

Dear Client,

Hereby we share with you our latest update about the Chinese pumpkin market.

If you have any questions or if you would like to receive any information you can contact us through our contact details below. Many thanks for your feedback and interest to cooperate with us.

Crop development

In the bigger origins like Xinjiang and Inner Mongolia the new crop is ready for collection by the farmers. The harvest in these area's recently started. However, it will take a few weeks before the bigger volumes will come out. Right now we are just at the very beginning. In general, we can say that the crop developed well. The pumpkins are in good condition and the size is ok, which makes them ready for harvest. During the last weeks, we saw some heavy rains, but there was no real crop damage due of this. So also, this season the weather conditions were quite favorable.

The pumpkins are in good condition and the size is ok

If we look at the planting areas compared with last season, we see a decrease on all types. There are many speculations that the crop size has decreased with 50%, which are only speculations in our opinion. As we also mentioned in our previous reports we don't believe the crop size decreased this much. Based on the information we have we think we should take a total loss of about 20-25% on the shine skin and GWS into account. On snow white, we think the loss can increase up to 30-35%.

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For 2 years in a row, the total crop is getting smaller. Compared with 2016 crop we talk about a total decrease of about 40-50%. On the other hand we should keep in mind, that 2016 crop was an extremely huge crop.



Shine skin pumpkins ready for harvest



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What is the reason for the decrease on the pumpkin crop?

In 2015, we faced extreme high prices and the market went sky high. All people in the commodity chain were able to make good profits, farmer's middlemen and processors. After this year, pumpkin was extremely popular for farmers due of the high prices and big interests from the domestic and the overseas markets. Therefore, a lot of farmers started to plant pumpkin or they expand their existing areas. They did this all with the hope, the market conditions will stay the same way. After that, the volumes increased and china brought us a huge crops and low prices. After that, the growing area's started to decrease. Right now, the market is trying to find a balance between production and worldwide consumption.

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GWS pumpkins ready for harvest

Overstock in the market

In addition, crop 2017 was big and good. Right now, most buyers are waiting for the new crop to come, but China is still facing huge stocks of crop 2017. The biggest part of these stocks are not suitable for the domestic of European market, due of the quality. However, there is also still enough availability of 2017 crop which is suitable for export to Europe. this is one of the main reason that the prices are still on extremely low levels. One other big important thing is the local Chinese currency. The value of the Chinese Yuan dropped a lot during the last months, due of the trade ware with the USA. We are sure that the prices of the pumpkin seed kernels would be higher if the Chinese currency did not fall. Further development of the Yuan will also affect the pumpkin prices in the coming period.

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How is the market right now?

Right now, we see a stable market. Last week we mentioned a small increase on the Shine Skin A, but this was more like a market correct because the prices were simply too low. Due of this correction we also see a rising interest for Shine Skin A. Right now, we see the new crop market for Shine Skin A at USD 2100 FOB and Shine Skin AA at USD FOB 2800. Please add about USD 150 p/mt for North West quality. The market of GWS A is slow and on the GWS AA we see a rising interest for almost a month now (especially for 2018 crop). We indicate GWS A today at USD FOB 2350 and GWS AA at USD 2850 FOB.

What do we expect in the next coming months?

The local Chinese currency is an important factor with a significant impact. We believe that if the Yuan will recover the prices of most export goods will increase, including the pumpkin. Based on the available volumes from the new crop and current crop we believe the market stay stable during the next 3 months. If we look at current price levels, we believe price corrections (increase) is possible and maybe even necessary for a healthy market.

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Our Advice

We advise to make sure you cover your needs for the rest of 2018 on time. October and November will be extremely busy as the whole world wants their new fresh pumpkin seeds asap. Now the market is still favorable, we advise to check the possibilities to cover the first half of 2019 during the end of September of beginning of October 2018. By that moment, the prices will be at fixed levels and the processors have a beter overview of the volumes in the market. If you need any advice, please ask us, so we can check the best options based on your needs and expectations.

PUMPKIN FCA Holland

Packaging quantity	Total MT	Origin	Grade	Crop	Price FCA /mt
622 vacuum paper bags	15,50	Chinese	GWS A heat treated	2017	2265
720 vacuum paper bags	18,00	Chinese	GWS AA Heat treated (North West)	2017	2995
1440 vacuum paper bags	36,00	Chinese	Shine Skin A Heat treated	2017	2050

Kindest regards,

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Please check our **website** for our weekly market reports



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