

# METHODOLOGY

GRAINS, OILSEEDS AND BY-PRODUCTS: BLACK SEA AND AZOV BASINS

GRAINS, OILSEEDS, VEGOILS AND BY-PRODUCTS EXPORT PRICE ASSESSMENTS IN THE BLACK SEA AND AZOV BASINS

## CONTENT

Thomson Reuter provides price assessments for certain types of grains.

Price quotations for export shipments are indicated in the largest sea ports, specializing in grain and oilseed shipments in the countries of the Black Sea region, including both Russia and Ukraine. Grain price assessments are published in the Thomson Reuters information system and in the "GRAINS: BLACK SEA AND AZOV BASINS" bulletin.

## LOCATIONS (BASES)

Bases of grains price assessments are the following sea ports:

- Odessa;
- Chornomorsk;
- Yuzhnyi;
- Novorossiysk;
- Taman';
- Tuapse;
- Azov;
- Rostov.

Some of the ports are classified in conventional groups (see Table 1).

In case of changes in the number of bases monitored by Thomson Reuters this Methodology will be amended.

## QUOTED COMMODITIES

### Grains

Milling wheat (protein content 12.5%, 11.5%);  
Feed wheat;  
Feed barley;  
Feed corn (see Table 2).

### Oilseeds

Rapeseed  
Soybean

### Vegoils:

Crude sunflower oil

### By-products:

Sunflower meal  
(see Table 3)

## DISCONTINUATION OF PRICE ASSESSMENT AND CHANGES IN QUOTE LISTS

Price assessments may be added or deleted from the list at any time with the prior notification if the market situation requires such changes.

## BLANK PRICE ASSESSMENT

In case if the price assessment is temporarily not updated the current value of the price assessment will be marked as UNQ (UNQUOTED) in the system. In case when Thomson Reuters spots absence of sales and receives confirmation from the market participants that there is a lack of trading activity in the market, Thomson Reuters continues publishing the last relevant quotation during 5 (five) working days and terminates the quotation on the 6<sup>th</sup> business day.

## LOT SIZE

### For grains delivery:

For the delivery on CPT basis – more than 1.0 KMT  
For the delivery on FOB basis – more than 35.0 KMT

### For oilseeds delivery – 2-3 KMT

### For by-products delivery:

Vegoil – 5 KMT  
Sunflower meal – 5 KMT

## COMMODITY QUALITY

The quality characteristics of grain lots of the same grade should correspond to the specifications set in the export contract.

The quality characteristics of exported grains comply with the basic standards (see Table 4).

The quality characteristics of exported oilseeds, vegoils and by-products comply with the basic standards (see Table 5).

The actual quality characteristics for grains are set by the export contract.

## DELIVERY BASIS

FOB Odessa, Azov/Rostov, Novorossiysk ports  
CPT Odessa, Azov/Rostov, Novorossiysk ports

## PAYMENT TERMS

Cash payment.

**SHIPMENT PERIOD**

Up to 25-35 calendar days

**PRICE**

For Ukraine: on CPT and FOB basis – in US dollars per metric ton (\$/MT).

For Russia: on CPT basis – in Russian Rubles excluding VAT per metric ton (RUR/MT);  
on FOB basis – in US dollars per metric ton (\$/MT).

**PRICE RANGE**

In US dollars shouldn't exceed 6 \$/MT.

In Russian Rubles shouldn't exceed 1000 RUR/MT.

If it's necessary to get single value it will be equal to the average value of the price range. If the market situation changes sharply the difference between the minimum and the maximum price levels may be increased. The increase in price range is accompanied with the additional comment.

**PUBLICATION FREQUENCY**

Daily (except for weekends and public holidays). The Bulletin is published weekly. The Russian version is published on Wednesdays and the English one is published on Thursdays.

**RELEVANCE**

Price assessments are effective at the date of publication (from 5 p.m. Moscow Time).

**SOURCES OF INFORMATION AND DATA**

Russian and Ukrainian grains & oilseeds markets participants.

**MARKET PARTICIPANTS**

Agri-holdings, international and local grains & oilseeds trading companies.

**DATA CONSIDERED FOR ASSESSMENT**

Information about bids and offers provided by the Market Players and/or actual deals. Anonymity of respondents is guaranteed.

**DATA COLLECTION METHODS**

Polling of market participants via phone, as well as getting information through communication channels (e-mail, fax, etc). Survey is carried out by Thomson Reuters in accordance with the internal procedure for the collection, validation and analysis of pricing information.

**Relevance, credibility and accuracy of the price assessments**

is ensured through the collection, validation and expert analysis of pricing information obtained simultaneously from the maximum possible number of credible market sources that have built a reputation as reliable and trusted counterparties in the Ukrainian and Russian agriculture markets. Price assessments are determined on the basis of various types of credible, reliable and representative market data including information about transactions, bids and offers received from credible buyers and sellers:

- Relevance means that the pricing information used to form an assessment is valid for the period since 11 am till 5 pm Moscow time on the date of publication;
- Credibility means that the information is obtained from reliable sources, that have proven themselves as reliable counterparties to the market participants and credible market sources to Thomson Reuters, and various verification tests and expert analysis have been applied by Thomson Reuters specialists in accordance with the internal procedure of the collection, validation and analysis of pricing information;
- Representativeness means that the identical and/or similar pricing information is received from a representative number of independent/unaffiliated market players;
- Thomson Reuters specialists strictly follow the guidelines of the methodology to avoid inconsistency and inaccuracy in the grains and oilseeds price assessments;
- Corrections. In case if it's required to revise incorrect value of a published price assessment which arose due to technical or other reasons, Thomson Reuters will update the price assessment, release a client notification, publish a revised bulletin and update the electronic database.

**STANDARD NOTES**

Additional Comments can be published to reflect the changes in the market conditions.



TABLE 1. DELIVERY POINTS (LOCATIONS) – PORTS

Water Basin	Port
Black Sea	Odessa <sup>1)</sup>
Black Sea	Chornomorsk <sup>1)</sup>
Black Sea	Yuzhnyi <sup>1)</sup>
Black Sea	Novorossiysk <sup>2)</sup>
Black Sea	Taman <sup>2)</sup>
Black Sea	Tuapse <sup>2)</sup>
Azov Sea	Azov <sup>3)</sup>
Azov Sea	Rostov <sup>3)</sup>

<sup>1)</sup> – combined into a group “Odessa”

<sup>2)</sup> – combined into a group “Novorossiysk”

<sup>3)</sup> – combined into a group “Azov Sea”

TABLE 2. TYPES AND GRADES OF GRAINS QUOTED IN BLACK SEA AND AZOV REGION

	Protein content 11.5%	3 <sup>rd</sup> grade	4 <sup>th</sup> grade
Wheat	Protein content 12.5%	2 <sup>nd</sup> grade	3 <sup>rd</sup> grade
	Feed	4-6 <sup>th</sup> grades	5-6 <sup>th</sup> grades
Barley	Feed		
Corn	Feed		

TABLE 3. TYPES OF OILSEEDS AND BY-PRODUCTS QUOTED IN BLACK SEA AND AZOV REGION

Rapeseed	
Soybean	
Sunflower oil	crude
Sunflower meal	granulated

TABLE 4. BASIC QUALITY SPECIFICATIONS OF GRAINS EXPORTED FROM THE BLACK SEA REGION, INCLUDING RUSSIA AND UKRAINE

Commodity	Quality	Basic Parameters
Wheat	Milling Protein content 11.5%	Test weight – min 750 g/l Moisture – max 14% Gluten – min 23% W – min 170 Falling number – min 230 sec Bug damaged kernels – max 1.5% Foreign admixture – max 2%
	Milling Protein content 12.5%	Test weight – min 770 g/l Moisture – max 14% Gluten – min 25% W – min 180 Falling number – min 250 sec Bug damaged kernels – max 1.5% Foreign admixture – max 2%
	Feed Protein content 10.5%	Test weight – min 720 g/l Moisture – max 14% Grain admixture - max 15.0% Foreign admixture – max 2%
Barley	Feed	Test weight – min 620 g/l Moisture – max 14.0% Grain admixture – max 15.0% Foreign admixture – max 2.0%
Corn	Feed	Moisture – max 14.5% Grain admixture – max 5% Broken kernels - max 2% Foreign admixture – max 2%

The actual quality characteristics for grains are set by the export contract.

TABLE 5. BASIC QUALITY SPECIFICATIONS OF OILSEEDS AND BY-PRODUCTS EXPORTED FROM UKRAINE

Commodity	Quality	Basic Parameters
Rapeseed		Oil content - min 42% Moisture - max 8.0% Oil Impurity - max 8.0% Foreign matter max 2.0% Erucic acid – max 2.0% Glucosinolates max 35 microMol/g Foreign admixture – max 2.0%
Soybean		Protein - min 32.0% oil content - min 18.0% Moisture - max 12.5% Foreign admixture - max 3.0%
Sunflower oil	crude	Free Fatty Acids - max 2.0% Moisture & Impurities maximum - 0.50% Flashpoint minimum 121 centigrade Sediment - max 2.0%
Sunflower meal	granulated	

The actual quality characteristics for oilseeds, vegoils and by-products are set by the export contract.

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