

## Currency update:

The US Dollar is struggling currently under the issues facing Donald Trump, and although there are no imminent actions, a fear he could be impeached is weakening the currency. The dollar is also not helped by the budget proposals which some feel have no credibility. Consequently, Sterling is close to an 8-month high. Positive UK data to some extent supports this, such as the 42-year low in unemployment figures, but other data such as poor wage inflation, increasing inflation do undermine. The Euro is also performing well due to a more stable economic outlook in the zone, and some good manufacturing data. Also, as we progress through the election season in Europe, risk of further upset diminishes.

The down grading of China for risk appetite due to the amount of non-government debt, will have no immediate impact on currency, but is perhaps something to watch for the coming years, as it is not expected to improve.

This month brings the UK general election and the commencement of Brexit negotiations!

## FX Monthly movement

– US\$/£ 1.29	up from 1.27
– US\$/€1.02	up from 1.07
– £/€ 1.15	down from 1.10

## General news

***Underlying trends on all seeds now are for 2017 crops to be smaller than 2016, by significant percentages. Primarily due to a lack of return for farmers and processors on these crops. Oversupply is pushing farmers to alternate crops, and narrowing the supply bases. Get ready for market corrections!***

***\*Please note that we have added a small Product list to this edition of our Market Report, you will find it at the end of this report.***

### Pumpkinseed kernels:

Prices have rebounded and left the bottom behind. Current crop is now out of farmer's hands and in the warehouses of a few processors and some speculators. New crop plantings are down as earlier stated. Prices have lifted by around 20% and we see every possibility for them to go further.

### Linseed:

Similar story here, the price is so low, farmers are not interested in growing flaxseed. In UK plantings are reported to be even lower than last year, and we really do not see this origin featuring going forward. So, all supplies will come from Russia/Kazakhstan, with a little from Poland, Moldova etc. There are variable qualities from these regions; some very large seed sizes, and some dull seed coats, so please pay attention to the quality received.

### Sesame seed:

India prices have been quite stable this year, with major fluctuation down to currency. Exports are also lower than 2016. The summer crop was very small as previously stated. So now we wait for the monsoon, and planting for the main crop will follow towards the end of July, if all goes as normal. The carryover situation is going to be limited, increasing the impact of weather on the pricing structure for the new crop. Should strong demand appear in the market, and this can only really come from China for mainly African sesame, we could see a sharp uplift. But otherwise we are inclined to feel prices will drift until the new crop situation becomes clearer and then we expect an upward motion.

Availability for new sales is severely limited from this region for the current year. Strong high priced demand from Japan has cleared out the warehouses, and there is little appetite for 'spot' supplies. In fact, the long-term future of this origin for hulled seed is looking fragile, as buyers are disinclined to pay the premium prices for this better tasting origin.

### Sunflower kernels:

An Eastern European blood bath continues as suppliers fall over themselves with cheaper and cheaper pricing, driven by pressure exerted on the market. The crop is now completely planted. No estimates exist for its size yet, but we will not be limited by availability, due to the high volume that goes to oil crushing and bird food use. The bakery suppliers will continue to respond, and at present with low prices, it is a good opportunity to cover from the premium processors. It may not be the cheapest offer on the market, but it will maintain the exceptional quality and service.

### Hulled millet:

Prices have jumped around 10% in last few weeks. The item is still remarkably good value despite this uplift. Demand appears more seasonal from our clients, picking up around this time of year.

### Poppy seed:

Gradually every origin declares a reduction in expected yield for the 2017 harvest. Without exception, all sources are down 10-60%. Add to this the discussion over alkaloid content in the seed and prospective guidelines on levels and labelling instructions, the market is set for a significant price increase. It is difficult to buy old crop stocks at present, and new crop is not offered. For some readers' memories will recollect the dramatic price fluctuations sometimes seen in poppy, when demand exceeds supply, and we are potentially heading into this scenario now.

### Chia:

Peru has harvested and seed is available, we are unsure of the quantity, and they are still hampered by logistical issues due to the floods, but it is available, but in lesser quantities to before. Argentina follows on behind with material available from around July. There is no doubt availability is going to be tight this season, it is hard to gauge both harvest quantity, availability and how much forward cover USA buyers have taken out of the market. Only time will present a clearer picture.

---

## Contacts

Frank Horan

[fhoran@unicorningredients.com](mailto:fhoran@unicorningredients.com)

+44 (0)1372 230020

Nikki Divers

[ndivers@unicorningredients.com](mailto:ndivers@unicorningredients.com)

+44 (0)1372 748597

## Products

Whether you need seeds such as sesame, linseed or quinoa through to something more exotic, Unicorn has the supply chain to source the wholesale ingredients you need for your bakery, retail chain or hospitality business.

Wherever we travel in the world, we aim to find the highest-quality products and are fully equipped to process them to the standards your customers expect. Making the most of close and long-standing relationships with our suppliers worldwide we can manage the entire process to ensure everything goes smoothly from production through processing, transportation and import to ensure your wholesale supply of ingredients is always reliable.

### Seeds

The market for seeds has become more and more intense in recent years, as food manufacturers, retailers and consumers recognise the health value of the product. The protein and essential fatty acids lead some to describe seeds as 'super foods'.

At Unicorn, we have unrivalled expertise at sourcing the very best seeds and ingredients from our suppliers around the globe, taking responsibility for their quality and managing the entire process from production to delivery wherever they're needed in the world.

### A selection of our products:

Amaranth	Hulled Hemp	Poppy Seed
Black sesame seed	Hulled Millet	Pumpkin Seed
Brown Linseed	Hulled Sesame seed	Quinoa
Chia	Kalonji	Sunflower Seed
Golden Linseed	Natural Sesame seed	
Hulled Buckwheat	Organic Range	

---

## Contacts

Frank Horan

[horan@unicorningredients.com](mailto:horan@unicorningredients.com)

+44 (0)1372 230020

Nikki Divers

[ndivers@unicorningredients.com](mailto:ndivers@unicorningredients.com)

+44 (0)1372 748597