CSI DAILY NEWS

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Russian Flaxseed Supplies to EU Hit 14-Year Low in January

European Union imports of Russian flaxseed fell sharply in January, dropping to their lowest level since mid-2010, according to RIA Novosti, citing an analysis of Eurostat data.

The value of Russian flaxseed shipments to the EU declined to just 96,500 euros in January, marking the weakest monthly level since July 2010.

Compared with December, imports fell 93-fold from 8.9 million euros. On an annual basis, shipments were down 11-fold from 1.1 million euros recorded in January last year.

The data point to a steep contraction in Russian flaxseed supplies to the European market at the start of the year. [4]

Russia's Total Rapeseed Area Seen at 3.11 Million Hectares in 2026

Russia's winter rapeseed area could expand to around 790,000 hectares in 2026, up roughly 50% from the 2025 level, according to analysts at the Ruseed analytical center.

Ruseed said winter rapeseed is increasingly becoming a key growth driver for Russia's broader rapeseed market.

The largest increase in winter rapeseed plantings this year is expected in Central Russia and the country's southern regions.

Among the regions forecast to post the strongest expansion, Oryol region is expected to nearly double its winter rapeseed area, rising by 99% to 54,000 hectares.

Kursk region is projected to record a 4.4-fold increase, adding 45,000 hectares, while Bryansk region is expected to expand by 55% to 32,000 hectares.

In the Volga region, the Republic of Tatarstan could increase winter rapeseed plantings by 2.4 times, adding 22,000 hectares.

Meanwhile, Krasnodar Krai is forecast to raise winter rapeseed area by 30%, or about 20,000 hectares.

Overall, Ruseed estimates Russia's total rapeseed sown area in 2026 at 3.11 million hectares. [3]

Commodity auctions: results for 26.03.2026

Purchase

OOO Trading House Sodruzhestvo

Sunflower, incl. VAT | 42,000 ₽/t | 1,000 t

OOO Trading House Sodruzhestvo

Soybeans 40, incl. VAT | 33,750 ₽/t | 500 t

OOO Trading House Sodruzhestvo

Soybeans 38, incl. VAT | 31,750 ₽/t | 300 t

OOO Zakazchik No. 1

Wheat, grade 4, 12.5%, excluding VAT | 17,350 ₽/t | 600 tons

Zakazchik No. 1 LLC

Wheat, grade 4, 12.5%, excluding VAT | 16,855 ₽/t | 620 tons

OZK Trading LLC

Wheat, grade 4, 12.5%, excluding VAT | 17,450 ₽/t | 75 tons

OZK Trading LLC

Wheat, grade 4, 12.5%, excluding VAT | 16,838 ₽/t | 3,000 tons [5]

Russia's Grain and Legume Area to Grow 5.7% in 2026

Russia's total sown area is expected to increase to 83.1 million hectares in 2026, up by 600,000 hectares from the previous year and 4% above the level recorded in 2020.

According to the plan, grain and legume crops will account for 46.1 million hectares, representing a 5.7% increase compared with 2025.

Authorities also expect higher plantings of wheat, rice and buckwheat, while the most notable expansion is projected in barley and corn, driven by plans to support the development of the livestock and aquaculture sectors.

Officials said one of the priorities of state policy remains the return of unused agricultural land into production.

At the same time, the wider adoption of modern farming technologies, the development of domestic breeding and stronger irrigation infrastructure are expected to improve productivity per hectare. [8]

UAE and Saudi Arabia Launch New Trade Corridor Linking Sharjah and Dammam

The UAE and Saudi Arabia are launching a new trade corridor linking Sharjah with Dammam, a move aimed at accelerating cargo flows and reducing reliance on the Strait of Hormuz, according to Russia's Ministry of Industry and Trade.

The route connects Khor Fakkan port, the Sajaa dry port and an overland corridor to Dammam, creating an alternative logistics chain between the UAE and Saudi Arabia.

For Russian companies already using the UAE as a regional hub for parallel imports, re-exports and cross-border payments, the new corridor could provide a more efficient route into Saudi Arabia and the wider Gulf Cooperation Council market.

While no Russia-specific preferences have been announced, the launch of the corridor could lead to new logistics offerings in the coming months, potentially giving Russian businesses faster, more predictable and possibly lower-cost access to the Saudi market through the UAE.

Separately, Iranian Foreign Minister Abbas Araghchi said Iran would allow "friendly countries," including Russia, India and China, to transit the Strait of Hormuz.[7]

Ruble and Yuan Settlements Gain Ground in Russia-China Trade

Payments in rubles and yuan between Russian and Chinese businesses continue to expand as sanctions reshape cross-border settlement flows and Russian banks deepen their role in trade finance with China.

According to Izvestia, Russian businesses have been rapidly shifting mutual settlements with Chinese counterparties into national currencies and routing a growing share of transactions through domestic banks. Market participants said the volume of payments to China through Russian credit institutions nearly doubled in 2025, with the trend accelerating further in early 2026.

Banks and market participants estimate that yuan-denominated payments in the first months of 2026 increased by a further 30-100%, reflecting both stronger trade activity and a broader move away from traditional settlement channels.

Russian banks have increasingly positioned China-related settlements as a key driver of their international business over the past two years, expanding payment volumes in both yuan and rubles while building their own infrastructure for cross-border operations.

Corporate clients are reportedly broadening their contract portfolios with Chinese partners and opening yuan accounts more actively. At the same time, Russian lenders are adapting their operational frameworks by opening new correspondent accounts with smaller Chinese banks, increasing interbank transaction limits and developing dedicated technology platforms for yuan settlements.

Many institutions are also hiring specialists with Chinese language skills and expertise in Chinese law in an effort to reduce operational risks and speed up transaction processing.

Despite this growth, major Chinese banks remain cautious because of the risk of secondary sanctions, prompting Russian businesses to diversify payment routes. In practice, companies are increasingly relying on direct settlements in rubles and yuan, payment agents and transaction chains routed through neutral jurisdictions.

For exporters and importers, the shift is creating a more predictable framework for doing business with China, but it is also raising the importance of payment structuring, contract wording and compliance controls.

Market participants say companies trading with China must carefully consider currency regulation, currency control requirements and sanctions risks when choosing settlement currencies and payment routes.

For Russian importers in particular, the transition to ruble- and yuan-based settlements is increasingly seen not only as a response to sanctions pressure, but also as a way to improve supply chain resilience. The share of national currencies in Russia-China trade is expected to continue rising in the coming years as banking infrastructure expands and new foreign trade services emerge. [6]

Kazakhstan Says Russian Grain Import Restrictions Target Feed Supplies

Kazakhstan has clarified that its recently announced restrictions on grain imports from Russia apply specifically to feed grain and related processed products intended for animal feed.

On March 25, the State Inspection Committee in the Agro-Industrial Complex under Kazakhstan's Ministry of Agriculture issued a new explanatory document outlining the scope of the ban covering a number of grain crops and processed products imported from Russia.

According to the clarification, the temporary measures are aimed at preventing the illegal import of feed grain and products used in its production.

The committee has been instructed to implement the necessary controls to enforce the restrictions.[8]

Ukrainian New-Crop Feed Barley Gains on Stronger Forward Interest

Purchase prices for Ukraine's 2026-crop feed barley moved slightly higher this week, supported by stronger buyer interest in forward contracting and a firmer broader market backdrop, according to APK-Inform.

Buyers have remained active in securing forward volumes amid elevated old-crop barley prices and uncertainty over the upcoming harvest following unfavorable weather during the overwintering period.

Additional support has come from rising production costs ahead of the harvest campaign, stronger import demand, weaker production prospects in the EU, currency fluctuations and tighter fertilizer availability.

As of March 26, 2026, bid prices for Ukrainian new-crop feed barley were most commonly reported at $207-212/tonne CPT port, up by $1-2/tonne from the end of last week.

At the same time, purchase prices for forward contracts in the new-crop segment were mostly quoted at $183-195/tonne CPT port, leaving them $17-24/tonne below current spot-equivalent bid levels. [2]

Ukraine Forecasts Lower Sunflower Oil Exports on Smaller 2025/26 Crop

Ukraine's total production of major oilseed crops in the 2025/26 season is preliminarily estimated at 18.1 million tonnes, down from 22.2 million tonnes a year earlier, or 81.5% of the previous season's level, according to industry association Ukroliaprom.

The association said output is expected to decline across all key oilseed crops this season, with soybeans posting the steepest drop.

Soybean production is forecast at 5.5 million tonnes, down 24.3% from 6.6 million tonnes last season, mainly due to a 23% reduction in harvested area to 2.09 million hectares. Average yields are also expected to fall by 2.9% year-on-year to around 23.7 centners per hectare.

Rapeseed production is projected at 3.3 million tonnes, compared with 3.6 million tonnes in 2024/25, a decline of 8.3%. Yields are preliminarily seen down 7.7% to 26.3 centners per hectare, while harvested area is expected to slip by 1.6% to 1.26 million hectares.

Sunflower production is estimated at 9.8 million tonnes, versus 12 million tonnes in the previous season. The crop was harvested from 5.22 million hectares, down 1.7% year-on-year, while yields fell 16.8% to 18.8 centners per hectare.

According to Ukroliaprom, sunflower yields in Ukraine this season are the lowest in the past decade.

Reflecting the smaller sunflower crop, the association forecasts Ukraine's sunflower oil production in 2025/26 will decline by 10% year-on-year to 4.6 million tonnes from 5.1 million tonnes.

Sunflower oil exports are also expected to decrease by 6.4% to 4.4 million tonnes, down from 4.7 million tonnes in the previous season.[2]

ACC Says Ukraine's Oilseed Duties Make It an Unreliable Supplier

Ukraine has suffered significant reputational damage after introducing export duties on soybeans and rapeseed, representatives of the American Chamber of Commerce in Ukraine (ACC) said during a press breakfast on March 25.

ACC representatives warned that the new duties risk undermining Ukraine's position as a reliable supplier on the global oilseed market, where the country competes primarily through its geographic proximity to key buyers in Europe, Turkey and Egypt.

According to the Chamber, Ukraine's competitive advantage in soybeans is largely based on location rather than scale, given that its annual output of 5-6 million tonnes is far below that of the world's top three producers — Brazil, Argentina and the United States.

"If this law is not repealed, importers will start looking for alternatives," an ACC representative said, adding that European buyers have already begun shifting purchases toward Australian supplies.

Since the duties were introduced, oilseed exports have reportedly fallen by 60%, while Ukraine is already losing ground in the rapeseed market, the Chamber said.

At the same time, soybean oil exports in the first six months of the current season have remained broadly in line with last year's levels, while soybean exports have dropped by 45%, according to the ACC.

The Chamber said the divergence suggests farmers are holding back sales amid uncertainty, while the duties have reduced farm revenues by an estimated 5-8%, equivalent to around $40-50 per tonne in unrealized income.

ACC representatives also warned that the measure could eventually lead to lower soybean planting, echoing the experience of the 2017 export duties, which were later repealed in 2020. [2]

Ukraine Corn Prices Hold Firm as Global Competition Intensifies

A sharp rise in crude oil prices following the conflict with Iran has provided only limited support to corn prices, as weaker U.S. ethanol demand and growing global export competition continue to cap gains.

Although oil prices have surged by around 50% over the past month, May corn futures in Chicago have increased by just 5.3% to $184/tonne, roughly in line with year-ago levels.

Higher fuel prices at U.S. gas stations have reportedly curbed gasoline consumption, reducing demand for ethanol, which is typically blended into fuel at a 15% ratio.

According to the U.S. Energy Information Administration (EIA), ethanol inventories rose by 763,000 barrels in the latest reporting week to 27.17 million barrels, while daily refinery use stood at about 889,000 barrels.

Despite the rise in fuel prices, the U.S. Environmental Protection Agency (EPA) said it would continue easing summer fuel restrictions and announced the cancellation of mandatory E15 sales from May 1, further weighing on ethanol demand prospects.

In Ukraine, corn purchase prices remain steady at $213-214/tonne, or UAH 10,650-10,700/tonne, delivered to Black Sea ports, although producer selling has increased.

Ukraine exported 13.5 million tonnes of corn in the 2025/26 marketing year, 23% behind last season's pace of 16.6 million tonnes. However, shipments accelerated in March, with 1.94 million tonnes exported in the first 23 days of the month, matching the total volume shipped in March 2025.

Meanwhile, Argentina is expected to intensify competition in the global market as harvest advances. As of March 20, corn had been harvested from 13% of the planted area, while April exports are forecast at 4 million tonnes.

For March-April shipment, Argentine corn is currently offered at $210-215/tonne FOB Up River, compared with $220-225/tonne FOB for U.S. corn and $225-230/tonne FOB for Ukrainian corn.

Looking ahead, the International Grains Council (IGC) expects global corn production in 2026/27 to decline due to lower planting intentions in the U.S. and EU, partly linked to higher nitrogen fertilizer costs.

Market attention is now turning to the USDA's updated U.S. planting area forecasts due at the end of March, which are expected to be a key driver for Chicago corn futures and global price direction in the new season. [1]

Iran Says China, Russia, India, Iraq and Pakistan Can Transit Strait of Hormuz

Iran has said it is allowing a group of "friendly" countries to continue transiting the Strait of Hormuz despite restrictions introduced earlier this month, according to comments attributed to Foreign Minister Seyed Abbas Araghchi.

Araghchi said Iran has granted passage through the strategic waterway to China, Russia, India, Iraq and Pakistan, national media reported.

"We have allowed some countries, which we consider our friends, to pass through the Strait of Hormuz," Araghchi was quoted as saying.

He added that while the strait has been under Iranian restrictions since early March, it remains open to the countries Tehran considers friendly. [3]

Iraq Wheat Output Seen Below Average as 2025/26 Imports Rise

Iraq's 2026 cereal planting season began under difficult conditions, as early-season dryness and water shortages disrupted fieldwork and delayed crop establishment.

Limited rainfall in October-November constrained planting operations, while government restrictions on irrigated areas further weighed on crop development amid tight water supplies.

Conditions improved later in the season, with December rains partially restoring soil moisture and above-average precipitation in January boosting crop prospects, particularly in northern production areas.

By late February 2026, cereal crop conditions were generally assessed as near to above average, especially in key northern growing regions, supported by improved rainfall, irrigation access and government subsidies.

However, the outlook for the remainder of the season remains highly dependent on weather conditions, which will be crucial for preserving yield potential.

Iraq's 2025 wheat production is estimated at 4.4 million tonnes, around 4% below the average level, after early-season moisture deficits constrained crop development and spring rains failed to fully offset earlier losses.

Reflecting lower domestic output, Iraq's wheat imports in the 2025/26 marketing year (July-June) are forecast at around 2.4 million tonnes, nearly 8% above the five-year average.

Despite production challenges, food prices have remained relatively stable. In February 2026, average retail prices for wheat flour and rice were down around 6% and 8% year-on-year, respectively, supported by adequate domestic supplies and government subsidy programs.[1]

Japan Rice Production to Drop to 7.38 Million Tonnes in 2026/27, FAS Says

Japan's rice production in the 2026/27 season is forecast to fall to 7.38 million tonnes, down 1.5% from the previous year, according to a report by the U.S. Department of Agriculture's Foreign Agricultural Service (FAS).

After a temporary increase in rice acreage in 2025/26 driven by sharply higher prices, FAS expects the longer-term downward trend to resume, with planted area projected to decline by 0.8% to 1.46 million hectares.

The agency attributed the decline to the continued exit of older farmers from the sector and a shift toward more profitable crops, including wheat, barley and corn.

At the same time, Japan's domestic rice consumption in 2026/27 is expected to rise by 1.9% to 8.05 million tonnes, mainly due to increased use of rice for feed.

FAS noted that while rice remains Japan's staple food, table rice consumption has been on a long-term downward trend amid the country's aging and shrinking population, as well as lower per capita consumption.

"While food rice still accounts for the bulk of demand, feed rice is playing an increasingly important role in balancing the market," the report said.

Rice imports are projected to decline by 11% in 2025/26 to 750,000 tonnes, and by a further 7% in 2026/27 to 700,000 tonnes, as private-sector purchases weaken.

Meanwhile, wheat production is forecast to rise by nearly 7% to 1.113 million tonnes, supported by farmers shifting back into the crop following the surge in rice prices.

Wheat imports are expected to decline by 3.5% to 5.55 million tonnes, reflecting higher domestic output and lower demand from the feed sector.

Since 2023/24, Canada has overtaken the United States as Japan's largest supplier of milling wheat, supported by competitive pricing and stronger demand for bakery products and pasta, with high-quality Canadian Western Red Spring wheat accounting for much of the flow.

Barley production is also expected to recover as rice prices stabilize. In 2026/27, barley acreage is forecast to rise by 2% to 65,000 hectares, while output is seen increasing by 2.2% to 235,000 tonnes.

Barley imports are projected at 1.1 million tonnes, down 4%, while total demand is estimated at 1.43 million tonnes. Australia and Canada remain the main suppliers of feed barley, while the United States also ships milling barley to Japan.

Corn production in Japan remains limited and is mainly concentrated on former rice fields used as an alternative crop. Despite gradual growth, domestic output covers only around 0.1% of demand, leaving the country heavily reliant on imports.

For 2026/27, corn imports are forecast at 15.6 million tonnes, down 0.6%, with total consumption estimated at 15.65 million tonnes. The United States and Brazil remain the main suppliers, with price competitiveness continuing to determine sourcing decisions.[1]

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