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Russia Remains Key Wheat Supplier to Mongolia as Import Demand Grows

Russia has significantly expanded wheat exports to Mongolia in the 2025/26 marketing season. From the start of the season through February 20, shipments reached approximately 94,000 tons, compared to 17,000 tons during the same period a year earlier — an increase of 5.5 times.

According to forecasts from the US Department of Agriculture (USDA), Mongolia is expected to import around 255,000 tons of grain in 2025/26, more than double the previous season's level. Russia remains Mongolia's dominant wheat supplier, covering nearly 100% of its import needs, with most shipments originating from Siberian regions.

Lower Harvest Drives Import Demand

Data from the National Statistical Office of Mongolia show that Mongolia's 2025 grain harvest declined by nearly 33% to 267,500 tons due to reduced sowing areas and lower yields. Meanwhile, domestic wheat consumption is forecast at 535,000 tons in 2025/26, only slightly below the previous year's 540,000 tons.

Reduced opening stocks — estimated at 33,000 tons compared to 50,000 tons a year earlier — are also contributing to higher import requirements.

Flour Production Expands

At the same time, Mongolia has increased domestic flour output. Between July 2025 and January 2026, flour production rose 23% year-on-year to 106,500 tons. This shift has led importers to increasingly favor wheat purchases over flour imports. As with wheat, Russia remains the leading supplier of flour to the Mongolian market.

Analysts at Agroexport note that further growth in Russian wheat shipments appears likely this season, while next year's trade dynamics will largely depend on Mongolia's harvest results. [4]

Russian Farmers Favor Sunflower Over Spring Wheat in 2026

Russia may see sunflower planted on a larger area than spring wheat for the first time in 2026, reflecting shifting profitability trends in the agricultural sector.

According to Dmitry Rylko, head of the Institute for Agricultural Market Studies (IKAR), farmers are increasingly favoring sunflower due to its higher margins and greater resilience to drought conditions.

IKAR forecasts indicate that spring wheat area in 2026 could total around 11 million hectares, while sunflower plantings are expected to exceed that level. Overall oilseed acreage may approach a record 22 million hectares.

Meanwhile, spring wheat area has been steadily declining. Data from Rosstat show that 12.4 million hectares were sown with spring wheat in 2024, falling to 11.1 million hectares in 2025.

The shift underscores structural changes in Russian crop rotations, as producers adapt to market signals and climatic risks. [5]

Russia's 2025 Grain Harvest Rises 12.1% to 141.2 Million Tons

Russia harvested 141.2 million tons of cereals and legumes in 2025, marking a 12.1% increase year-on-year, according to final data released by Rosstat.

Wheat production reached 91.1 million tons, up 10.3% compared to the previous year. Barley output rose by 18% to 19.7 million tons, while corn for grain totaled 14.8 million tons, an increase of 6.1%. Legume production showed the strongest growth, surging 47.9% to 8 million tons.

The average grain yield improved to 33 centners per hectare, compared with 28 centners per hectare a year earlier.

Oilseed production also expanded significantly, rising 13.8% to 34.4 million tons. Sunflower harvest reached 17.5 million tons (+3.6%), soybean output climbed 28% to 9 million tons, and rapeseed production increased 18.4% to 5.5 million tons.

The data highlight stronger productivity and overall growth in Russia's crop sector in 2025, supported by improved yields and expanded oilseed output.[3]

Rising Oil Prices May Support Ruble, Russian Lawmaker Says

The Russian ruble could strengthen amid escalating tensions in the Middle East, according to comments from a senior lawmaker in Russia.

Anatoly Aksakov, chairman of the Financial Market Committee of the State Duma, stated that higher global oil and gas prices are likely to support the national currency.

Russia is a major exporter of energy resources, and increases in oil and gas prices typically lead to greater foreign currency inflows. As export revenues rise, companies convert part of their dollar and euro earnings into rubles, increasing demand for the domestic currency.

According to Aksakov, this mechanism could contribute to a firmer ruble exchange rate if energy prices continue to climb in response to geopolitical tensions.[5]

Winter Crops in Russia Show Stronger Condition This Season

Winter crops in Russia are in better condition compared to the same period last year, according to the Ministry of Agriculture.

Deputy Agriculture Minister Andrey Razin told journalists that the current state of winter sowings is stronger than in early 2025, indicating a potentially more favorable start to the growing season.

However, Razin emphasized that more accurate production forecasts will be possible only after the spring flood period and the start of fieldwork, taking into account upcoming weather conditions.

The final harvest outlook will largely depend on spring climate patterns and the progress of seasonal agricultural operations. [5]

Russia’s Omsk Region Expands Vegetable Oil Supplies to China

The Omsk branch of the Federal Center for Safety and Quality Assessment of Agricultural Products has inspected 20,400 tons of vegetable oil intended for export to China since the beginning of 2026 through February 26.

According to the agency, laboratory testing confirmed that the products comply with both Russian and Chinese regulatory standards.

Specialists analyzed the oil for toxic elements, mycotoxins, polycyclic aromatic hydrocarbons, pesticide residues, fatty acid composition, and organoleptic characteristics, among other quality indicators.

In 2025, the Omsk region shipped 115,000 tons of vegetable oil to China under the supervision of the branch’s experts. Over the past two years, export volumes from the region to China have increased at an average annual rate of 10%, reflecting steady growth in bilateral agricultural trade.[3]

Sunflower Prices Decline Amid Weaker Oil and Meal Markets

Sunflower prices moved lower last week, pressured by a downward trend in the export market for sunflower oil. Additional pressure came from subdued demand in the sunflower meal segment, which triggered further price corrections across the oilseed market.

Purchase prices offered by processing plants decreased to 29,000–30,000 UAH per ton CPT. Some processors reduced bid prices even further to 28,500–28,800 UAH per ton CPT.

However, several plants remained willing to pay 30,000–30,500 UAH per ton CPT for high-quality or attractively priced batches, indicating selective demand despite the overall weakening market tone.

Market participants note that price dynamics will continue to depend on export developments in sunflower oil and demand conditions in the meal sector. [2]

Corn Dominates Ukraine's 5-Million-Ton Agricultural Exports in February

In February 2026, Ukraine exported 5 million tons of agricultural products, up 0.3% compared to the previous month. The figures were published on March 2 by the Ukrainian Agribusiness Club (UCAB), citing data from the State Customs Service of Ukraine.

According to UCAB, this marks the fourth consecutive month in which agricultural exports have remained close to 5 million tons with only minor fluctuations. Corn continues to dominate the export structure.

Grain shipments totaled 3.4 million tons, with corn accounting for 81% and wheat 19%, reflecting a 1% increase month-on-month.

Oilseed exports reached 303,500 tons, down 14% from January. Soybeans made up 72% of the total, followed by rapeseed at 25% and sunflower at 2%.

Vegetable oil exports declined by 9% to 437,700 tons, led by sunflower oil (83%), with rapeseed oil (10%) and soybean oil (7%) also contributing.

Meanwhile, exports of oilseed meals rose 14% to 470,400 tons, primarily sunflower meal (75%) and soybean meal (25%). Other agricultural products totaled 359,700 tons, up 3% compared to the previous month.

The data underscore the continued stability of Ukraine's agricultural export flows, with corn remaining the key driver.[2]

Conflict Uncertainty Threatens Ukraine's Key Corn Export Market

The escalation of the conflict in the Middle East is creating fresh uncertainty for global agricultural markets, particularly for Ukraine, where corn exports are heavily dependent on demand from the region.

According to Oleg Zlatov, broker at White Brokers, the Middle East imports around 20 million tons of corn annually, making it one of Ukraine's key sales destinations. A substantial share of Ukrainian exports is traditionally directed to this market, meaning any slowdown in purchasing activity quickly impacts prices.

Zlatov noted that the recent rise in Ukrainian corn prices was largely driven by stronger buying interest from Middle Eastern importers. This demand supported the market and helped strengthen prices on DAP terms at Ukrainian ports. If procurement activity declines due to heightened war risks, the market could lose a major growth driver.

While Ukraine does not directly export significant corn volumes to Iran, Turkey plays a crucial role as a trading hub. Some volumes sold to Turkish companies are subsequently redirected to Middle Eastern markets, meaning indirect regional risks still affect Ukrainian exporters.

In the short term, Zlatov warned of potential financial risks. If contracts with Middle Eastern buyers are revised, delayed, or canceled due to force majeure, Ukrainian traders could face liquidity gaps or even defaults. This could result in urgent "off-the-wheels" sales or contract resales, further increasing downward pressure on prices.

Given the Middle East's role as a major importer and its recent contribution to price growth, current geopolitical tensions pose increased risks for DAP port prices in Ukraine. While the western border market may initially feel a more moderate impact, a potential redirection of export volumes from ports toward western routes could also add pressure there.

Additionally, high freight rates continue to weigh on the Ukrainian corn market. According to Zlatov, many shipowners are shifting operations toward Russia due to larger cargo volumes and comparatively lower military risks, further complicating logistics for Ukrainian exporters.[1]

Iran Conflict and Hormuz Blockade Pose Risks for Russia's Agro-Exports

Escalating tensions around Iran and the potential blockade of the Strait of Hormuz may have significant implications for Russia's agro-industrial complex, according to analysts surveyed by Agroexpert.

Experts highlight growing risks to payment security and the stability of logistics chains, particularly as regional instability threatens established trade routes. Overland transport corridors passing through Iran could also face operational disruptions.

At the same time, rising global fertilizer prices — often linked to geopolitical instability — may create additional opportunities for Russian exporters in international markets.

Analysts also note that heightened tensions in the Middle East are prompting importing countries to diversify food supply sources more actively. In this context, the strong price competitiveness of Russian grain positions it as a key stabilizing option for regional food markets.

According to port statistics, Russia delivered 4.48 million tons of agricultural products to Iran during the 2024/25 marketing year. In the current 2025/26 season, shipments have already reached 5.35 million tons as of February 2026.

Iran's total annual imports include approximately 10 million tons of corn, 3 million tons of wheat, 2.5 million tons of barley, and more than 6 million tons of vegetable oils and meal.

Market participants are closely monitoring potential impacts on prices, freight costs, and Russia's broader agro-export strategy as geopolitical risks in the region continue to evolve. [3]

Iran Has Already Imported Most Planned Grain Volumes from Russia in 2025/26 MY

In the 2025/26 marketing year (July–June), Iran has already imported the bulk of its planned grain volumes from Russia. This was reported by the analytical center Rusagrotrans, noting that more than 90% of the scheduled shipments have already been completed.

Wheat

Wheat deliveries to Iran are carried out mainly through Black Sea ports. Between July 2025 and February 2026, imports totaled approximately 1.9 million tons out of a projected 2–2.2 million tons.

Russia's share in these supplies is close to 100%, making it the dominant supplier in this segment.

Barley

Barley is shipped via the Caspian, Black, and Baltic Sea ports.

Iran's total barley imports for the season are expected to reach 2.9 million tons. Russia has already supplied 2 million tons out of a potential 2.2 million tons.

In addition, Kazakhstan has exported approximately 0.6 million tons to Iran out of a possible 0.7 million tons, remaining a key alternative supplier.

Corn

Active Russian corn deliveries began in November 2025.
As of early March, shipments reached 1.95 million tons out of a projected 2.2–2.3 million tons.

However, Brazil remains the largest corn supplier to the Iranian market, exporting a record 8.3 million tons, compared to 5.3 million tons for the entire previous season.

Market Outlook

Grain market analysts remain cautious about forecasting further developments in Russian exports to the Middle East.

Dmytro Rylko, Director General of the Institute of Agricultural Market Studies (IKAR), emphasized that rising exchange quotations will not automatically translate into higher FOB wheat export prices. According to him, increased freight costs, insurance premiums, and elevated war risks are more likely to be borne by buyers.

Meanwhile, ProZerno warns that a prolonged military conflict could negatively affect Russian grain export volumes. Redirecting large shipments to alternative destinations may prove difficult amid substantial domestic stocks and strong production levels.

From July 2025 to February 2026, Iran imported 5.1 million tons of grain from Russia, compared to 3 million tons during the same period a year earlier. This positioned Iran as the third-largest importer of Russian grain, after Egypt and Turkey.[1]

February Rains Stabilize Argentina's Soybean Crop Outlook

Timely rainfall in February helped stabilize soybean crops in Argentina following a dry January, according to the latest report from FAS USDA.

The forecast for soybean production in the 2025/26 marketing year remains unchanged at 48 million tons.

Weather Impact

Analysts note that part of the second-crop soybeans was negatively affected by January's drought, which coincided with a critical stage of plant development. February precipitation partially offset yield losses, although it did not fully eliminate the impact of earlier moisture deficits.

If realized, the 48 million ton harvest would be 5% lower than in 2024/25 MY, when production reached 51.1 million tons. Nevertheless, it could still become the fourth-largest soybean crop in the past decade.

Processing and Trade Adjustments

The soybean crushing forecast for 2025/26 MY remains at 43 million tons, which is 1 million tons higher than last season.

A projected decline in soybean exports to China — where imports had previously increased amid trade tensions with the United States — is expected to redirect larger volumes toward domestic processing.

At the same time:

- The export forecast was reduced by 0.5 million tons due to anticipated lower shipments to China.
- Soybean import projections were revised downward to 7 million tons, which would still represent the second-highest level in history.

Market Position and Challenges

Argentina remains the third-largest producer and exporter of soybeans globally. However, low international prices, elevated logistics costs, and rising input prices continue to restrain farmer sales and limit export momentum.

Overall, while weather conditions have improved, structural economic pressures remain a key factor shaping Argentina's soybean market in 2025/26 MY. [1]

U.S. Wheat Futures Slip While Corn and Soybeans Advance on February 25

In 2026, Ukrainian farmers plan to keep the total area under grain and oilseeds at the level of 21.2 million hectares. Wheat and barley may show growth, while corn may lose a small portion of the area. This was reported by the Ukrainian Grain Association (UGA).

In Ukraine, 6 main grains and oilseeds are traditionally grown:

- corn,
- wheat,
- barley,
- sunflower,
- soybeans,
- rapeseed.

This is due to the demand for these crops both in the domestic and foreign markets.

The total area under grain crops (wheat, corn, barley) in 2026, according to UGA analysts, will almost remain unchanged and will amount to 11,050 thousand hectares. hectares against 10,815 thousand hectares. hectares in 2025.

Wheat sowing forecast

According to the forecasts of the grain association, in the new season, the area under wheat will be about the same as last year, with a slight increase of 5.25 million hectares against 5 million hectares last season.

Barley and corn sowing forecast

In 2026, 1,400 thousand hectares of barley will be sown. ha, which slightly exceeds the area of last year 1,315 thousand hectares. ha, analysts say.

In the new year, farmers can sow corn on an area of 4.4 million hectares (in 2025 - 4.5 million hectares).

Oleh Khomenko, General Director of the Ukrainian Agribusiness Club (UCAB) association, told Delo.ua where exactly the reduction in corn sowing is predicted and why.

According to him, a downward redistribution of corn sowing is predicted in the south of the country due to arid climatic circumstances.

"We understand that corn, as a crop there, is already unsuitable for cultivation due to the small amount of moisture," Khomenko said.

In the northern and western regions, which are more or less provided with moisture, there are no expectations for a decrease in corn crops, added the Director General of UCAB.

According to UGA estimates, the total area of grain and oilseed crops in the new season will be about 21.2 million hectares, which approximately corresponds to last year's figure of 21.6 million hectares.

Problems with the logistics of grain and oilseed exports, the availability of mineral fertilizers, weather conditions, and the global supply of a particular crop on the world market can have a possible impact on the reduction of areas.

"Of course, the loss of territories as a result of hostilities also affects the areas that farmers can sow," the association said.[1]

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