Oil | Agriculture | Metals | Carbon & Power | Dry Freight

Click on headers to go to that section

Top News - Oil

Kazakh oil output at record high after pipeline damage in Russia

Kazakhstan has pumped record high oil volumes despite damage on its main export route via Russia, the Caspian Pipeline Consortium (CPC), industry sources said on Thursday.

Oil and gas condensate production in Kazakhstan was around 2.12 million barrels per day (bpd) on February 19, the sources said, citing official data, which has not been made public.

Russia said this week CPC capacity was down 30-40% after an attack by Ukrainian drones.

It was not immediately clear how Kazakhstan had been able to pump record volumes given output increases need to correspond with export pipeline capacity.

Kazakhstan relies on the Caspian pipeline for more than 80% of its exports and lacks alternative routes.

It ships more than 1% of daily global supply, stretches over 1,500 km (939 miles) and carries crude from Kazakhstan's vast Tengiz oilfield on the northeastern shores of the Caspian Sea as well as from Russian producers.

Record high oil output in Kazakhstan in February follows a rise in production at the giant Tengiz oilfield, operated by Tengizchevroil, led by Chevron, which has embarked on a $48 billion expansion of Tengiz.

Oil output stood above 920,000 barrels per day (bpd) on February 19, up from some 900,000 bpd early in February and an average of 640,000 bpd in January.

Russian President Vladimir Putin said the drone attack damage would affect global energy markets and that restoring the facility quickly would be challenging as it would require Western equipment.

A 30-40% flow reduction would amount to some 500,000-680,000 bpd of installed capacity of CPC pipeline, Reuters calculations showed.

Kazakhstan's energy ministry said on Tuesday the country was supplying oil without restrictions. The ministry has yet to reply to a request for comment on Kazakh oil output.

Shareholders in the CPC include U.S. majors Chevron and Exxon Mobil, as well as the Russian state, Russian firm Lukoil, and Kazakh state company KazMunayGas.

US crude stockpiles rise, fuel draws down amid refinery maintenances, EIA says

U.S. crude oil stockpiles rose while gasoline and distillate inventories fell last week as seasonal maintenance at refineries led to lower processing, the Energy Information Administration said on Thursday.

Crude inventories rose by 4.6 million barrels to 432.5 million barrels in the week ended February 14, the EIA said, compared with analysts' expectations in a Reuters poll for a 3.1 million-barrel build.

Crude stocks at the Cushing, Oklahoma, delivery hub rose by 1.5 million barrels last week to 23.3 million barrels.

U.S. and global crude futures extended gains slightly following the report. West Texas Intermediate crude (WTI) was trading up $1 at $73.25 a barrel by 12:52 p.m. EST (1352 GMT), while Brent rose 75 cents to $76.79.

"The low refinery run rate is still contributing to this backup in crude oil supplies," said John Kilduff, a partner at Again Capital in New York, adding that the low utilization was also contributing to easing gasoline inventories.

"Refineries are just not cranking out as much gasoline as we would have expected."

Refinery crude runs fell by 15,000 barrels per day (bpd), and utilization rates fell by 0.1 percentage point in the week to 84.9% of total capacity.

Utilization has hovered around 85% for the last month due to turnarounds at refineries.

Gasoline stocks fell by 151,000 barrels to 247.9 million barrels, the EIA said, compared with expectations for a 6,000-barrel draw.

Distillate stockpiles, which include diesel and heating oil, fell by 2.1 million barrels to 116.6 million barrels, versus forecasts for a 1.6 million-barrel drop, the EIA data showed.

"Due to a spike in natural gas prices and the polar vortex, I would expect strong distillate demand and drawdowns in coming reports," Kilduff added. U.S. natural gas futures hit a 25-month high on Wednesday as extreme cold in some parts of the country boosted demand for the fuel for heating and cut output by freezing oil and gas wells.

The U.S. four-week average product supplied of distillate fuel oil, a measure of demand, rose to 4.3 million bpd last week, the highest since March 2022.

Net U.S. crude imports fell last week by 961,000 bpd, and exports rose 472,000 bpd, the EIA said.

Domestic crude production fell marginally to 13.5 million bpd as a cold freeze impacted output.

"Cold weather is already impacting and may impact again as we are hearing about more production freeze-offs," said Phil Flynn, senior analyst with Price Futures Group.

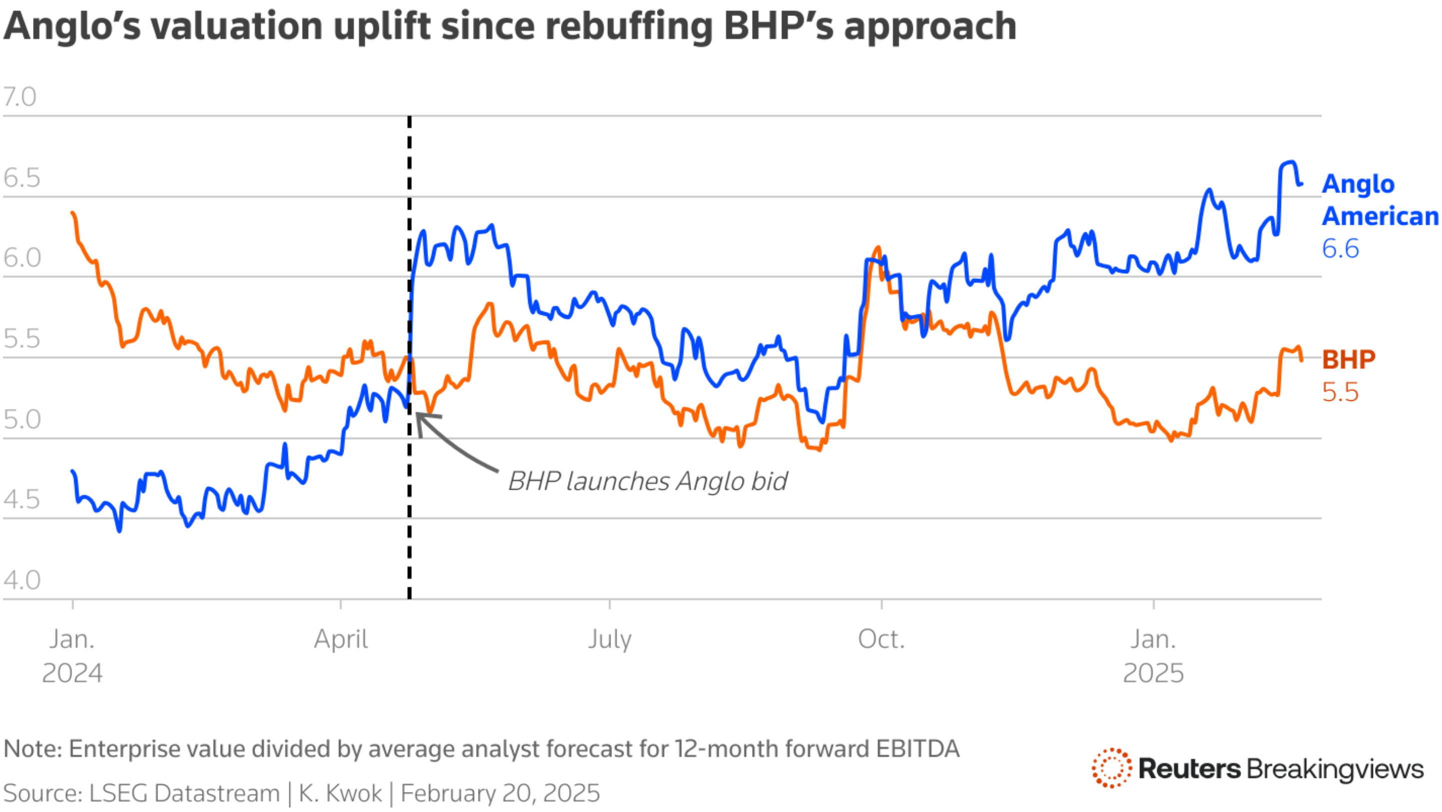
Top News - Agriculture

IGC trims global corn crop forecast as South America outlook cut
The International Grains Council (IGC) has cut its forecast for 2024/25 global corn production, largely reflecting a diminished outlook for crops in Brazil and Argentina.
The inter-governmental body, in a monthly update, reduced its 2024/25 corn production forecast by 3 million metric tons to 1.216 billion tons.
The forecast, however, remained slightly higher than the U.S. Department of Agriculture's current projection of 1.212 billion.
The IGC said the revision was driven by worsening crop prospects in South America with Brazil's corn crop now seen at 123.3 million tons, down from 124.6 million seen previously, and Argentina's corn crop cut by 1 million tons to 53 million.
Global soybean production in 2024/25 was downwardly revised to 418 million tons, from 420 million seen previously, reflecting reduced expectations for Argentina and Paraguay.
The outlook for the 2024/25 wheat harvest was raised by 1 million tons to 797 million tons with the crop in Kazakhstan now seen at 18.6 million tons, up from 18.0 million seen previously.

COLUMN-Brazil's ever-expanding soybean area may face challenges from China: Braun
Global soybean exporting giant Brazil has increased plantings of the oilseed for 18 consecutive years, a staggering streak unmatched in the industry.
But for how much longer can Brazil continue boosting area before potentially running into an oversupply situation?
The United States encountered a similar scenario a few years ago, and this, along with recent trends in the Chinese economy, could offer some possible insight for Brazil's future.
Around 2000, the United States accounted for at least 50% of annual world soybean exports, and Brazil supplied just under 30%.
Brazil took over as top soybean exporter in 2012-13 after a three-year string of crop shortfalls in the United States, and it was around this time that some of Brazil's heaviest year-on-year increases in soybean area were observed.
Brazil has never relinquished the top supplier crown and currently accounts for about 57% of exports, while the U.S. share has dropped to 28%.

USA RECKONING
A decade ago, Chinese soybean demand was booming,

Chart of the Day



and world soybean supplies were consistently overestimated as a result. U.S. farmers in 2017 boosted soybean acres above 90 million, some 8% above the previous year's record.
They nearly repeated this feat in 2018 despite very plentiful stock levels because the market dynamics, specifically the elevated prices of soybeans versus corn, called for it.
This was likely going to produce burdensome supplies by itself, but it turned out far more disastrous as the United States and China in mid-2018 plunged into a trade war, choking off U.S. exports. Making matters worse was the drop in Chinese soy demand because of disease outbreak throughout its hog herds. As a result, U.S. soybean stocks by mid-2019 surged more than 60% above the prior record, though the market was bailed out of a longer-term, unmanageable situation by a steep, weather-driven acreage loss in 2019. U.S. soybean plantings have never since threatened to return to the 2017 high. That is especially true this year with corn prices unusually strong versus soybeans, which many farmers are struggling to find profitable. Since the start of 2024, Chicago soybean futures have tumbled almost 20%. But priced in Brazilian reais, beans are down only 5% in this period, signaling for the Brazilian farmer to continue churning out bigger crops. The sharp weakening of the real throughout 2024 was favorable for Brazilian producers, who sell their crops in dollar terms. However, Brazil's currency has strengthened notably since the beginning of 2025, and a continuation of this trend could eventually threaten Brazil's expanding soy area if its producers are no longer seeing the profit advantage.

CHINA RISKS
More than 70% of Brazil's annual soybean exports go to China, the world's leading buyer.
Over its 18-year streak, Brazil's soybean area has increased by 130%. At the same time, China's soybean consumption has risen 175%, though the recent growth rates are not as strong as they were a decade ago. However, total global soybean consumption has risen just 80% over the last 18 years, highlighting the increasingly strong degree to which Brazil's soy industry depends on China.
Obviously that strategy has worked thus far, but is it a reliable trend? China's cooling economy may instill some doubts.
China's annual economic growth rate has been slowing for the better part of two decades, and that shrinkage is generally expected to continue through this decade. Additionally, China's population in 2024 fell for a third consecutive year.
Not only could these factors pressure demand for certain food staples, but China over the last few years has taken steps to directly reduce soybean demand and dependence on imports by cutting soymeal rations in animal feed.
This is not exactly the China that the global soybean market was sold on 10 years ago, and the U.S. soybean industry has grown cognizant of these developments ever since the first trade war, albeit somewhat reluctantly.
But the longer-term risks may reside with Brazil, which has yet to discover just how many soybeans are too many. Karen Braun is a market analyst for Reuters. Views expressed are her own.

Top News - Metals

Newmont beats fourth-quarter profit estimate on higher gold production, prices
Newmont beat analysts' estimate for fourth-quarter profit on Thursday, as the world's biggest gold miner benefited from a rally in bullion prices and higher production.
Average price of gold has been rising over the past few quarters and hit multiple all-time highs during the October to December period, as uncertainties surrounding the U.S. presidential election and the Middle East tensions fueled demand for the safe-haven asset.
Newmont's quarterly gold production increased 9.2% over the year earlier to 1.90 million ounces, while price was up 31.9% at $2,643 per ounce.
All-in-sustaining-costs for gold, an industry metric reflecting total expenses, were down 1.5% at $1,463 per ounce, also aiding the company's earnings.
Newmont now expects gold production of about 5.9 million ounces in the current year, above Wall Street estimate of 5.87 million ounces.
After buying Australia-based Newcrest for $17.14 billion, Newmont announced in February 2024 that it would divest non-core assets and trim its workforce to cut debt, which was at $5.31 billion as of December 31.
Late last year, the company said it would sell its Eleonore mine in Canada to UK-based miner Dhilmar Ltd for $795 million and sell its Musselwhite Gold Mine in Ontario to Orla Mining in a deal valued at $850 million.
Last month, Gold miner Discovery Silver said it would acquire Newmont's stake in Porcupine Operations in Ontario, Canada, for $425 million.
On an adjusted basis, Newmont earned $1.40 per share for the quarter ended December 31, compared with analysts' average estimate of $1.08 per share, according to data compiled by LSEG.

Anglo writes down De Beers, pressing on with business overhaul
Anglo American posted a $3.1 billion loss on Thursday after a writedown of its De Beers diamond business, as it presses on with shedding unwanted assets.
Anglo aims to focus on copper and iron ore assets after BHP's failed takeover attempt last year. That means spinning off its platinum and diamond businesses after the sale of its coal and nickel mines.

CEO Duncan Wanblad also said the company was exploring jointly running its Los Bronces copper mine in Chile with that of state-backed Codelco's Andina operation. The plan, which analysts said would cut costs and boost production of the two adjacent mines, helped cheer investors. Anglo's London-listed closed up 2.5%.
"Two things stood out today - the cost savings are really showing and the other big news for Anglo is the Chilean joint venture," said George Cheveley, portfolio manager at Ninety One.
Wanblad said the process to sell or divest diamond specialist De Beers would accelerate in the second half of the year.
The prevailing market downturn means the process to divest the diamonds business could only pick up in the second half of this year, the CEO said.
A $2.9 billion De Beers writedown means that Anglo has been able "to bring the carrying value of this business to a more reasonable $4.1 billion," Jefferies analysts said.

COMPETITION FROM LAB-GROWN STONES

The $3.1 billion loss followed a profit of $283 million for 2023, as metal prices retreated and diamond sales struggled against competition from lab-grown stones.
Other diversified miners including BHP, Rio Tinto and Glencore also reported a second consecutive year of declining earnings due to weaker metal prices, following two record years when prices soared.
Anglo booked a $3.8 billion impairment, mostly related to the diamond unit, and declared a dividend of $0.64 per share, or about $800 million, down from $0.96 a share previously.
De Beers has a stockpile of gems worth about $2 billion, amid a persistent lower price environment, Wanblad said.
Anglo would continue to evaluate either selling or listing De Beers to exit the diamonds business responsibly, he added.
The CEO said that to list and divest the unit, market conditions have to be right, so he would prefer a speedier sale to a trade buyer.
"The market conditions have to be suitable for that to happen effectively," Wanblad told Reuters. "(But) we're probably more likely than not to be able to execute on a trade sale than on a listing in the short run."
The miner's joint venture plan in Chile was 13 years in the making.
"(Even though) the synergies were very obvious, there's a lot of pre-work for these things to come together," Ninety One's Cheveley said.
The mining sector has seen a jump in M&A activity, which stood at around $26 billion in 2023, and jointly operating assets is also a way to share risks.
Anglo on Tuesday said it's selling its Brazilian nickel business for up to $500 million. It has so far raised about $5.3 billion from sales of its assets that the CEO said would be used to cut down debt.

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$72.26 / bbl	-0.43%	0.75%
NYMEX RBOB Gasoline	$2.31 / gallon	-0.32%	15.18%
ICE Gas Oil	$728.00 / tonne	-0.92%	4.71%
NYMEX Natural Gas	$4.36 / mmBtu	5.08%	20.09%
Spot Gold	$2,931.13 / ounce	-0.26%	11.71%
TRPC coal API 2 / Dec, 25	$108.75 / tonne	1.16%	-2.33%
Carbon ECX EUA	€72.77 / tonne	0.14%	-0.32%
Dutch gas day-ahead (Pre. close)	€47.55 / Mwh	-0.21%	-2.06%
CBOT Corn	$5.14 / bushel	0.20%	10.31%
CBOT Wheat	$6.03 / bushel	0.50%	7.24%
Malaysia Palm Oil (3M)	RM4,683 / tonne	0.88%	5.28%
Index	**Close 20 Feb**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	382.98	-	-
Rogers International	31.24	-0.56%	6.93%
U.S. Stocks - Dow	44,176.65	-1.01%	3.84%
U.S. Dollar Index	106.50	0.12%	-1.84%
U.S. Bond Index (DJ)	440.62	0.15%	1.05%

Top News - Carbon & Power

INSIGHT-Trump seeks to reshape Asia's energy supplies with US gas

When President Donald Trump sat down to lunch with his Japanese counterpart this month, talk turned quickly to how Tokyo could help realise a decades-old proposal to unlock gas in Alaska and ship it to U.S. allies in Asia.

Trump and his energy tsar Doug Burgum framed the venture as a way for Japan to replace Middle East energy shipments and address its trade imbalance with the U.S., according to two officials briefed on the closed-door talks.

Japanese premier Shigeru Ishiba - eager to ensure a positive first meeting and stave off damaging U.S. tariffs - struck an optimistic note about the Alaska LNG project despite Tokyo's doubts about its viability.

Ishiba told Trump and Burgum that he hoped Japan could participate in the $44 billion project, said the officials, granted anonymity due to the sensitivity of the talks.

Trump repeatedly mentioned the project in his public remarks after the lunch. Ishiba did not, and there was no reference to it in the official readout of the talks.

Reuters interviews with more than a dozen people, including current and former U.S. and Asian officials, show how the Trump administration is moving to recast economic relations with East Asia by binding regional allies to Washington through increased investment in American fossil fuels, particularly LNG.

The U.S. sales pitch seeks to tap into concerns in Asian capitals about tariffs and the security of sea lanes that carry their energy imports, Reuters found. Details of the behind-the-scenes exchanges and specifics of the U.S. approach have not been previously reported.

While the Alaska LNG proposal faces cost and logistical hurdles, Japan, South Korea, Taiwan and others are buying into the idea of increasing U.S. gas imports more broadly, which could bolster the U.S. economy and blunt the influence of China and Russia.

Japan's participation in Trump's emerging strategy would be critical: It is the world's No.2 LNG buyer, a major investor in energy infrastructure, and a trading hub with a glut of LNG that could help open new markets for U.S. gas in Southeast Asia.

"If the Trump administration were to have its way, U.S. LNG would flow in massive quantities to Japan and South Korea and then would flow downstream...so that Southeast Asia would become economically dependent on the United States," said Kenneth Weinstein, Japan chair at Hudson Institute, a conservative think tank. "It's redrawing the map of energy dependence."

In a joint statement with U.S. Secretary of State Marco Rubio on Saturday, Japanese and South Korean foreign ministers agreed to strengthen energy security by "unleashing" America's "affordable and reliable energy", particularly LNG. They did not mention Alaska.

White House National Security Spokesman Brian Hughes told Reuters the U.S. "produces some of the cleanest LNG in the world and we believe the Japanese can play an even bigger role in purchasing America's abundant oil and gas".

Japan's foreign ministry declined to comment on the accounts of the Ishiba-Trump meeting. Japan's trade minister plans to visit Washington next month to seek exemptions from Trump's tariffs and discuss Japan's plans to buy more U.S. LNG, Japanese media reported on Thursday.

SALES PITCH

The idea of building an 800-mile pipeline linking gas fields on Alaska's North Slope to an export terminal on its Pacific coast has long stuttered due to the high costs and harsh terrain.

But expecting Trump might raise a project he has personally championed in the February 7 meeting with Ishiba, Japan was preparing to voice tentative support to win his favour and forestall trade friction, Reuters reported last month.

They did not anticipate it would feature so highly on Trump's agenda.

Over lunch with Trump and Burgum, the U.S. asked Japan to consider infrastructure investments in Alaska LNG as well as long-term purchase agreements, according to the officials briefed on the talks.

The U.S. side stressed the project's proximity to Japan compared to the Middle East and the fact that shipments would avoid sensitive choke points such as the Straits of Hormuz and Malacca, and the South China Sea, the officials said.

Additional purchases of U.S. LNG could also help Asian allies reduce reliance on Russian gas, said Dan Sullivan, a U.S. senator for Alaska. Alaska LNG "was a big part of the discussion" with Ishiba, Sullivan, who was briefed on the talks, told Reuters. At one point in the meeting, the U.S. officials used maps to emphasise the strategic benefits of the Alaska project, said Sullivan and another official. "Having a president who's forceful and tenacious, spending this much time on this project, I'm sure made an impression on the Japanese," Sullivan said. Project developers are trying to court investment from firms such as Inpex 1605.T, a Tokyo-listed oil and gas exploration company whose largest stakeholder is the Japanese government, according to two other sources. A spokesperson for Inpex, which has not been previously linked to the Alaska plan, said it would not comment on "discussions or dealings with specific stakeholders".

Japan obtains around one-tenth of its LNG from the U.S., and similar proportions from Russia and the Middle East, according to Japan's finance ministry. Australia accounts for about 40%. Hiroshi Hashimoto, senior analyst at the Institute of Energy Economics, Japan, said LNG imports from the U.S. could reach 20% of Japan's total over the next five to 10 years as existing contracts, including with

Russia, roll off. U.S. LNG is largely shipped to Japan from the Gulf of Mexico, which Trump recently renamed to the Gulf of America, via the Panama Canal or the long way around past Africa and through the Indian Ocean. There are no LNG export terminals on the U.S. west coast - a more direct route to Asia - although Sempra's Costa Azul project in Mexico, fed by U.S. gas, is expected to start commercial operations next year. Of the 119.8 billion cubic metres of LNG the U.S. shipped last year, more than a third went to Asia, according to LSEG data.

ENERGY SECURITY BONDS

Beyond Japan, Trump's energy security argument seems to be landing elsewhere in Asia, especially with trade tariffs looming. Indian Prime Minister Narendra Modi made a similar gas pledge in a meeting with Trump this month. Taiwan, the democratically ruled island claimed by China, is also considering more U.S. energy purchases, including LNG from Alaska. Increasing Taiwan's dependence on U.S. energy could help deter China from taking aggressive steps such as naval blockades, said Landon Derentz, who was a senior U.S. energy official during Trump's first term.

With U.S. supplies, "in some ways you're contracting for a security guarantee that the United States is going to be an advocate in the event of a conflict in making sure that supply arrives", he said. South Korea, too, is weighing investing in Alaskan LNG and other U.S. energy projects, two South Korean officials told Reuters. Seoul hoped for concessions from Trump in return, one said. A spokesperson for South Korea's industry ministry said Seoul was exploring ways to strengthen energy security with the U.S. Bill Hagerty, a U.S. senator for Tennessee who served as ambassador to Tokyo in the first Trump administration, told Reuters he would like Japan, which already trades its surplus gas, to become the key distribution hub for U.S.-origin LNG. "Whether it's from Alaska, Louisiana or Texas, America can work very closely with Japan to create the type of energy security bonds that will be great for our nations' economies and for our national security," he said.

EU seeks more US gas, renewable energy to replace Russian supplies

The European Union will seek more gas from countries including the U.S. to replace Russian supplies, and expand renewable energy faster to cut its overall reliance on the fuel, the EU's energy commissioner has said.

The EU has pledged to quit Russian fossil fuels by 2027 in response to Moscow's 2022 invasion of Ukraine. While Russian pipeline gas deliveries have plunged, the EU increased its imports of Russian liquefied natural gas last year.

"Instead of using taxpayers' money, citizens' money, to pay for gas where the revenue goes into Putin's war chest, we need to make sure that we produce our own energy," EU energy commissioner Dan Jorgensen said in a joint media interview, referring to Russian President Vladimir Putin.

Jorgensen said Brussels was preparing changes to permit rules to speed up building renewable energy. For industries and home heating where gas cannot be quickly replaced by electricity, he said the EU would step up efforts to source alternative supplies. "And then it's my job to make sure that it is cheap and not Russian," he said. "There will still be the need for gas, and there we will have to find other sources than Russia, and that can also mean bigger import from the U.S." European benchmark gas prices rose to two-year highs last week. U.S. President Donald Trump warned before taking office in January the EU would face trade tariffs unless it imported more oil and gas from the United States. The European Commission does not directly purchase gas, but has drawn up plans to engage with LNG suppliers and consider investing in LNG export infrastructure abroad to try to secure more long-term contracts with stable prices, draft documents reported earlier this week by Reuters showed. Under EU law, European gas contracts must end by 2049 to align with the bloc's climate change target for net zero emissions by 2050. Jorgensen declined to comment on the leaked draft documents, which the Commission is expected to publish next week. But he confirmed the Commission was working on stricter controls of the gas market to avoid speculative trading causing price spikes, and would propose "financial instruments" next week designed to decouple retail power prices from high gas prices. The EU's electricity market rules mean that, despite Europe's rapid expansion of renewable energy, the price of gas continues to set the power price many European consumers pay.

Top News - Dry Freight

Taiwan buys estimated 102,450 T wheat of US-origin, traders say

The Taiwan Flour Millers' Association purchased an estimated 102,450 metric tons of milling wheat to be sourced from the United States in a tender on Thursday, European traders said.

The purchase involved various wheat types for shipment from the U.S. Pacific Northwest coast.

The first consignment of 51,700 tons for shipment between April 13-27 involved U.S. dark northern spring wheat of a minimum 14.5% protein content bought at an estimated $293.21 a ton free on board (fob), equating to $328.56 a ton cost and freight (c&f) including ocean shipping costs to Taiwan, they said.

It also involved hard red winter wheat of a minimum 12.5% protein content bought at $276.22 a ton fob/ $311.57 a ton c&f and soft white wheat of a minimum 8.5% and maximum 10% protein bought at $244.71 a ton fob/$280.06 c&f.

Trading house Columbia Grain International was believed to have sold the hard red winter in the first consignment while CHS sold the soft white, traders said. The seller of the dark northern spring wheat was unclear.

The second consignment of 50,750 tons for shipment between May 1-15 involved dark northern spring wheat of a minimum 14.5% protein content bought at an estimated $293.04 a ton fob/$328.19 a ton c&f, they said.

It also involved hard red winter wheat of a minimum 12.5% protein content bought at $271.90 a ton fob/ $307.05 c&f and soft white wheat of a minimum 8.5% and maximum 10% protein bought at $244.71 a ton fob/ $279.86 c&f. Bunge was believed to have sold the dark northern in the second consignment and CHS the soft red winter and soft white. Reports reflect assessments from traders and further estimates of prices and volumes are still possible later. The association’s tenders traditionally provide an accurate snapshot of U.S. wheat export prices in Asian markets.

Ivory Coast set to hold meeting to avoid cocoa contract delays

Ivory Coast's Coffee and Cocoa Council (CCC) will call a meeting with exporters over the next ten days to prevent them from having to carry main crop contracts into the upcoming mid-crop or the next season, sources from the CCC and exporters said. This arbitration, which usually occurs before the end of the October-to-March main crop, aims to prevent traders from having to postpone contracts, something that can lead to the CCC having to pay out costly compensation.

Traders with a surplus are ordered to sell their beans to other traders in deficit at a set price of 1,915 CFA francs ($3.06) per kilogram, even if they were initially purchased at a higher price.

"All cocoa contracts are covered by the volumes of physical cocoa beans, and we guarantee payments to support those who have their contracts postponed, as is done when necessary," CCC Managing Director Yves Brahima Kone said. He did not confirm the meeting with exporters. But one CCC manager who did not wish to be named said some traders had bean surpluses that needed to be reallocated and a meeting would be called to discuss stocks and purchasing limits in 10 days.

Exporters estimate that around 130,000 metric tons of cocoa must be redistributed to balance the contracts.

One CCC official said a slightly higher than expected main crop harvest should enable all exporters to fill their quotas this year. Exporter and CCC sources, speaking on condition of anonymity because they were not authorised to speak publicly on the issue, said the regulator had to pay more than 70 billion CFA francs ($112 million) to support exporters last year whose contracts were postponed. This year compensation, if required, could be inflated by record cocoa prices on global markets. The CCC sets a purchase limit for each exporter based on the export contracts that have been released for the main crop. Bean grinders are only allowed to stock volumes above the purchase limit for 45 days.

Picture of the Day

People shop at a wholesale market ahead of the holy fasting month of Ramadan, amid rising commodity prices , in Mosul, Iraq March 22, 2023. REUTERS/Khalid Al-Mousily

(Inside Commodities is compiled by Nachiket Tekawade in Bengaluru)

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