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GAIN Report

Global Agricultural Information Network

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Ukraine

Post: Kiev

Ukrainian Wheat Won GASC Tender for Delivery in January 2012

Report Categories:

Agriculture in the News

Grain and Feed

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Report Highlights:

Ukrainian wheat participated in a GASC tender for the second time in a week (and since 2008) on October 29, 2011 and this time was successful. The delivery is scheduled for mid January 2012. This may be opening a door for opportunities in the future but may also mean stronger competition between Black Sea grain suppliers.

General Information:

According to the latest market news, Ukrainian origin wheat won a tender with Egypt's General Authority for Supply Commodities (GASC) held on October 29, 2011 for 120,000 tons of milling wheat.

Reportedly, wheat was purchased at \$247.92 per ton FOB, with freight costs at \$16.70 per ton.

In the preceding GASC tender, Russian wheat was sold. However, according to the news reports, this time Russian origin wheat was offered at prices which exceeded that from Ukraine. Other offers from France and Argentina were also made but were not that competitive. It is said that GASC prefers to purchase from Black Sea origins due to lower freight costs.

If Ukraine continues to participate in GASC, this may create an opportunity for the country to regain a stronger position in the North African market. This may also mean stronger competition in the Black Sea region in the near future, which would keep the grain prices in this market at bay.