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RUSSIAN WHEAT EXPORTS POTENTIAL IN 2024/25

WILL A GOOD START OF THE SEASON SUSTAIN?

Igor Pavenskiy
Head of Analytical center Rusagrotrans

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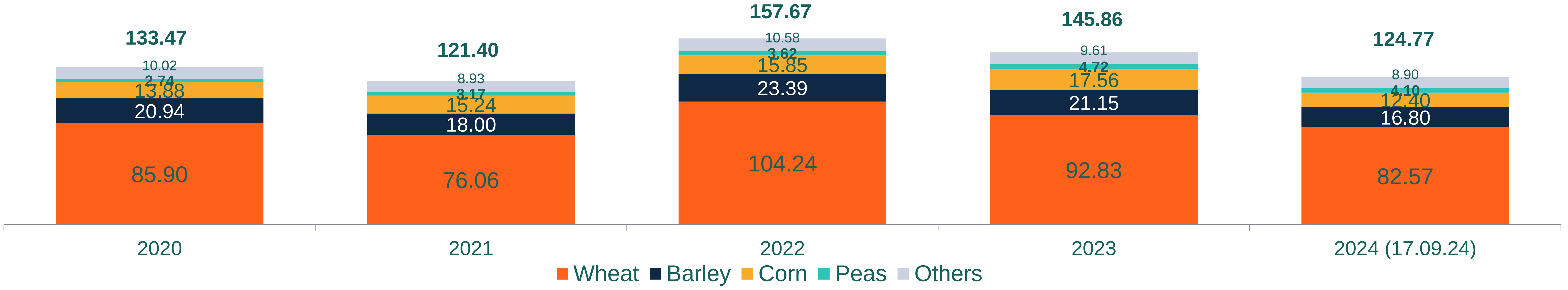
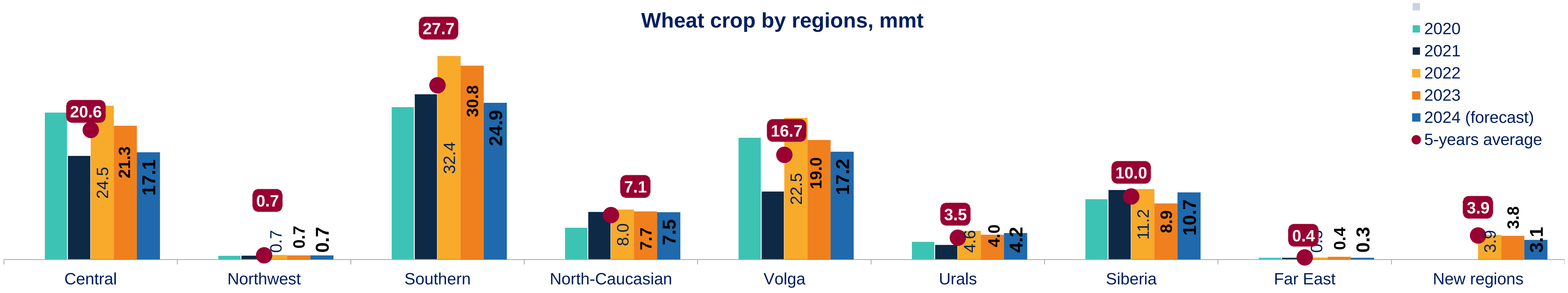
Production

Estimates of 2024/25 grains' production

Grains' production by crops, mmt



Wheat crop by regions, mmt



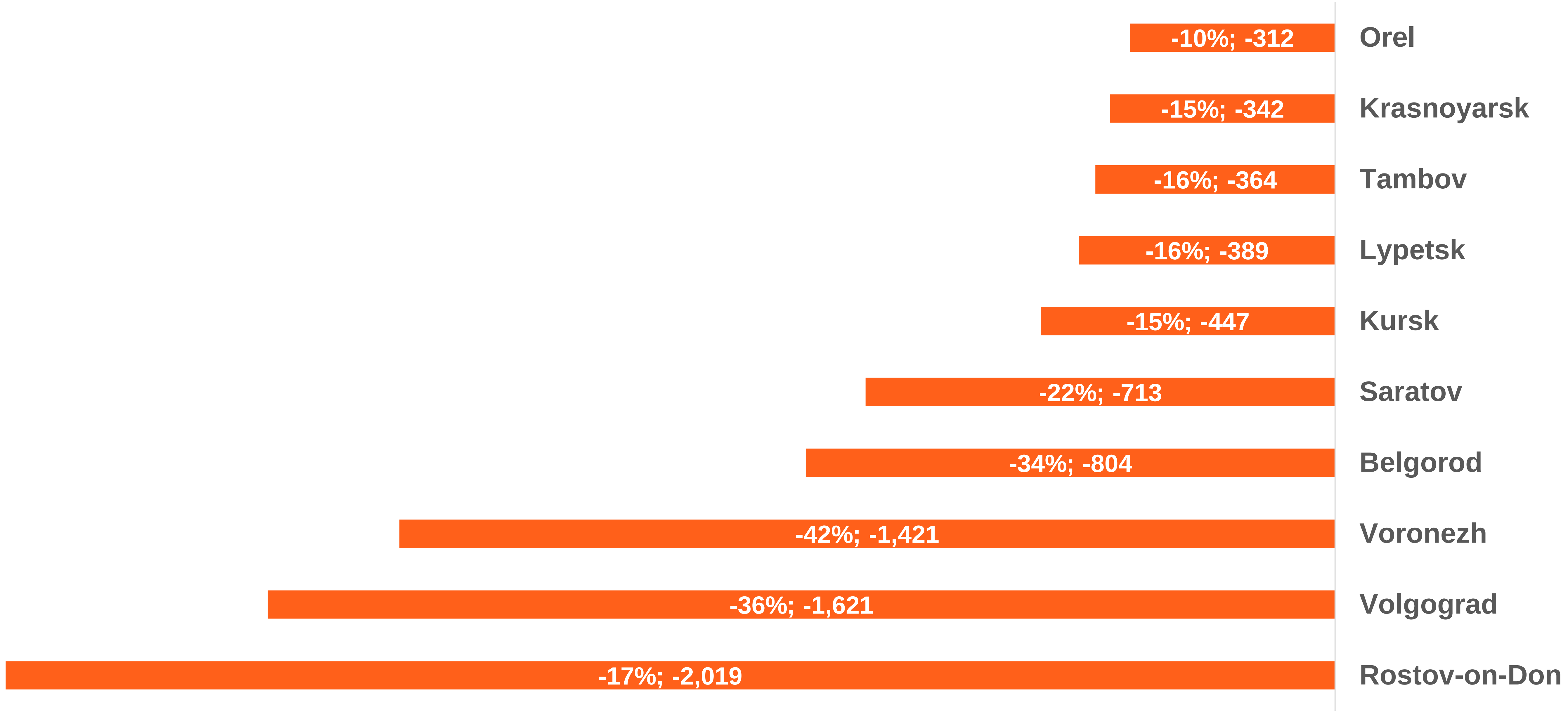
Our recent forecast of the Russian 2024/25 grains' crop is less than **125 mmt**, incl. **82.6 mmt of wheat** - **the lowest level since 2021/22 (121.4 mmt and 76.1 mmt, respectively)**.

Wheat crop below 5-yr average is expected in all regions, except for Volga and Siberia, due to the frosts in May and a spring drought.

Barley crop will decline to **16.8 mmt** – the lowest since 2013 (15.4 mmt), **corn** crop – to **12.4 mmt** **(the lowest since 2018/19 – 11.8 mmt).** **Peas** crop may decrease from the record high level at 4.7 mmt to **4.1 mmt** despite area growth by 30%. All late crops were hit by a spring drought in the South and the Center.

Production

2024/25 wheat crop: Top-10 hardest-hit regions vs 5-yr averages, tmt



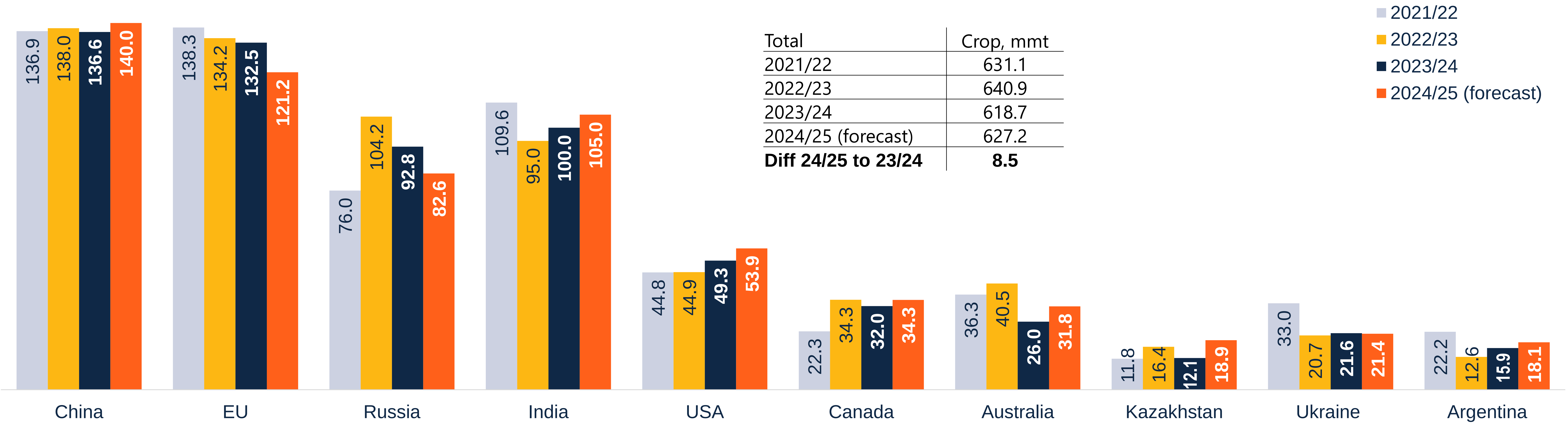
The biggest losses of the wheat crop this year were recorded in Rostov-on-Don (-2 mmt or -17% to 5-yr avg), Volgograd (-1.6 mmt, 36%) and Voronezh (-1.4 mmt, -42%) because of the frosts in May and a spring drought

A total decline in these regions amounted to almost 12.5 mmt vs the 2023/24 crop. A normal share of these 10 regions in the Russian wheat crop is 40-44%, but in 2024/25 it plunged to 35%

The Russian 2024/25 wheat crop is by 4.1 mmt (4.7%) lower than a 5-yr avg (86.7 mmt)

World market

2024/25 wheat crop forecasts in the main countries-producers, mmt



Total	Crop, mmt
2021/22	631.1
2022/23	640.9
2023/24	618.7
2024/25 (forecast)	627.2
Diff 24/25 to 23/24	**8.5**

Based on the forecasts of USDA, Strategy Grains, IGC, StatCan, other agencies and Rusagrotrans

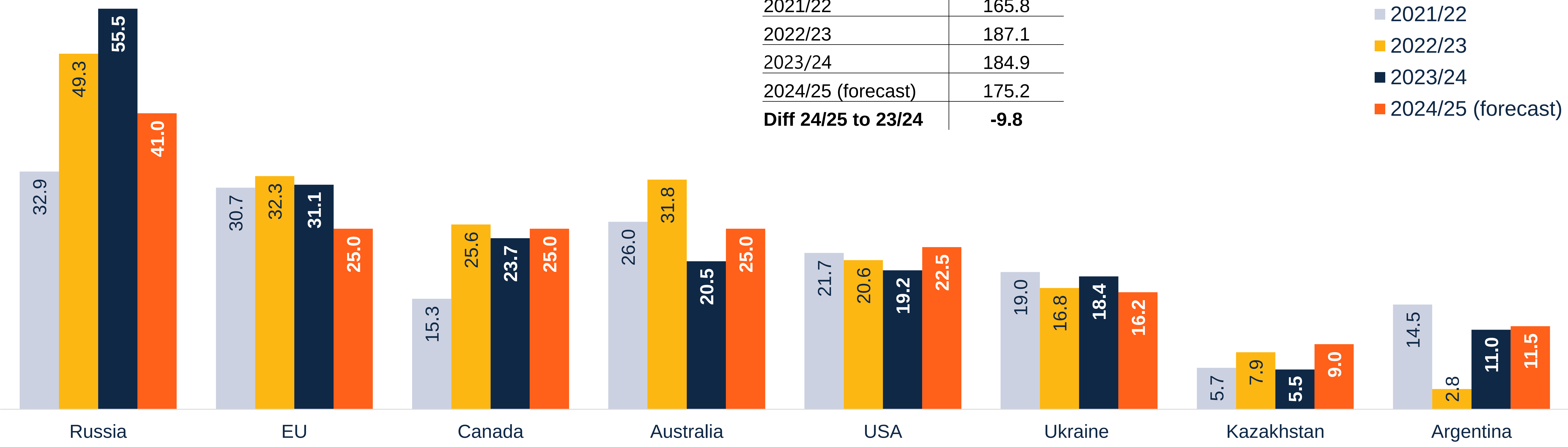
We forecast the 2024/25 wheat production in the main countries-producers at **627.2 mmt** (almost 80% of the total world output), which is **8.5 mmt (1.4%)** **higher** than in 2023/24, but lower than in 2 previous seasons

A higher wheat production is forecast in 7 out of 10 countries: **China, India, USA, Canada, Australia, Kazakhstan and Argentina, but a significant decline is expected in the 2 major wheat producers and exporters: EU and Russia. In addition, a slightly lower crop is expected in Ukraine**

World market

2024/25 wheat exports forecast by main countries-exporters, mmt

Total	Exports, mmt
2021/22	165.8
2022/23	187.1
2023/24	184.9
2024/25 (forecast)	175.2
Diff 24/25 to 23/24	**-9.8**



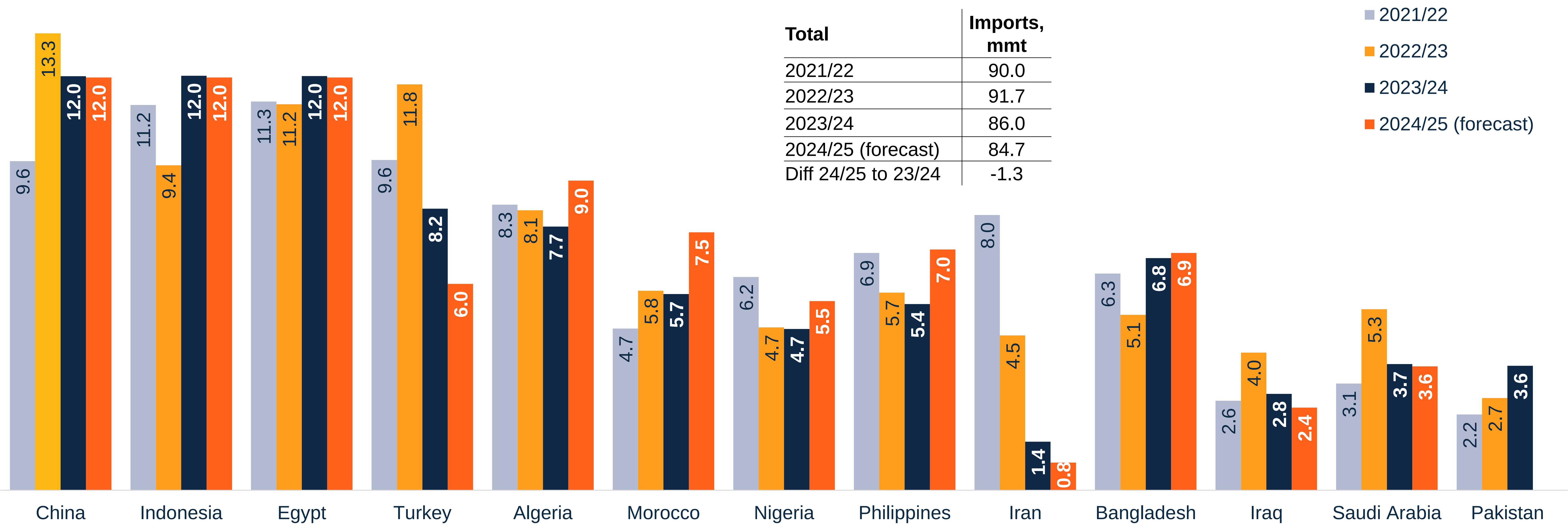
** Based on the forecasts of USDA and Rusagrotrans*

Amid bigger crop, 5 out of 8 main exporters (Canada, Australia, USA, Kazakhstan and Argentina) are expected to **increase their combined wheat exports by 13 mmt.**

But a dramatic decline of wheat exports from **Russia, EU and Ukraine (-23 mmt in total) results in a lower forecast of the total exports – 175.2 mmt (-9.8 mmt or 5% y-o-y).**

World market

2024/25 wheat imports forecast by main countries-importers, mmt



Total	Imports, mmt
2021/22	90.0
2022/23	91.7
2023/24	86.0
2024/25 (forecast)	84.7
Diff 24/25 to 23/24	-1.3

** Based on the forecasts of USDA and Rusagrotrans*

Most of importers North Africa, Middle-East and South-East Asia will keep their buying volumes the same or even increase it

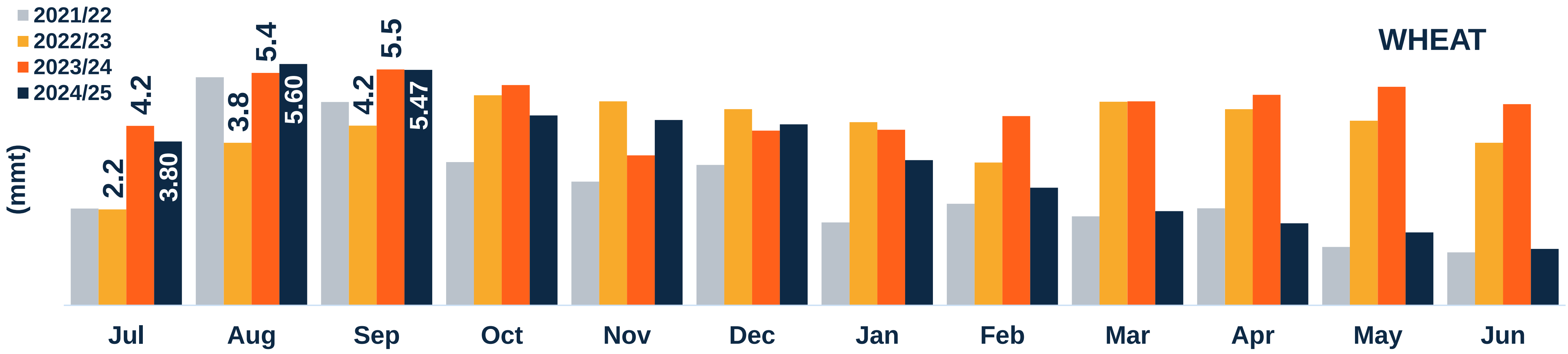
But some will reduce their imports significantly: Pakistan plans to halt it completely amid a record crop (3.6 mmt in 2023/24), Turkey - by 2.2 mmt to 6 mmt (a robust crop and record high stocks), Iran - by 0.6 mmt to 0.8 mmt (a high crop), and Iraq - by 0.4 mmt to 2.4 mmt

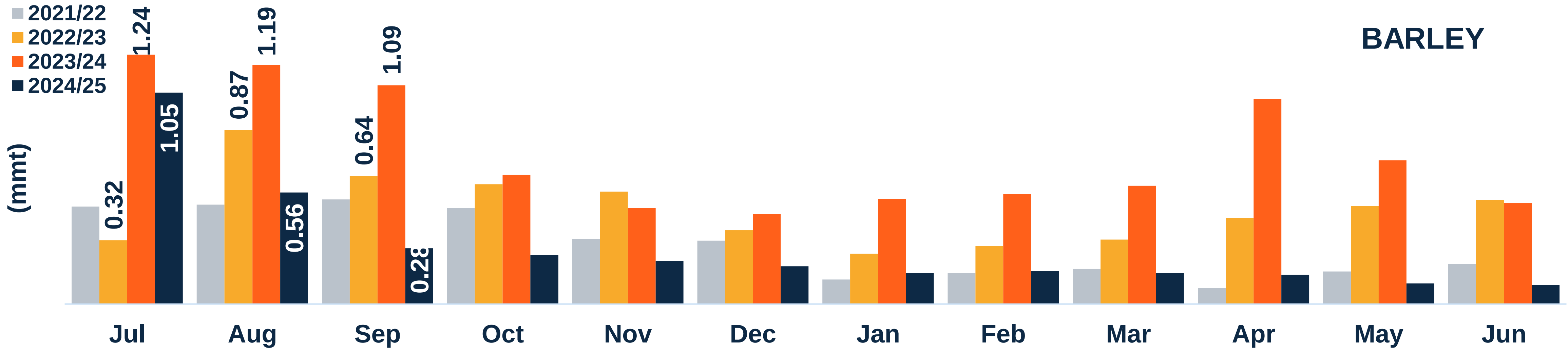
Total imports of the main 13 importers (40% of the world's total) this season are forecast at **84.7 mmt** vs 86 mmt in 2023/24

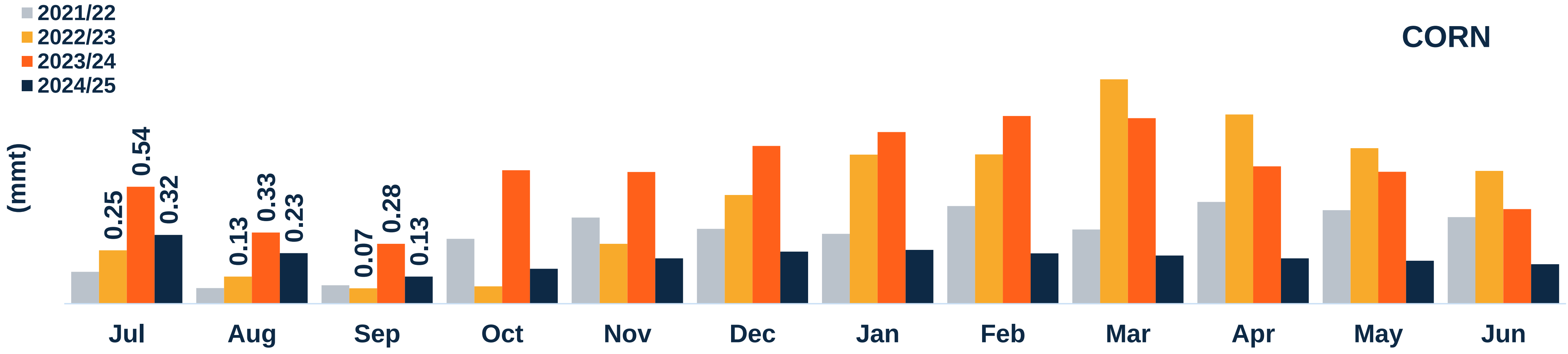
Imports are expected to decline only in 4 out of 13 countries

Exports from Russia

Grains' exports in 2020/2021 – 2023/2024, mmt







Grain exports in July-September 2024 are expected at 17.6 mmt (19.9 mmt LY). A forecast for the 2024/2025 season is **47.6 mmt,** incl pulses (3.1 mmt) - **50.7 mmt**

Wheat exports in July-September 2024 may reach almost 15 mmt (15.1 mmt LY). A forecast of this season wheat exports is **41 mmt - much lower than USDA (48 mmt)**

Barley exports are seen at **1.89 mmt** compared (3.52 mmt a year ago). A forecast for the whole season is **3.35 mmt - the lowest since 20021/22 (3.5 mmt)**

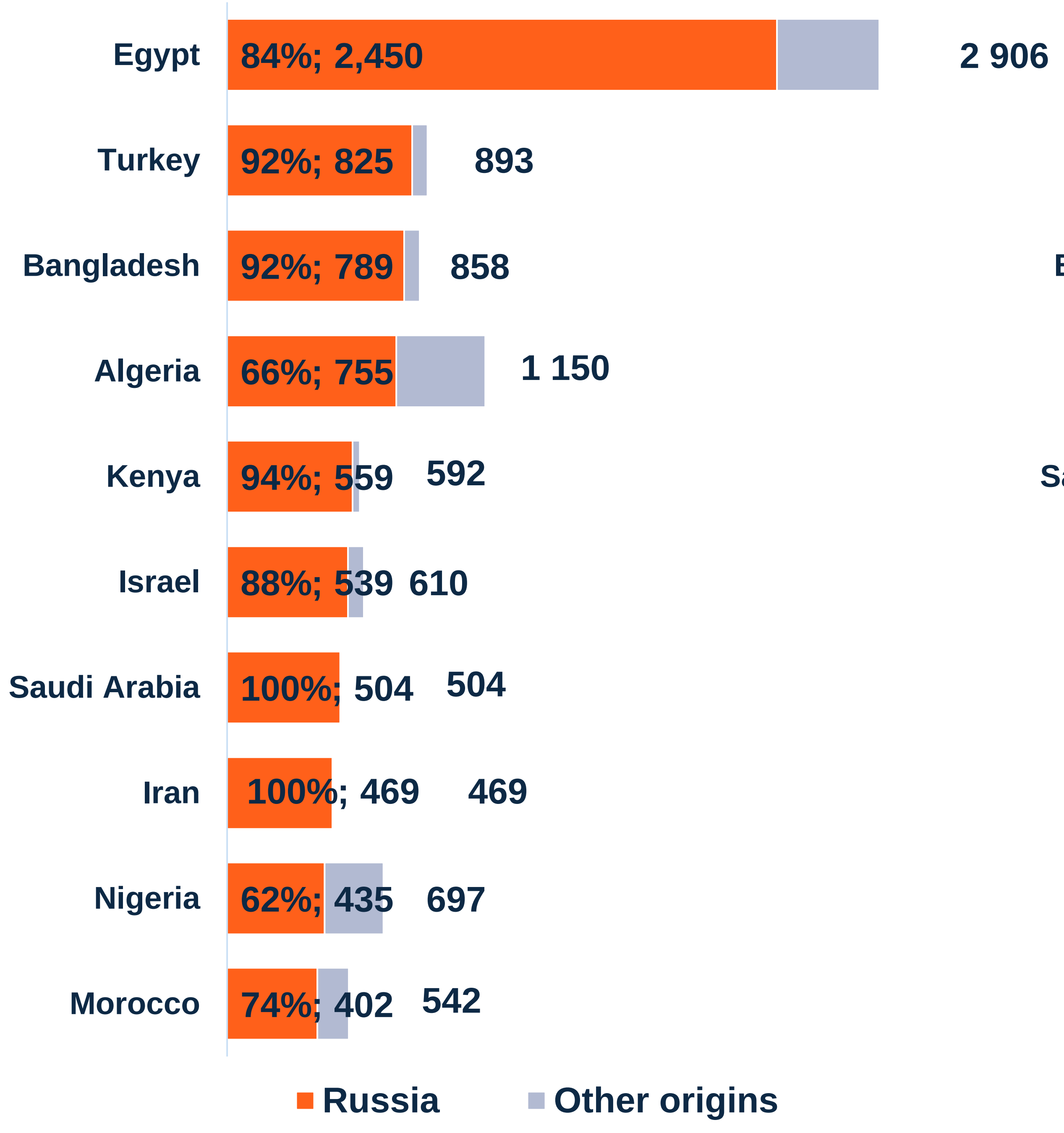
Corn exports' forecast for the 2024/2025 season is **2.6 mmt** (7.4 mmt LY) - same as in 2018/19

Pulses exports will amount to only **0.6 mmt,** a forecast for the 2024/25 season is **3.1 mmt** (4.15 mmt in 2023/24)

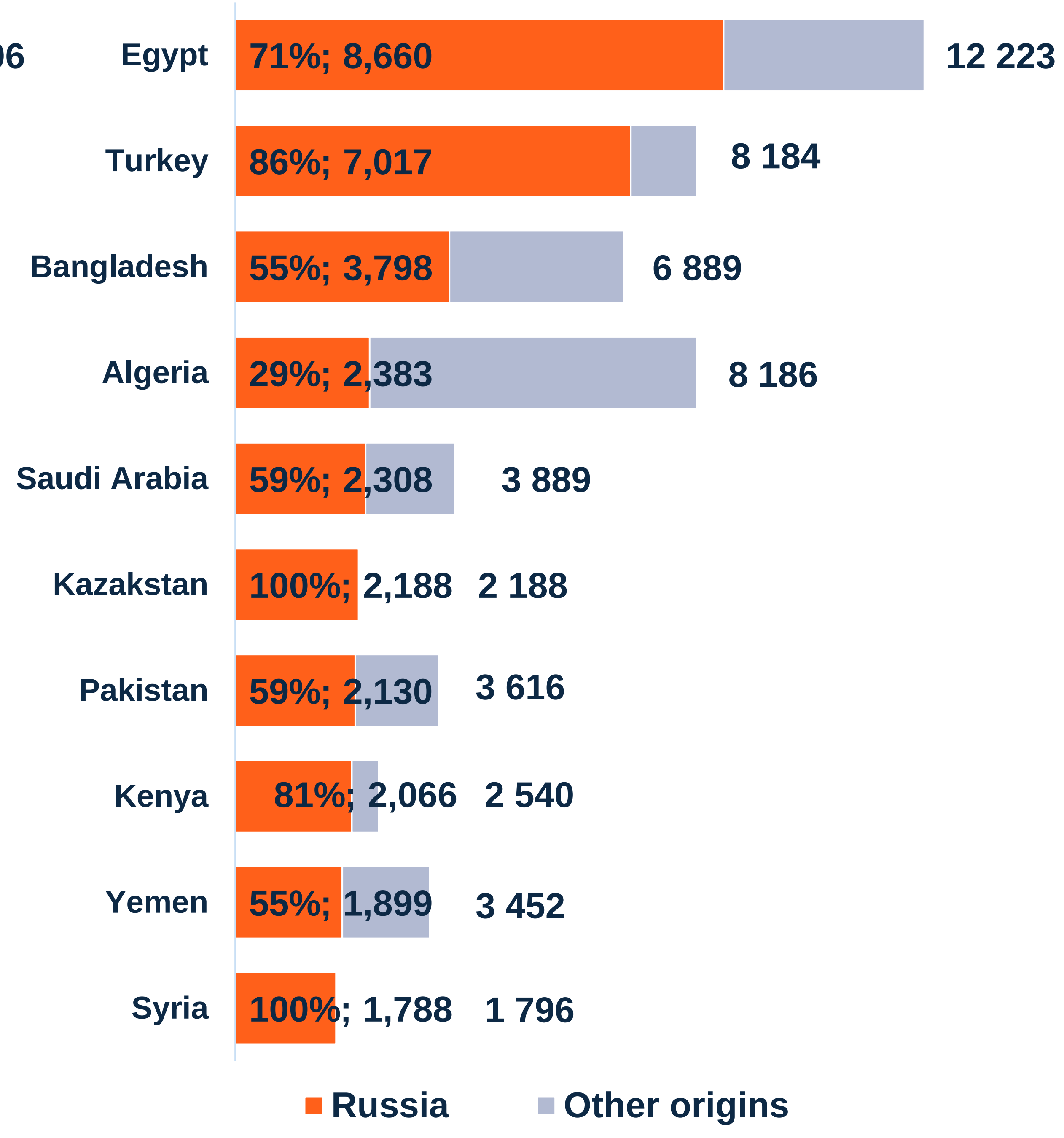
Exports from Russia

Top-10 importers of Russian wheat, tmt

2023/2024 (July-19 Sep)



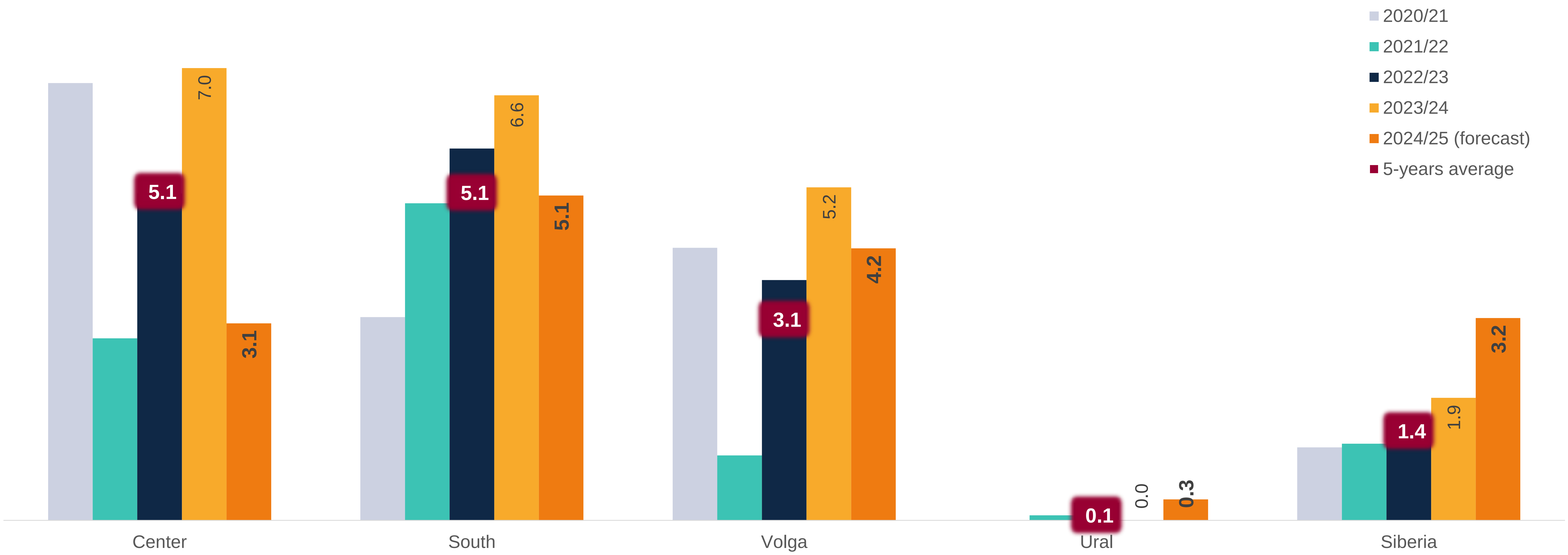
2023/2024 (whole season)



- In July-19 September 2024, the share of Russian wheat is 80-90% of imports to **Turkey, Kenya, Bangladesh, Israel, and Egypt**:
  - **Turkey** − the share increased to 92% from 86%
  - **Kenya** − up to 94% from 81%, but will decline in the coming months
  - **Bangladesh** − up to 92% from 55%
  - **Israel** – up to 88% from 73%
  - **Egypt** - up to 84% from 71%
  - **Iran** is 100% supplied with the Russian wheat as it was last season (84% in 2022/23), but the volume is lower than LY amid a higher crop
  - **Saudi Arabia** is also 100% supplied by Russian wheat
- The export to **Morocco** has amounted to 400 k VS 500 k for the whole 2023/24 season
- Wheat sales to **Vietnam** reached almost 300 tmt - the highest since whole 2019/20 - 1.15 mmt
- After a break in 2022/23, Russia returns to **Nigeria**, with July-19 September 2024 exports reaching 435 tmt vs 564 tmt for the whole 2023/24 season
- Two vessels with wheat (82 tmt) sailed to **Iraq** amid reduction of flour suplies from Turkey (2023/24 – one bunch of 51tmt)
- Russia continues to export wheat to **Brazil** (280 tmt vs 402 tmt LY) and to **Mexico** - 138 tmt (201 tmt)

Railway exports by Russian macro regions

2024/25 wheat exports forecast by railway, mmt



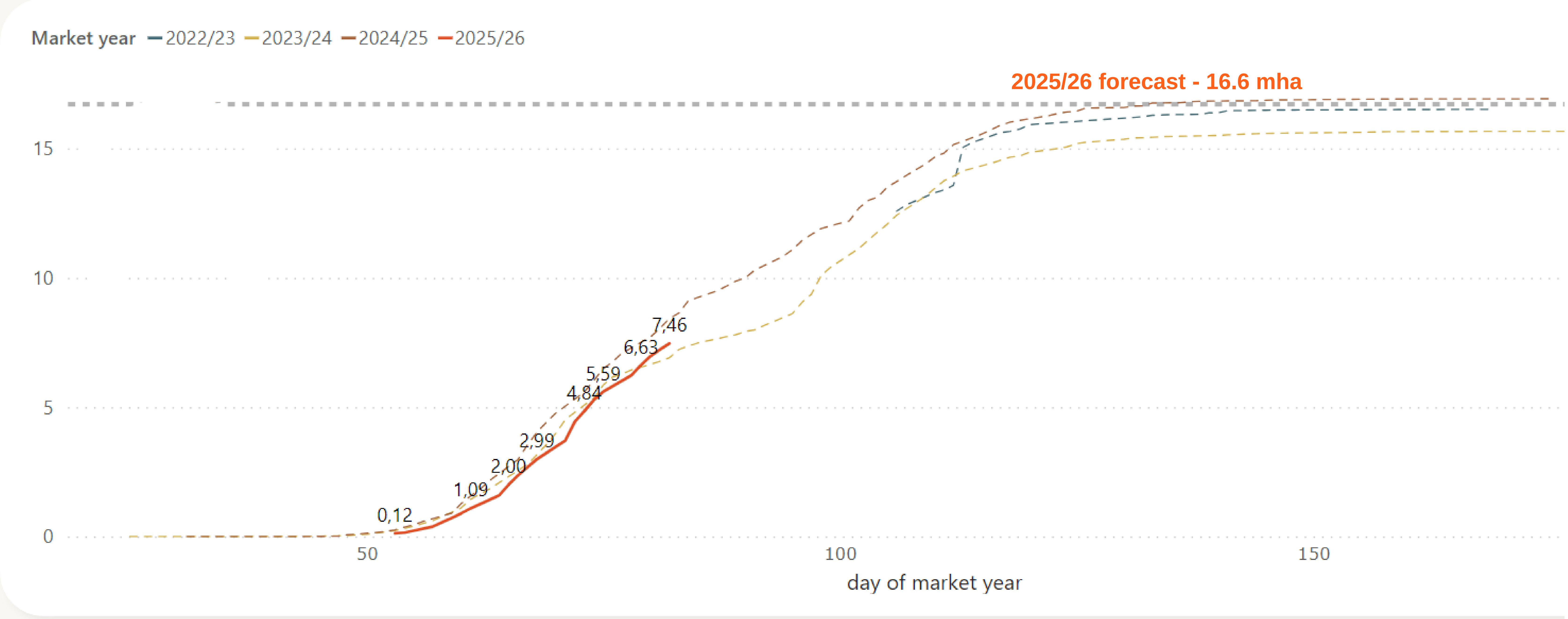
We expect the railway wheat exports from **the Center** to decline twofold. The main reasons are a lower crop, lesser carry-out stocks, and stable domestic consumption

Export from **Volga** may exceed the 5-years average, while the railway deliveries from **the South** will be close to the average – 5.1 mmt out of total volume 24 mmt by rail and auto .

Only **Siberia** has a higher export potential, but the volume and directions will depend on the wheat quality, which is likely to be worse than LY, and resumption of exports to Kazakhstan

Russian wheat crop forecast in 2025/26

2025 winter wheat sowing as of September 20, 2024, mln ha



Current winter wheat planting paces are below the 2023 (crop 2024/25) when the planted area reached a record-high of **17.2 mHa**, but ahead to those of 2022 (crop 2023/24), when final sowing totaled **16.4 mha**.

Our current 2025/26 forecast is slightly above 2023/24 - **16.6 mHa** due to a higher area in the Centre, where planted area reduced drastically amid voluminous rains in 2023/24

Our initial forecast of the 2025/26 wheat crop is **87 mmt** (close to avg in 2019-2023) with the potential winterkill, spring wheat area and yields expected at average levels (range – 79-93 mmt)

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Thank you for your attention!