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Top News - Oil

Russia finds it challenging to keep the lid on oil output, analysts, sources say

Russia, in a rare admission of oil overproduction, said overnight that it exceeded its OPEC+ production quota in April for "technical reasons", a surprise move that analysts and industry sources say shows Moscow faces challenges in curbing output.

Russia, Saudi Arabia, as well as some other members of OPEC+ group of leading oil producers, have pledged extra oil output cuts on top of what had already been agreed, in order to support the market for oil, a key generator of revenues for their budgets.

The Russian Energy Ministry said in a midnight statement that the country maintained production below the OPEC+ quotas through the first quarter of 2024.

It said that April overproduction was attributable to "technical particularities of reducing production by a significant amount."

The ministry did not reply to a request for additional comment.

The statement was issued as OPEC+ prepares to meet on June 1 to discuss further production policy.

Alexei Kokin, an independent analyst, said one of the reasons Russia was struggling to cut output in April was that this month accounted for almost three quarters of all cuts the country pledged in the second quarter.

"I think this is what is meant by 'technical peculiarities of reducing production by a significant amount.' It is impossible to reduce production so quickly," he said.

According to OPEC, Russia, the world's second-largest global oil exporter, reduced oil production in April by 154,000 barrels per day (bpd) from March to 9.29 million bpd. Oil production in Russia in the first quarter averaged 9.42 million barrels per day.

Russia's oil output quota, including additional voluntary cuts within OPEC+ for April, stood at around 9.09 million bpd, according to Reuters calculations.

Russia has classified oil production data since the start of what it calls a "special military operation" in Ukraine in February 2022.

Ronald Smith, a senior analyst at Moscow-based BCS World of Investments brokerage, said that the "technical reasons" of overproduction could be related to field management as oil fields, especially older ones, cannot be simply "turned off" without potentially damaging their ultimate production capacity.

Russia cut crude oil and fuel exports by a combined 500,000 bpd in the first quarter, in addition to its previous pledge to curtail production alongside other members of the OPEC+ grouping. Russia has said it would gradually ease the export cuts: in April, it should have reduced output by an extra 350,000 bpd, with exports cut by 121,000 bpd. In May, the extra output cut will be 400,000 bpd and exports cut by 71,000 bpd. In June, all the additional cuts will be from oil output.

A Russian company source also said that it's been difficult to reduce oil production due to challenging production process, including high pressure in oil wells.

India, Egypt top destinations for Russian seaborne fuel oil, VGO exports in April, LSEG data shows

India and Egypt were the top destinations for Russian seaborne fuel oil and vacuum gasoil (VGO) exports in April, traders said and LSEG data showed.

In total, Russian fuel oil and VGO seaborne exports fell in April by 10% month-on-month to about 3.32 million tons, as refining capacity idled due to maintenance, technical outages and drone attacks, increased last month by 13.6% from March, Reuters calculations showed.

The European Union's full embargo on Russian oil products went into effect in February 2023 and the bulk of Russia's fuel oil and VGO was redirected to other regions, mostly Asia.

In April 2024, direct fuel oil and VGO shipments from Russian ports to India increased to 0.6 million metric tons from 0.4 million tons the previous month.

Russian fuel oil loadings to China decreased last month to about 450,000 tons from 660,000 tons in March, according to LSEG data and Reuters' calculations.

China and India import straight-run fuel oil and VGO for refining, partially replacing more expensive Urals barrels, traders said.

Fuel oil supplies to Egypt increased in April to almost 0.5 million tons from 0.1 million tons in the previous month.

All the cargoes were discharged at Ain Sukhna Terminal, shipping data showed.

Traders use Ain Sukhna Terminal as storage and blending facilities, buying fuel oil for power generation ahead of the summer season, market sources said.

At least 200,000 tons of fuel oil had been loaded in Russian ports so far in May to supply the Ain Sukhna Terminal, according to LSEG data.

Russian VGO and fuel oil loadings to Fujairah increased in April to about 260,000 tons from 60,000 tons in March.

Fuel oil supplies from Russia to Senegal fell last month to about 100,000 tons from 310,000 tons in March, while loadings to Saudi Arabia decreased to 200,000 tons versus 490,000 tons, shipping data showed.

About 300,000 tons of VGO and fuel oil loaded in Russian ports in April went for ship-to-ship loadings near Greece and Malta. Most of those cargoes end up in Asia, market sources said.

Top News - Agriculture

ANALYSIS-China's food security dream faces land, soil and water woes

China, the world's biggest agriculture importer, has set targets to drastically reduce its reliance on overseas buying over the coming decade in line with its push for food security, but they will be exceedingly difficult to meet, experts say.

With limited land and water, China will have to sharply increase farming productivity through technology, including genetically modified crops, and expand area under cultivation to meet Beijing's 10-year projections.

The government envisions 92% self-sufficiency in staple grains and beans by 2033, up from 84% during 2021-2023, according to a document released in late April, on a path towards President Xi Jinping's goal to become an "agriculture power" by the middle of the century.

Cutting the country's imports would be a blow to producers from the U.S. to Brazil and Indonesia, who have expanded capacity to meet demand from China's 1.4 billion people, the world's largest market for soybeans, meat and grains.

Over the 10 years to 2033 the agriculture ministry projects a 75% plunge in corn imports to 6.8 million tons and a 60% drop for wheat to 4.85 million tons.

For soybeans, the biggest item on a farm import bill that totalled $234 billion last year, Beijing sees imports falling 21% to 78.7 million tons in a decade.

Those targets defy the trends of the past decade in which grains and oilseed imports have surged 87%.

"Forecasting a sharp reversal where in 10 years the country will be importing less than it does today seems questionable," said Darin Friedrichs, co-founder of Shanghai-based Sitonia Consulting. China will struggle to meet its targets mainly due to a lack of land and water, five analysts and industry executives say.

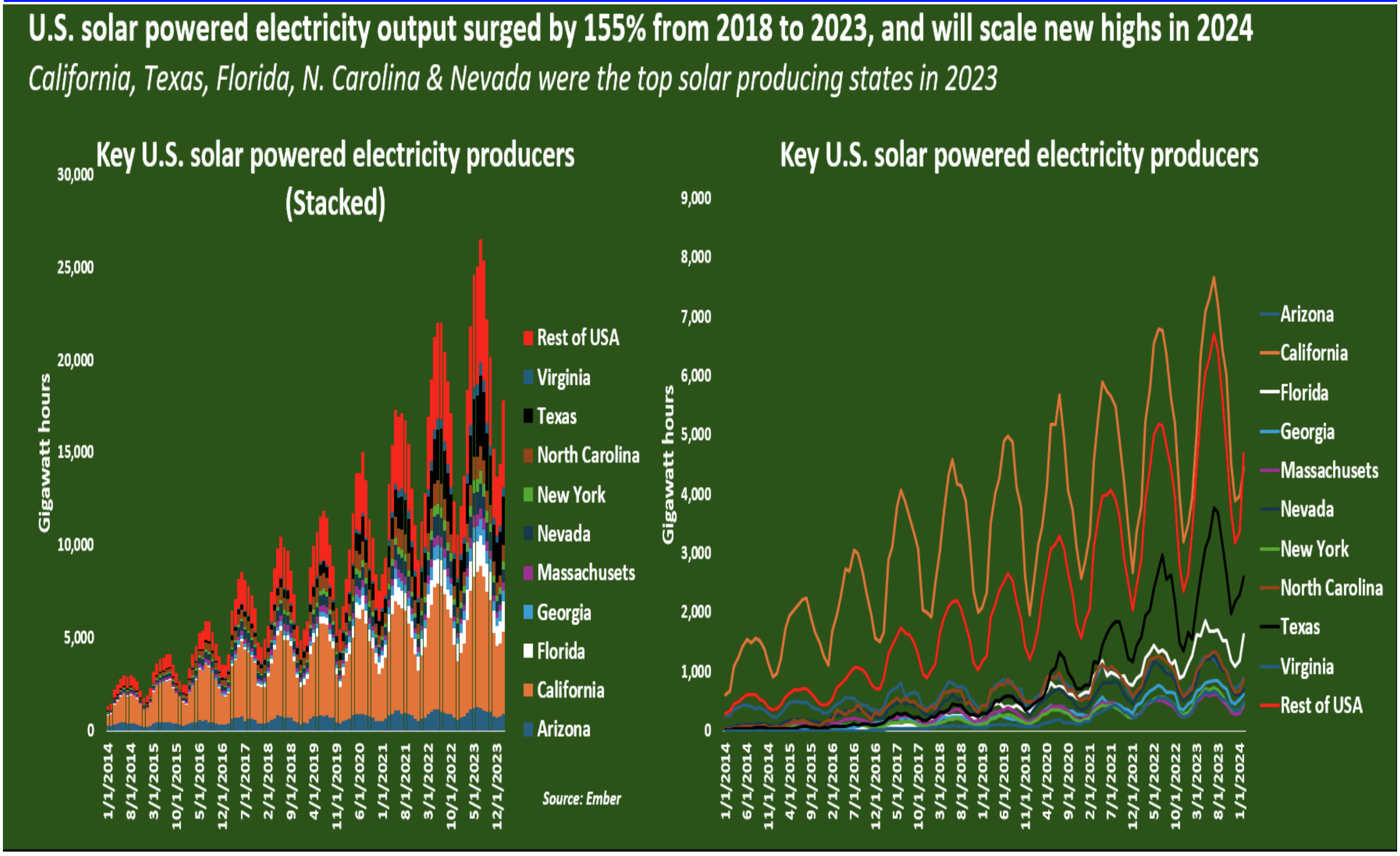
In stark contrast to Beijing's projections, the U.S. Department of Agriculture (USDA) sees China's corn imports in 2033/34 roughly in line with current levels and wheat imports declining 20%. In the biggest divergence, USDA expects soybean imports to rise 39%.

The USDA also expects growth in demand for animal feed, a key user of soybeans and corn, to outpace domestic corn output expansion and spur imports of sorghum and barley.

NATIONAL SECURITY

Food security has long been a priority for China, which has a painful history of famine and must feed nearly 20%

Chart of the Day



of the global population with less than 9% of its arable land and 6% of its water resources.
The urgency to cut dependence on imports grew after the country faced supply chain disruptions during the COVID pandemic and the Russia-Ukraine conflict.
A trade war with the U.S., its No.2 agriculture supplier after Brazil, and climate shocks such as heavy rains last year that damaged China's wheat harvest, have added to the challenge.
On June 1, China will implement a food security law that calls for absolute self-sufficiency in staple grains and requires local governments to include food security in their economic and development plans.
That will add to other efforts to bolster food production, including stepped up grains insurance cover for farmers to protect their income, announced this week.
Last month, Beijing launched a drive to raise grain output by at least 50 million tons by 2030, spotlighting upgraded farmland and investments in seed technology for higher crop yields and quality.

SOIL CHALLENGES
China increased production of corn, soybeans, potatoes and oilseeds last year after expanding planting on previously uncultivated land and encouraging farmers to switch from cash crops to staples.
However, even as the world's no. 2 corn producer harvested a record 288.84 million metric tons last year, imports surged to a near-record 27.1 million tons, driven by traders' preference for corn from overseas that is often higher quality and cheaper.
Production growth has hit a bottleneck due to insufficient arable land, small production scale and a lack of farmers and agriculture technology, state media reported.
China's arable land per capita is less than one-third the level in Brazil and one-sixth the level of the U.S., World Bank data from 2021 shows.
Degraded and polluted soil in a country where a significant share of land is either rocky mountains or desert leave it with little space for expansion.
The government, which has increasingly called for protection of its fertile black soil, is set to complete a four-year soil survey in 2025.
The last survey, in 2014, found that 40% of its arable land was degraded from overuse of chemicals and heavy metal contamination.
To compensate, China is pouring millions of dollars into research of farming water-intensive crops such as rice in the deserts of Inner Mongolia and Xinjiang.
By turning sand into soil and breeding saline-tolerant crops, it aims to develop more farmland, a strategy industry executives say will take time and heavy investments in fertiliser, irrigation and biotechnology.
One obstacle is China's predominance of small farms, run by aging owners who may not be able to afford or operate machinery such as drone sprayers, more productive seeds and technology such as big data and AI.
Farms in China average 0.65 hectares, compared to 187 hectares in the U.S. and 60 hectares in Germany. China is gradually shifting towards a consolidation of its fragmented farms.
After decades of hesitation, it is slowly adopting genetically modified crops, this year approving the planting of corn and soybean varieties that are higher-yielding and insect-resistant, as well as gene-edited disease-resistant wheat in hopes of accelerating production growth.
China's soybean yields at 1.99 tons per hectare lag the 3.38 and 3.4 ton-yields in Brazil and the U.S., which have embraced genetically modified soybeans.
But analysts say the government's target for cutting soybean imports is unrealistic.
At best, China could ease its dependence on soybean imports to 70% from more than 80% now, said Carl Pray, an agriculture professor at Rutgers University in the U.S.
Almost all of China's soybeans are high protein varieties to produce tofu, and to replace imports it would need to rapidly expand production of high-oil producing varieties for cooking oil, which he said would be hard, even with research.
"To produce enough soybeans to replace the Brazilian and U.S. imports, there is just not enough land," Pray said.

Rains delay Southern Brazil soy harvest, make beans too wet, Emater says
Soy farmers in Brazil's southernmost state, where rain and flooding have disrupted field work for weeks, have now harvested 91% of their soy area, up from 85% last week, crop agency Emater said on Thursday.
Despite some progress, soybean farmers in the country's second largest producer of the oilseed still lag the 97% historical average for the period, Emater said.
Bad weather has also impacted the delivery of the freshly harvested soybeans to drying and storage units, where some grains arrived with humidity of nearly 30%, Emater said. For proper storage, it is necessary to reduce the humidity of the soybeans to around 14%, but dryer capacity is limited, according to the agency.
Corn harvesting advanced 4% compared to the previous week, reaching 92% of cultivated area after precipitation and high humidity delayed the operation in recent weeks. However, the corn that remains to be harvested has started to show signs of disease, which makes it urgent for farmers to harvest their remaining crops, Emater said.
Emater also noted 10% of Rio Grande do Sul's rice remains on the fields, down from 14% last week.
In the Vales and Central region, some silos "were lost" to floods, creating feed shortages that are affecting mainly the food supply to dairy cows, Emater said.

Top News - Metals

EXCLUSIVE-China state stockpiler aims to buy up to 15,000 T of cobalt, sources say

China plans to buy up to 15,000 metric tons of cobalt metal from local Chinese producers over the next few months for domestic stockpiles, three sources familiar with the matter told Reuters, adding that it would be a record amount for a single purchase.

The planned purchase would be a big increase as industry sources say China's state stockpiler - the National Food and Strategic Reserves Administration - bought 8,700 tons of cobalt metal last year.

China dominates the processing of cobalt, most of it from the Democratic Republic of Congo (DRC), where it is a byproduct of copper output.

In metal form it is used in the defence and aerospace industries and also in magnets for communication.

Cobalt metal purchases by the National Food and Strategic Reserves Administration could offset some of the surplus in the market this year.

"It could be as much as 15,000 tons that would be the most I remember in one tender," one of the sources familiar with the matter said.

The National Food and Strategic Reserves Administration did not respond to requests for comment.

Two of the sources said some of the cobalt bought by the National Food and Strategic Reserves Administration could be for military equipment. A second source familiar with the matter said no agreement had yet been reached between China's state stockpiler and local producers.

"They (China stockpiler) have asked Chinese producers for numbers on availability and price.

They will negotiate until they come to an agreement."

The third source said a ballpark price producers were looking for was 205 yuan or around $12 a lb, close to current cobalt prices, which are near five-year lows.

Industry sources say China's plans to acquire 15,000 tons of cobalt would narrow the surplus in the market this year to around 20,000 tons.

That compares with surpluses of around 11,000 and 16,000 tons in 2022 and 2023 respectively and excludes the amounts China bought for its stockpiles in those years, based on research by Macquarie analysts.

"It will take some pressure off cobalt prices, but it won't make much difference to an oversupplied market, given the amounts coming out of Congo," one industry source said. According to Darton Commodities, Congo supplies last year amounted to 77% of the global total at more 170,000 tons.

MARKET MONITOR as of 06:45 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$76.87 / bbl	-0.90%	7.29%
NYMEX RBOB Gasoline	$2.46 / gallon	0.15%	16.91%
ICE Gas Oil	$738.00 / tonne	-1.14%	-1.70%
NYMEX Natural Gas	$2.69 / mmBtu	-5.45%	6.88%
Spot Gold	$2,336.09 / ounce	-1.77%	13.26%
TRPC coal API 2 / Dec, 24	$121 / tonne	0.41%	24.74%
Carbon ECX EUA	€75.81 / tonne	-0.52%	-5.67%
Dutch gas day-ahead (Pre. close)	€35.67 / Mwh	3.75%	11.99%
CBOT Corn	$4.75 / bushel	0.90%	-1.96%
CBOT Wheat	$7.20 / bushel	0.98%	12.55%
Malaysia Palm Oil (3M)	RM3,904 / tonne	0.93%	4.92%
Index	**Close 23 May**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	342.88	-0.48%	13.76%
Rogers International	29.52	-0.08%	12.12%
U.S. Stocks - Dow	39,065.26	-1.53%	3.65%
U.S. Dollar Index	105.04	-0.06%	3.66%
U.S. Bond Index (DJ)	424.93	-0.32%	-1.34%

Ramping up production in Congo is China's CMOC. Its Tenke Fungurume and Kisanfu mines in Congo produced more than 55,500 tons of cobalt last year and 25,200 tons in the first quarter of 2024.
Chinese cobalt producers have seemed unfazed by oversupply and plummeting prices, with some said to benefit from state support for a sector seen as vital to China's electric vehicle industry and the energy transition.

ANALYSIS-How can Milei unlock Argentina's copper riches? Fix the economy
Argentina has big ambitions for the untapped copper riches in its Andean north. It wants to be a top 10 global producer and has attracted investors such as Glencore, Lundin Mining and First Quantum Minerals.
But unlocking its potential won't be easy. The country, and new libertarian President Javier Milei, need to fix the economy first, with most big copper projects being stalled by strict capital controls, near 300% inflation and high tax rates. Even as copper prices hit record highs, that has taken some of the shine off optimism a year ago, when local officials told Reuters about the "immense potential" of the sector, tapping global demand for the metal that is needed for construction and energy transformation projects worldwide.
"We believe the country is immersed in a crisis of confidence," Franco Mignacco, vice president of Argentina's Chamber of Mining Entrepreneurs (CAEM), said at a mining event on Tuesday in San Juan, citing economic turmoil holding projects back. "We have the resources, we have carried out the exploration and planning work, but we need to provide macroeconomic certainty for these projects to materialize."
Most advanced is Lundin's Josemaria project in northern San Juan; then Glencore's $4.5 billion El Pachon; MARA, owned by Yamana Gold, Glencore and Newmont; First Quantum's Taca Taca and McEwen Mining's Los Azules.
Alfredo Vitaller, VP of corporate affairs at Josemaria, told Reuters that the mine, aiming to produce over 130,000 tonnes of copper a year, needed economic and legal certainty to define a set start date for moving ahead with the project.
"If conditions for the sector were improved, addressing the problems it faces, at least six of the most advanced copper projects in Argentina are in a position to begin investments for their construction in the medium term," he said.
"We don't have a specific start date for construction."

MILEI REFORM BILL: NO MAGIC SOLUTION
Milei, a wild haired economist and former TV personality, is trying to boost investment in the country after inheriting one of the nation's worst ever economic crises when he took office in December.
He has pledged to undo capital controls "very soon" but needs to restore economic stability first and rebuild depleted central bank reserves. Monthly inflation is coming down but remains one of the highest in the world.
Milei is also pushing a major reform package in Congress, including looking to boost investment for large projects, which would give tax benefits and ease access to foreign currency for investments over $200 million.
Ernesto Cussianovich, associate director at local consultancy Poliarquia, said stalling progress with copper was down to economic instability in recent years, and the reform bill - if passed - could provide some short-term relief.
"It is a useful tool, though it doesn't solve the problem," he said. "It's very difficult for an investor to think about plans to invest in the country with these capital controls, with an effective ban on exporting foreign currency."
Looking to spur projects, local governments in the copper -rich northern provinces of San Juan, Salta, Catamarca and Mendoza are launching a "copper committee" on Wednesday.
"The aim is ... to develop projects, to get them into production," said Juan Pablo Perea, mining minister in San Juan, the province with the most projects in the current pipeline. He said his province's copper projects could help the local government bring in more than $3 billion by 2030. Romina Sassarini, the mining and energy secretary in Salta, home to First Quantum's Taca Taca project, hoped more collaboration would help attract the large investments needed to push forward stalled mine development.
"Today Taca Taca, for example, needs an investment of $3.6 billion," said Sassarini, adding she hoped it would soon advance to a pre-construction stage. "We hope it will be developed when the macroeconomic conditions improve."

Top News - Carbon & Power

Guyana may reallocate gas areas if Exxon does not move project forward
An Exxon Mobil-led oil consortium may need to decide by October whether it will go ahead and develop a large natural gas find off the coast of Guyana, the country's vice president said on Thursday.
The government has been pressing for a bonanza from mostly untapped gas reserves found by the Exxon-led group.
The consortium, which includes Hess Corp and CNOOC Ltd, is required under its production agreement to return to the government by October about 20% of its massive Stabroek block if that area remains undeveloped.
Exxon has said it hopes to complete an appraisal of the gas findings by early next year and is considering how to best commercialize the natural gas.
An October deadline for relinquishing untapped gas areas may require it to make a decision sooner.

That 20% of the undeveloped Stabroek area might include the group's Haimara discovery, where it mostly found natural gas, Guyana Vice President Bharrat Jagdeo said on Thursday during a media briefing in Georgetown.
"We have had some discussions with Exxon and told them that if they are not going to work on it, they have to relinquish.
They did some studies and said they might be able to move forward with the project," Jagdeo said.
Exxon is in discussions with Guyana over what areas will be relinquished and has not concluded whether the gassy areas are among them, a company spokesperson said.
The consortium’s exploration agreement runs through 2027, the spokesperson added.
Haimara, the group's 12th finding of oil and gas in the country, was announced in 2019.
Exxon has said the Haimara-1 well found approximately 207 feet (63 meters) of a high-quality, gas-condensate bearing sandstone reservoir.
There could be up to 16 trillion cubic feet of associated gas in Exxon's areas, Jagdeo said, citing Exxon accounts.
He had said in February that Guyana wanted another international developer to participate in developing the gas project.
Guyana is moving ahead to select a company that could develop the project, which it estimates will require between $10 billion and $15 billion in investment.
"We tested the market. We went out for expressions of interest and had some really good, strong firms with good credentials saying, 'We believe there is a viable project and we want to work on it,'" he added, without identifying the firms. The cabinet must approve the company selected and once approved, that firm would be cleared to initiate talks with Exxon over a project to monetize the gas reserves.

COLUMN-Solar hits above its weight in powering US energy transition: Maguire

Solar farms generated less than 6% of the electricity produced by utilities in the United States in 2023, but that annual share vastly understates the critical role that solar plays in enabling power firms to accelerate energy transition efforts.
On a day-to-day basis, solar plants can have such disruptive influence on system electricity flows that utilities have been forced to develop capabilities to rapidly curtail output from other sources and store surplus power for later use. In turn, that resulting agility and emerging ingenuity throughout the energy sector is helping to accelerate global energy transition efforts by forcing power systems to more efficiently accommodate large swings in clean power output.
With supplies of all forms of renewable energy set to rapidly grow, utilities that learn to maximise the volume of solar power within generation systems today will be best placed to help drive the further evolution of energy systems in the decades ahead.

CLEANER, BUT MORE VOLATILE

No other clean power source comes close to creating both the opportunities and challenges that rapidly expanding supplies of solar power entail.
Solar's overall share of U.S. power output may currently be small, but it is growing fast, with output expanding by 155% between 2018 and 2023, according to the U.S. Energy Information Administration (EIA.)
That growth rate compares with a 56% expansion in wind power and a 22.4% swell in natural gas-fired output over the same period.
To accommodate growing renewables supplies and make good on commitments to reduce power sector emissions, U.S. utilities reduced coal-fired power generation by 41% from 2018 to 2023, which cut coal's share of the power mix from around 30% to 16%.
But by replacing such a significant chunk of baseload power from coal with growing quantities of intermittent renewable power from solar farms, the U.S. power system has become more volatile as well as more clean over the past five years.

MAKE WAY!

California's power system best exemplifies the volatility that comes from rapid increases in solar generation.
As the largest solar power producer in the U.S., California has boosted solar power output by 72% from 2018 to 2023, and relies on solar for around 28% of electricity supplies, according to energy think tank Ember.
The state also accounts for around 25% of national electricity supplies generated from solar.
But it's an enduring challenge to turn the state's abundant sunshine into useable electricity without distorting power markets.
As more and more solar plants were connected to California's grid over the past decade, power prices in the state came under increasing pressure during the middle of the day when solar output peaks.
A compounding problem is that the peak solar production period overlaps with what is traditionally the lowest period for system demand, so power firms have been forced to lower power prices in order to balance system needs until solar output declines later in the day.
The resulting 'Duck Curve' shape of power prices became a well known phenomenon over the last few years, with the unintended distortion to market dynamics caused by surplus solar power widely lampooned in 2023 by opponents of the energy transition.
The volume of California's solar output has increased further so far in 2024, with solar electricity generation through May 23 running 27% ahead of the same period in 2023, according to LSEG data.
The uneven distribution of this output causes daily contortions to the state's power generation mix, with solar power accounting for 0% of power generation before sunrise to over 70% during the sunniest times of day.
And California's power prices continue to come under severe pressure during peak solar production hours,

routinely turning negative for spells as the market pricing mechanism tries to lure demand and deter production from other sources.

BATTERY BUTTRESS

To alleviate the impact of the system imbalance caused by runaway solar output, California's utilities have deployed networks of utility-scale batteries that can absorb surplus power during peak solar production periods, to be discharged when the sun goes down.

The battery network is still being built out, but already accounts for around 20% of California's system needs during the peak demand period just after solar output stops and when people returning from work crank up household electricity demand.

The batteries also reduce the need for power imports by California during those peak demand periods, which reduces regional power strain and helps California become less reliant on neighbouring states for power supplies.

California's battery system also acts as a learning tool for other power networks who are also struggling with the impact of too much solar supply, too soon. And along with wider use of smart energy meters - which encourage consumers to increase power consumption when supplies are most abundant - all U.S. utilities are learning key ways to accommodate rapid growth in solar output and set themselves up for further energy transition progress.

(The opinions expressed here are those of the author, a columnist for Reuters.)

Top News - Dry Freight

South Korea’s MFG buys estimated 271,000 T corn in tender, traders say

South Korea's Major Feedmill Group (MFG) has purchased an estimated 271,000 metric tons of animal feed corn expected to be sourced mainly from South America or South Africa in an international tender on Thursday, European traders said.

The corn was bought in four consignments.

Traders said CJ International sold 67,000 tons with shipment between July 24 and Aug. 12 if sourced from South Africa for arrival in South Korea around Sept. 20 at $246.99 a ton cost and freight (c&f) plus a $1.25 a ton surcharge for additional port unloading.

Trading house Cofco sold 68,000 tons with shipment between Aug. 3 and Aug. 22 if from South America for Sept. 30 arrival at $246.64 a ton c&f plus a $1.50 a ton surcharge for additional port unloading.

Traders said Olam sold 68,000 tons with shipment between Aug. 1 and Aug. 31 if from South America for Oct. 10 arrival at $244.99 a c&f plus a $1.50 a ton extra port surcharge.

Trading house Scoular sold 68,000 tons for shipment if from South America between Aug. 15 and Sept. 15 with arrival around Oct. 25 at $244.99 a ton c&f plus a $1.50 a ton extra port surcharge.

Rising wheat prices on concern over weather damage to the crop in top exporter Russia have generated expectations of greater demand for cheaper corn.

Reports reflect assessments from traders and further estimates of prices and volumes are possible later.

Ukraine grain exports at 45.4 mln T, exceed previous season's volume

Ukraine's grain exports in the 2023/24 July-June marketing season had reached 45.4 million metric tons by May 24, exceeding the previous season level of 44.6 million tons, agriculture ministry data showed on Friday.

This season's exports included almost 4 million tons so far in May, the data showed.

The overall exports included 16.9 million tons of wheat, almost 25.6 million tons of corn and 2.4 million tons of barley. Ukraine typically sends about 95% of its grain exports via its Black Sea ports. The Ukrainian government expects a harvest of 81.3 million tons of grain and oilseeds this season, with a 2023/24 exportable surplus of about 50 million tons. The ministry has said the 2024 combined grain and oilseed crop could fall to 74 million tons, including 52.4 million tons of grain.

The economy ministry sees the 2024 grain and oilseed crops at 73 million tons.

Picture of the Day

People walk in a flooded area in the Cavalhada neighbourhood after heavy rains in Porto Alegre, Brazil, May 23. REUTERS/Diego Vara

(Inside Commodities is compiled by Nandu Krishnan in Bengaluru)

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