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Sovecon Lifts Russia's 2025/26 Wheat Export Forecast on Strong Shipments and Better-Than-Expected Harvest

Russia is set to export more wheat than previously anticipated in the 2025–2026 marketing season, after the analytical center Sovecon revised its outlook upward. The consultancy raised its forecast by 1.1 million metric tons to 45.7 million tons, citing faster shipment pace and stronger harvest results than earlier estimates.

According to Sovecon, Russian wheat exports accelerated markedly toward the end of last year. November shipments hit a record high of 5.2 million tons, while December deliveries totaled 4.2 million tons—the largest volume for that month in eight years. The surge reflects both improved supply conditions and resilient international demand.

Sovecon also pointed to steady buying interest from Russia's major customers. Key importers, including Egypt and Saudi Arabia, have made sizable recent purchases, helping to sustain export momentum despite volatility in global grain markets.

The revised projection underscores Russia's continued dominance in the global wheat trade. With logistics running smoothly and overseas demand holding firm, analysts expect Russia to remain one of the world's leading wheat suppliers in the upcoming season. ⁴

Commodity Auctions: Results For 27.01.2026

Purchase

OOO Trading House Sodruzhestvo

Soybean 40 (incl. VAT) | 32,750 ₺/t | 200 t

OOO Trading House Sodruzhestvo

Soybean 40, Far East (incl. VAT) | 25,000 ₺/t | 1,000 t

OOO Trading House Sodruzhestvo

Soybean 38 (incl. VAT) | 30,750 ₺/t | 500 t

OOO Trading House Sodruzhestvo

Sunflower (incl. VAT) | 41,500 ₺/t | 500 t

OOO Zakazchik No. 1

Wheat, Grade 4, 12.5% (excluding VAT) | 16,150 ₺/t | 600 t

OOO Zakazchik No. 1

Wheat, Grade 4, 12.5% (excluding VAT) | 15,653 ₺/t | 620 t

OOO OZK Trading

Wheat, Grade 4, 12.5% (excluding VAT) | 16,250 ₺/t | 1,200 t

OOO OZK Trading

Wheat, Grade 4, 12.5% (excluding VAT) | 15,330 ₺/t | 300 t

OOO CHERKIZOVO-MASLA

Soybeans, 40% (including VAT) | 33,050 ₺/t | 500 t²

Grain Shipping to Black Sea Ports to Get Costlier in 2026 as Export Flows Shift

The cost of transporting grain to Russia's Azov–Black Sea ports is set to rise sharply in early 2026, reflecting growing export volumes and longer delivery routes from inland regions. According to estimates from the Center for Price Indices (CCI), the average rental rate for a grain railcar in the first quarter of 2026 will reach about 3,300 rubles per wagon per day. At the same time, the cost of delivering one metric ton of grain from central Russia to southern ports is projected at around 4,000 rubles.

These figures represent a significant increase compared with previous levels. CCI calculates that railcar rental rates will rise by roughly 22%, while the per-ton delivery cost will climb by about 14.3%.

Market participants told Kommersant that transport expenses are rising alongside expanding grain exports and a shift in supply geography. With smaller volumes coming from the southern regions, exporters are increasingly sourcing grain from more distant areas, lengthening routes and pushing logistics costs higher.

Wheat shipments to port terminals are now growing from the Volga region, the Central Black Earth area, and even Siberia. In contrast, exports from the traditional southern producing regions are declining. This trend is partly explained by weaker harvest results in the south. Data from Rosstat show that the gross grain harvest in the Southern Federal District fell by 8.9% in 2025.

As exporters rely more heavily on remote regions to meet foreign demand, analysts expect transportation costs to remain elevated, adding pressure to margins and potentially influencing pricing in global grain markets. 3

Finance Ministry Explains VAT Rules for Imports from Belarus via Third-Country Intermediaries

Russia's Ministry of Finance has clarified how the value-added tax (VAT) base should be calculated when goods are imported from Belarus into Russia through an intermediary that is not a resident of the Eurasian Economic Union (EAEU). The guidance is set out in Letter No. 03-07-13/1/108292 dated November 10, 2025.

The ministry reviewed a delivery scheme in which a Russian limited liability company purchases goods from a Belarusian joint-stock company via a trading company based in the United Arab Emirates. Under the arrangement, the UAE resident buys the products from a warehouse in Belarus on a prepayment basis, with ownership transferring there. The goods are then shipped to Russia with deferred payment terms and ownership passing to the Russian consignee. Transportation is handled by carriers that are residents of either Russia or Belarus.

According to the Finance Ministry, the VAT tax base in such cases is determined under paragraph 14 of Protocol No. 18 to the Treaty on the EAEU. The base is calculated as of the date the goods are recorded for accounting purposes by the importer. It is equal to the transaction value paid to the supplier under the contract, plus any applicable excise duties.

The ministry also addressed how transport costs should be treated. It noted that expenses for moving goods within the EAEU — in this case, from Belarus to Russia — are not included in the VAT base, even if the logistics are organized by a company from a third country such as the UAE. The key condition is that these transportation costs must not be incorporated into the price of the goods by the seller.

This clarification reinforces the principle that, under EAEU rules, intra-union transport costs are excluded from the VAT base when importing goods between member states. The guidance is expected to be particularly relevant for companies using complex supply chains involving intermediaries from outside the EAEU. 6

Russia and Kazakhstan Step Up Agricultural Science and Technology Cooperation at Gulfood 2026

Russia and Kazakhstan are deepening their scientific and technological cooperation in agriculture, following talks between Russian Agriculture Minister Oksana Lut and her Kazakh counterpart, Aidarbek Saparov. The discussions took place on the sidelines of the Gulfood 2026 International Food and Beverage Exhibition, one of the world's крупнейших отраслевых форумов for the food and agribusiness sector.

During the meeting, both sides подчеркнули, that Kazakhstan remains one of Russia's key strategic partners in agriculture. The two countries maintain close контакты across a wide range of отраслевых вопросов, from crop production and livestock to education and irrigation.

A central focus of the talks was joint work in plant breeding and seed production. The ministers noted that cooperation in this area is critical for ensuring food security, improving урожайность, and adapting crops to changing климатические условия. They also discussed efforts to boost the efficiency and sustainability of livestock farming through the exchange of technologies, research, and best practices.

Particular attention was paid to the development of irrigation systems, which are increasingly important for stable agricultural output in both countries. In addition, the sides highlighted the role of agricultural education and training, including cooperation between universities and research centers, as a foundation for long-term sector growth.

At the conclusion of the meeting, Lut and Saparov reviewed priorities for further collaboration in these and other areas of the agro-industrial complex. They agreed to continue strengthening ties in science, technology, and innovation, with the aim of increasing productivity, competitiveness, and resilience of the agricultural sectors in both Russia and Kazakhstan. 7

Kazakhstan Names Irrigation, Education and Breeding as Priorities in Agricultural Cooperation with Russia

Kazakhstan's Agriculture Minister Aidarbek Saparov has outlined key priorities for expanding scientific and technological cooperation with Russia in the agro-industrial sector, highlighting irrigation, personnel training and agricultural education as central to sustainable growth. The remarks were made during a working meeting with Russian Agriculture Minister Oksana Lut on the sidelines of the international food and beverage exhibition Gulfood 2026, the Kazakh Agriculture Ministry said in a statement.

According to the ministry, Saparov stressed that developing modern irrigation systems and strengthening agrarian education are crucial for boosting productivity and ensuring long-term resilience in the sector. He also pointed to the importance of preparing qualified specialists, noting that human capital is a decisive factor in the modernization of agriculture.

During the talks, Saparov reaffirmed that Russia remains one of Kazakhstan's most important partners in agriculture. The two countries, he said, maintain an ongoing dialogue and are implementing joint initiatives aimed at increasing the efficiency of agricultural production. These efforts include exchanging scientific research, developing a strong breeding and seed base, and introducing advanced practices in livestock farming.

The ministers also discussed prospects for expanding cooperation in crop selection and seed production, as well as the use of modern technologies in animal husbandry. Both sides agreed on the need to further strengthen scientific and technological interaction between Russia and Kazakhstan and emphasized the high potential for joint projects in these areas.

The meeting at Gulfood 2026 underscored the shared interest of Moscow and Astana in deepening cooperation to support innovation, food security and competitiveness in their respective agricultural sectors. 4

Grain Markets Dip as Traders Reassess Winter Storm Impact

Wheat futures on the Chicago Board of Trade (CBOT) retreated on Tuesday after climbing to a six-week high a day earlier, as concerns about potential crop damage from cold weather in the United States and Russia began to subside. Corn and soybean futures also moved lower after reaching multi-week peaks.

Markets had been focused on weather conditions following a powerful winter storm that swept across large parts of the United States over the weekend. Temperatures dropped to extreme lows in key growing areas, raising fears of damage to winter wheat. According to weather analytics firm Vaisala, the severe cold likely affected crops in much of Nebraska, northwest Kansas and northeast Colorado.

However, forecasters said snowfall in other regions brought some relief. Snow cover improved soil moisture levels and provided insulation against harsh frosts, reducing the risk of widespread crop losses.

“We got more snow than we expected,” said Don Roose, president of U.S. Commodities, noting that the additional snowfall offered protection to winter wheat in several areas.

Similar developments were reported in Russia, where a substantial snowpack has eased worries about serious frost damage to fields. The insulating effect of snow is expected to help shield winter crops from prolonged cold spells.

The most active CBOT wheat contract fell 7 cents to \$5.22½ a bushel after earlier rising to \$5.33¼, its highest level since December 12. Analysts said it will take time to fully assess the impact of the recent cold snap.

“Frost, snow and ice covered much of the U.S. over the weekend, putting some of the winter wheat crop at risk. It will take time to evaluate the real extent of any damage,” analysts at CM Navigator said.

Meanwhile, in Ukraine’s wheat market, both demand and supply remain subdued. Processors are well stocked with raw materials, and exporters are largely posting only indicative prices, showing little urgency to conclude new contracts. This has kept trading activity muted despite recent movements in global futures markets.¹

India Pushes to Cut Palm Oil Imports with Massive Expansion of Domestic Plantations

India has made sharply reducing its dependence on imported palm oil a central pillar of its agricultural and food security policy, launching an ambitious drive to boost domestic production over the rest of the decade. The government aims to raise palm oil output from about 350,000 tonnes in 2020 to 2.3 million tonnes by 2029, according to officials and industry sources.

At present, India relies heavily on foreign supplies for its edible oil needs, importing roughly 57% of total consumption. It is the world's largest buyer of palm oil, accounting for around 19% of global trade. Most of these imports come from Indonesia, which is considering curbing palm oil exports from 2027 as it prioritizes domestic biofuel production. That prospect has added urgency to New Delhi's push to build up its own palm sector.

Under the National Mission on Edible Oils – Oil Palm (NMEO-OP), launched in 2021, the government is expanding plantation areas across suitable regions. In the current fiscal year (April 1, 2025–March 31, 2026), authorities have allocated 52,100 hectares of new land for oil palm cultivation. Since the program began, about 241,000 hectares of new plantations have already been established.

India currently grows oil palm on roughly 600,000 hectares. The near-term goal is to add another 200,000 hectares, with a longer-term target of covering at least 1 million hectares by 2029. Officials say that as many as 2.8 million hectares nationwide have been identified as suitable for palm cultivation.

To support the expansion, India has been importing palm seedlings, which are typically raised in nurseries for about 18 months before being transplanted into fields. In 2025, the government approved the creation of specialized plantations to grow seedlings directly from seeds in order to scale up supply and reduce reliance on imported planting material.

Palm oil is seen as particularly attractive because of its high productivity. The oil yield per hectare can be up to 10 times greater than that of other major oilseed crops such as soybeans, sunflowers, rapeseed, mustard and peanuts. By developing the palm industry, policymakers hope to diversify supply risks and improve the country's edible oil balance.

However, analysts caution that eliminating dependence on imports is unrealistic in the foreseeable future. Even if India were to plant the full 2.8 million hectares identified as suitable, the area would still be far smaller than Indonesia's, where oil palm covers about 16.8 million hectares. In addition, oil palms take time to mature: trees typically begin bearing fruit only after three years, and reach peak productivity between 15 and 18 years.

As a result, while India's palm oil push is expected to reduce import needs over time, foreign supplies are likely to remain a critical part of the country's edible oil market for many years to come. ¹

China to Launch Up to 500 High-Tech Agricultural Zones in Push for Modernization by 2030

China is planning a major acceleration of agricultural modernization over the next five years by creating a network of special demonstration zones where advanced technologies and institutional reforms will be tested and rolled out nationwide. According to a statement from the Ministry of Agriculture and Rural Affairs, the country aims to establish and officially certify up to 500 such zones by 2030.

The initiative is designed to turn selected regions into showcases for modern farming, combining digital tools, mechanization, green technologies and new management practices. Officials say the zones will serve as laboratories for innovation and as models that can later be replicated across the country.

Under the plan, development will focus on six priority areas. These include grain production to safeguard food security, livestock farming to improve efficiency and biosecurity, and specialized, high-efficiency agricultural sectors such as horticulture and aquaculture. Other priorities are intelligent agriculture, which integrates big data, artificial intelligence and smart machinery; urban agriculture to support food supply for large cities; and farming systems adapted to drought-prone and water-scarce regions.

The ministry said the establishment of the zones is a key tool for coordinating efforts to promote high-tech and environmentally friendly agriculture, raise product quality and strengthen branding in the farm sector. By concentrating resources and reforms in designated areas, authorities hope to accelerate the transition from traditional farming to a more innovative and sustainable model.

In addition to boosting productivity, the program is expected to support rural development by improving infrastructure, attracting investment and creating higher-value agricultural industries. Officials emphasized that a central goal is to develop “replicable and scalable” models that can be copied in other parts of the country, ensuring that the benefits of modernization extend well beyond the pilot zones.

With the rollout of up to 500 demonstration areas by 2030, China is signaling that agricultural modernization will remain a core pillar of its broader economic and rural revitalization strategy. ¹

Analysts See Stable Yuan in 2026 as Trade Flows and Policy Keep Currency in Check

The Chinese yuan is expected to remain relatively stable and predictable in 2026, easing some of the currency uncertainty facing companies engaged in trade with China. Exchange rates have become a key variable for international business planning, and for firms working with Chinese partners the yuan is now as important to monitor as logistics and product quality.

According to an expert forecast published by the Chinalogist portal, the dollar–yuan exchange rate in the first half of 2026 is likely to fluctuate within a narrow range of 6.9 to 7.3 yuan per dollar. Analysts say this would imply a slightly stronger yuan compared with recent years, but without sharp swings. Some market participants also see room for a moderate appreciation of the Chinese currency if global trade volumes expand and the U.S. dollar weakens at certain points in the cycle.

China’s strong export performance continues to support demand for the yuan. When exporters sell goods abroad and convert foreign-currency earnings back into yuan, it creates steady underlying support for the domestic currency. At the same time, internal economic challenges — including deflationary pressures and subdued consumer demand — along with the cautious currency management policy of the People’s Bank of China, are expected to prevent any rapid strengthening.

Another factor influencing the yuan is China’s gradual effort to reduce the role of the U.S. dollar in its currency basket and settlement system. The share of the dollar in indices such as CFETS is being trimmed, while in a growing number of countries trade settlements and financial transactions are being conducted in yuan or in mixed currency formats. Even so, analysts stress that the dollar will remain the main anchor currency for large international contracts for the foreseeable future.

For businesses, this outlook carries several implications. First, currency risks will persist: even without major economic shocks, costs denominated in yuan can shift as global demand for currencies and the monetary policies of major economies evolve. Second, cost planning becomes more important. Companies are advised to budget using exchange-rate ranges rather than relying on a single daily quote. Third, China’s gradual move away from dollar dependence could, over time, make regional trade in Asia smoother by lowering transaction costs and speeding up settlements.

Experts emphasize that this is a gradual, structural process rather than a one-off change. For 2026, many see a base-case scenario of 6.9–7.3 yuan per dollar, or roughly 11–12 rubles per yuan, as a reasonable planning range for companies involved in foreign trade with China.⁵

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