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Russia Achieves Top-Five Grain Harvest in Two Decades, Agriculture Shows Steady Growth

In its annual report to the State Duma, Prime Minister M.V. Mishustin highlighted the robust performance of Russian agriculture. Last year, the sector's output grew by nearly 5%, with the nation's grain harvest ranking among the top five recorded in the past 20 years. [6]

Russia Diversifies Oilseed Meal Export Markets Amid EU Trade Barriers

The share of Asian and neighboring countries in Russia's oilseed meal export structure has increased significantly over the past three years, according to estimates from Agroexport.

In the first five months of the 2025/26 marketing year (excluding January and deliveries to the EAEU and certain other destinations), Russian exports of oilseed meals—including sunflower, soybean, rapeseed, and flax—are estimated at around 1.5 million tons. This volume is broadly in line with shipments recorded during the same period of the previous season.

Asian and neighboring countries accounted for more than 66% of total exports, a sharp increase from approximately 30% in the 2022/23 season. Meanwhile, the Middle East maintained a stable share of about 24%, unchanged compared with three years ago. In contrast, exports to the European Union declined significantly following the introduction of protective import duties on Russian agricultural products.

North Africa has also emerged as a new destination for Russian oilseed meals. While no shipments were recorded to the region just two to three years ago, recent transactions with importers in Morocco and Egypt have lifted North Africa's share to around 2%, highlighting further growth potential.

Looking ahead to the second half of the 2025/26 marketing year, export prospects for rapeseed and soybean meal remain strong. Key buyers include China, Belarus, Turkey, and Kazakhstan, supported by abundant raw material availability following Russia's record oilseed harvest in 2025.[5]

Russian Grain Exports Drop, but Recovery Prospects Remain for 2025/26

Russian grain exports declined significantly during the first half of the 2025/26 marketing season, reflecting increased global competition and unfavorable market conditions.

Between July and January, total grain shipments fell by 16% year-on-year to 36.9 million tons. The decline was primarily driven by a global wheat surplus, which intensified competition from major exporters including the European Union, Australia, and Argentina.

As a result, Russia's export geography has narrowed, with grain supplied to 49 countries compared to 69 previously. Egypt, Russia's largest buyer, reduced its purchases by 21% during the period.

Export profitability has also been affected by falling wheat prices, which dropped from $196 to $171 per ton, while the strengthening ruble has further reduced the competitiveness of Russian grain in global markets. In addition, export quotas have constrained shipment volumes.

Despite these challenges, recent data indicates signs of improvement. Wheat exports increased by 18% in January, and total grain exports for the full 2025/26 season are projected to reach between 45 million and 50 million tons.

At the same time, Russian farmers are actively diversifying their export portfolio. Shipments of alternative crops such as soybeans, rapeseed, and flax are expanding, with soybean exports rising by nearly 58%, helping offset weaker grain trade performance. [3]

Russian Corn Exports to China Rise Despite Fierce Competition

China's demand for feed grains has surged as domestic corn quality suffers following prolonged rainfall, prompting buyers to turn to foreign suppliers, according to Reuters.

Despite a record 2025 corn harvest of 301.2 million tonnes—up from 294.9 million tonnes the previous year—crop quality issues have forced China to increase import purchases. The USDA now forecasts China's corn imports will reach 8 million tonnes by the end of the 2025/26 marketing season, up sharply from 1.8 million tonnes last season.

Key suppliers include Brazil, the United States, Russia, and Ukraine. Trade tensions have severely limited American corn shipments to China in 2025, while Brazil and Russia have significantly expanded their market share. According to China's State Customs Service, Brazil's share of corn imports rose from 47% in 2024 to 61% in 2025, and Russia's share jumped from 1% to 17%.

To shield domestic livestock production from rising feed costs, the Chinese government has established an import quota of 7.2 million tonnes of corn at a 1% duty, with tariffs of 65% applying above the quota. This policy has also shifted attention toward alternative feed grains such as sorghum and barley, which are not subject to quotas.

American sorghum sales to China totaled 1.6 million tonnes between November 2025 and January 2026, with total orders reportedly reaching at least 2.5 million tonnes. Meanwhile, Australian barley imports have remained steady at around one million tonnes since December, driving a roughly 10% price increase.

Amid this environment, Russian corn exports to China have grown steadily. Agroexport estimates indicate that from September 2025 to mid-February 2026, Russian shipments totaled about 0.3 million tonnes, up from 0.1 million tonnes in the same period last season. Despite intense competition, Russia is expected to remain one of China's key corn suppliers this season.

Additionally, rising Chinese demand for other feed crops, particularly barley, presents further opportunities for Russian exporters to expand their presence in the market. [4]

Black Sea Sunflower Oil Market Faces Pressure from Argentine Supply

Sunflower prices in Ukraine have declined slightly following last week's seasonal highs, pressured by power supply problems in southern Ukraine and news of Bulgaria sourcing sunflower from Argentina. Factory shutdowns due to electricity shortages have reduced competition among local buyers, while increased supplies of Argentine sunflower have raised concerns in both India and the European Union.

Sunflower oil delivered to India fell by $10 per ton to $1,400/t CIF Mumbai, while Russian sunflower oil offers dropped $10–30/t to $1,280/t FOB. These decreases contributed to a $10/t reduction in sunflower oil demand prices in Ukraine, now at $1,270–1,280/t delivered to ports.

Domestic sunflower purchase prices in Ukraine also eased by 500 UAH/t to 29,500–30,500 UAH/t (approximately $600–620/t) for 50% oil content delivered to processing plants. High prices last week had prompted processors to contract large volumes of raw materials, but some plants halted purchases due to electricity shortages. By comparison, prices a year ago peaked at 27,500–28,500 UAH/t and began declining at the end of February.

In Bulgaria, the National Association of Grain Producers (NAG) warned that large-scale imports of Argentine sunflower—expected to account for roughly one-sixth of the country's total production—will put significant pressure on domestic prices. Currently, around 600,000 tons of unsold Bulgarian sunflower remain in warehouses, raising concerns over storage and material safety.

Argentina's sunflower harvest is progressing rapidly, with 3.1 million hectares (38% of the area) threshed as of February 21. Production forecasts remain at 6.2–7.2 million tons, up from 5.2 million tons in 2025 and 4.5 million tons in 2024.

Analysts predict that in early March, increased seasonal supply of oilseeds and vegetable oils will likely push sunflower prices lower across regional markets. [1]

Ukraine's War-Related Economic Losses Rise to $1.7 Trillion, KSE Estimates

Ukraine's revenue and value-added losses from Russia's full-scale invasion are estimated at $1.7 trillion and $0.6 trillion respectively, according to analysts at the Kyiv School of Economics (KSE).

"The previous estimate, published in July 2024, put revenue losses at $1.164 trillion and value-added losses at $385.7 billion. The increase reflects updated methodology, new company- and sector-level data, and an extended analysis period covering losses through the end of 2026," the KSE experts said.

The largest losses are concentrated in productive sectors of the economy. Trade suffered the most, with estimated losses of $696.3 billion, followed by industry, construction, and services at $645.6 billion, and agriculture at $81.9 billion. Key infrastructure sectors were also heavily affected, including energy ($75.3 billion) and transport ($60.2 billion).

The conflict has also triggered substantial additional expenditures. Housing-related costs totaled $26.8 billion, demining efforts reached $24.6 billion, government social support rose to $7.5 billion, and dismantling of destroyed facilities and debris removal accounted for another $13 billion, KSE reported. [2]

Cereals, Oils, and Dairy Lead Ukraine's Agricultural Exports in 2025

Ukraine's main agricultural exports have traditionally included cereals, oils and fats, oilseeds, processing industry residues, and meat and offal. In 2025, a combined group of dairy products, eggs, and honey was added to the list, according to the press service of the National Scientific Center Institute of Agrarian Economics.

Deputy Director of the Center and Academician of the National Academy of Sciences of Ukraine, Mykola Pugachev, reported that these categories accounted for 86% of the country's agricultural exports in monetary terms.

Despite the worsening security situation at Black Sea ports, the beginning of 2026 showed positive export indicators. In January alone, Ukraine earned $2.0 billion from the sale of around 5 million tons of food on foreign markets.

Looking ahead, the prospects for Ukrainian agricultural exports this year will depend not only on the availability of supply but also on the ability to maximize the use of logistics infrastructure, particularly maritime transport, Pugachev noted. [1]

EAEU Simplifies Rules for Confirming Country of Origin of Imports

The Eurasian Economic Union (EAEU) has simplified the procedures for confirming the country of origin of goods imported into the Union's customs territory.

The Council of the Eurasian Economic Commission recently amended the non-preferential rules for determining the origin of goods, aligning them with modern foreign trade practices and reducing the number of documents required for customs clearance.

Under the new rules, certificates originally issued for preferential purposes—such as obtaining tariff reductions—can now also be used to confirm non-preferential origin, provided the goods meet the criteria for sufficient processing.

"Previously, businesses importing from countries with free trade agreements needed to issue two separate documents: one for tariff preferences and another for non-preferential origin confirmation," explained Alexander Kontorin, deputy head of the international legal support department at Agroexport. "Now, if a certificate for tariff preferences satisfies non-preferential requirements, it can serve both purposes."

Additionally, certificates may now indicate any EAEU member state as the country of destination, facilitating customs clearance when the consignee changes.

The amendments, adopted by the EEC Council's Decision No. 11 on February 13, 2026, will come into force on March 15, 2026. [5]

EAEU-Mongolia Deal Expected to Increase Cargo Flows and Simplify Customs

Kazakhstan has officially ratified the interim trade agreement between the Eurasian Economic Union (EAEU) and Mongolia, creating a preferential trade regime covering 367 commodity positions and accounting for over 90% of current trade turnover between the two sides.

The agreement is expected to have a notable impact on Russian exporters and importers. Duties on a broad range of goods will be reduced or eliminated, enhancing the competitiveness of Russian products in the Mongolian market, particularly in non-primary segments. For Mongolian importers, access to raw materials and components will be simplified, potentially lowering production costs within the EAEU, including Russia. Given Mongolia's heavy reliance on Russian supplies—around $2.8–2.9 billion in trade turnover in 2024—the benefits are likely to materialize quickly.

Logistics and transport sectors are also set to benefit. Increased cargo flows along Russia–Mongolia–EAEU rail and road routes are anticipated, providing new opportunities for carriers, freight forwarders, and logistics operators. Simplified customs procedures and reduced non-tariff barriers will further decrease border delays and risks, a crucial advantage for businesses operating on thin margins in foreign trade.

Experts advise companies to review whether their products fall within the 367 preferential commodity positions and recalculate the economics of transactions based on reduced duties. Businesses should also explore localizing non-primary goods supplies to Mongolia, as the agreement favors high-value products. Logistics operators are encouraged to plan routes and tariffs in advance to capitalize on the expected increase in cargo flows.

For Russian businesses, Kazakhstan's ratification is far more than a technical step—it represents a genuine market expansion with clear demand and established trade flows.

The agreement was ratified under the **Law of the Republic of Kazakhstan No. 265-VIII, dated February 17, 2026**, titled *"On the Ratification of the Interim Trade Agreement between the Eurasian Economic Union and Mongolia."* [3]

EU Sunflower Seed Imports from Russia Reach Five-Year High

The European Union significantly increased its sunflower seed imports from Russia in 2025, reaching the highest level in five years, according to RIA Novosti estimates based on Eurostat data.

European companies purchased €25.6 million worth of sunflower seeds from Russia last year, compared with just €3.7 million in 2024, marking a nearly sevenfold year-on-year increase. Although this volume remains below the 2020 peak of €172.9 million, it represents the largest import level in the past five years.

In 2025, France, Germany, and the Netherlands accounted for all EU purchases of Russian sunflower seeds, highlighting concentrated demand among major European buyers.[6]

Romania Emerges as Key Rapeseed Supplier in EU Biodiesel Strategy

The European Union is stepping up its transition to green energy targets by reducing reliance on palm oil and phasing out soy-based biodiesel from its renewable energy mix. Anti-dumping duties on Chinese biodiesel have further incentivized the EU to rebuild domestic refining capacity and boost demand for rapeseed oil.

In this context, a strategic focus on local rapeseed production is taking shape. Romania is solidifying its role as a key supplier of raw materials within the EU, with planned area expansions in the 2026/27 marketing year setting the stage for a stronger position in the biodiesel sector.

Ukraine is also increasing rapeseed oil exports through the expansion of domestic processing, but the EU aims to reduce dependence on external risks, including military tensions and logistical challenges.

Looking ahead to 2026/27, EU rapeseed cultivation is expected to expand, competition for raw materials will intensify, and the importance of internal processing is projected to grow, reflecting a broader trend towards regional self-sufficiency in the renewable energy sector. [1]

Pakistan's Wheat Sale Could Weigh on Global Grain Markets

Pakistan's Economic Coordination Committee (ECC) has approved the sale of 500,000 tonnes of wheat from government reserves at lowered starting prices, following a previous auction that failed to attract sufficient bids. The move is designed to reduce storage costs and manage surplus grain stocks amid high warehousing and financing expenses.

The wheat, held by the state-owned PASSCO Corporation, will be sold through competitive bidding on a first-in, first-out (FIFO) basis. New reserve prices have been set at Rs 4,150 (US$14.85) per 40 kg for domestically procured wheat and Rs 3,800 (US$13.60) per 40 kg for imported wheat. The earlier auction at higher prices saw limited buyer participation.

Pakistan is one of Asia's largest wheat consumers, and the sell-off could reduce its potential import needs in the coming months, adding competitive pressure on exporters from the Black Sea region, the EU, and Australia amid ample global supply.

Domestically, the auction could influence flour price dynamics and improve processors' liquidity. Competitive bidding would also allow the government to reduce fiscal pressure while partially offloading state reserves. [1]

USDA Reports 45% Drop in Soybean Exports, Pressures Chicago Futures

Soybean futures on the Chicago Board of Trade fell by up to 0.5% following several volatile trading sessions, as traders grappled with the implications of recent changes in President Donald Trump's tariff regime on U.S. crop supplies, Bloomberg reported.

Prices continue to retreat from a three-month high as U.S. Department of Agriculture (USDA) data indicates a decline in demand for American soybean exports, compounded by lingering market uncertainty.

"Uncertainty has reached its peak, and everyone is trying to cope with the growing gap between political statements and reality," Bloomberg quoted analysts from Argus.

Trump's new 10% tariff on imports from all countries took effect on February 24, though the possibility of an increase to 15% remains unclear. Market participants are closely watching for further guidance on trade policy in upcoming speeches.

Meanwhile, USDA data for February 12–19 shows soybean exports of roughly 670,000 tons, a 45% decrease compared to the previous week, further weighing on futures. [1]

Netanyahu Government Targets 50% Tariff on Non-U.S. Feed Wheat to Boost American Imports

Israel is preparing further trade concessions for the United States on food and agricultural products in a bid to persuade its closest ally to ease tariffs on exports from the Jewish state.

Prime Minister Benjamin Netanyahu's government plans to abolish the duty-free quota and impose a 50% tariff on feed wheat imported from countries other than the U.S., starting in April, Israel's Deputy Trade Commissioner Yifat Alon Perel told Bloomberg. The move is intended to make American wheat more competitive against traditional suppliers, particularly Russia, which accounted for 60% of Israel's wheat imports last year according to the USDA.

Officials hope these measures will facilitate a deal to reduce U.S. tariffs on Israeli goods. Although Netanyahu previously eliminated tariffs on American products, current negotiations aim to cut the U.S. wheat tariff by 50% and provide duty-free treatment for several key sectors, without reducing the rate to zero in the near future, according to Trade Commissioner Roey Fischer.

The U.S. Supreme Court recently struck down former President Trump's global tariffs, but he immediately replaced them with other measures. Israel's plans to give preference to American wheat remain unchanged. In addition, Israel intends to spend up to 600 million shekels ($193 million) over the next decade to subsidize freight costs for U.S. wheat used for food or milling purposes, while wheat for human consumption remains duty-free for all exporters.

The ongoing adjustments have raised concerns domestically. Lawmakers are delaying approval of a revised free trade agreement with the U.S., demanding guarantees for compensation to farmers. Agriculture Minister Avi Dichter warned, "For some industries, this is a death sentence." Farmers argue that higher tariffs on feed wheat from non-U.S. countries could further increase already high food prices. Dubi Amitai, chairman of the business sector presidium, said during a parliamentary hearing, "The price of chicken will increase by 50–70%."

According to USDA forecasts, Israel's wheat imports are expected to rise to 2.15 million tons in the current marketing year, driven by demand from farmers with insufficient pasture for livestock. Meanwhile, Israel's trade surplus with the United States narrowed from $7.4 billion in 2024 to $6.7 billion last year.[1]

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