

Happy New Year *To all our readers*

Currency update:

Since the beginning of 2018 the US\$ has fared badly and both Sterling and the Euro have made strong gains. This is partly due to other regions hinting at rate rises to match the US treasury, hence taking potential forward strength out of the dollar. Weakening inflation in UK, non-approval of US budget by congress, potential political uncertainty in EU with a coalition attempt in Germany and further elections in Italy, all have an impact along with the endless Brexit speculation of trade agreements.

Generally, we see forecasts for £/\$ for 2018 around the 1.33, £/€ at 1.09 and \$/€ at 1.22, with further US dollar weakening in 2019

FX Monthly movement

- US\$/ £ 1.38 from 1.34
- US\$/ €1.22 from 1.18
- £/€ 1.13 unchanged

General news

2018 has started slowly in seed markets generally after a busy few months at the end of 2017. Generally, the supplying nations are suffering poor demand, and this is permitting prices to drift lower or stay stable. We feel this is a hangover from the cheap levels possible from last years harvest and long covering by many consumers at that stage. This cannot last forever, so when demand returns to the market, as it has in some cases already, we fully expect correction in all commodities. Obviously, the weaker US\$ has also hidden some increases when converted to domestic currencies.

To remind all readers we have readily available in stock an increasing range of ancient grains and speciality seeds such as;

Quinoa
RED, BLACK, and WHITE

Amaranth Hulled buckwheat Kalongi Chia

Comprehensive range of Organic variants

Finally, we have ideas and suggestions of a variety of alternative seeds for those looking for a little NEW YEAR creativity!!

Pumpkinseed kernels:

The market turned in mid-January as some demand was seen. There is no doubt that GWS supplies are short, so we do expect a rebound here. Shine skin which had dropped has now reached base cost level, so is unlikely to decline further. Weak overseas demand has forced factories to diversify. Spring Festival is approaching in China and factories will close for a couple of weeks and shipments cease until early March.

Linseed:

Very little to report, as sales sluggish, and any tightening at origin due to poor weather impacting adversely on prices has been compensated for by currency movements

Sesame seed:

The sesame market in India/Africa has stabilised and drifted off the highs, as deliveries to the local markets are slow. There is a summer crop due in Gujarat in April of around 35,000mt of white seed, but this will have little impact on the overall supply position.

There is contraction in this supply base too, where over capacity to hull, and stringent quality demands have weeded out the weaker performers.

In Central America the harvest was poor, and the Japanese are once again paying high prices for the natural seed. The supply base has contracted now, and reduced supply options from this region.

Overall, I think it unlikely we will see the prices of last summer again this season, but it is not uncommon for the India market to tail off through the first half of the calendar year, since demand is always strong in the last quarter of the year, and processors farmers need to have their stores cleared by July and monsoon time. The higher prices should encourage further area to be planted.

Hulled millet:

The market has stabilized at these higher levels now, with supplies from Ukraine exceedingly difficult to come by. With a clear shortage of material, it can only increase.

Sunflower:

The prices started to edge upwards, but pressure amongst hullers stopped the movement, at least temporarily. The over capacity of hulling in Bulgaria, is the main drag on prices. Otherwise market news is generally bullish, with reduced harvest in Ukraine, delayed plantings in Argentina and anticipated poor harvest figures from Russia.

Poppy seed:

Tightness in physical supply everywhere. Lots of interest from Eastern European countries and elsewhere, and limited supply options. The 2018 situation does not look any better, although we would expect the Czech Republic to increase areas planted to take advantage of the higher prices. Due to the oversupply of alkaloid raw material we believe all processors are cutting back their requirement for straw.

Chia:

Obtaining material that conforms to the strict EU residue levels remains the challenge from all sources, and prices are high but stable for the better-quality Bolivian or Peruvian material.

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