MN7R
MORE MARKET. LESS NOISE.

A PRACTICAL GUIDE
FOR BROKERS
BY BROKERS

AGRO-COMMODITY BROKERAGE:

A PRACTICAL GUIDE FROM ZERO TO THE MARKET

GRAINS, OILSEEDS, LOGISTICS, BASIS, DEALS, BROKERS AND THE MODERN DIGITAL WORKFLOW

MARKET CONNECTIONS | LOGISTICS & BASIS | DEALS & RISKS | DATA & ANALYTICS | COMMUNICATION & EXECUTION

EARLY CHAPTERS
FREE PREVIEW EDITION

PRACTICAL KNOWLEDGE.
REAL MARKET.
YOUR WORKING EDGE.

THE MN7R TEAM:
ANTON BILETSKYI-VOLOKH | OLEKSANDR SOLOVEI | VIKTORIIA ZHYLKA
MN7R.COM

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This is a free educational edition prepared for brokers, agri-commodity market participants and MN7R users.

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Table of contents

1. Introduction: why this book exists

This book is not trying to be an academic textbook. The agro-commodity market is already perfectly capable of frightening people with terms, abbreviations, delivery bases, ports, station codes, protein levels, moisture, freight and the dangerous phrase "it is simple", which is usually where trouble begins.

This is a practical guide for brokers and future brokers. It is for people who already hear words like offer, bid, match, CIF, FCA, elevator, wagons and port, but want to turn those words into a professional system rather than a pile of market fragments.

It is especially useful for people who came into brokerage from related backgrounds. A former seafarer may understand maritime logistics very well but still need a better view of grain quality, basis, trade flow and counterparty risk. A commercial person may be strong with clients but less confident when comparing delivery terms, freight assumptions and product specifications.

We begin with the basics:

- what grain and oilseed agro-commodities are;
- who participates in the chain;
- what a broker actually does;
- how offers and bids can become trades;
- why logistics and basis matter as much as price;
- why a modern broker needs more than memory and messenger chats.

MN7R will not jump out of every paragraph waving a software flag. First we need to understand the profession. Only then does it make sense to talk about monitors, data, workflow, communication layers and automation.

Brokerage is not magic. But it is not just "find a seller, find a buyer, put a commission in the middle" either. A good broker reduces chaos. A bad broker forwards it.

2. What are grain and oilseed agro-commodities

A commodity is a tradable physical product that can be bought and sold in a reasonably standardized way. In this guide, we focus on agro-commodities: grains, oilseeds and primary processing products.

Grains:

- wheat;
- corn;
- barley;
- oats;
- rye;
- rice where relevant.

Oilseeds:

- soybeans;
- rapeseed;
- sunflower seed.

Primary or rough processing products:

- meals;
- cakes;
- bran;
- pellets.

Oils, flour, sugar and similar products live close to this world and may appear as examples. They matter, but they are not the core of this first guide. The point is not to cover the entire agricultural universe. The point is to understand the market where grain and oilseed brokers usually work every day.

The important thing is this: a physical product is not an abstract line on a price chart. A cargo of corn does not live in a presentation. It is somewhere: on a farm, in storage, at an elevator, in a rail wagon, in a truck, at a port, in a vessel hold or waiting for logistics to stop being annoying.

It has origin, quality, moisture, impurities, delivery period, loading place, documents and people who may suddenly remember "one more detail".

So the product name alone is rarely enough.

"Wheat" is the start of a conversation, not complete information.

A broker should clarify:

- what kind of wheat;
- protein level;
- crop year;
- origin;

- quality parameters;
- delivery basis;
- where the goods physically are;
- when delivery is possible;
- who the seller or buyer is;
- whether certification is required;
- whether payment or transport has special conditions.

The market does not punish people for not knowing everything. It punishes people for not asking and then pretending they knew.

3. Why this market is special

The agro-commodity market is special because it is local and global at the same time.

Corn may be grown in Ukraine, sold to a trader, moved by rail, loaded through a port, shipped to Italy or Spain, used as feed or processing material, while its price is influenced not only by the nearby elevator but also by global supply, currency, freight, weather, harvest prospects in other countries and buyer appetite.

This market has several permanent sources of complexity.

Weather

Weather does not read contracts. It can affect yield, quality, harvest timing, moisture, logistics and everyone's mood. Rain at the wrong moment can be more expensive than a bad spreadsheet.

Harvest and seasonality

The market lives in cycles. Before harvest, expectations are one thing. During harvest, another. After harvest, another again. What looks sensible in May may look very different in September.

Storage

The product must be stored somewhere. Elevator, warehouse, port, silo - these are not background decorations. Storage affects availability, quality, cost and execution.

Logistics

The product has to move. Trucks, rail wagons, barges, vessels, stations, ports, terminals, queues, documents and delivery windows all matter. Logistics can be half the market. On a bad day it can feel like three quarters.

Quality

Two cargoes with the same headline name may have different values because one fits the buyer's requirement and the other does not. Sometimes one small specification decides the fate of the deal.

Local and global flows

A Ukrainian broker may work with local supply, but the buyer compares international alternatives. An Italian importer is not obliged to love Ukrainian logistics because we know it well. The importer compares value, reliability and timing.

That is why two similar cargoes can be priced differently. Not because the market is strange, but because in physical trade they are not truly identical.

4. Who is who in the chain

To work properly as a broker, you need to know who stands around the product.

Farmer

The farmer grows the commodity. The farmer may sell directly, through a trader, through a broker, through a cooperative or through other channels. For the broker, the key point is simple: the farmer may have the goods, but not always the logistics, documents, export structure or appetite for complex negotiations.

Cooperative

A cooperative may bring several producers together and offer larger volume or more organized supply. But even inside a cooperative there may be different lots, different qualities and different expectations.

Elevator or storage

An elevator is a storage point and often an important logistics point. Goods may be weighed, dried, cleaned, accumulated, blended and loaded there. For a broker, an elevator is not just an address. It is part of execution.

Trader

A trader usually buys and sells goods, takes a commercial position and carries risk. The trader may earn from margin, arbitrage, logistics, export flow, processing or structure.

Merchant

A merchant often works between production, market and buyer. The merchant may buy, accumulate, resell or structure flows. In different companies, the terms trader and merchant can mean slightly different things.

Broker

A broker connects commercial interest. The broker often does not own the goods and does not carry the position on the balance sheet. The broker's product is speed, trust, context, access to both sides and the ability to turn messy information into a workable deal.

Processor

A processor buys raw material and turns it into another product: meal, oil, flour, feed or other processed goods. A processor cares not only about price but also about stable delivery, quality, schedule and technical requirements.

Exporter and importer

An exporter organizes sales from one country to another. An importer buys for another market. Documentation, logistics, country of destination, quality, financing and timing are central.

Industrial buyer

This may be a mill, feed producer, oilseed crusher, bioenergy user or food industry buyer. The industrial buyer often does not buy "the market"; it buys a specific raw material for a specific process.

The broker's main questions are:

- who owns the goods;
- who makes the decision;
- who carries the risk;
- who pays;
- who controls logistics;
- who can break execution even if they were not mentioned in the first beautiful message.

5. What a broker is and how a broker differs from a trader

A broker is not "just a middleman". If a broker only forwards messages from one chat to another, he is not a broker. He is an expensive cable.

A good broker does more:

- finds market interest;
- checks whether that interest is real;
- clarifies product, quality, basis, logistics, price and delivery period;
- understands who may care about it;
- carries context between sides;
- helps the sides move toward a deal;
- hands execution cleaner information than he received at the start.

A trader often takes position. The trader buys, sells and carries price, goods, logistics or financing risk. A broker usually does not buy the product for himself. The broker creates the commercial connection and earns commission from the result.

That does not mean the broker has no risk. The broker has a different type of risk: reputation, operation and information. If a broker constantly sends weak or wrong ideas, the market stops listening. Once the market stops listening to a broker, the phone still works, but the profession is almost gone.

A broker sells:

- speed;
- accuracy;
- access;
- trust;
- memory;
- structure.

Especially structure. The market does not naturally organize itself. It behaves more like a very large warehouse where everyone carries something, someone shouts "urgent", and someone has left the important document under a coffee cup.

6. How a deal works: offer, bid, match, trade, contract

Brokerage work needs stable objects.

Request

A request may be informal. For example: "Anything on corn for Italy?" or "Need soybeans, DAP, June." This is not yet a bid and not a deal. It is a signal.

Offer

An offer is seller-side interest. In a useful form it should include:

- seller;
- commodity;
- quality or specification;
- quantity;
- basis;
- place;
- transport;
- delivery period;
- price;
- currency;
- notes.

If an offer says only "corn available, good price", that is not an offer. That is a mood.

Bid

A bid is buyer-side interest. The buyer wants to buy goods under certain conditions. A bid should also include commodity, quality, quantity, basis, place, period, price or at least price idea.

Match

A match is potential overlap between an offer and a bid. It does not mean the deal is done. It means there is a commercial reason to look closer.

Matches are often imperfect:

- price is close but not equal;
- place is near but not identical;
- delivery period overlaps only partly;
- quantity is approximately workable;
- basis needs clarification.

Counter

A counter is a response or adjusted proposal. A buyer may not accept 260 USD but may consider 255. A seller may change the delivery period to move closer to the buyer.

Trade

A trade is agreed commercial business on the main terms. But after "agreed", work is not over. Execution begins.

Contract and execution

The contract fixes the terms. Execution turns the commercial agreement into movement of goods, documents, payment and commission.

Typical places where deals die:

- price was stale;
- basis was understood differently;
- quality was not confirmed;
- logistics did not work;
- counterparty was not ready to perform;
- the sides agreed in chat, but nobody recorded the clean version.

The last one is popular. Chat remembers everything, but finding the right thing later can be harder than finding good freight in a bad week.

7. Why logistics is half of the market

Agro-commodities are physical goods. They have to move.

That sounds obvious, but many beginners underestimate what it means. Goods do not teleport from "Ukraine" to "Italy". They must be loaded, transported, received, documented, sometimes transshipped, sometimes accumulated and sometimes inspected again.

Trucks

Trucks are flexible. They are useful for domestic routes, shorter distances, delivery to plants, warehouses, elevators, borders and terminals. But flexibility does not mean absence of problems: drivers, queues, roads, permits, weight, schedule, loading and unloading all matter.

Rail

Rail gives volume but needs planning. A wagon is not just a larger truck. Station, code, supply, schedule, wagon type, route and delays affect execution.

Port and sea logistics

Port and sea logistics add another layer: terminal, vessel, lot accumulation, freight, documents, loading and country of destination. For a broker coming from maritime work, this may feel familiar. But maritime knowledge is only part of the deal. Commodity, quality, basis and counterparty do not disappear.

Freight

Freight is the cost of transport. It can change the economics of a deal very quickly. The same cargo can look attractive on one route and pointless on another.

Delivery window

Delivery period is not decoration. If the seller can deliver in June and the buyer needs July, that is not always a small issue. If the vessel has a window and the goods are not accumulated, this is no longer broker poetry. It is an operational problem.

A broker who understands logistics is stronger. He does not only ask "what price?". He asks "where are the goods, how will they move, when can they really arrive, and who pays for that?".

8. What basis means and why price without basis means very little

Price without basis is a number without an address.

If someone says "corn 230", the broker should immediately ask: 230 where? EXW? FCA? CPT? FOB? CIF? DAP? Which country? Which place? Which transport? Which currency? VAT included or not? Which delivery period?

Basis shows the delivery terms and place behind the price. It defines who carries part of the cost and risk.

Simple explanations:

EXW

The buyer collects the goods from the seller's place. In real life, you must still check what exactly "seller's place" means and what each side actually undertakes to do.

FCA

The seller hands the goods to a carrier or at an agreed place. For a broker, the exact place matters: elevator, station, plant, warehouse, region, country.

FOB

Usually port logic: the seller delivers goods to the vessel side or under loading-related terms. It is not simply "somewhere in the port".

CIF

The price includes cost, insurance and freight to the destination port. For the broker this means the destination country and port must be clear, and freight logic is already inside the price.

This is not a legal Incoterms chapter. Contracts require professional documents and legal advice where needed. But at broker level the lesson is simple: basis changes the meaning of price.

Comparing two prices without basis is dangerous. It is like comparing two apartments by price only, without asking whether one is in the city center and the other is in a field next to a transformer.

9. Modern brokerage: data, monitor, communication

Brokers love messengers. They should. The market is alive, people talk and answers need to move quickly. Telegram, WhatsApp, calls, voice notes and screenshots are part of reality.

Excel is useful too. It is fast, familiar and can save a day.

The problem starts when messengers and Excel become the operating system of the brokerage team.

Then:

- the offer is in one chat;
- the bid is in another;
- the counter is in a screenshot;
- the old price is in a file;
- the new price is in a voice note;
- the client has been renamed in the client card, but the old name lives in another list;
- a match exists, but nobody sees it;
- a trade was agreed, but execution does not know which version of the terms is correct.

That is not workflow. That is archaeology with commission.

Modern brokerage needs a structured layer:

- offers as objects;
- bids as objects;
- matches as working opportunities;
- trades as recorded business;
- clients with history and ownership;
- dictionaries for commodities, basis, places and transport;
- statuses;
- updates;
- execution;
- reporting.

MN7R is one example of this approach. The idea is not to take away the broker's phone and replace it with a thirty-field form. The idea is to let the broker work fast while the team keeps its memory.

Messengers should be communication channels. The monitor should be the working source of truth.

In the future, brokerage will depend more on data, integrations, APIs, automated hints, AI assistants and clean reference dictionaries. But the foundation remains human: trust, speed, accuracy and reputation.

Technology does not replace the broker. It shows which brokers work with structure and which brokers merely forward chaos very quickly.

10. What comes next

This is an early fragment of the future book. The full version will expand:

- grain and oilseed quality;
- specifications and certification;
- truck, rail, port and sea logistics;
- freight;
- basis and price formation;
- risks;
- counterparties;
- contracts and execution;
- modern broker monitors;
- client base discipline;
- communication layer;
- data, APIs and interoperability;
- AI as a broker tool;
- glossary;
- checklists.

The goal is simple: create a practical book that can be given to a new broker with the words, "Start here. Then we go to the market."

If you are already a broker, this book should help organize experience. If you are entering the profession, it should reduce the number of mistakes usually paid for with nerves, time and very long message threads.

Follow the MN7R Blog, download updates and send feedback. The market is complicated enough. Learning it should not make it worse.