

World market of olive cultures and place of Ukraine in it

I. Chekhova,

PhD, head of economic research sector of Institute of oilseeds of NAAS.

The purpose. To characterize basic tendencies in world market of olive cultures and to reveal positions of Ukraine in it. **Methods.** System generalization, abstract-and-logic, analysis and synthesis, observation, relative, graphic. **Results.** World market of soybean is develop positively, and is predominant. Market of rape in the world shows fall of volumes of production and consumption. World market of sunflower extends because of raise of demand for oil sunflower. Basic tendencies of development of world market of olive cultures are as follows: fall of prices for olive cultures in the beginning of marketing year; drop of production and offer of rape in the EU countries; high offer of soya bean in the world and drop by the USA of leading positions; positive changes in production of flax. **Conclusions.** Ukraine is deeply integrated into the world market of olive cultures. It is the world leader in production and processing of sunflower and export of sunflower seed oil. In production of rape and flax it takes 6-th position in the world, in production of soya bean - 8-th. General trend by cultures in domestic and world markets of olive cultures coincides. Distinctions concern rates of escalation of production of sunflower, flax and rates of fall of production of rape.

Key words: world market of olive cultures, sunflower, soya bean, rape, market share, olive cultures, production, export, prices.

Formulation of the problem. Oilseeds are an important part of the economy of many countries. Positive dynamics of production observed over the past five decades, and increasing the volume of world production was 14 times - from 37 to 530 mln. Tons. The leading oilseeds output and exports which are the highest in the world, is soy, rapeseed occupies the second position, followed by - sunflower. To niche crops on the world stage belongs flax oil. Today the world is grown over 520 mln. Tons of oilseeds, of which 320 mln. Tons of soybeans, 70 mln. Tonnes - rape, 40 mln. Tons of sunflower, 2.7 mln. Tons of flax oil. This ratio is due to the prevailing trends of consumption of these crops, the use of the diet of the population (in the form of seeds or oil) demand in the field of animal processing.

Analysis of recent research and publications. Research on global and domestic market of oilseeds dedicated their works Vlasov V.I., Sabluk P.T. [1], O.V. Kovalenko [2], Pobereshna A.A. [3], A. Kuznetsov [4], Pedorchenko A.L. [5], Tory F. [6] and others, which reflects different aspects of the problem. The question of determining the location and position of Ukraine in the world market of oilseeds requires deeper consideration in view of the present and future position of our country in this segment of the world economy. The purpose of research - provide a description of the main trends in the world market of oilseeds and identify Ukraine's position on it. The results of research. Oil world market has three major crops: soybeans, canola and sunflower. Promising crop on the world market of oilseeds niche is flax oil. Growth areas and production volumes of oilseeds in the world due to improved seed quality indicators, increased consumption and trends in food processing, livestock, energy sector.

World oilseed balance characterized by positive dynamics, the annual reduction in final residues, low rates of production growth exceeding the rate of consumption rate offers. The increase in total supply of oilseeds in the period 2014-2016 took place from 757 to 782 million Tons, or 3.3% of consumption - from 665 to 702 million Tons, or 5.6% of the highest rate (+ 8%) among other balance sheet items increased export-import transactions (Table 1).

1. Dynamics of the global balance of supply and consumption of major oilseeds mln. Tons *

Indicator	2014	2015	2016	Change, %
Initial inventory	77,8	93,0	83,6	107,5
Production	536,8	519,1	543,5	101,2
Imports	142,9	151,6	155,2	108
Offer	757,5	763,8	782,3	103,3
Consumption	517,5	526,6	543,2	105
Export	146,9	153,5	158,6	108,0
Consumption	664,5	680,1	701,8	105,6
Balances	93,0	83,6	80,5	86,6

*Calculated according to IA "APK-Inform"

Analysis of the global production of oilseeds showed soybean production increase from 320 to 330 mln. tons, or 3%, sunflower - from 39 to 43 mln. tons, or 10%, flax oil - from 0.6 to 0.7 million tons, or by 20% and reduce the production of rape - from 71 to 67 mln. tons, or 6%. Artificial share of Ukraine in the world market of oilseeds in the period 2014-2016. Sunflower held by 5.3 percentage points from 21 to 30% (13 mln. tons). The share of Ukrainian soybean and flax oil on the world market remained unchanged - 1.2% (4 mln. Tons) and 2% (to 62 thousand T), respectively, and rape decreased from 3 to 1.8% (1.2 mln. tons) (Tab. 2).

2. Dynamics of world production of oilseeds and Ukraine share *

Indicator	2014		2015		2016		Change, %
	mln. tons	%	mln. tons	%	mln. tons	%	
Soybean							
The world total	319,8	100,0	312,7	100,0	330,4	100,0	103,3
including Ukraine	3,9	1,2	3,9	1,2	4,0	1,2	100,0
Sunflower							
The world total	39,4	100,0	39,3	100,0	43,3	100,0	109,9
including Ukraine	10,2	25,9	11,3	28,8	13,5	31,2	305,8
Rapeseed							
The world total	71,4	100,0	68,4	100,0	67,2	100,0	94,2
including Ukraine	2,2	3,0	1,7	2,5	1,2	1,8	54,6
Flax							
The world total	2,26	100,0	2,41	100,0	2,85	100,0	126,1
including Ukraine	0,04	1,8	0,03	1,2	0,06	2,0	150,0

*Calculated according to IA "APK-Inform"

If we compare the trend of production of oilseeds in the world and in Ukraine, it should be noted that the overall trend in terms of the same crop, but differences regarding the rate increase production of sunflower, linseed and the rate of decline in production for rape. During the study period the rate of production of sunflower in Ukraine 3 times surpassed the global growth in flax oil - 25% decline in canola production doubled ahead of the world.

Performance rates of world exports of oilseeds in the period 2014-2016 increased: by 10% soybean, flax for oil - by 30.5% to sunflower and rapeseed - recorded decline in transporting by 8 and 10%, respectively (Table. 3). Mid-term global trend and Ukrainian exports in the context cultures are not the same. If the world's soybean exports increased by 10% from 126 to 140 mln. tons, export of soybeans from Ukraine decreased from 2.4 to 2.3 mln. tons, or 5%. Annual exports of sunflower in the world fell by 8% from 1.6 to 1.5 mln. Tons in Ukraine has its sharp rise from 45 to 170 thousand Tons, or more than 3

times. The fall in world exports of canola was 10% - from 15 to 13.5 mln. Tons in Ukraine more than doubled - from 1.9 to 0.9 mln. Tons. Exports flax oil in the world increased by 31% - from 1, 1 to 1.5 mln. tons in Ukraine - 4 times from 10 to 42 thousand. v. Ukraine's share in world exports has declined: in soybean - from 1.9 to 1.7% for rape - from 13 to 6,6%. A growing share of Ukrainian sunflower transporting shows - from 3 to 10% and flax oil - from 0.9 to 2.8%.

3. Dynamics of world exports of oilseeds and Ukraine share *

Indicator	2014		2015		2016		Change,%
	Thous. т	%	Thous. т	%	Thous. т	%	
Soybean							
The world total	126130	100,0	132802	100,0	138974	100,0	110,2
including Ukraine	2422	1,9	2350	1,8	2300	1,7	95,0
sunflower							
The world total	1663	100,0	1810	100,0	1530	100,0	92,0
including Ukraine	45	2,7	80	4,4	150	9,8	333,3
Rapeseed							
The world total	15068	100,0	14601	100,0	13536	100,0	89,8
including Ukraine	1963	13,0	1430	9,8	900	6,6	45,8
Flax							
The world total	1149	100,0	1298	100,0	1499	100,0	130,5
including Ukraine	10	0,9	25	1,9	42	2,8	420,0

*Calculated according to IA "APK-Inform"

In the world market of soybeans leaders are: USA (108.3 million tons) with a share of 33%, Brazil (100.0 million tons) with a share of 31%, Argentina (57 ths. Tons) with a share of 17%. Ukraine holds the 8 position (3.8 million tons) with a share of 1%.

The world market of sunflower heads Ukraine (11 mln. Tons) with a share of 31%, after it placed Russia (9.4 mln. Tons) with a share of 23% in the third position are the EU countries (7.8 million tons) with a share of 20 %. Rapeseed production is concentrated mainly in the EU (21.5 mln. Tons) with a share of 30%, Canada (17.2 million tons) with a share of 26% and China (14.1 million tons) - the share of 18%. Ukraine occupies the 6th position in the world in volume of 1.2 mln. Tons and a share of 2% (Fig. 3). Flax oil is grown, Canada (942 ths. Tons); share of 33%, Russia (460 th. tons); share of 16%, Kazakhstan (340 ths. tons); share of 12% China (330 thousand. t.); share of 12%. Ukraine occupies the 6th position in the world in volume of 62 thousand Tons and a share of 2%.

If you analyze the trends in the world market of oilseeds during the last three years, it is worth noting the high rate of growth of soybean, in Russia from 1.6 to 2.8 mln. Tons (+ 71%); EU - from 1.2 to 2 mln. Tons (+ 70%); Ukraine - from 2.7 to 3.8 mln. Tons (+ 37%); Bolivia - from 2.4 to 3.1 mln. Tons (30%) and the fall in India - from 9.5 to 8 mln. Tons (-16%) and China - from 12.2 to 11.5 million. t (-6%), which is an exception to the overall market growth rates in the soya-producing countries and the associated natural factors prevailing in these countries. There redistribution structure of world production of sunflower, India reduced its production - from 670 to 420 thousand. Tons (-37%), Turkey - from 1.4 to 1.0 mln. Tons (-30%), Kazakhstan - 0.5 to 0.4 mln. tons (-22%), but at the same time, the US, Argentina and Myanmar recorded growth of sunflower seed in the 44; 40; 25%, respectively. World production of rapeseed is reduced in all producing countries except the US and Chile, which recorded growth rates of production of 40; 47%, respectively. The greatest reduction in the production of rape suffered in Byelorussia from 676

to 300 thousand Tons, or 2 times, Ukraine - from 2.3 to 1.7 mln. Tons (-28%) and Russia - from 1.4 to 1.1 million tons (-21%). For linseed proposal increases Russia, Kazakhstan, Ukraine and declining in Canada, China, the United States. Output growth linseed different. In the USA this figure increased threefold (from 0.08 to 0.2 mln. Tons), Russia - 43% (from 0.3 to 0.4 mln. Tons), Ukraine - 35% (2, 7 to 3.8 mln. tons), Canada - 30% (from 7.3 to 9.4 million Sc.), Kazakhstan - 15% (0.3 mln. tons).

Prices for oilseeds are characterized by falling indicators on sunflower and linseed, low growth in canola and soy. The table given the average world prices for oil seeds for the last 3 years, according to the quotations soybeans on the Chicago exchange SWOT (USA) MATba, (Argentina), rapeseed - as a result of contracting at the Paris stock exchange Euronext, sunflower - prices for Hungarian ground BSE, flax oil - prices in the Canadian market. As you can see, the dynamics of oil prices in the world is characterized by unstable trend: in the 2014-2015 biennium. Witnessing the fall, and during the 2015-2016 biennium - growth. Rapeseed has increased in value over 3 years to 9% from 421 to 459 USD/t. Soybeans in the US market is more expensive than Argentine. Growth in the US was 5% (from 368 to 386 USD / t), in Argentina 31% - from 287 to 377 USD / t. Sunflower has fallen in price by 7% - with up to 405 to 377 USD / t, flax oil fell by almost 27% - from 599 to 500 USD / t (Table 4).

4. Dynamics of average global futures prices and domestic export prices of oilseeds, USD / t *

Culture	Terms of delivery	2014 p.	2015 p.	2016 p.	Change, %
Rapeseed	Euronext, France, FOB	421	409	459	109,0
	Ukraine	452	411	412	91,0
Soybeen	SWOT, USA, EXW	368	322	386	104,9
	MATba, Argentina, EXW	287	231	377	131,4
	Ukraine (CPT)	433	353	360	83,0
Sunflower	BSE, Hungary, EXW	405	432	377	93,0
	Ukraine (FOB)	435	418	421	97,0
Flax	OIL WORLD cif N.W. Eua: Canada.	599	532	500	83,5
	Ukraine (FOB)	475	430	353	74,3

* Calculated according to IA "APK-Inform"

Comparison of world and domestic prices for oilseeds showed that export prices fall in the 2014-2015 biennium. On domestic oilseeds was more significant and, unlike the world, domestic export prices did not increase in the next 2016, the price dropped rape 9% (from 452 to 412 USD/t), soybeans - by 27% (from 433 to 360 USD / t), sunflower - by 3% (from 435 to 421 USD / t), and highest in flax oil - in 36% (from 475 to 353 USD / t).

Formation of prices on the world market of oilseeds depends on these macroeconomic factors, supply and seed remains in the leading countries; US dollar to other world currencies; key demand of importing countries; Trend stable high demand for soy; reorientation of importers of soy in South American market by reducing the flow of imports from the US [7, p. 82] low processing of rapeseed in the EU; higher prices for soybean and rapeseed meal; changes in oil prices. Among other things, the cost affects the level of farm support in each country. Currently, there are changes in the distribution of agricultural support worldwide. If the mid-1990 40% of the global budget to support the agricultural sector was necessary for the EU, but now these same 40% - is the proportion of China [8, p. 20].

Growth factor and lower prices for oilseeds in 2016 according Agritel International are indicators of exports and imports of seeds leaders. Note that Ukraine has a significant impact on the price only in the market of sunflower (Tab. 5). Depending on whether the country is an exporter or importer, enter the appropriate restrictive measures or incentives. For example, export restrictions have a significant impact on the world market, as rising prices make it difficult by reducing the global supply [8, p. 19].

5. Factors changes in prices of oilseeds in the world market in 2016 *

Factors price increase	Factors reducing prices
Soybean	
Active export from the United States	Record soybean crop in the US - more than 118 mln. Tons
Record high soybean imports China	Approaching harvest soybeans in South America
	The record level of transitional balances in the world
Rapeseed	
Rising Canadian canola (spring rape)	Possible reduction of prices on the oil market, where the failure of negotiations on freezing production
Worsening weather conditions in Canada	
Low stocks of rapeseed in Ukraine	
Sunflower	
The trend to higher prices for oil in the port of Rotterdam	Limited demand from refiners
Support for global oil complex	The record harvest of sunflower in Ukraine - about 13.5 million. T

*According Agritel International: [www. Agritel.com](http://www.Agritel.com)

Giving an assessment of the current state of the world market of oilseeds experts emphasize that the market is untouched [9, p. 50], as evidenced by the high level of terminal residues (80 million tons). Production of oil supply exceeds demand, increased competition motivates primary producers introduce modern varieties, hybrids and their cultivation technology, distinguishes a particular niche hire oil varieties of sunflower and rapeseed.

With regard to individual markets, we note that the soybean market trend towards gradual loss of US leadership positions because of declining market share in favor of soybeans from Brazil and Argentina. One of the major players on the world market of soy are China (imports over 65% of global soybean), which in recent years has significantly increased the volume of domestic consumption and imports, respectively [10, p. 21].

Reducing the supply of rape in the world markets except Australia and Canada, will change the global balance of supply and demand rape. This will be reflected in the pricing of other vendors. However, a possible increase in the price of canola will be constrained significant decrease in margins for processors that inactive dictated by demand for biodiesel in the EU [6, p. 33-34].

The world market under the influence of rape oil segment, resulting in prices the demand for Ukrainian export market decreased. However, domestic demand for rape in the world market is high. This, along with the main buyers - EU countries show increasing interest in Asia [10, p. 24-25]. Special attention is focused on China, which leading companies declare their intention to reduce the rate of import rapeseed. Leader in the production and import of rape EU-28 for the second year in a row does not receive the necessary amount of crop weather conditions, prospects of good harvest this year is also negative.

Market sunflower parameters increases in response to rising demand, but significant changes in the main trends in the short term is not expected. It is noted increased competition in the Chinese market of sunflower oil Argentinian and Ukrainian suppliers, but preference is given to Ukrainian oil due to the high quality and consumer preferences of European origin to oil [11, p. 12]. World oil industry needs new types of oil led to high segment and middle oil sunflower oil [12, p. 9], the demand for a new type of sunflower oil «NuSun» through the most balanced content of fatty acids. The world market of sunflower will be expanded further in response to the growing demand for sunflower oil in the world and promotion of new types of sunflower oil from sunflower high oil. For example, in China (the main consumer of sunflower oil) last 2 years, there are changes in the structure of consumption of vegetable oils, sunflower oil consumption growth with a corresponding

reduction in the consumption of corn oil. Projected Chinese importers in 2017 high oil sunflower growing niche in this country will take place from 10 to 30 thousand. T [11, p. 12].

The global market linseed is a gradual displacement of Canadian flax EU markets CIS countries (Russia, Kazakhstan, Ukraine), but the formation of world prices for this culture still depend on gross fees in Canada. For the current year is planned to reduce acreage under oilseed flax in Canada and the United States due to lower competitive position of countries in the world export markets. Russia, Kazakhstan, Ukraine, by contrast, plans to expand production of flax. Directions exports formed so that the main market for Canadian flax oil are China and linen imported from the CIS Member States. The total rate of supply of export oil flax from Russia, Kazakhstan and Ukraine at the level of 0.85 million. T can fully cover the needs of the EU in that an oil [13, p. 33-34].

Conclusions.

Supply and demand determines the world soybean export-import trends, pricing, balance and transition remains on the world market of oilseeds. Real rape in the world shows the decline in production and consumption. The world market of sunflower annually expanding due to growing demand for sunflower oil. Major trends in the world market of oilseeds, falling prices for oilseeds at the beginning of the marketing year; reduce production and supply of rapeseed in the EU; High soybean supply in the world and the gradual loss of US leadership positions; increased production of sunflower; positive dynamics of production of linse high oleic sunflowered. The general trend in terms of crops on domestic and world market of oilseeds coincide, and the differences regarding the rate increase production of sunflower, linseed and the rate of decline in production for rape.

Bibliography

1. Vlasov VI Global and regional agricultural production: monographs. / V.I. Vlasov, P.T. Sabluk, G.A. Potassium. - K.: NNC "IAE", 2008. - 210 p.
2. Kovalenko O.V. New markets as a result of short-term needs of society /O.V. Kovalenko // Agrosvit. - 2015. - № 15. - P. 35-41.
3. Pobereshna A.A. Formation of global and domestic markets oilseeds / A.A. Pobereshna // Economy APK. - 1999. - № 8. - P. 91-96.
4. Kuznetsov O.M. Current State and Perspectives of the industry oilseeds in Ukraine / O.M. Kuznetsov // Economy APK. - 2002. - № 7. - P. 24-25.
5. Pedorchenko A.L. Experience exports of oilseeds and their products developed market economies / A.L. Pedorchenko // Agrosvit. - №13. - P. 37-41.
6. Tori F. Rynok klyuchevih sel'hoz'kultury EU: Results and Prospects 2015-16 2016-17 MG MG / FM // Tori APK- inform. - 2016. - №7 (25). - P. 31-34.
7. Myrovoy rynek maslychnih kultur and in January of products REFINING: // APK Obzory -inform. - 2016. - № 2 (20). - P. 82-86.
8. Krivonos E. Trends torhovoivo sel'skohozyaystvennoy and policies in developing countries and Black Sea regions / E. Kryvonos // APK-Inform. - 2016. - №5 (23). - P. 19-21.
9. Perenasyschenost rynku - klyuchevoy factor Effect - R.J. J.Brien // APK - Inform. - 2016. - № 3 (21). - P. 50-52.
10. Gnoevets S. Torgovyi strategy in terms of currency fluctuations on the market. Ukrainian Marketplace oil / S. Gnoevets // APK-Inform. - 2015. - №9 (15). - S.21-25.
11. Synkovskaya S. Chinese marketplace sunflower oil / S. Synkovskaya // APK-Inform. - 2016. - №12 (30). - P. 10-12.
12. Platonov A. Vysokooleinovy rynek - perspektivnoye napravleniye ukaynskoy maslozhyrovoy industry / Andrei Platonov // APK-Inform. - 2015. - №10 (16). - P. 9-12.
13. Chernenko A.I. Myrovoy market of flax: Prospects 2016/2017 mg / A.I. Chernenko // APK-Inform. - 2016. - №12 (30). - P. 33-35.