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Top News - Oil

GRAPHIC-How much extra oil could OPEC+ pump to cool prices?

Saudi Arabia and the United Arab Emirates are among the few oil producers globally with spare capacity they could draw on quickly to increase output, help offset supply losses from Russia or elsewhere and ease prices, analysts say.
According to the International Energy Agency, the two Gulf OPEC producers hold about 1.8 million barrels per day of "short-order" spare capacity, equal to almost 2% of world demand and almost all the total 2.2 million bpd of such capacity available.
Rystad Energy estimates that Saudi Arabia, the UAE, Iraq and Kuwait together have about 4 million bpd of spare capacity that can be brought onto the market within a 3-6 month period.
"Most of these countries have vast onshore storage capabilities that can be tapped, meaning that a few million barrels could be nominated for exports in weeks, if not days," said Louise Dickson of Rystad.
Still the amount is less than Russia produces. Russia rivals Saudi Arabia for the position of the world's top exporter of crude and oil products combined, with exports of around 7 million bpd, or 7% of global supply.
Following Russia's invasion of Ukraine that began on Feb. 24, concern about supply disruption has driven international oil prices to their highest since 2008 at over $139 a barrel this week.
Prices have since retreated on market expectations that some producers may pump more.
OPEC+, comprising the Organization of the Petroleum Exporting Countries, Russia and their allies, has a deal to gradually raise output each month by 400,000 bpd. The group has refused to act more quickly even as prices have soared.
Oil dropped by 13% on Wednesday after the UAE ambassador to Washington said Abu Dhabi favoured a production hike and would encourage OPEC to consider higher output.
Further UAE comments downplayed the prospect of more oil. Saudi Arabia has made no public comment on the issue this week and Iraq - able to add a further 300,000 bpd in the IEA's view - said higher output was unnecessary.
A recovery in world oil demand, expected to hit pre-pandemic levels this year, and a lack of sufficient investment has strained many producers' capacity. Several countries, particularly African members of OPEC+, have struggled to meet existing output quotas. Here is the IEA's estimate.
The short-order spare capacity estimate from the IEA, in its February Oil Market Report, excludes Iran, which it says could gradually add another 1.3 million bpd if released from sanctions.
The chances of that appeared to recede this week when talks between Iran and world powers to revive its 2015 nuclear deal hit complications.

U.S. seizing tankers has failed to stop Iran's oil exports, minister says

The U.S. seizure of Iranian tankers in recent months has not stopped sanctions-hit Tehran from increasing oil exports, Iran's oil minister was quoted as saying on Saturday.
“The United States has on several occasions in the past months violated Iranian oil tankers to prevent export of shipments," Javad Owji said in an interview carried by Iranian media.
"When the enemy realised it could not stop our exports and contracts, they went after our ships," Owji said.
His remarks follow reports of a recent seizure of an Iranian oil tanker in the Bahamas, even as indirect Iran-U.S. talks in Vienna to revive a 2015 nuclear deal could see the lifting of U.S. sanctions in return for Tehran curbing its nuclear work.
A last-minute demand by Russia, a close ally of Iran, has forced world powers meeting in the Austrian capital to pause for an undetermined time, despite having a largely completed text.
On March 5, Russia unexpectedly demanded sweeping guarantees its trade with Iran would not be affected by sanctions imposed on Moscow over its invasion of Ukraine - a demand Western powers say is unacceptable and Washington has said it won't accept.
"Iran's oil exports have risen under the toughest sanctions and without waiting for the outcome of the Vienna talks," said Owji.
The increase was thanks to "different methods used to win contracts and finding different buyers," Owji said.
The rise had "even increased the bargaining power of friends in Vienna," he said, without elaborating.
Tehran's oil exports have been limited since former U.S. President Donald Trump in 2018 exited the 2015 nuclear accord and reimposed sanctions.
Iran views U.S. sanctions as illegal and has said it will make every effort to sidestep them.
Its oil exports have risen to more than 1 million barrels per day (bpd) for the first time in almost three years, based on

estimates from companies that track the flows, reflecting increased shipments to China.
Iran increased exports in 2021 despite the sanctions, according to estimates from oil industry consultants and analysts. But they remained well below the 2.5 million bpd shipped before sanctions were reintroduced.

Top News - Agriculture

Argentina halts export registration for soy oil, meal

Argentina has halted registration of export sales of soy oil and meal, the South American country's government said in a statement on Sunday, drawing swift condemnation from the industry in the world's top exporter of processed soy products.
The move stops sales and exports of the 2021/22 crop, but physical shipments have not started because no harvesting has taken place. The decision by Argentina, the top global exporter of both soybean meal and oil, will likely roil the world soy market, which has seen prices spike on Russia's invasion of Ukraine.
U.S. soymeal futures prices jumped more than 2.2% in the wake of the announcement, while soyoil futures eased 1.26%.
Argentina's average monthly exports stood at 1.5 million tonnes of meal and 300,000 tonnes of soy oil in 2021, according to shipping agency NABSA.
The country is forecast to account for 41% of global soymeal exports and 48% of world soy oil exports in the 2021-22 crop year, according to the U.S. Department of Agriculture.
The sub-secretary of agricultural markets said in a statement that export registrations of soybean oil, soymeal and other related products would immediately be halted, a move which comes ahead of the 2021/22 harvest starting within weeks.
Around 5 million tonnes of soy oil and other soy byproducts from the 2021/22 campaign have so far been formally registered for export, government data showed.
The local CIARA chamber of oilseed processors and exporters, which represents the industry, said that the government had closed export registration because, the chamber alleged, the government wanted to raise tariffs "by two points" on exports.
"It is totally contrary to the export interest of Argentina," the chamber said on Twitter. "In addition to being illegal, it will affect the income of foreign currency and employment in the agro-industrial chain."
The government statement made no mention of export tariffs though these have long been a point of tension with farmers and exporters. The government, battling high debts, needs the dollar income and tax revenues from soy sales, Argentina's top export.
Argentina's soy oil and meal exports are currently taxed at 31%. The country's 2021/22 soy crop is estimated at between 40 million-42 million tonnes, though was hit hard by drought at the start of the year.
Soy traders said the sudden halt in Argentine supplies will steer importers toward the United States and Brazil for replacement supplies.
"Buyers have no choice but to reduce consumption or go to alternative sources for supplies," said one Singapore-based trader.
"We expect higher demand for U.S. meal. In Southeast Asia, buyers such as Indonesia, Malaysia and Thailand were heavily reliant on Argentine meal."

INSIGHT-Ukraine’s farmers stalled, fueling fears of global food shortages

The Russian invasion of Ukraine threatens millions of tiny spring-time sprouts that should emerge from stalks of dormant winter wheat in the coming weeks. If the farmers can't feed those crops soon, far fewer of the so-called tillers will spout, jeopardizing a national wheat harvest on which millions in the developing world depend.
The wheat was planted last autumn, which, after a brief growing period, fell dormant for the winter. Before the grain returns to life, however, farmers typically spread fertilizer that encourages the tillers to grow off the main stalks. Each stalk can have three or four tillers, increasing the yield per wheat stalk exponentially.
But Ukrainian farmers - who produced a record grain crop last year - say they now are short of fertilizer, as well as pesticides and herbicides. And even if they had enough of those materials, they can’t get enough fuel to power their equipment, they add.
Elena Neroba, a Kyiv-based business development manager at grain brokerage Maxigrain, said Ukraine’s winter wheat yields could fall by 15% compared to recent years if fertilizers aren’t applied now. Some farmers warn the situation could be much worse.
Some Ukrainian farmers told Reuters their wheat yields could be cut in half, and perhaps by more, which has implications far beyond Ukraine. Countries such as Lebanon, Egypt, Yemen and others have come to rely on Ukrainian wheat in recent years. The war has already caused wheat prices to skyrocket - rising by 50% in the last month.
The Ukrainian farming crisis comes as food prices around the world already have been spiking for months amid global supply chain problems attributed to the COVID-19 pandemic. World food prices hit a record high in February, and have

risen over 24% in a year, the U.N. food agency said last week. Agriculture ministers from the world's seven largest advanced economies were due Friday to discuss in a virtual meeting the impact of Russia's invasion on global food security and how best to stabilize food markets.

International food and feed prices could rise by up to 20%as a result of the conflict in Ukraine, triggering a jump in global malnourishment, the United Nations food agency said on Friday.

Ukraine and Russia are major wheat exporters, together accounting for about a third of world exports- almost all of which passes through the Black Sea.

Svein Tore Holsether, president of Norway-based Yara International, the world's largest maker of nitrogen-based fertilizers, said he is worried that tens of millions of people will suffer food shortages because of the farming crisis in Ukraine. "For me, it's not whether we are moving into a global food crisis," he said. "It's how large the crisis will be."

Ukrainian officials say they are still hopeful the country will have a relatively successful year. Much of that hope rests with farmers in the west of the country, which, so far, remains distant from the shooting.

But officials are taking measures to protect domestic supplies to ensure Ukraine's population gets fed - posing another possible hit to export shipments. Agriculture Minister Roman Leshchenko said on Tuesday the country was banning the export of various staples, including wheat. Leshchenko has acknowledged the threat to Ukraine's food supply and that the government was doing what it can to help farmers.

"We understand that food for the entire state depends on what will be in the fields," he said in televised remarks Monday.

Moscow says it is conducting a special military operation in Ukraine to demilitarize and capture dangerous nationalists. It has denied deliberately targeting civilians and civil infrastructure, despite documented attacks on hospitals, apartment buildings and railroads.

Grain exports are a cornerstone of Ukraine's economy.

In the coming weeks, farmers should also start planting other crops, such as corn and sunflowers, but they are struggling to get the seeds they need, said Dykun Andriy, chairman of the Ukrainian Agricultural Council, which represents about 1,000 farmers cultivating five million hectares.

Andriy warned that the fuel is the critical problem now. Unless farmers can get diesel to run their equipment, spring farmwork will be impossible and this year's harvests doomed. "Farmers are desperate," he said. "There is a big risk that we don't have enough food to feed our people."

Maxigrain's Neroba said farmers are facing fuel shortages because military needs take priority.

Ukrainian farmer Oleksandr Chumak said little work is happening in his fields, some 200 km north of the Black Sea port of Odessa. He farms 3,000 hectares (about 7,500 acres) where he grows wheat, corn, sunflowers and rapeseed. Even if he had enough fuel to get his equipment into the fields, he said he had insufficient fertilizer for all of his crops and no herbicides.

"Usually we have maybe six to seven tons (of wheat) per hectare. This year, I think that if we get three tons per hectare, it will be very good," Chumak said. He added he remains hopeful that Ukrainian farmers will find a way to grow enough food to feed their countrymen, but he does not expect much will be exported.

In northern Ukraine, he said friends of his have been reduced to skimming fuel from a ditch that was filled with diesel after a Russian attack on a train spilled fuel from several tankers. Other friends, in the occupied areas near Kherson, are scavenging diesel from ambushed and abandoned Russian tanker convoys, Chumak said.

Currently, he spends much of his time preparing for a Russian assault. "I live in Odessa. Every day I see rockets fly over my house."

Val Sigaev, a grain broker at R.J. O'Brien in Kyiv, who evacuated last week, said it is unclear how much of the usual spring farming -- planting and fertilizing -- would be possible. High prices for natural gas - a major input for fertilizer - sent fertilizer prices up, so some farmers postponed purchases.

"Some people think we could plant as much as half of the crop," Sigaev said. "Others say that only the West will see plantings and what is produced will be strictly for Ukrainian needs."

The situation is especially dire in the southern port city of Kherson, the first Ukrainian city Russia captured after invading the country on Feb. 24. Spring-like weather adds to farmers' urgency, if they don't tend to their fields now this year's harvest will be a bust.

Andrii Pastushenko is the general manager of a 1,500-hectare farm just west of the city, near the mouth of the Dnipro River. Last autumn, they sowed about 1,000 hectares of wheat, barley and rapeseed. His farm workers need to get into those fields now, but can't, he says, and they've lost access to fuel. "We're completely cut off from the civilized world and the rest of Ukraine."

Additionally, many of Pastushenko's 80 workers cannot come to work at the farm because they live a few miles to the north, across the front line. The manager's problems are compounded because the region is drier than other agricultural areas of the country and his fields need to be irrigated. And that too requires fuel.

Unlike many, Pastushenko has a 50-metric ton nitrogen-based fertilizer stockpile. With the fighting all around him, however, he's not sure that's such a good thing: Fertilizer is highly explosive. "If something drops from a helicopter, it

could blow the whole place," he said.
He said he fears the harvest will be poor. Last year, his wheat and barley fields yielded about five metric tons per hectare. If he doesn't spray insecticide - which he says he can't get - and spread fertilizer, he doubts he'll get a third of that amount.
"I've no idea whether we'll be able to harvest something," he said. "Something will come off the ground, but it won't be enough to feed our cattle and pay our staff."
About 150 km west of Pastushenko's farm is the Black Sea port of Odessa, which remains under Ukrainian control. In peacetime, much of Ukrainian agricultural exports find their way onto ships at the port, Ukraine's busiest. Today, no ships are leaving and the city is besieged by Russian forces.
Much of Ukraine's harvest was due to be exported to North Africa, the Middle East, and the Levant. According to the United Nations' World Food Program (WFP), Ukraine supplies Lebanon with more than half of its imported wheat, Tunisia imports 42 % and Yemen nearly a quarter. Ukraine has grown to become WFP's largest supplier of food.
For some countries, rising prices could hammer governments as well as consumers because of state food subsidies.
Egypt, which has become increasingly dependent on Ukrainian and Russian wheat over the past decade, heavily subsidizes bread for its population. As the price of wheat rises, so will pressure on the government to raise bread prices, said Sikandra Kurdi, a Dubai-based research fellow at the International Food Policy Research Institute.
The country's food subsidy program currently costs the government about $5.5 billion annually. Currently, nearly two-thirds of the population can buy five loaves of round bread daily for 50 cents a month.
Other developing countries with similar subsidies will also struggle with rising wheat prices. In 2019, protests over bread price increases in Sudan contributed to the overthrow of the head of state, Omar al-Bashir.
For countries that provide large subsidies, rising food prices will mean that either governments take on more debt or consumers will pay higher prices, Kurdi said.

Top News - Metals

FOCUS-Chinese tycoon's 'big short' on nickel trips up Tsingshan's miracle growth
Chinese tycoon Xiang Guangda has to find a way to bail his Tsingshan Holding Group out of a crisis after its bet on nickel prices backfired, fuelling more volatility in a metal essential for the electric vehicles industry.
One of the world's top nickel producers faces massive losses on its short positions after prices soared over $100,000 per tonne last week and forced the London Metal Exchange to halt nickel trading.
Tsingshan has to either pay off the outstanding short positions, which could be as high as $8 billion, or prove it has sufficient deliverable nickel to repay in kind.
Beijing could step in to rescue Tsingshan, a source familiar with the matter told Reuters. China could swap some of its high grade nickel reserves for low grade nickel pig iron (NPI) that Tsingshan produces to help it meet LME quality standards. China is estimated to hold around 100,000 tonnes of nickel in state stocks, two analysts said.
Tsingshan and China's state reserves administration did not respond to requests for comment.
Tsingshan has figured in market swings before.
Last year, it triggered a price drop with surprise news that it would provide nickel matte to battery materials makers, potentially solving a key bottleneck for electric vehicles by boosting battery-grade supply in a cheaper way.
Betting prices would fall, Tsingshan started building a short position last year. The bet backfired partly as Russia's invasion of Ukraine sent metals prices soaring, putting pressure on holders of big short positions, including Tsingshan.
"Markets were sensing that (Tsingshan) were going to make a move, but they probably made it too early ... a quarter or so too early and nobody was anticipating what happened in Ukraine," said Angela Durrant, Wood Mackenzie's principal nickel analyst.
Tsingshan has suggested foreign elements may be driving up nickel prices.
"Foreigners do have some actions and we are actively co--ordinating [with related parties]," China Business News quoted Xiang as saying on March 8.
The market gyrations have had no impact on Tsingshan's Indonesia operations, a corporate mining source familiar with the matter told Reuters.
For Indonesia, Tsingshan is a means to fulfill its ambition to become a one-stop shop for EV battery ingredients and the company has executed projects at lightning speed. Western firms often privately complained about the access and resources Tsingshan got in the country.
"Government has ambition in Indonesia, they want to build the hub for battery for electrical car. That's why you see the policy to support the industry," the source said. "We are affected by COVID, but not affected by this (short exposure)."
Tsingshan is also seen as a poster child in Southeast Asia for China's Belt and Road Initiative, President Xi Jinping's vast infrastructure programme.
In contrast to privately-held Tsingshan, several high profile projects led by Chinese state-backed firms have been mothballed amid overpricing, corruption and debt sustainability concerns.

MARKET DISRUPTOR

Founded in 1988 in Wenzhou, Tsingshan started out in stainless steel production and making automobile windows and doors.

But its fortunes changed when Xiang, 64, started exploring Indonesian markets in 2009. Over the next decade, it shook the global nickel industry with low-cost nickel pig iron.

It set up facilities in Indonesia, the world's largest nickel producer, with output ranging from nickel sulphate to nickel matte, an intermediate product that can be used in both stainless steel and batteries.

Tsingshan is spearheading Indonesia’s two major nickel hubs, including the Morowali industrial park, which employs over 40,000 people and spans 2,000 hectares with an airport, mineral processing plants, a port and executive visitors hotel.

The company has said it aims to produce 850,000 tonnes of nickel equivalents this year and 1.1 million tonnes in 2023.

"There was nothing there on that site in 2015 ... so they did something absolutely miraculous," Durrant said. "Getting away from higher Chinese power (costs), moving everything over to Indonesia was a masterstroke for them."

The industry credits much of this success to Xiang.

He became known as a market disruptor who could "take the world by storm", said Steven Brown, an independent nickel consultant in Canberra who spent two days touring Tsingshan’s production facilities with Xiang in 2014.

Xiang opposes high nickel prices and is fixed on being a low-cost producer of nickel and stainless steel, Brown said.

"I don't think this crisis will result in too much of a change in strategy from Tsingshan," he added.

Market sources said though Tsingshan has cut its exposure it is unlikely to have fully covered all its positions.

State-backed Chinese newspaper Securities Daily said on March 9 that Tsingshan had deployed "enough spot products" for delivery by swapping its nickel matte with nickel plates in the domestic market.

The LME allows delivery of nickel cathodes, including plate, and briquettes.

"There isn't much spot nickel product in the market, it's not even likely that Tsingshan could get 100,000 tonnes," said a Guangdong-based analyst who declined to be named.

EXCLUSIVE-India will ensure steady coking coal cargoes to allay supply concerns

India will take steps to ensure a steady supply of coking coal for domestic steel companies, which are struggling with cargo disruptions and rocketing prices in the wake of Russia's invasion of Ukraine.

"We are discussing amongst ourselves, and we will definitely chalk out some plan on how to deal with this situation," India's Steel Minister Ram Chandra Prasad Singh told Reuters in an interview.

"We will do something to bring a sense of confidence among our (steel) producers that in this situation also, we can find some solution. There are many options. And we will discuss in detail with everybody on how to go about this."

He did not give details but he said India could approach other producers and could look at boosting local supplies and importing pulverized coke injection (PCI) as a substitute.

India's demand for coking coal, used in steelmaking, is growing at a faster clip, and the country imports the bulk of its requirements from Australia.

India's overall coking coal imports total 50-55 million tonnes, with overseas purchases rising 4% annually.

To reduce its import dependence on Australia, India last year agreed with Russia to import coking coal, which accounts for about 40% of the total cost of steel production.

"We will see how it works out," Singh said referring to India's pact with Russia to buy coking coal.

A spike in the price of coking coal is a big worry, Singh said.

"The major concern is the price that has gone up very high," he said.

As concerns increase over supply shortages from leading producer Russia, coking coal prices touched $600 a tonne from $150 tonne in January this year.

Russia accounts for about 30% of the coking coal requirements of the European Union, Japan and South Korea. With western sanctions on Russia and its ejection from the SWIFT payment system, coking coal supplies from Russia have been hit, triggering a spike in the price.

Indicating a push for government-backed infrastructure projects, Singh said Indian companies would produce a record 118 million tonnes of steel in the current fiscal year to March.

"Our requirement is immense, and we need a lot of steel for housing projects, for infrastructure projects," he said, downplaying fears of a slowdown in domestic demand.

Asked about Indian steel companies' push for exports, Singh said: "First we have to see that our domestic requirement is met."

Top News - Carbon & Power

Australian billionaires put more money into $15 bln solar power export project

Australia's two richest men joined a A$210 million ($152 million) capital raising for an ambitious project to supply Singapore with solar power via an undersea cable, the company said on Monday.

Private companies of Andrew Forrest, founder of iron ore giant Fortescue Metals Group Ltd, and Mike Cannon-Brookes, co-founder of software maker Atlassian Plc, upped their investments, the parties said, as the Sun Cable project inches toward becoming a supplier of renewable energy to the region.

Forrest is Australia's richest man and Cannon-Brookes is Australia's second richest, according to the 2021 Rich List from the Australian Financial Review.

Their involvement in the project reflects a mutual interest in playing a part in a global transition to sustainable energy, although their disclosed contributions leave it unclear how the project, which has been costed at more than A$20 billion ($14.5 billion), will ultimately be bankrolled.

"Sun Cable's vision will transform Australia's capability to become a world-leading generator and exporter of renewable electricity and enable decarbonisation," said Forrest in a statement."This capital raise is a critical step."

Cannon-Brookes, who recently failed in an attempt to buy top Australian power producer AGL Energy with plans to speed up its exit from fossil fuel, said the raising "brings Australia one step closer to realising our renewables exporting potential".

Sun Cable says its Australia-Asia Power Link will from 2027 harness solar energy from the world's largest solar farm and battery facility in Australia's Northern Territory, and export it via a 5,000 km (3,109 mile) undersea transmission system to Singapore and beyond.

The project aims to provide Singapore with up to 15% of its energy requirements. Indonesia last September granted the company a permit to conduct an underwater survey starting immediately after it committed to investing $2.5 billion in the country.

"This capital raise will enable the delivery of renewable solar power from Australia to Singapore, advance our other multi gigawatt scale projects, and support the progress of key facilitating assets," Sun Cable boss David Griffin said.

The company was not immediately available for comment about how it would achieve its full funding requirements.

The company in 2019 said Cannon-Brookes and Forrest had injected less than $50 million in the project. It did not specify their individual contribution in the latest round.

EXCLUSIVE-BP, Eni clinch deal on Angola joint venture

Eni and BP have completed a deal to merge their oil and gas operations in Angola, the groups said on Friday, confirming what sources earlier exclusively told Reuters.

The deal will create a company called Azule Energy that is expected to be Angola's largest producer with stakes in 16 licences and in the Angola LNG joint venture.

Azule Energy will also take over Eni's stake in Solenova, a solar company jointly held with Angola's Sonangol.

Earlier three sources said the two energy groups were close to raising around $2.5 billion in financing to help fund the joint venture and were also close to a separate agreement for Eni to buy stakes in Algerian gas plants.

The two companies last year announced plans to combine their Angolan businesses into a self-funded company with oil and gas production of around 200,000 barrels of oil equivalent per day.

The merger is part of the two companies' overhaul of their oil and gas businesses as they shift towards renewables and low-carbon energy in the coming decades. It will also help them to reduce debt.

ALGERIAN GAS

Under a separate deal, BP is close to selling to Eni its stakes in two major gas developments in Algeria - In Salah Gas and In Amenas, the sources said. The value of such a deal is unclear.

One of the sources said the companies were in advanced talks. BP and Eni declined to comment on Algeria.

The two sides have struggled to agree on a way to balance the value of their Angolan assets since Eni's operations and oil and gas reserves are bigger and hold a larger value than BP's, two of the sources said.

The statements issued by both companies on Friday said BP's gross assets in the deal were worth about $6.8 billion at the end of 2021, while those of Eni were worth $7.3 billion.

The change of ownership at the two gas plants in the south of Algeria will help Eni develop Algeria's energy infrastructure and export gas to southern Europe via pipelines, the sources said.

Italy is looking to ramp up gas imports from Algeria to help reduce its reliance on flows from Gazprom following Russia's invasion of Ukraine. To do that Algeria needs to increase its upstream gas production.

Eni, which holds long-term gas contracts with state-owned energy giant Sonatrach, has historic ties with Algeria. Last year it signed a series of accords aimed at increasing production in the country.

With one of Europe's biggest gas transport networks, Italy is seen as a future bridgehead into Europe for gas - and zero emissions hydrogen - produced in North Africa and beyond.

Top News - Dry Freight

Ukraine bans fertiliser exports - agriculture ministry

Ukraine, a major global producer of agricultural products, has banned exports of fertilisers given the Russian invasion, the agriculture ministry said on Saturday.

Ukraine has already banned exports of some agricultural commodities and introduced licenses for its key export goods - wheat, corn and sunflower oil.

"The cabinet of ministers is introducing a zero quota for the export of mineral fertilisers that is a de facto ban on the export of fertilisers from Ukraine," the ministry said in a statement.

It said the ban would help "to maintain balance in the domestic market" and applied to nitrogen, phosphorus, potassium and complex fertilisers.

Ukraine traditionally starts spring field work in late February or in March. Farmers say they will start sowing in safe areas as soon as they can.

Ukraine's President Volodymyr Zelenskiy said on Friday the country must sow as many crops as possible this spring, despite the Russian invasion.

The country's agriculture producers' union said this week farmers were likely to reduce areas sown to sunseed, rapeseed and corn this year, replacing them with cereals - buckwheat, oats and millet.

Ukraine, the world's largest exporter of sunflower oil, had forecast before the invasion that it could export more than 60 million tonnes of grain, including 33 million tonnes of corn and 23 million tonnes of wheat, in the 2021/22 July-June season.

The agriculture ministry said Ukraine had exported 43 million tonnes of various grains in the 2021/22 season as of Feb. 23, the day before the invasion.

Tunisia buys soft wheat and feed barley in tender - traders

Tunisia's state grains agency is believed to have purchased about 125,000 tonnes of soft wheat and about 100,000 tonnes of animal feed barley in an international tender that closed on Friday, European traders said.

The wheat was bought in five consignments each of about 25,000 tonnes. Trading house Casillo sold four at $491.68, $499.69, $505.68 and $508.89 per tonne c&f. Cargill sold one at $497.25 a tonne c&f, traders estimated.

The barley was bought in four 25,000 tonne consignments. Casillo sold one at $484.68 a tonne c&f and Viterra sold three at $489.98, $492.49 and $494.97 per tonne c&f, traders said.

It is Tunisia’s second tender for wheat issued this week as importers struggle with the impact of surging wheat prices.

Wheat prices hit 14-year highs after Russia's invasion of Ukraine, which Moscow terms a "special operation." Ukraine’s grain shipments were stopped and Russian exports fell sharply.

Only two trading houses submitted price offers for the soft wheat in Tunisia’s previous tender on Tuesday when no purchase was made, the lowest at $500.25 a tonne c&f.

In its last reported soft wheat tender on Feb. 2 before Russia's invasion, Tunisia bought wheat at the lowest price of $348.69 a tonne c&f.

“With no sign of an end to the fighting in Ukraine and no sign grain exports will resume, it looks like importers have no choice but to pay up if they need supplies,” one trader said. “Any marginal downward spikes in futures will be a buying opportunity.”

European Euronext wheat futures fell in past days from record highs hit after the invasion of Ukraine.

Friday’s tender from Tunisia sought rapid wheat shipment between March 20 and May 20, barley shipment was between March 20 and May 15.

Tunisia is among African countries facing the worst disruption to grain imports.

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(Inside Commodities is compiled by Kishan Nair in Bengaluru)

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