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

Click on headers to go to that section

Top News - Oil

China's diesel exports surge in August, have nearly tripled so far in 2023

China's diesel exports in August surged from a year earlier and have nearly tripled so far in 2023 compared to the same time a year ago, data showed on Monday, as refiners take advantage of strong regional refining margins to ship fuel overseas.

Exports of diesel, the biggest fuel by share of refinery output, last month totalled 1.26 million metric tons, up 51.5% from last year's 830,000 tons, data from the General Administration of Customs showed.

Total diesel exports for the first eight months of the year are up 197.2% versus the same period in 2022.

Domestic diesel demand has seen only muted growth amid deepening tumult in the property sector and contracting exports, pushing refiners to shift their output overseas.

Gasoline exports were up 23.7% to 1.38 million tons from 1.12 million tons in August last year.

Domestic demand for gasoline was anticipated to be high through August because of a pick-up in road traffic over the summer travel period, the first since 2019 not to be disrupted by COVID-19 containment measures.

Jet fuel exports were 1.55 million tons, up 98.1% from 780,000 tons a year earlier. Domestic flight capacity by available seats was up to about 17% of pre-pandemic levels in August 2019, while capacity on international flights in and out of China remained at around 49% of pre-pandemic levels, according to data from aviation analytics firm OAG.

Sales of jet fuel for outbound international flights are included in this export figure.

China's surging fuel exports have coincided with monthly refinery throughput rising to a record 15.23 million bpd in August.

Total fuel exports, including marine bunker fuel, in August were up 23.3% from last year at 5.89 million tons, customs data showed earlier this month.

Profit margins for Asian refiners continued their upward trend through August to end the month at about $12.60 a barrel, the highest since late January and up around $2 a barrel from July.

"High oil prices and high stocks should prompt China to import less crude and petroleum products in the period ahead particularly for inventory refill purposes, and to export more petroleum products," analysts from Citi wrote in a client note.

Authorities issued a long-awaited third batch of product export quotas at the start of September, comprising 12 million tons for refined fuels such as gasoline and kerosene and 3 million tons for marine fuel.

The data released on Monday also showed China imported 6.30 million tons of liquefied natural gas (LNG) in August, up 34.1% from last year's 4.72 million tons.

Russia's ESPO Blend crude price flips to premium in Chinese ports

Prices for Russia's Far East ESPO Blend crude oil loading from the port of Kozmino in October have firmed to a premium of more than 50 cents against ICE Brent on a delivery basis in Chinese ports, several traders familiar with the matter said.

This means the price has climbed back to levels seen prior to sanctions and a price cap on Russian oil, they added.

ESPO Blend crude oil, Russia's flagship grade in Asian market loading from the Kozmino port, used to trade at a premium to both the Brent and Dubai benchmarks as its quality and close loading point made it very popular among refiners in China.

However, in Spring 2022 prices for ESPO Blend collapsed as many companies started to abandon Russian oil amid its military actions in Ukraine, which Moscow calls a special military operation, while a price cap and EU embargo on Russian oil imports sent discounts for ESPO Blend even wider.

Nevertheless, ESPO Blend has been trading above the $60 per barrel price cap for most of 2023, Reuters calculations show. High demand for fuel in Asia has been driving China’s intake of crude oil, including ESPO Blend, which is much cheaper than Middle Eastern and West African alternatives, despite the firming of the price.

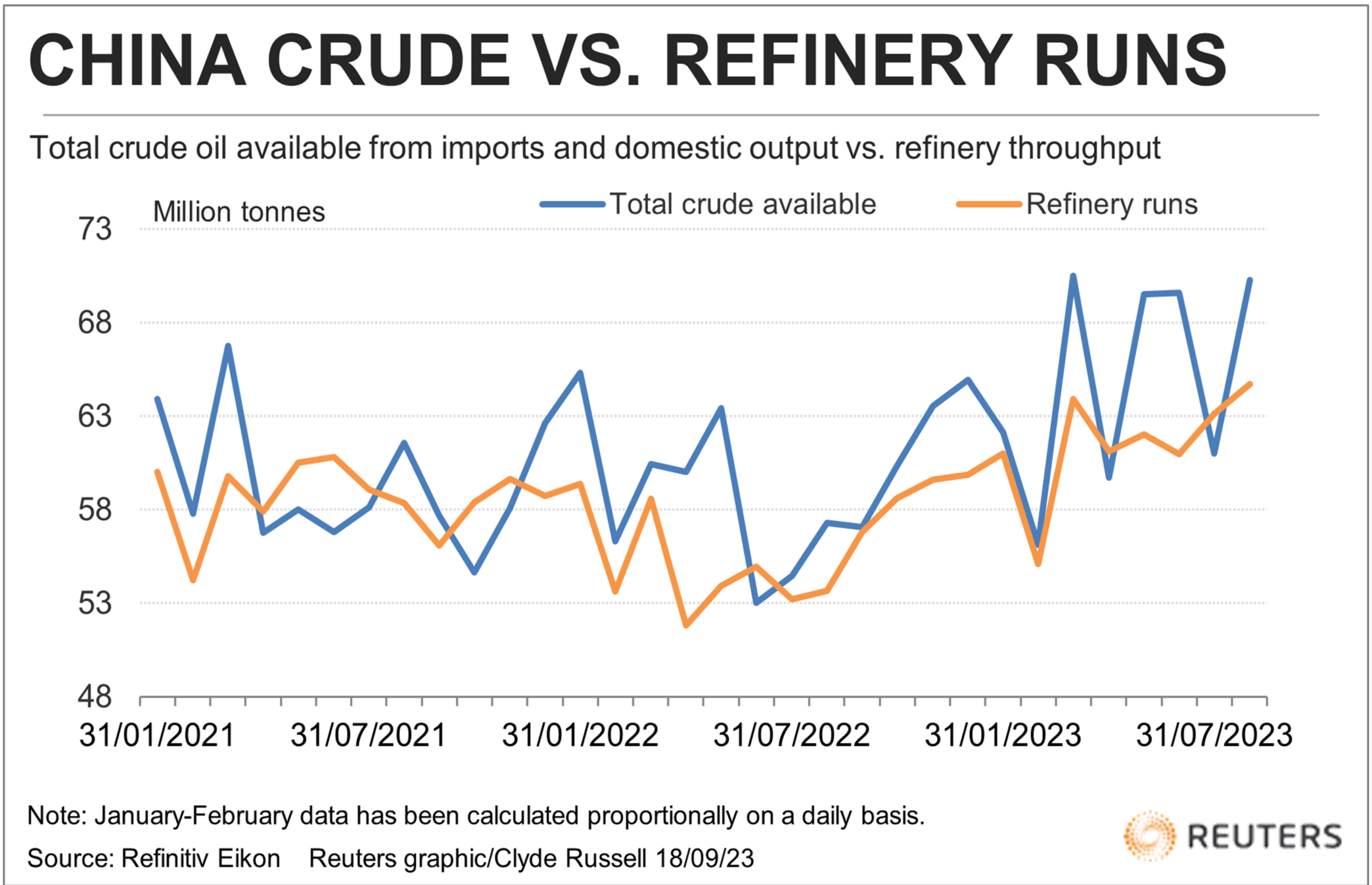
At least three deals for October-loading cargoes of ESPO Blend were done at a premium to ICE Brent of 30 to 60 cents per barrel, compared with a discount of $1-2 per barrel for cargoes loading early in September and August, the traders said.

Prior to 2022, the ESPO Blend crude oil price was traditionally set at the port of loading, Kozmino, and against the Dubai benchmark. Current prices in Chinese ports mean the discount on free on board (FOB) Kozmino basis to Dubai is just a couple of dollars per barrel, which is close to prices achieved during pre-sanction times, traders said.

"Now ESPO price is close to what it was when the market was weak, but still it is an old market," one of the traders said.

China remains the main buyer of ESPO Blend oil cargoes loaded from the sea port, while India has also been taking some four-six cargoes per month recently, the traders said. One added that China's state oil refiners' demand for October-loading ESPO Blend was high and their share may account for more than a half of the market.
Russia’s pipeline monopoly Transneft said this week that ESPO Blend crude oil loadings from Kozmino are expected to rise in 2023, compared to last year, without disclosing details.
ESPO Blend oil exports are very profitable for Russian oil companies that benefit from Transneft's discounted tariff for eastern exports and higher market prices compared to Urals. The U.S. Treasury published a warning to U.S. companies in April of possible evasion of the Russian petroleum price cap of crude oil exported through Russia's Eastern Siberia Pacific Ocean (ESPO) pipeline and ports in eastern Russia.

Chart of the Day



Top News - Agriculture

Malaysia says China to increase imports of Malaysian palm oil -report
China will increase its imports of Malaysian palm oil by 250,000 metric tons a year, state news agency Bernama reported on Sunday, citing Malaysian Prime Minister Anwar Ibrahim.
Anwar's announcement was made after he witnessed the signing of a memorandum of understanding between Malaysian palm oil firm Sime Darby Oils International Ltd and China's Guangxi Beibu Gulf International Port Group, Bernama said.
The deal would also see the two firms develop a refined palm oil and fats distribution and trading centre in Qinzhou, China, according to Bernama.
"This is a perpetual agreement with China, which is a huge achievement for the parties involved," Anwar was quoted as saying at the signing, part of his one-day visit to a regional trade event in Nanning, China.

INSIGHT- Soaring rice prices sow hope - and trouble - for indebted Thai farmers
After finishing her latest rice harvest, Sripai Kaeo-eam hurriedly cleared her fields and planted a new crop in late

August — ignoring a Thai government advisory to restrict further sowing of the grain this year to conserve water.
"This crop is our hope," said the 58-year-old farmer in Thailand's central Chai Nat province, pointing to her green paddy seedlings only a few inches tall.
Sripai, who is trying to dig her way out of more than 200,000 Thai baht ($5,600) of debt, is motivated by the global spike in rice prices, which are close to their highest level in about 15 years after India — the world's biggest shipper of the water-intensive grain — curbed exports.
Farmers across the agrarian heartland that makes Thailand the world's second-largest rice exporter should be poised to benefit.
Instead, the amount of land under rice cultivation in Thailand decreased 14.5 percent in August compared to the same month last year, according to previously unreported government estimates. The figure has declined every year since 2020.
Thailand's centuries-old rice cultivation system is under severe stress from climate change, unsustainable farm debts and a lack of innovation, according to interviews with two experts and a review of government data.
These pressures on the sector, reported in detail for the first time by Reuters, are squeezing debt-laden Thai farmers despite tens of billions of dollars in subsidies over the past decade.
The handouts came in place of boosting agricultural research spending, which hammered productivity, the experts said. Many farming families are financially burdened after borrowing to fund their crops, according to government data, with debt now spanning generations.
A drop in cultivated land could slash Thailand's rice output, adding to already rampant food inflation after drought conditions in other key rice-producing countries and hitting billions of consumers for whom the grain is a staple food, said agricultural expert Somporn Isvilanonda.
Thailand exported 7.7 million tonnes of milled rice in 2022 to countries across the Middle East, Asia and Africa, according to Krungsri Research.
"The cultivated area is down because of lack of rainfall and irrigated water," said Somporn, a senior fellow at the state-affiliated Knowledge Network Institute of Thailand (KNIT).
The water shortage is likely to worsen into 2024 as the dry El Nino weather phenomenon strengthens, according to government projections.
On the line for millions of farmers is not only their current crop, but a narrow window to escape a life crushed by debt. A good harvest could fetch prices that are up to double or triple that of most years, Sripai said.
"Now I am dreaming," she said, "because India has stopped exporting."
The Thai government's rice department did not respond to questions sent by Reuters.
Rice is central to Thailand. A little under half its farmland is marked for rice cultivation, with over five million households involved, according to Krungsri.
Successive governments have spent 1.2 trillion Thai baht ($33.85 billion) on price and income interventions for rice farmers in the last decade, estimates Somporn.
"But the government didn't do enough ... to improve productivity," he said.
Though prices are now high, "farmers cannot take the opportunity to produce rice," Somporn said, adding that he expected output to drop around 30% over the next two growing seasons due to the water shortage.

DEBT AND DROUGHT

On a sweltering August morning, dozens of farmers and land owners protested outside a state-run agricultural bank in Chai Nat, where they had waited overnight to meet officials.
Danai Saengthabthim, 60, was among those at the hours-long meeting, where he sought to convince officials not to seize his land for failing to repay debts that have swelled over two generations.
The Bank for Agriculture and Agricultural Cooperatives said it does not have a policy of confiscating land from farmers who unintentionally default.
He is now pinning his hopes on Thailand's new coalition government for help. "The debt has just kept increasing over time," he said.
Even before the new government took office, Sripai and other farmers from the region made repeated trips to the capital, Bangkok, to lobby the agriculture ministry.
"All the farmers in our group have debts," said Sripai, who pays a rate of 6.875% on her loan. "We got the debt when we faced droughts, floods, and pests."
Thailand has one of Asia's highest household debt levels. In 2021, 66.7% of all agricultural households were in debt, largely from farming-related activities, according to government data. Prime Minister Srettha Thavisin said in his first policy statement before parliament last week that the government will seek to improve farm incomes.
"There will be a consolidation of water management resources, innovations ... to increase yields as well as finding new markets for agriculture product," he said, adding that there would also be a moratorium on some farm loans.
"Extreme weather patterns brought on by the El Nino phenomenon are creating risks for farmers."
Rainfall this year has been 18% lower than normal and key reservoirs are filled to only about 54% of total capacity, according to the Office of the National Water Resources. Climate change will likely exacerbate matters, with experts expecting a decline in average rice yield and wider fluctuations in production.

'TRAPPED IN OUR SUCCESS'

The foundation for Thailand's rice sector was laid in the late 19th century during the reign of King Chulalongkorn, who promoted free trade and agricultural and land re-

forms, said Nipon Poapongsakorn, an agricultural expert at the Thailand Development Research Institute.
Decades of investment in research and infrastructure allowed farmers to switch to high-yielding varieties beginning in the 1960s, cementing Thailand's then-position as the world's largest rice exporter, said KNIT's Somporn.
"When you grow high yielding variety, you have to grow it in irrigated areas," he said.
Thai governments largely steered clear of market interventions until former prime minister Yingluck Shinawatra in 2011 rolled out a scheme that paid rice farmers above-market rates for their crop, both experts said.
That move kicked off a decade of handouts that stymied productivity in Thailand's rice sector, leaving average yields per rai (0.4 acres) lower than those of Bangladesh and Nepal, said Nipon.
Yingluck was sentenced in absentia to prison on negligence charges for her role in the scheme that cost the state billions of dollars. She has previously denied wrongdoing and did not return a request for comment sent through a representative.
In 2018, according to data provided by Nipon, Thai farmers produced 485 kg of rice per rai, compared to 752 kg and 560 kg in Bangladesh and Nepal respectively.
"We got trapped in our success," he said, underlining a drop in rice research investment from 300 million baht a decade ago to the 120 million baht allocated for this year. "Our rice variety is very old, our yield is very low."
Farmers can only legally grow varieties approved by the government and could face challenges finding buyers if they were to grow variants from elsewhere, which may not be suitable for cultivation in Thailand, said Somporn.
In recent years, countries like India and Vietnam made sizeable investments in research, pulling ahead of Thailand in terms of productivity and gaining traction in the export market, the experts said.
The average Thai farmer's income has dwindled. In the last decade, rice growers made positive net returns from their first crop in just three years, according to government data.
In the years since Sripai followed her family into the paddy fields, the challenges have multiplied, but current prices offer a rare opportunity.
"We're hoping we can clear our debts," Sripai said, sitting in front of a ramshackle wooden building where she lives. "We're keeping our fingers crossed."

MARKET MONITOR as of 06:13 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$91.55 / bbl	0.86%	14.07%
NYMEX RBOB Gasoline	$2.66 / gallon	0.53%	7.45%
ICE Gas Oil	$994.25 / tonne	0.66%	7.95%
NYMEX Natural Gas	$2.65 / mmBtu	0.08%	-40.87%
Spot Gold	$1,929.89 / ounce	0.33%	5.78%
TRPC coal API 2 / Dec, 23	$130.1 / tonne	0.85%	-29.58%
Carbon ECX EUA / Dec, 23	€82.13 / tonne	-0.22%	-2.19%
Dutch gas day-ahead (Pre. close)	€37.20 / Mwh	5.98%	-50.77%
CBOT Corn	$4.91 / bushel	0.10%	-27.58%
CBOT Wheat	$6.26 / bushel	-0.60%	-21.19%
Malaysia Palm Oil (3M)	RM3,753 / tonne	-0.85%	-10.09%
Index (Total Return)	**Close 15 Sep**	**Change**	**YTD Change**
Thomson Reuters/Jefferies CRB	325.75	-0.22%	8.10%
Rogers International	29.44	-0.14%	2.69%
U.S. Stocks - Dow	34,618.24	-0.83%	4.44%
U.S. Dollar Index	105.32	-0.08%	1.74%
U.S. Bond Index (DJ)	400.83	-0.26%	2.39%

Top News - Metals

EXCLUSIVE- Codelco ends long-term mined copper deals to China clients from 2025 -sources

Chile's Codelco is ending long-term contracts to sell copper concentrate to Chinese clients from 2025, bidding to broaden its product offering to them after evaluating its production outlook, five sources with direct knowledge of the matter said.

The sources said Codelco is aiming to replace exclusively copper concentrate deals with others that include concentrate and value-added intermediate products such as blister and anode which are derived from concentrate and can be turned into copper metal or cathode.

Some Chinese customers have protested against the changes, but will have to accept new contract negotiations that include intermediates because they will need Codelco's concentrates at a time when deficits are expected, the sources said.

The Chilean miner wants to restructure its sales strategy and agreements because of uncertainty about whether it can meet its contractual obligations, the sources said.

"Some measures adopted are due to the normal management of Codelco's commercial product portfolio and not to availability adjustments and/or lower production," Codelco said in response to a request for a comment.

"Codelco continually updates its contracts according to the prevailing dynamics in the market."

Operational problems at the state-owned miner saw its production slip last year to about 1.46 million metric tons, the lowest in around a quarter of a century and output has slipped further this year.

Codelco is expected to produce between 1.31 million to 1.35 million metric tons of copper a key material for the power and construction industries.

Output at the world's largest copper producer has been dropping despite $15 billion invested in flagship mines including El Teniente and Chuquicamata where costs have overrun significantly, according to an influential industry body.

The sources, all of whom have long-term contracts with Codelco, said they had been receiving termination notices from Codelco from July to August and that the company wanted to start new agreements with different terms.

Two of the sources said Codelco was ending their evergreen supply contracts from 2025. Evergreen contracts introduced by Codelco in 2018 are two-year and three-year deals which roll over annually, in which customers can be assured of certain amounts a year.

Codelco accounts for 29% of Chile's copper production.

Chile's congressional committee in late August launched an investigation to review Codelco's corporate structure and project delays.

China is the world's biggest buyer of mined copper with its import volume accounting for over 60% of the world's total. The world's largest consumer of industrial metals bought 25.3 million tonnes of copper concentrates last year, according to International Copper Study Group.

The global copper concentrate market is expected to see a steep deficit during 2025-2027 as Asian and African smelters ramp up capacity, outpacing mine supply.

G7 to launch Russian diamond ban in bid to curb revenues -Belgian officials

The Group of Seven (G7) countries is expected to announce an import ban on Russian diamonds in the next 2-3 weeks, Belgian officials told reporters on Friday, in a bid to tighten a squeeze on Russia's capacity to finance the war in Ukraine.

The plan could transform the global diamond supply chain, but implementation will depend heavily on India, whose diamond industry employs millions of people who cut and polish 90% of the world's diamonds.

The ban, proposed by Belgium where the city of Antwerp is the world's No. 1 diamond trading hub, will come into effect on January 1, one of the government officials, who asked not to be named, told reporters in Brussels.

If it goes ahead as anticipated, it would split the global consumer diamond market. The G7, which accounts for 70% of the consumer market, would no longer accept diamonds from Russia, the world's biggest producer of rough diamonds.

"We’re talking about restructuring a global market," the official said, acknowledging that the system wouldn't work perfectly right away and the G7 was still evaluating the details of Belgium's proposed plan. "Russia is the biggest supplier globally. With this system, we are cutting them out, leaving them in an inferior market with lower prices. We are slashing the financial flows from this sector."

Efforts to reduce Russia's diamond revenues and build on Washington's sanctions on Russia's Alrosa, the world's largest diamond producer, have been discussed among G7 leaders since last year.

Alrosa declined to comment. The EU bought 1.4 billion euros ($1.5 billion) worth of Russian diamonds last year, based on data from Eurostat, as the EU has not banned Russian gem imports nor blacklisted Alrosa.

Anglo American Plc's diamond business De Beers said the diamond industry aims to support the G7 efforts.

"The question is how we can do this collectively and effectively so that all parts of the industry – large and small – are represented," it said in an email.

Before Russia's war with Ukraine, De Beers and Alrosa led global rough diamond sales, with De Beers accounting for 33% in value terms and Alrosa for 24%, based on a De Beers report. As of 2021, global rough diamond sales totalled $16.4 billion, while demand for polished diamonds was $28 billion, the De Beers report showed. Demand for natural diamond jewellery stood at $87 billion, with the United States the largest consumer.

INDIA, AFRICA EXEMPTIONS

As of now, once Russian diamonds are cut and polished outside of Russia, they are considered originating from the country that "transformed" them, diamond analyst Paul Zimnisky said.

"Industry representatives have been quite actively included in this discussion and thus the government officials are being cognisant of and trying to limit the negative impact this will have on centres that are neutral to the issue like India and Africa," he said.

Belgium does not want the extra cost to fall on consumers and jewellers, or to limit the stones that India cuts.

The EU country has suggested the customs checks be centralised in the G7's wholesale entry points for rough and polished stones.

There will be three layers of control and blockchain systems that will generate two G7 certificates for rough and polished items and only then will they be allowed to freely circulate within the G7.

"The Indian polishers can polish whatever they want but (Russian gems) need to be segregated ... At the point when the polished diamond is offered for export, the reference will be made to the original rough, again using a combination of physical inspection and traceability data," the second Belgian official said.

India's Gem & Jewellery Export Promotion Council declined to comment. The system would also exempt African diamond producers.

If an African seller can show the provenance is local and the output remains in line with production statistics then there is no need for a G7 certificate, the Belgian officials added.

"By cutting out Alrosa, we (Belgium) will be as a trading hub cut off from 35-40% of the market," one of the officials said.

In the medium term, Russian gems could be sent to Asian consumers leaving non-Russian diamonds for Western markets, Zimnisky said.

"I think the G7 officials involved with this are taking it quite seriously and I believe they will strictly enforce it. But the enforcement method will be the challenging part."

Top News - Carbon & Power

Chevron Australia says full production resumes at strike-hit Wheatstone LNG plant

Chevron said full production had resumed at its strike-hit Wheatstone liquefied natural gas (LNG) facility in Western Australia after a fault last week cut production by about one-fifth.

Workers began 24-hour strikes over the weekend at Chevron's Gorgon and Wheatstone LNG facilities, which account for over 5% of global supply, escalating what had been six days of brief work stoppages and limited bans on certain tasks.

Strikes would be most effective during outages as restarting equipment requires more workers, according to analysts. But shipping data on LSEG Eikon and Kpler showed Wheatstone continued LNG exports on Friday despite the fault and strikes.

"During (the fault), LNG continued to be produced at approximately 80% of usual rates, and vessel loading continued," a Chevron spokesperson said in an emailed statement.

"There has been no change to scheduled LNG deliveries. Domestic gas facilities and supply were unaffected."

Chevron has asked Australia's industrial tribunal, the Fair Work Commission, to intervene in the ongoing dispute over wages and conditions in a bid to cancel the strikes. The commission will hold a hearing on Friday.

The strikes were set to run until the end of this month but the Offshore Alliance union, a coalition of two unions, on Saturday flagged they intend to file a notice with Chevron to extend their work stoppage plans.

A union official with direct knowledge of the matter said on Monday that workers planned to extend industrial action for another two weeks until the middle of October.

The representative, who declined to be named as he was not authorised to speak to the media, said the union had filed the extension notice to Chevron on Sunday. Mediation talks could happen on Monday and Tuesday, the official said.

The U.S. energy major has previously said it would not provide ongoing comments on the strikes but would take steps to maintain operations if disruptions occur.

Biden’s offshore wind target slipping out of reach as projects struggle

President Joe Biden’s goal to deploy 30,000 megawatts of offshore wind along U.S. coastlines this decade to fight climate change may be unattainable due to soaring costs and supply chain delays, according to forecasters and industry insiders.

The 2030 target, unveiled shortly after Biden took office, is central to Biden's broader plan to decarbonize the U.S. economy by 2050. It is also crucial to targets of Northeast states hoping wind will help them move away from fossil fuel-fired electricity.

"It doesn't mean that there can't still be excellent progress towards this technology that's going to do great things for our nation," said Kris Ohleth, director of the Special Initia-

tive on Offshore Wind, an independent organization that provides guidance and research to the industry.
"It's just not going to be that size by 2030. It's pretty clear at this point."
In recent months soaring materials costs, high interest rates and supply chain delays have led project developers including Orsted, Equinor, BP, Avangrid and Shell to cancel or seek to renegotiate power contracts for the first commercial-scale U.S. wind farms with operating start dates between 2025 and 2028.
Companies say they remain committed to the projects, which have a combined capacity of more than 6,000 megawatts. Yet delays have resulted from the need to strike new contracts and secure specialized equipment in demand all over the world.
"The U.S. will not reach the 30 GW by 2030 target," Samantha Woodworth, North American wind analyst at Wood Mackenzie said in an email, citing "recent upheaval." The energy research firm expects 21 GW of offshore wind along U.S. shores in 2030, breaking 30 GW by 2032.Developers began raising doubts this summer.
"Thirty gigawatts is now unfortunately not something that the developers are really aspiring to," Michael Brown, U.S. country manager for Ocean Winds, an offshore wind joint venture between France's ENGIE and Portugal's EDP Renovaveis, said at a Reuters Events conference in July. "We want to meet as high a gigawatt target as possible, but it's not going to be possible to meet those 30 GW."
Ocean Winds spokesperson Kelly Penot-Rousseau would not comment this week on Brown's remarks. But in the two months since he spoke, the U.S. industry has suffered a string of additional blows.
Last month, an Ocean Winds-Shell project, SouthCoast Wind, agreed to pay $60 million to cancel contracts with Massachusetts utilities.
The same week, Orsted warned it could see impairments of $2.3 billion on three U.S. projects and the industry largely failed to show up for a Biden administration sale of offshore wind leases in the Gulf of Mexico.
White House spokesperson Michael Kikukawa said the administration "is using every legally available tool to advance American offshore wind opportunities and achieve the goal of 30 GW by 2030." He noted industry investments have increased by $7.7 billion since Biden last year signed the Inflation Reduction Act, containing tax credits for clean energy.
Still, offshore wind developers including Orsted have said the IRA's subsidies are insufficient for projects to thrive in the current environment, and are lobbying the administration for additional concessions.

STATESIDE SETBACK

Installing 30 GW of offshore wind by 2030, enough to power 10 million American homes, was an aggressive goal that sparked confidence in the market that the U.S. was serious about offshore wind after years of lagging Europe and Asia.
The nation currently has just two pilot-scale offshore wind farms capable of producing 42 megawatts of electricity.
In a U.S. Department of Energy report in 2022, just one of two independent forecasts predicted the U.S. would have at least 30 GW of offshore wind by 2030. In this year's report, published last month, 2030 forecasts by market research firms 4C Offshore and BloombergNEF were ratcheted down to 26.6 GW and 23.3 GW, respectively.
Those levels lag installation forecasts for nations like China and the United Kingdom over the next decade, according to the DOE report.
DOE spokesperson Samah Shaiq said the 2030 goal "is still within striking distance" and the speed of development would depend on regulatory efficiency, availability of vessels and port infrastructure, grid planning and new turbine technology.
The administration is working on initiatives to address those issues, Shaiq added.
Northeastern states such as Massachusetts, New Jersey and New York need wind power to meet ambitious targets. New York, for example, has a goal to power its grid with 70% renewable energy by 2030.
"The real reason that the Biden administration could set 2030 objectives for offshore wind is because of the U.S. northeastern states," said Doreen Harris, president of the New York State Energy Research and Development Authority (NYSERDA), which is implementing the state's offshore wind mandate of 9 GW by 2035.
NYSERDA warned the state's utility regulator last month that delays in deploying offshore wind could threaten that target and asked the New York State Department of Public Service to approve price increases to contracts with Equinor, BP and Orsted.
Massachusetts Department of Energy Resources Commissioner Elizabeth Mahony said she was confident in the future of offshore wind. The state has a target of procuring 5.6 GW of offshore wind contracts by 2027, with 2.8 GW in operation by 2030, according to the Executive Office of Energy and Environmental Affairs.
A spokesperson for the New Jersey Board of Public Utilities said the state was moving forward with solicitations to reach the state's goal of 11 GW of offshore wind by 2040.
Stephanie McClellan, executive director of the offshore wind advocacy group Turn Forward, said making sure the first fleet of projects succeeds was more important than a particular timeline.
"That's where the attention needs to be placed," she said. "Not what's going to happen in 2030."

Top News - Dry Freight

Two ships headed to Ukraine's Black Sea ports to load grain-official

Two cargo vessels were headed to Ukrainian ports on Saturday, the first to use a temporary corridor to sail into Black Sea ports and load grain for African and Asian markets, a senior Ukrainian government official told Reuters.
Last month Ukraine announced a "humanitarian corridor" in the Black Sea to release ships trapped in its ports since the start of the war in February 2022 and circumvent a de facto blockade after Russia abandoned a deal to let Kyiv export grain.
Five vessels have so far left the port of Odesa, using the corridor which hugs the western Black Sea coast near Romania and Bulgaria.
Ukraine, a leading global food producer and exporter, also wants to use the corridor for its food exports.
Deputy Prime Minister Oleksandr Kubrakov said that two bulk carriers "Resilient Africa" and "Aroyat" ships were already on their way in the Black Sea to the Ukrainian ports to load almost 20,000 tons of wheat for Africa and Asia. Shipping data showed both vessels on routes in the northern Black Sea.
The loadings are a test of Ukraine's ability to reopen sea lanes at a time when Russia is trying to re-impose its de facto blockade, having abandoned the grain deal in July. Moscow has launched frequent drone and missile attacks on the Ukrainian grain export infrastructure.
This week, Ukraine has made several attacks using sea drones and missiles on Russia's Black Sea naval fleet in and around the Crimean peninsula, which was annexed from Ukraine by Russia in 2014.

Poland, Hungary, Slovakia to introduce own bans on Ukraine grains

Poland, Slovakia and Hungary announced their own restrictions on Ukrainian grain imports on Friday after the European Commission decided not to extend its ban on imports into Ukraine's five EU neighbours.
Ukraine was one of the world's top grain exporters before Russia's 2022 invasion reduced its ability to ship agricultural produce to global markets. Ukrainian farmers have relied on grain exports through neighbouring countries since the conflict began as it has been unable to use the favoured routes through Black Sea ports.
But the flood of grains and oilseeds into neighbouring countries reduced prices there, impacting the income of local farmers and resulting in governments banning agricultural imports from Ukraine. The European Union in May stepped in to prevent individual countries imposing unilateral bans and imposed its own ban on imports into neighbouring countries. Under the EU ban, Ukraine was allowed to export through those countries on condition the produce was sold elsewhere.
The EU allowed that ban to expire on Friday after Ukraine pledged to take measures to tighten control of exports to neighbouring countries. The issue is a particularly sensitive one now as farmers harvest their crops and prepare to sell.
EU Trade Commissioner Valdis Dombrovskis said on Friday countries should refrain from unilateral measures against imports of Ukrainian grain, but Poland, Slovakia and Hungary immediately responded by reimposing their own restrictions on Ukrainian grain imports. They will continue to allow the transit of Ukrainian produce.
"As long as Ukraine is able to certify that the grain is going to get to the country of destination, through the trucks and trains, the domestic use ban is not really going to put a dent in Ukraine's ability to get exports out," said Terry Reilly, senior agricultural strategist for Marex. He noted that disruptions to Black Sea exports are a bigger concern.
It is unclear how much Ukraine has pledged to restrict exports or how the new bans would impact the flow of produce from Ukraine. The issue has underscored division the EU over the impact of the war in Ukraine on the economies of member countries which themselves have powerful agriculture and farming lobbies.
Ukrainian President Volodymyr Zelenskiy welcomed the EU's decision not to further extend the ban on Kyiv's grain exports, but said his government would react "in civilised fashion" if EU member states broke EU rules.
But the three countries argue their actions are in the interests of their economies.
"The ban covers four cereals, but also at my request, at the request of farmers, the ban has been extended to include meals from these cereals: corn, wheat, rapeseed, so that these products also do not affect the Polish market," Polish Agriculture Minister Robert Telus said in a statement posted on Facebook.
"We will extend this ban despite their disagreement, despite the European Commission's disagreement," added Polish PM Mateusz Morawiecki. "We will do it because it is in the interest of the Polish farmer."
Hungary imposed a national import ban on 24 Ukrainian agricultural products, including grains, vegetables, several meat products and honey, according to a government decree published on Friday.
Slovakia's agriculture minister followed suit announcing its own grain ban. All three bans only apply to domestic imports and do not affect transit to onward markets.

SOLIDARITY LANES
The EU created alternative land routes, so-called Solidarity Lanes, for Ukraine to use to export its grains and oilseeds after Russia backed out of a U.N.-brokered

Black Sea grain deal in July that allowed safe passage for the cargo ships.
The EU Commission said existing measures would expire as originally planned on Friday after Ukraine agreed to introduce measures such as an export licensing system within 30 days
The EU said there was no reason to prolong the ban because the distortions in supply that led to the ban in May had disappeared from the market.
The EU said it would not impose restrictions as long as Ukraine exercises effective export controls.
Farmers in the five countries neighbouring Ukraine have repeatedly complained about a product glut hitting their domestic prices and pushing them towards bankruptcy.
The countries, except Bulgaria, had been pushing for an extension of the EU ban. Bulgaria on Thursday voted to scrap the curbs.
Romania's government, which unlike its peers did not issue a unilateral ban before May, said on Friday it "regretted that a European solution to extend the ban could not be found."
Romania said it would wait for Ukraine to present its plan to prevent a surge of exports before deciding how to protect Romanian farmers.
Romania sees over 60% of the alternate flows pass through its territory mainly via the Danube river and its farmers have threatened protests if the ban is not extended.
For the last year, Ukraine had moved 60% of its exports through the Solidarity Lanes and 40% via the Black Sea through a U.N. brokered deal that fell apart in July.
In August, about 4 million tonnes of Ukraine grains passed through the Solidarity Lanes of which close to 2.7 million tonnes were through the Danube. The Commission wants to increase exports through Romania further but the plan has been complicated by Russian drone attacks on Ukraine's grain infrastructure along the Danube and near the Romanian border.

Picture of the Day

Palau-flagged bulk carrier Aroyat and general cargo vessel Resilient Africa arrive to the sea port of Chornomorsk for loading with grain, amid Russia's attack on Ukraine, near Odesa, Ukraine September 16.

(Inside Commodities is compiled by Anjana J Nair in Bengaluru)

For questions or comments about this report, contact: **commodity.briefs@thomsonreuters.com**

To subscribe to Inside Commodities newsletter, **click here**.