

WEEKLY REPORT

on

**CHINESE GRAIN MARKET UNDER
THE HIT OF COVID-19 AND MORE**



April 16, 2020

Volume 1

CHINA NATIONAL ASSOCIATION OF GRAIN SECTOR



MARKET INFORMATION

SOYBEAN, SOYBEAN OIL, SOYBEAN MEAL:

At the end of April, soybean meal prices are expected to see a downward trend.

After a dramatic increase in domestic soybean price, it now starts declining.

Due to the arrival of imported soybean, many traders in domestic tend to be more active in purchasing. The tight supply of raw grain is becoming a fact. COVID-19 hit is imparting Russian soybean exporting, and raising the soybean prices in northeast China.

For the last week the soybean prices in domestic has experiencing a downward trend. The domestic supply of soybean meal is still tight. The imported soybean volume in March and April was less and compared to last year, the stocks are less. In the short future, this trend is expected to continue and the productivity of soybean meal will decrease. Since pig-breeding industry in 2020 does not release incentives on soybean meal market, it is hard to say whether the soybean supply can reach its turning point.

The soybean import is not imparted by the pandemic and U.S. will enlarge its soybean exporting volume. At the same time, U.S. will enter its sowing time in late April, and the anticipated soybean acreage is expected to increase. After signing the Phase-One Economic and Trade Agreement, the soybean import volume from the U.S. may increase.

- Brazilian soybean will be arrived in China in late April. At the same time, Brazil informs that soybean export will not be affected by the COVID-19 pandemic. The export volume of soybean to China is expected to achieve 55 million tons.
- Central grain reserves are almost done soybean procurement .

PADDY AND RICE:

Paddy and rice prices have seen a sharp rise.

In nationwide, paddy and rice are over supplied. While during the March, prices have gone dramatically high. The reasons are considered to be:

- Panic buying under the circumstance of COVID-19 pandemic.
- Many grain-exporting countries are restricting paddy and rice exporting.

In April, reserved rice will be released to the market, and the prices are expected to be lowered. On April 10, national temporary collection and storage is adding the volume on the auction at 1 million tons, which was aimed to help meet emergencies and stabilize grain prices. Former panic buying on rice and flour has entering to an end, and the purchases later will return to a normal level.

WHEAT AND FLOUR:

Wheat prices starts decreasing, and flour prices may follow.

From the beginning of April, wheat demand in domestic has been increasing resulted from the COVID-19 pandemic. Since the demand remained limp for the last two months, most wheat-processing units are remaining a low stock level. The short supply of raw grain has driven the prices rise dramatically. However, from April 15, national temporary collection and storage put more than 4 million tons of wheat into the market. At the same time, central government increases the auction volume at 1 million tons to release short-supply pressure. Also, the impact of COVID-19 pandemic is continuing, which causes a slump in the real market demand and the rising prices are just temporary.

CNAGS RESPONSES

CNAGS collaborates with COFCO womai to set a special E-commerce platform in order to further promoting grain and oil products.

Domestic enterprises have been working together in order to maintain basic needs, respond to the pandemic and stabilize expectations. The offline retailing has been imparted by the COVID-19 outbreak in recent. Hence, to build an online platform is attached with importance. CNAGS and

COFCO womai.com are working together to strengthen the supply of high qualified products to the public, and increasing potential purchases for our member enterprises.