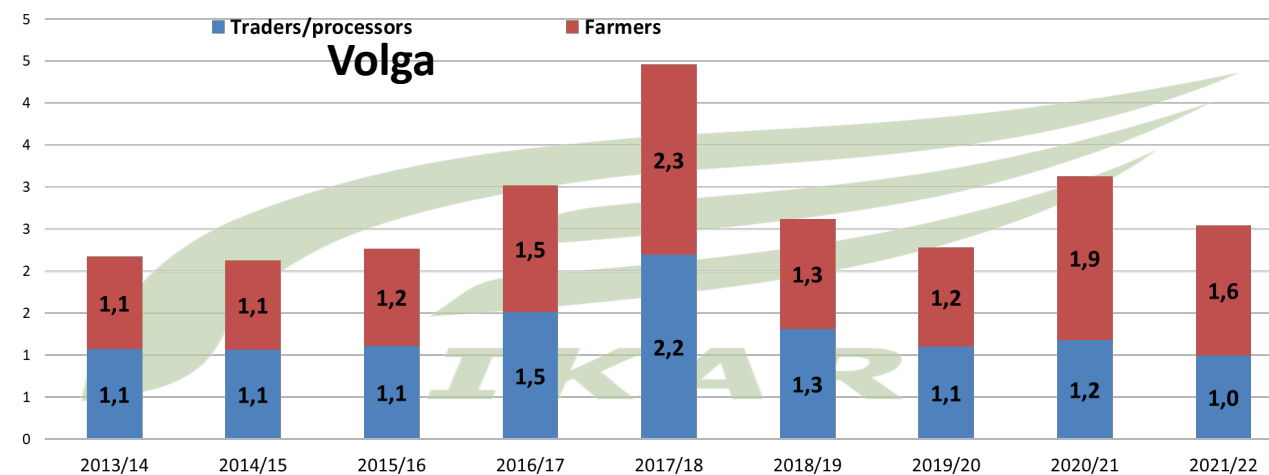
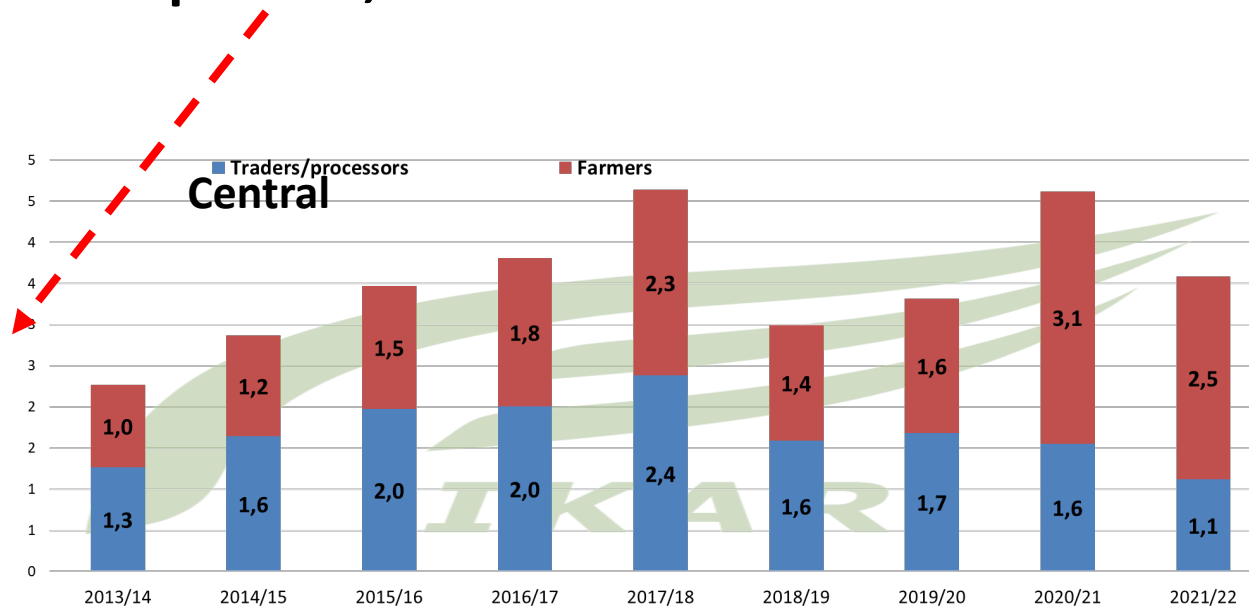
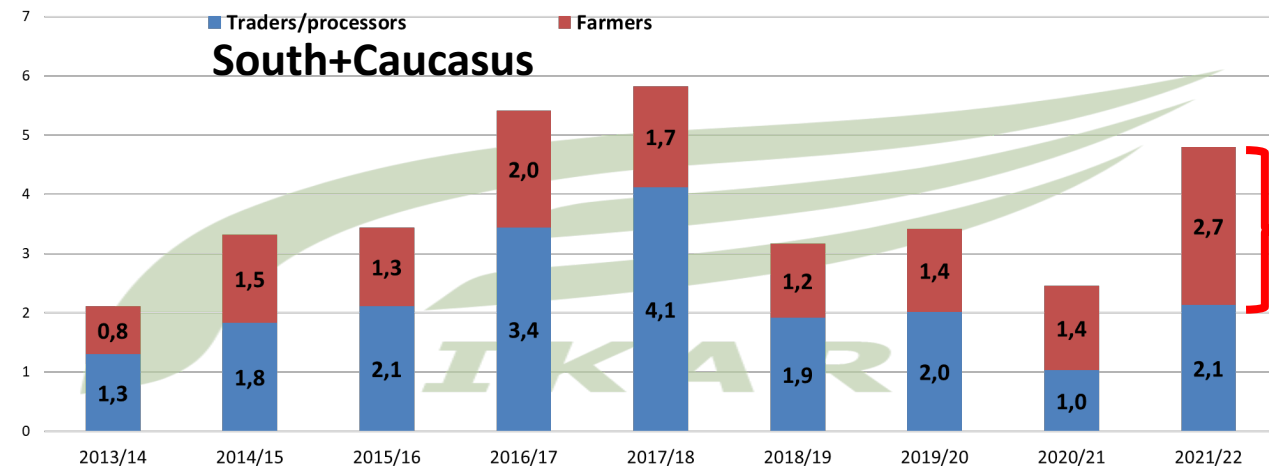
Wheat stocks in Russia as of April 1, MMT



All stocks are modest, but farm stocks are highest (!)



Wheat stocks in Russia as of April 1, MMT



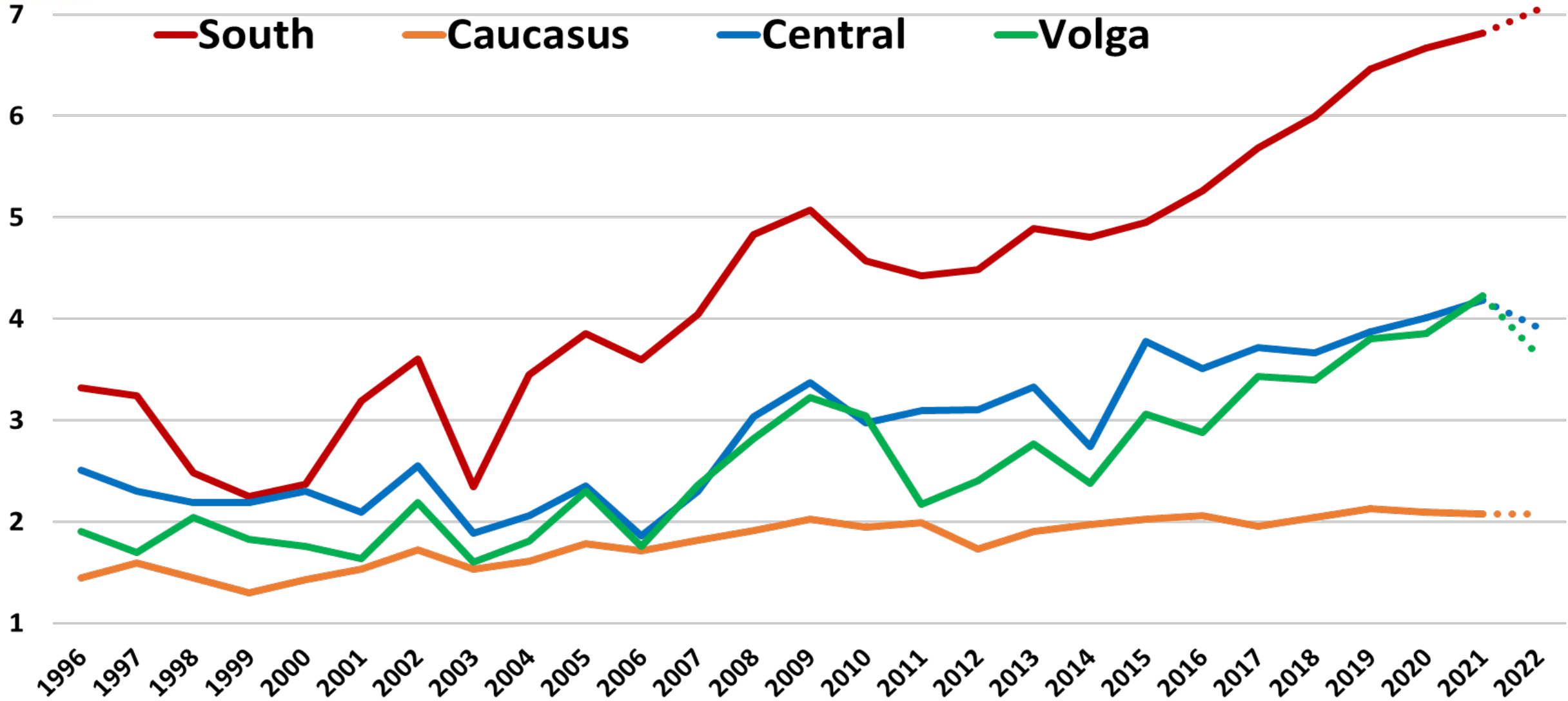
Export oriented South Russia to enter new season with record high farm wheat stocks (!)



New crop prospects



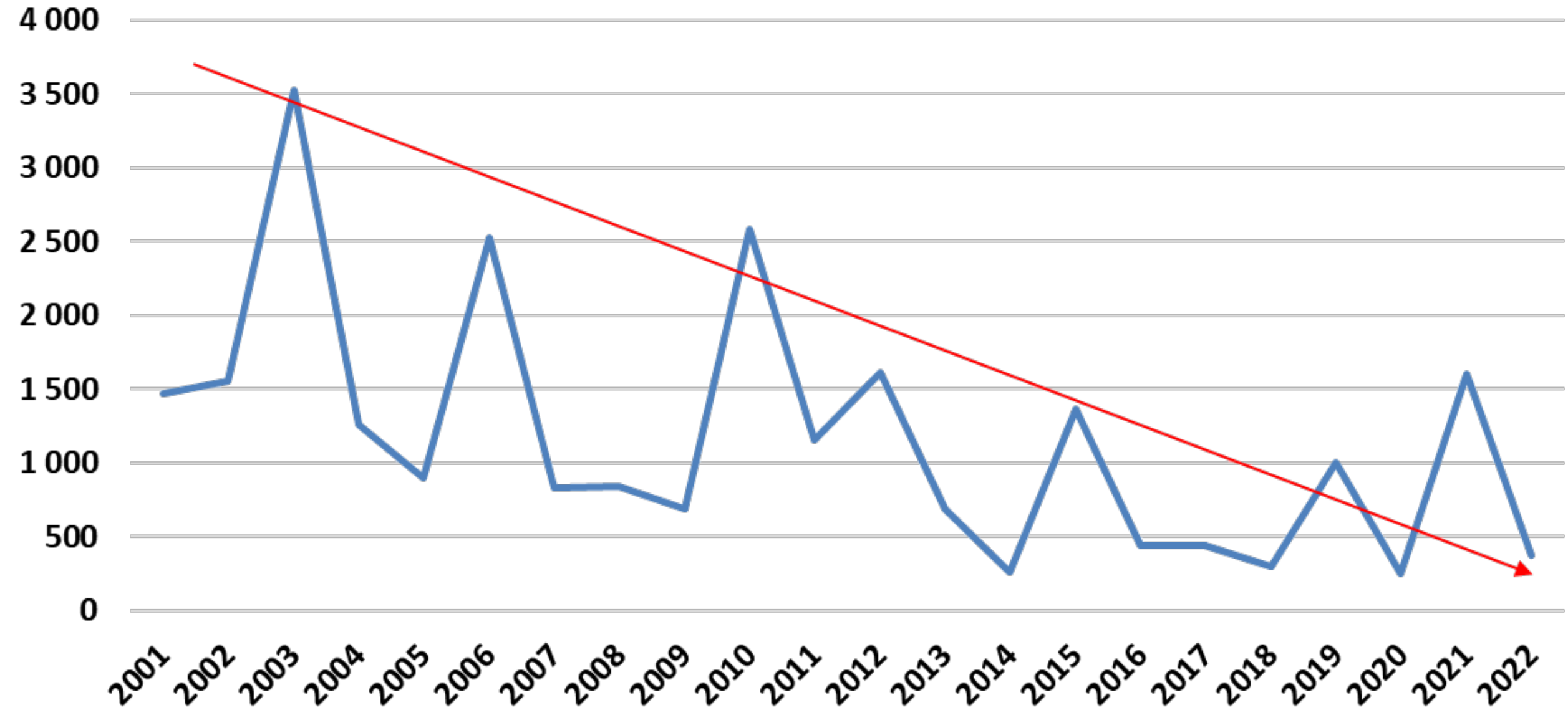
Russian winter wheat planting area, mln.ha



Export oriented South added wheat acreage to record high

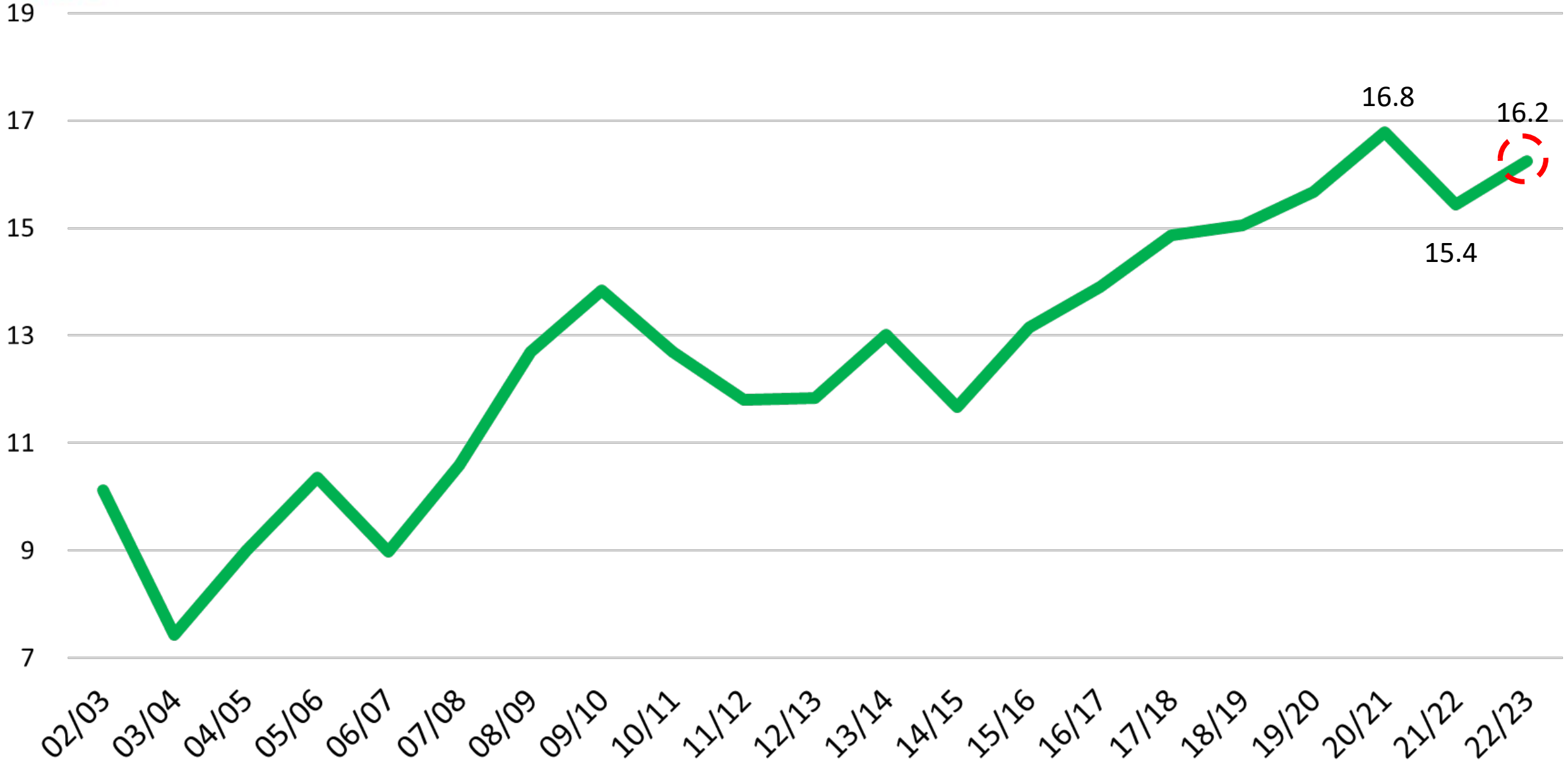


Winter/spring kill, tha





Winter wheat harvesting area, mha (2022: estimate!)





Winter wheat condition remains very strong up-to-date (May 19!)

Tambov (Central Black Soil), beg. of May, 2021



Tambov, May 10, 2022



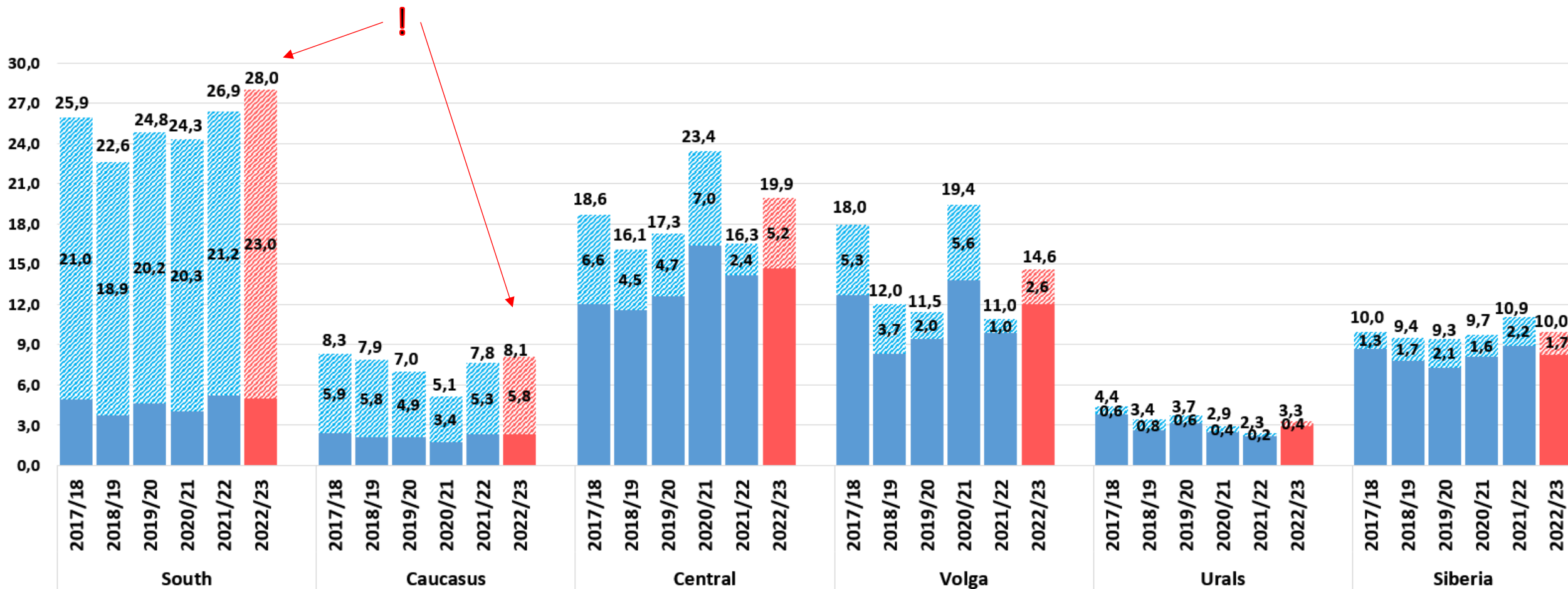


Russian wheat SnD, MMT (2022 as of May 19, 2022)

Wheat, MMT	2019/20	2020/21	2021/22	2022/23		
				base	min	max
Carry-in	9,4	8,1	9,9	9,6	9,6	9,6
Production	74,4	85,9	76,0	85,0	82,0	88,0
Import	0,3	0,2	0,2	0,1	0,1	0,1
Total resources	84,1	94,2	86,1	94,7	91,7	97,7
Dom.disappearance	41,2	45,5	44,0	46,0	45,2	46,5
Export (IKAR) 2022/23 - potential	34,8	38,8	32,5	39,0	38,0	41,0
Total utilization	76,0	84,3	76,5	85,0	83,2	87,5
Carry-out	8,1	9,9	9,6	9,7	8,5	10,2



Russian wheat crop and export, MMT (as of May 19, 2022!)



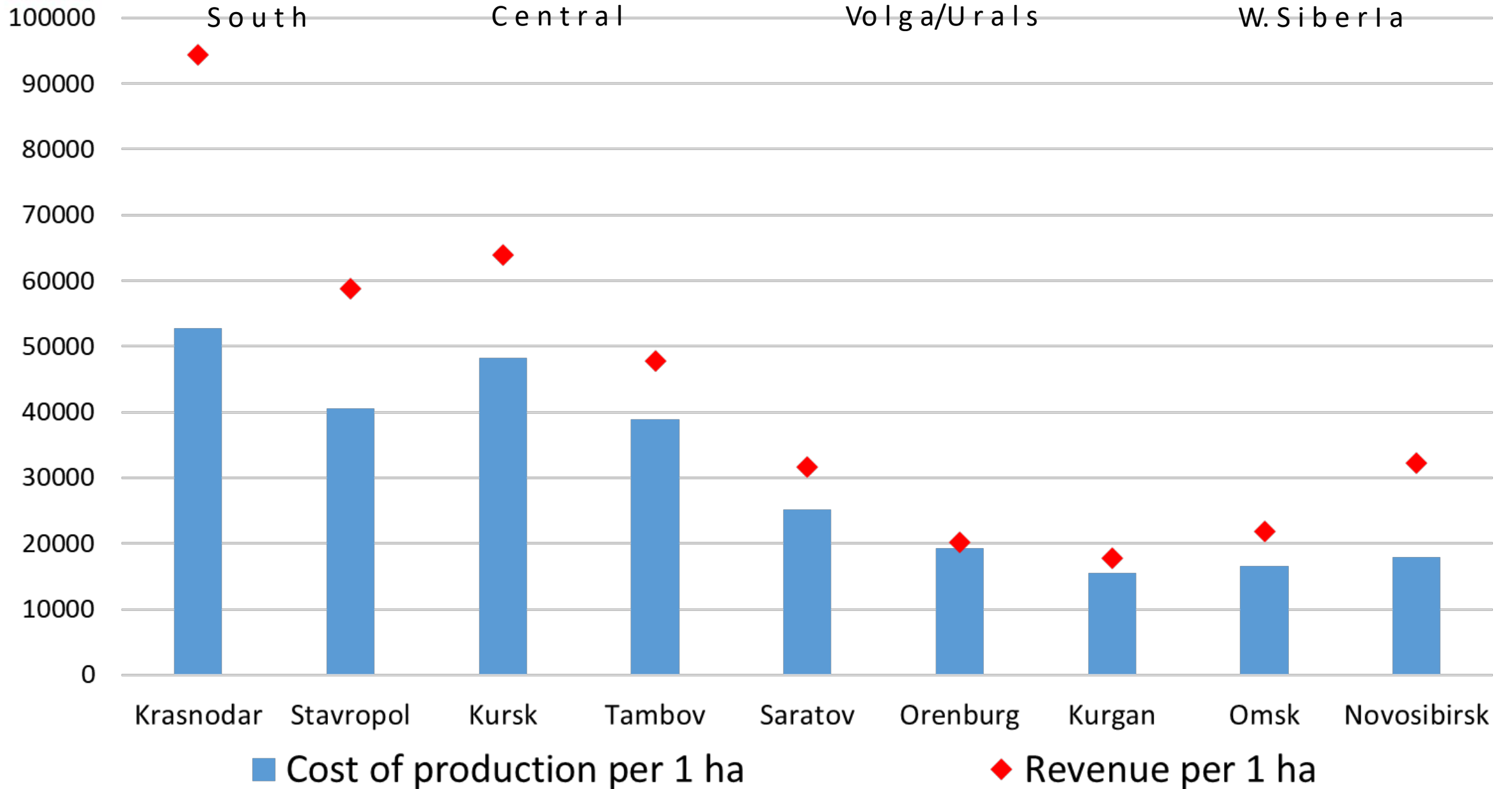
Ceteris Paribus, in 2022/23 Export oriented South Russia may get close to record production and export potential. **“Sukhovey”** in the South looks as a major - possible - risk up-to-date... Urals and Siberia are under the threat...



A little bit on farm economics

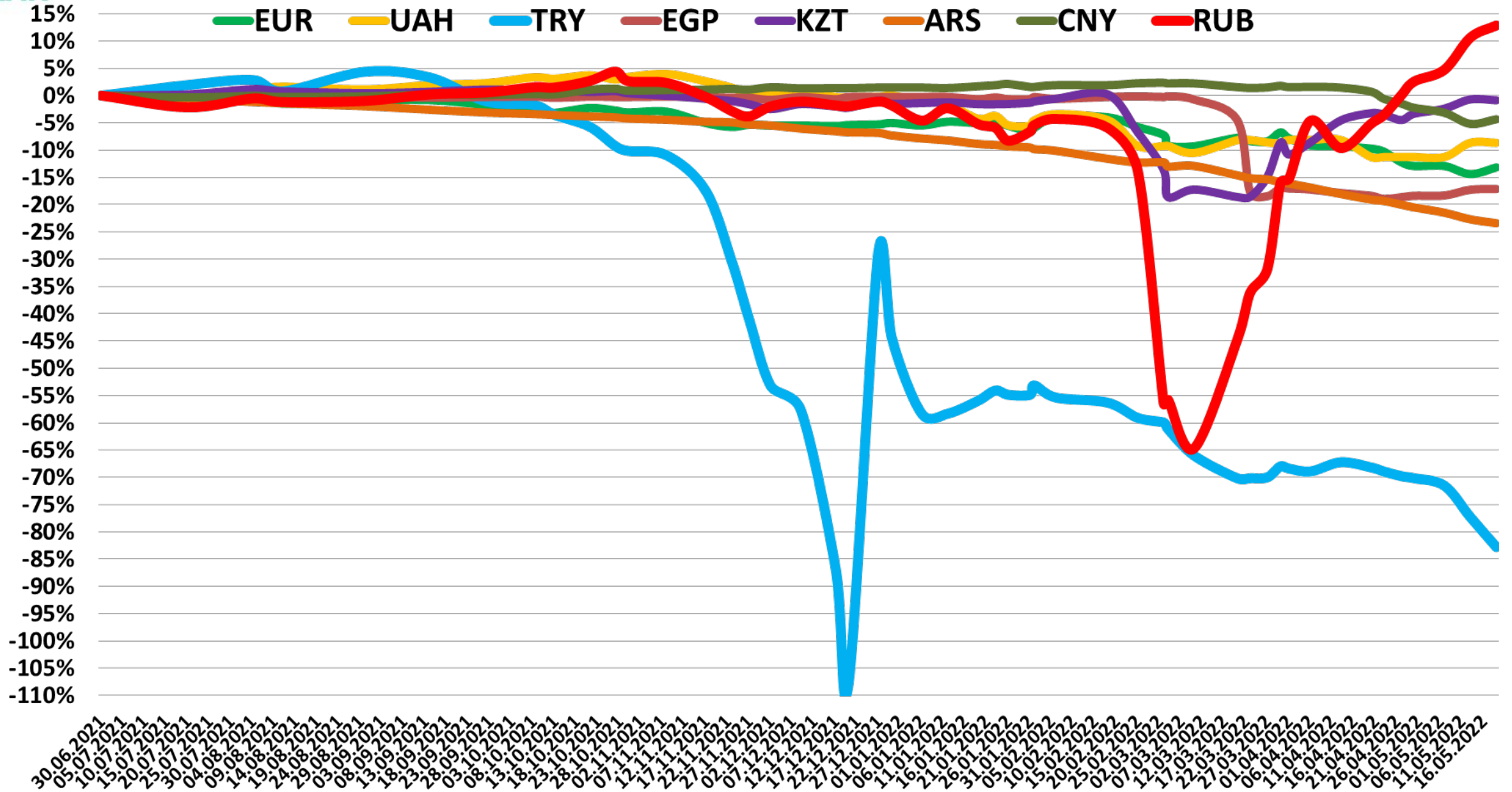


Wheat COP and revenue 2021/22, rub/ha excl. VAT



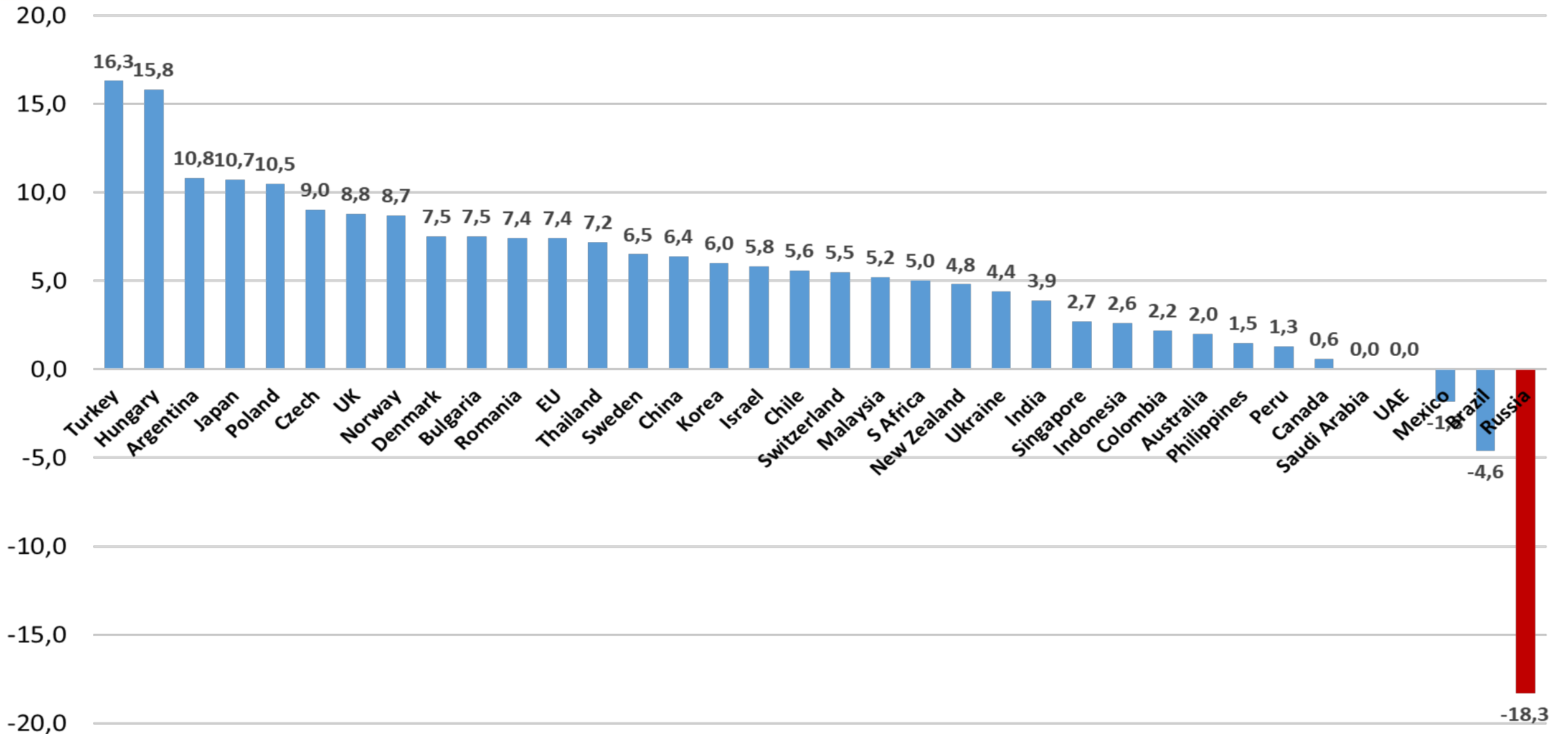


2021/22 Major "grain" currencies to USD





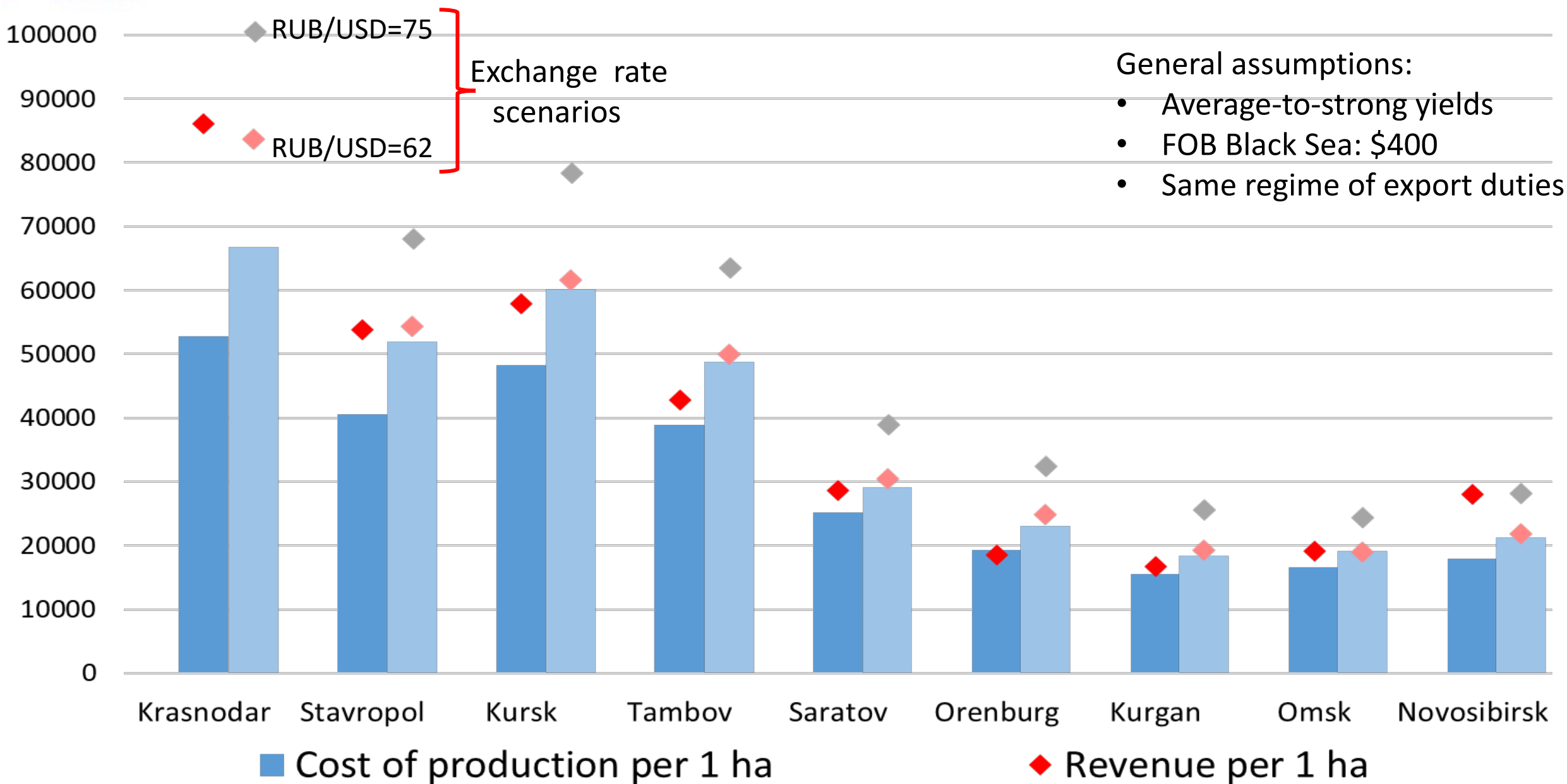
USD to other currencies changes since 22.02.22 as of 19.05.22, %



Ruble is THE most and almost the only strengthened currency to dollar (!)

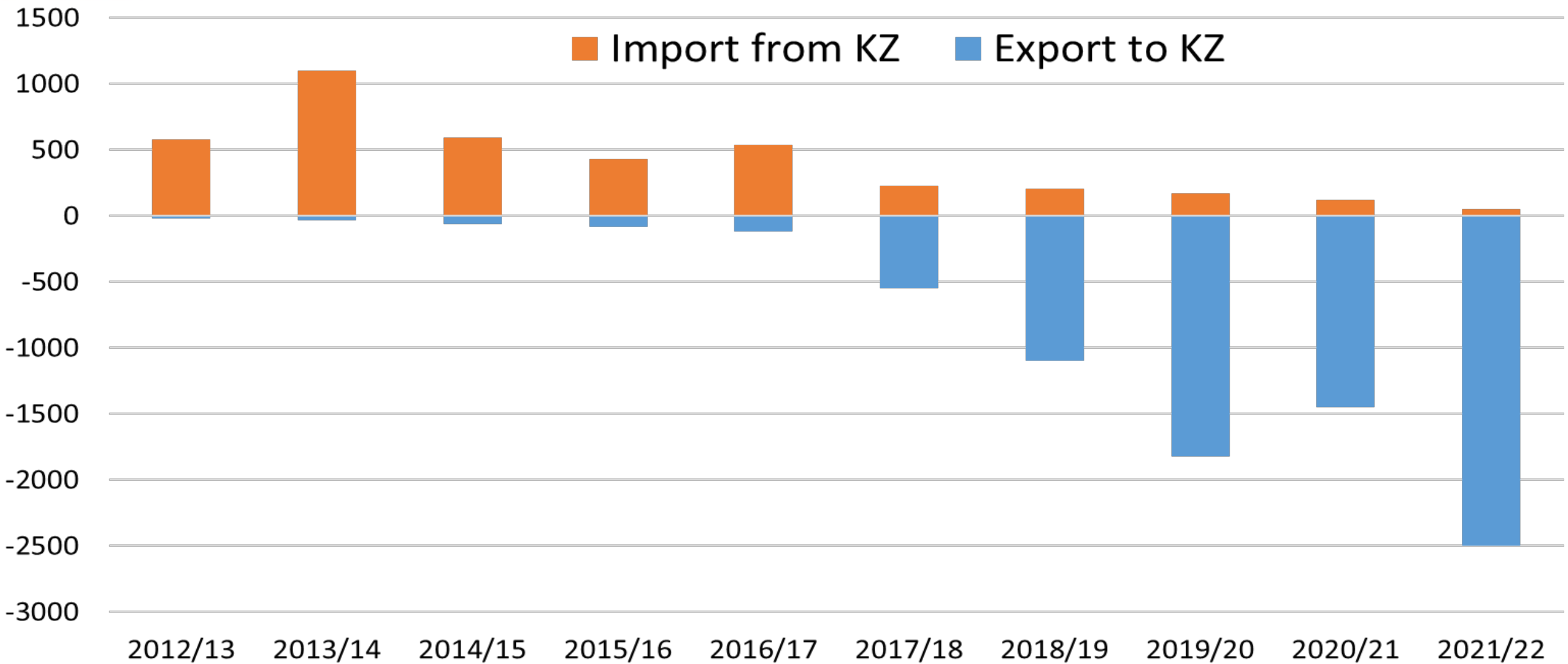


Wheat start up (Jul/Sep) COP and revenue 22/23 vs 21/22, rub/ha excl. VAT (Novorossiysk export parity!)





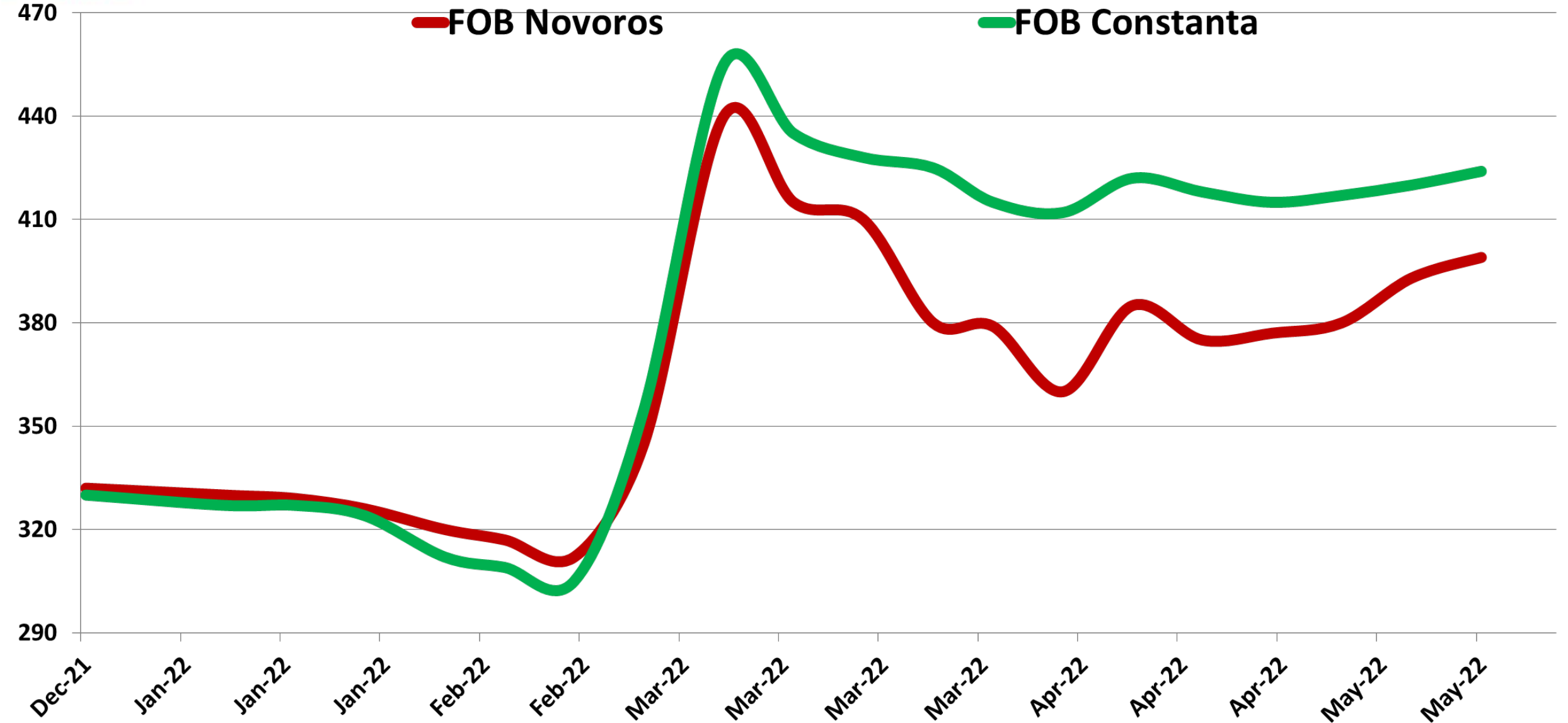
Rus/KZ wheat trade balance, tmt (estimated!)



(Eastern) Volga, Urals, and W. Siberia have got new market and new price gravitation!

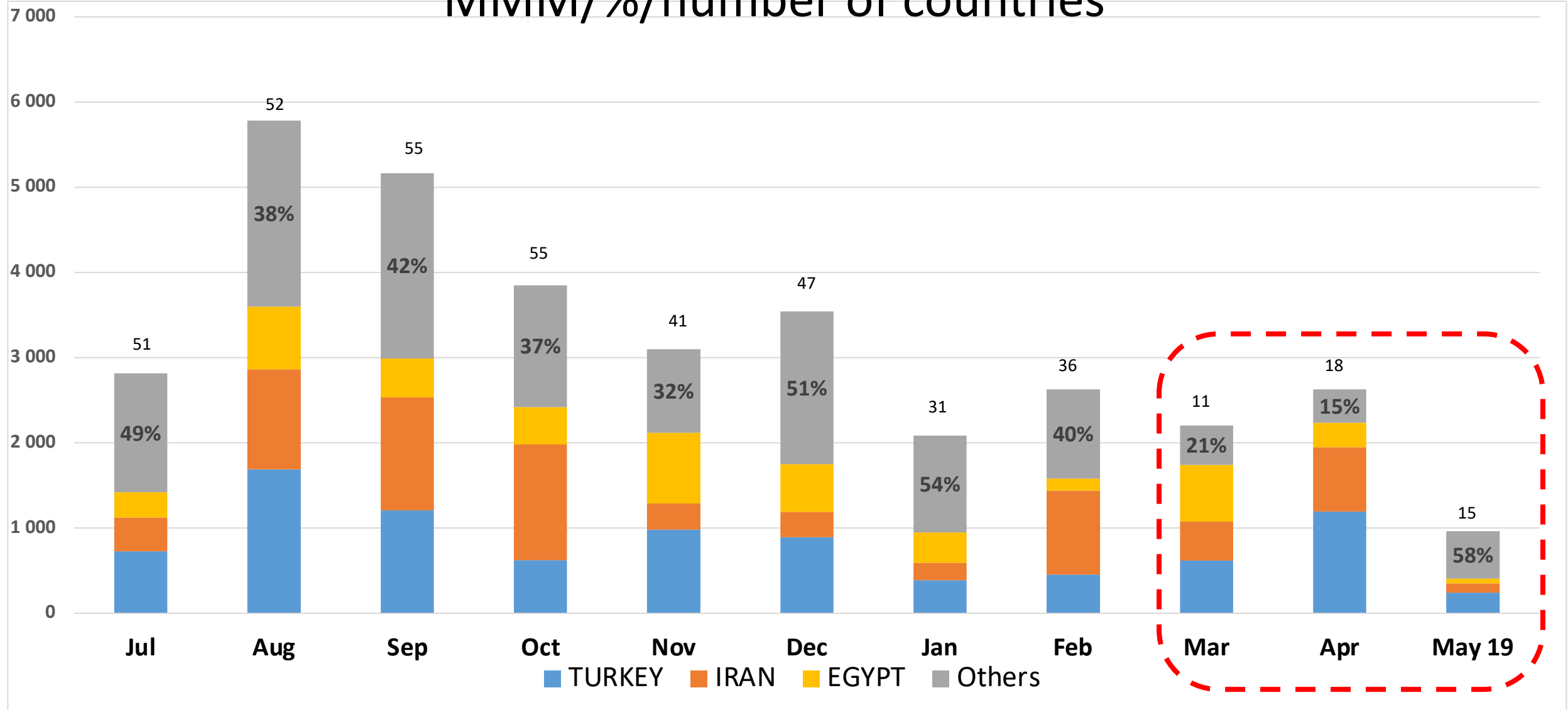


Russia and Romania FOB wheat price evolution, USD/mt





2021/22 Russian monthly wheat export and destinations portfolio, MMM/%/number of countries



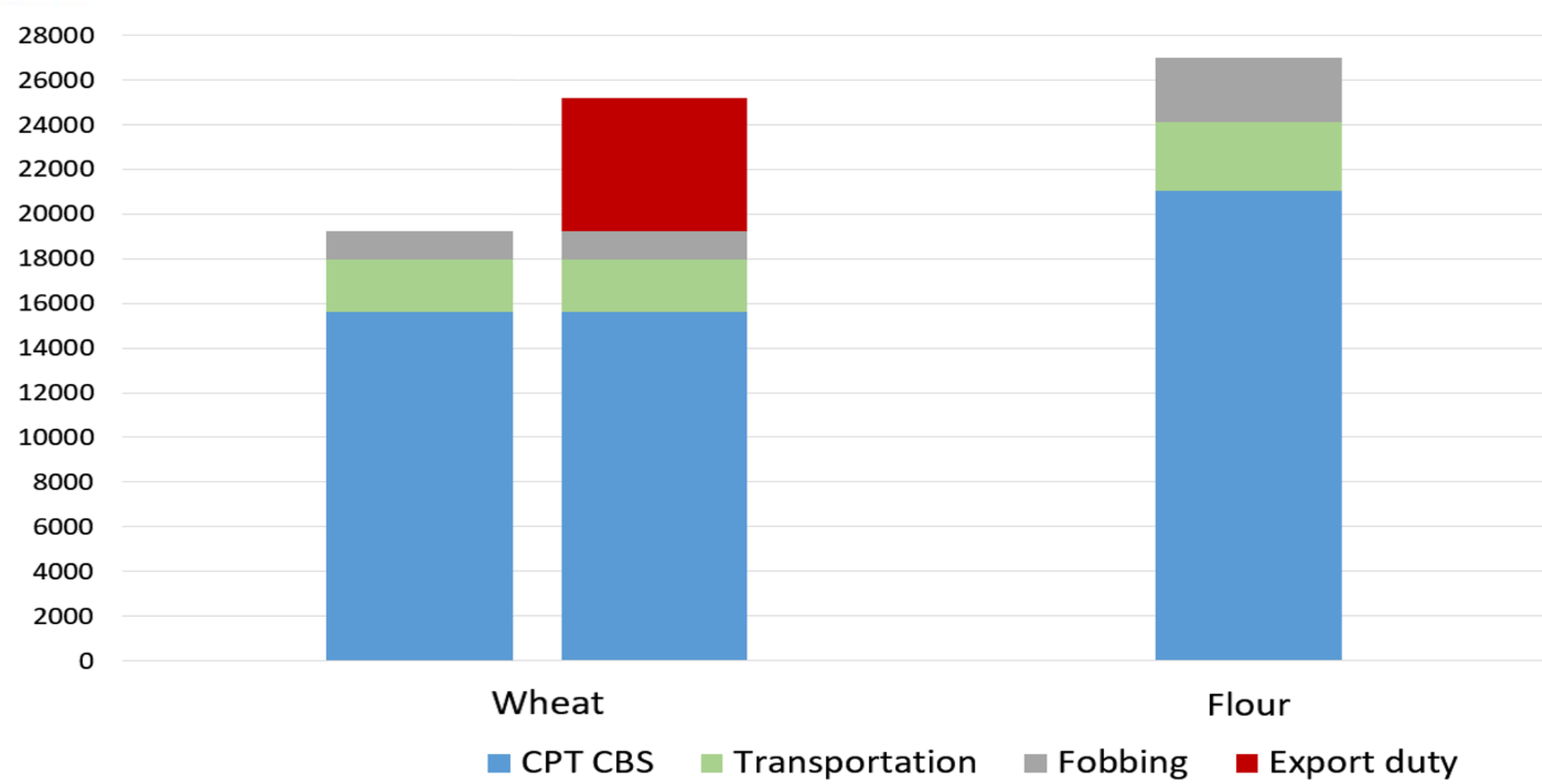
In March – May , after start of SMO, the share and number of NON-TIE destinations dropped significantly, although May shows some promising progress...



A little bit on domestic milling industry



Russian wheat and flour plant to FOB estimated virtual cost, structure, USD/mt

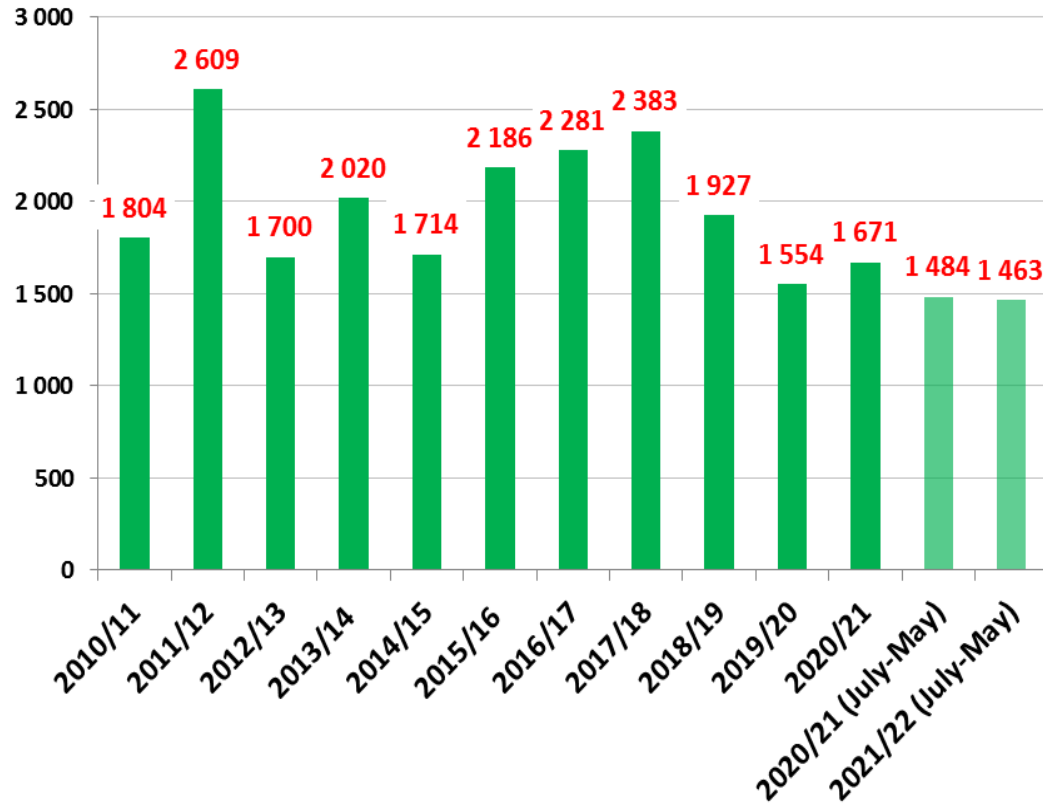


Ceteris paribus, **bluntly**, wheat export duty provides substantial benefit to wheat flour exporters...

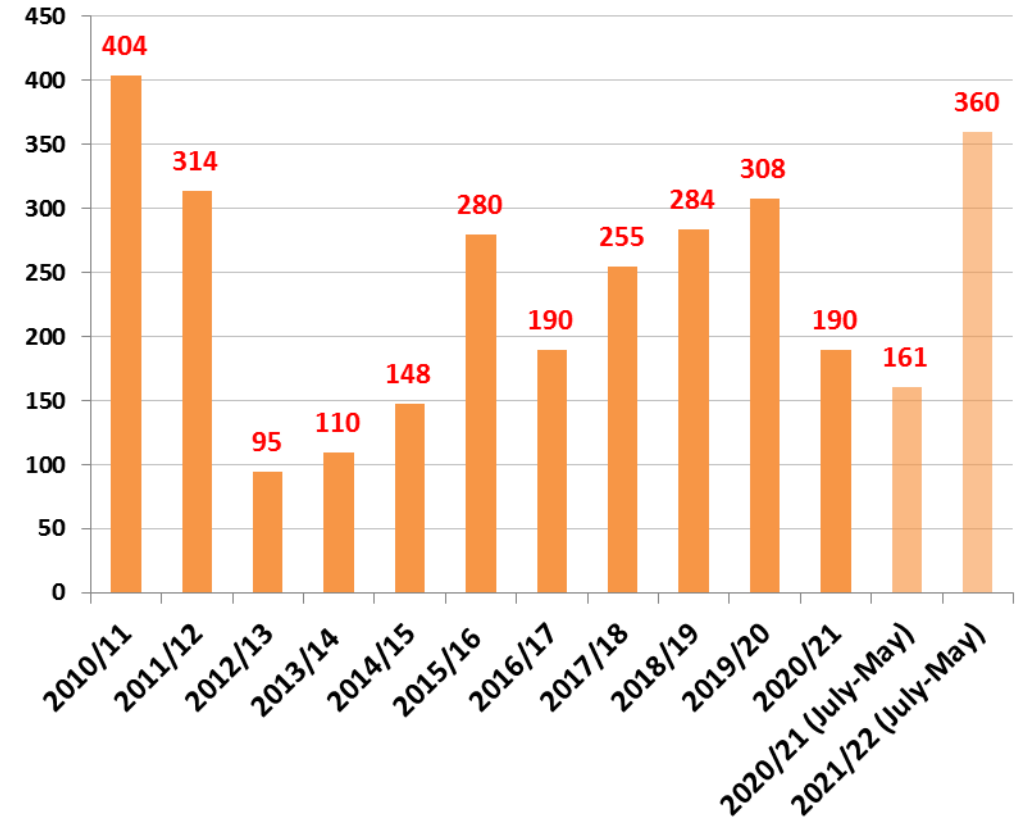


Wheat flour export, TMT

Kazakhstan



Russia

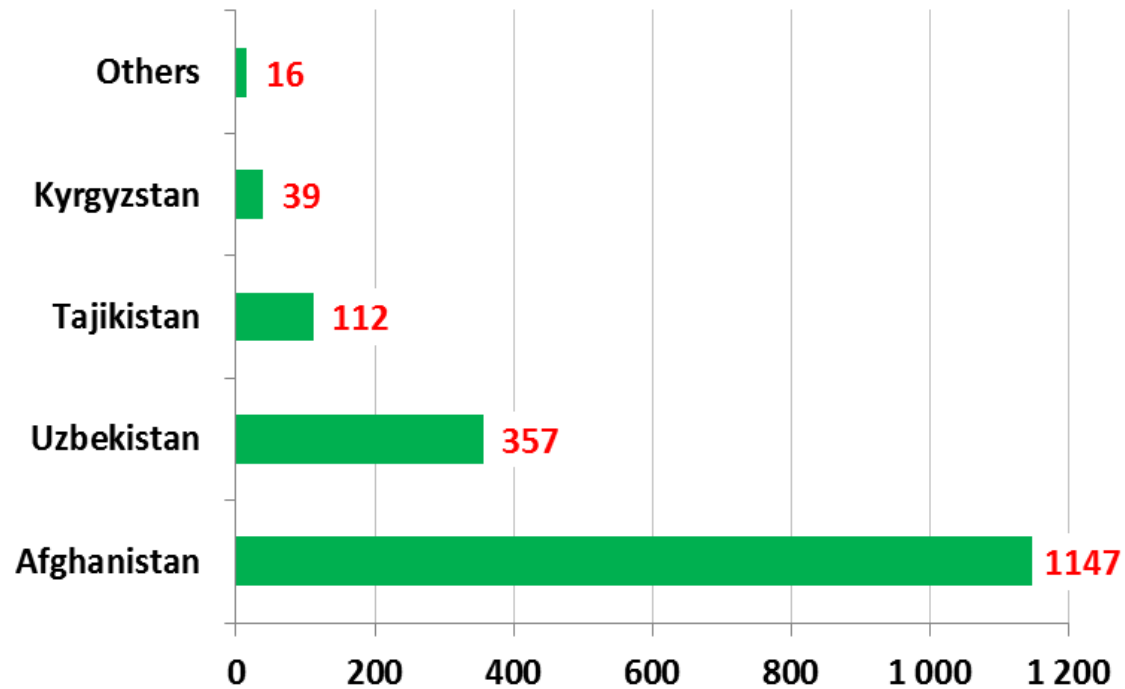


By the end of the season Russia will show close to record or even record high wheat flour export figure (!)

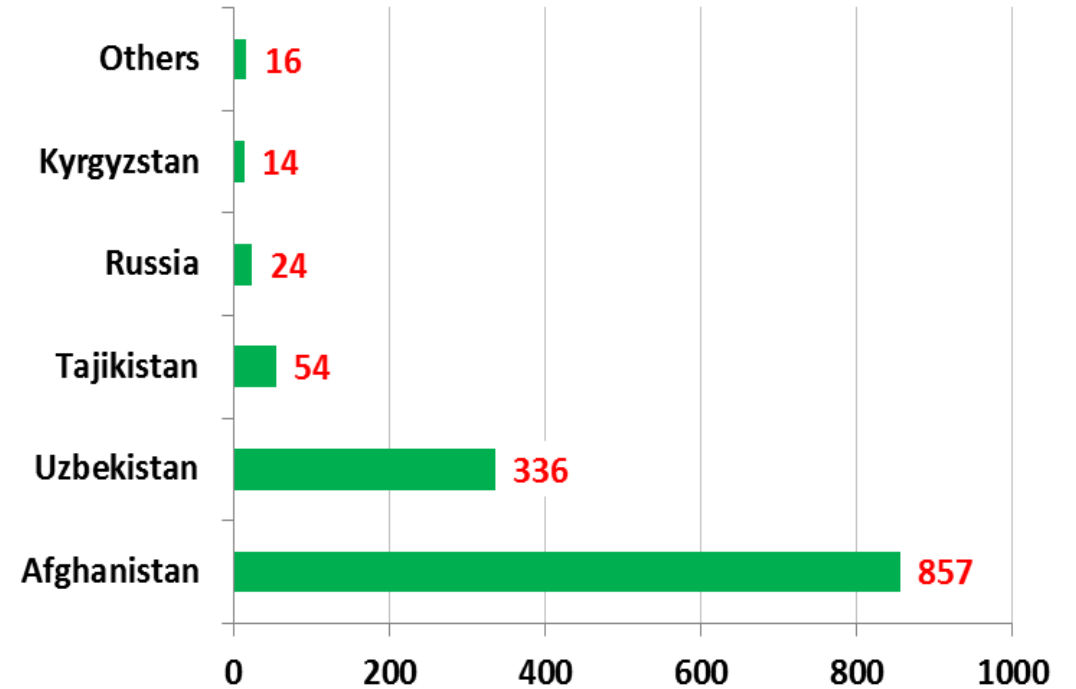


Wheat flour export by countries: Kazakhstan, TMT

2020/21



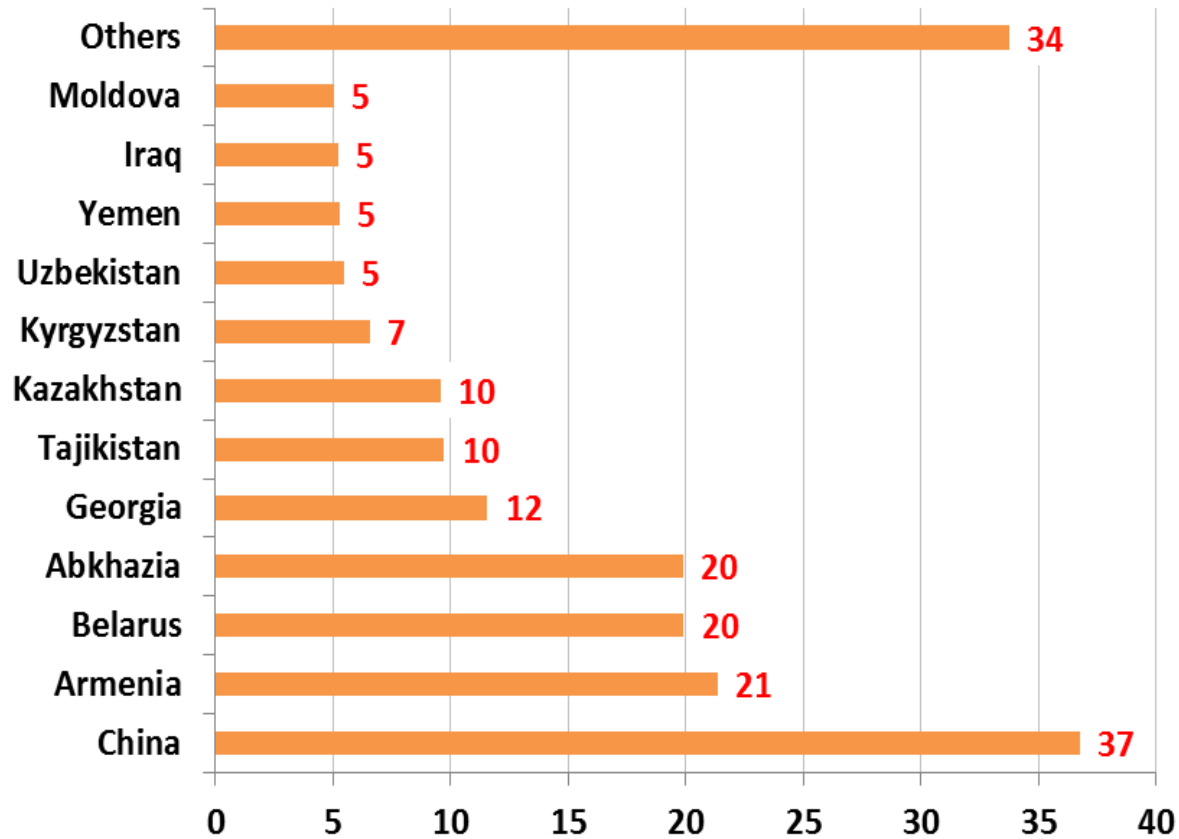
2021/22 (July-May)



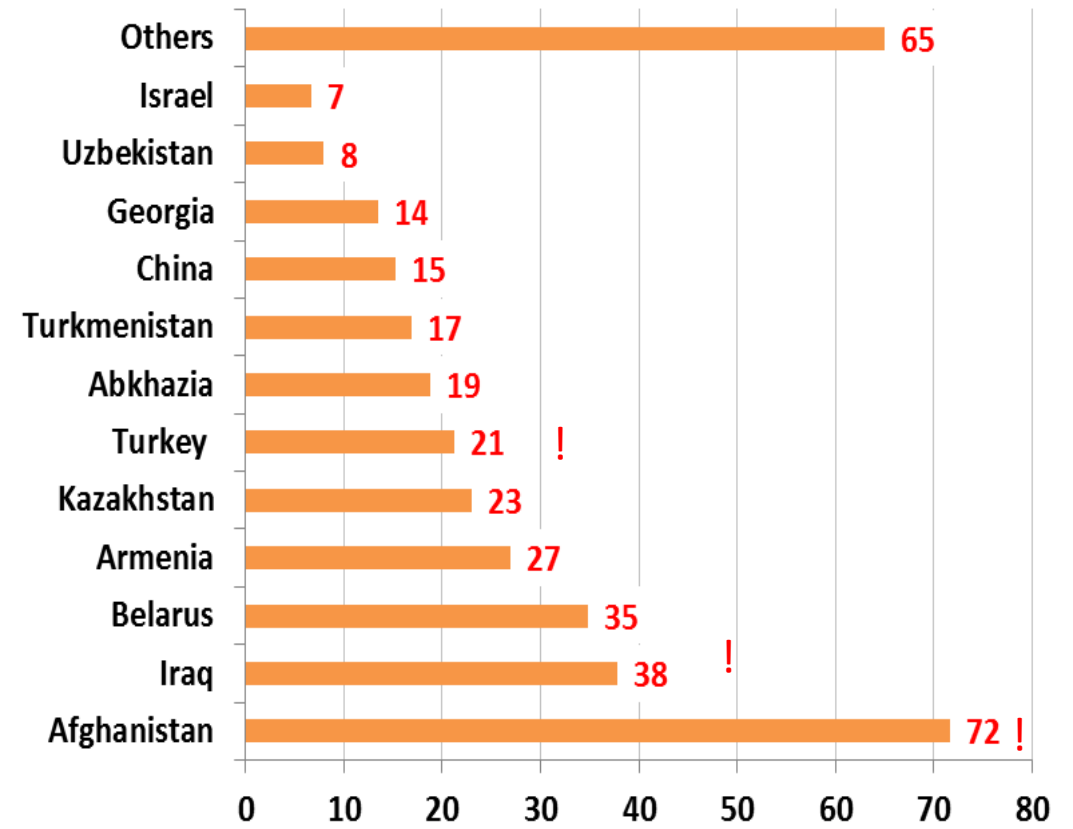


Wheat flour export by countries: Russia, TMT

2020/21

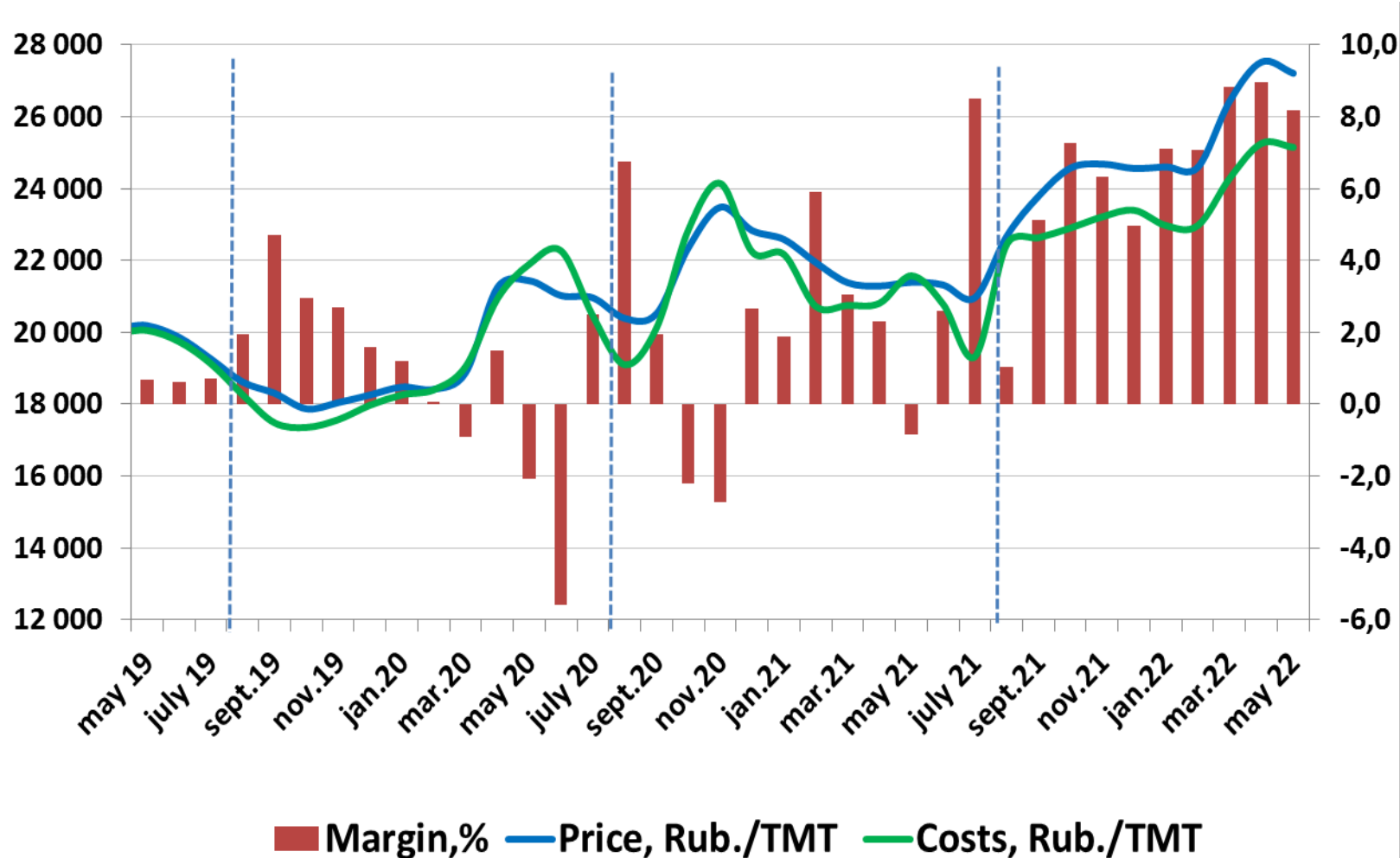


2021/22 (July-May)





Marginality of the European Russia flour milling



*margin – right axis, price and costs – left axis

Miller margins are quite satisfactory due to 1. generally growing wheat prices; 2. wheat export duties and strengthened flour export prospects...



Teseccurler!
Thank you!
Spasibo!

d.Rylko@ikar.ru

+7-903-130-1759