
Currency update:

The increase in global risk, and looming trade wars appears to be good for the US Dollar which has strengthened against both the Euro and Sterling in recent days. Major depreciation of the Yuan (China) where concerns over US protectionism are still current. However, the impact of this is to at least offset some market increases locally when prices are converted to dollars.

Certainly, Brexit negotiations and lack of clarity are in most people's heads, and the statements from some major players over the impact the indecisiveness is having, must put pressure on the Government to seek some clarity. But the process needs both sides to come to the table, and this seems to be lacking at present.

FX Monthly movement

- US\$/ £ 1.31 from 1.33
- US\$/ € 1.16 from 1.17
- £/€ 1.13 from 1.14

General news

As we have been advising for some time now, markets have reacted to a variety of stimulants and generally prices are upwards and likely to continue their firm standing.

We are in the quietest month of the year for news. 2017 harvests are now more or less committed, and little is left, bar tightness in supply if demand is high, and new crops are a little way from harvest, so most news is weather driven. Time to sit back and enjoy the football and tennis for a couple of weeks.

Pumpkinseed kernels:

The firmer tone continues in this market, somewhat counter balanced by the Yuan depreciation mentioned above. But none the less, the market is showing a firmer tone and availability is going to be tighter in the 2018 harvest. For now, it is getting harder to find parcels that are pesticide free. We are finding regular parcels testing positive prior to shipment and having to be replaced. Changes in some of the processors storage arrangements are increasing the risk of pesticide contamination, and buyers should insist on pesticide analysis for each load, not an annual certificate as supplied by some importers.

Linseed:

Perhaps the one market that has taken the current situation more or less in its stride. It is one of the last crops to harvest, so there is more time for it to recover. Russia & Kazakhstan are the primary regions of supply.

Sesame seed:

Prices reacted sharply recently to demand from China for African seed. For the first time in a long while Chinese stock levels at their ports dropped to around 60,000mt, and this prompted a buying spurt. The market jumped over 10%, and with little old crop stock remaining are unlikely to decline now until New crop is offered. It is too early for this, whilst the monsoon is underway, planting is only just beginning, so we have no news on likely availability of seed. We will conduct a crop survey in late August to obtain an idea of the situation. The other news hovering over the market is whether India imposes a 10% duty on African seed. This would effectively firm the local market.

In Central America, we are settled into a quieter period, with supplies coming forward but them frustrated by poor shipping line service. Planting in this region takes place in September.

Hulled millet:

Whilst the weather has cooled and some rain is in the forecast, the significantly reduced area cannot be recovered. Expect a tight supply situation

Sunflower:

Strong demand for old crop is keeping prices firm, whilst there is some welcome rain in the region, it will help the crops, but with less planted, the impact will obviously be reduced. We must start to focus on the likely quality for this season, since it does vary year on year.

Poppy seed:

The situation is tightening, partly due to a reluctance of some processors or growing regions to offer new crop seed. The effect is to push prices higher for available origins. There is we think no doubt stocks are going to be tight for some time. This compounds the issues within the EU, where more and more buyers look for lower alkaloid content material, which also must be with EU herbicide levels, which at MRL levels are extremely tight, and eliminate some origins.

We would encourage clients to review specifications and remove restrictions which are not of primary importance to the performance of the seed. For instance, origin of the seed.

Chia:

A quiet period, with offers available, be it at high levels from Argentina through to Bolivia, Paraguay and Peru. The usual word of caution regarding buying the correct quality to meet EU regulations.

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