

## Currency update:

Both US and EU data are strongly positive at present, with the US winning slightly and thus strengthening against the Euro. The North Korean missile situation is probably hampering the US dollar somewhat too, and this seems likely to continue for some time.

In the UK stalemate over Brexit talks, anxiety about potential labour shortages in the service sector, as unemployment and net immigration both fall, restrict Sterling's strength.

So, the current overall winner is the Euro, which seems strong all round for now!

FX Monthly movement:

- US\$/£ 1.30 unchanged
- US\$/€ 1.19 up from 1.17
- £/€ 1.09 unchanged

## General news

A quiet month generally due to holiday season. Stability in the FX market, and developing trends within the seed crops, with generally poor harvests experienced or anticipated in most but not all areas. The reduction in availability is generally a combination of lower plantings, due to the depressed prices and the abnormal weather conditions experienced in most parts of the world. From extreme heat, to extended monsoons, nowhere has escaped harsh conditions, during their crop cycle. A combination of El Nino and global warming we assume.

### Pumpkinseed kernels:

The market has stalled but remains firm and volatile. Many facilities are in the midst of enhancements to their equipment, and reluctant to offer new crop until second half September. Buyers are mainly on holiday and waiting for a trend to develop reluctant to pay more than last season so early. With Anuga at the beginning of October, all will develop in the coming five-six weeks, and we can fully expect pressure for prices to increase, potentially quite significantly since suppliers have losses to recoup and investment to recover, and new crop sales have been limited so far, so buyers must have relatively short cover and need to secure tonnage soon.

### Linseed:

Prices for brown linseed out of Eastern Europe are up around 5% over last season generally, and stable for Golden.

### Sesame seed:

The India situation is very uncertain. The extended monsoon has impacted on some regions more than others, in fact some regions are drier than previous years. The majority of states have sown less sesame, but MP has increased their area by 50%. Overall however the area is decreased. There is no carrier over stocks from 2016 harvest in India. First estimates for 2017 harvest are 280-300,000mt of white natural sesame, which almost equals 2016 export figures. So, with imports from Africa discouraged through new tax schemes, it seems at best India will have a balanced position. Africa has fared better, and will have carry over, perhaps 280,000mt from its crop in 2016 of 1.26M. Virtually all the remaining tonnage going to China.

So, with FOB prices similar in both regions, China will once again hold the key to the market, depending on its demand, and in 2016 this was lower than anticipated, due probably to high stocks as reported in earlier months, so we anticipate it increasing. The African forecast is not available to us now, but we know that in previous years the most volatile pricing period is over harvest, where trends are set. Starting from a low base already, and with supplies undoubtedly tight, and markets already moving upwards, it seems likely sesame could increase another US\$2-300/mt this season. This will be determined we feel in the next six-eight weeks.

In Central America, planting is underway and should be completed in September. We are fully expecting a further decline in area, and see the impact on prices to have the gap between Indian and CA seed widen since strong consistent demand from Japan and the premium buyers will support same. Shipment and quality issues from this region continue from most suppliers as the available seed for processing is not in good condition, or the financial pressures on the supply come to bear.

### Sunflower kernels:

The crop is somewhat late in Bulgaria, and most facilities are still conducting annual overhauls. Inventory in EU warehouses is once again very tight, as we cross from one crop to another. The price pressure from buyers driving down the bakery market has also led to a reluctance for shippers to rush to supply cheap forward orders. So, we expect tightness in supply to last for some days. Prices are at historical lows currently.

## Hulled millet:

Strong demand for Ukrainian millet from Bangladesh and Eastern Europe is further firming prices already increasing due to extreme dry weather. We fully expect the trend to continue and with no carryover, and all suppliers waiting for the new crop harvest. This comes on a crop that was forecasted 30% lower than 2016, which in turn was smaller than 2015.

## Poppy seed:

Supplies from all regions are tight now, or sold out. Markets are firm but as yet we have not seen a huge escalation in price, but it is a risk. The major influences are an oversupply of alkaloids, reducing production of morphine poppies, dry weather across Southern Europe impacting on yields, and as usual in these situations some strategic supplying by Czech farmers. Poppy is well off the bottom of the market currently and likely to go further. Of course, the glyphosate issues and residual morphine levels also fuel the flames.

## Chia:

Supply is tight for qualities to meet the EU residue default levels and prices are up 15-20% already. Potentially we see the opportunity for the differential to widen between glyphosate free and otherwise goods, since the US market has more appropriate levels of the residue. Therefore, be warned of cheap parcels of product, which might not conform to EU regulations.

---

## 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 230020

**John Millest**

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

+44 (0)1372 230020

## 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

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

+44 (0)1372 230020

Nikki Divers

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

+44 (0)1372 748597

John Millest

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

+44 (0)1372 230020