

Dear client,

We are pleased to share with you our latest market report about the sunflower and pumpkin market.

If you have any questions or interests regarding our market information you can contact us through our contact details below.

SUNFLOWER

East Europe

Slow interest and new competition.

After several weeks of reduction, we see sunflower seed prices slowly stabilize more in Eastern Europe. A fact is that the demand is still low and the whole market is difficult. Exports from port of Varna decreased by 18% in March and amounted to 100.4 KMT against 122.4 KMT during the same period of 2014/15 MY. Exports declined mainly due to reduction of sunseed and rapeseed production in Bulgaria. Sunseed production decreased by 16% to 1.68 MMT, and rapeseed – by 22% to 0.41 MMT.

Since the beginning of the current season Bulgaria has exported 172.8 KMT of sunflower seed. (March 2016)

The good crops in USA and Argentine is at the moment also not a positive influent on the demands for current crop. The peso depreciated 38 percent in the past year, which makes Argentine more competitive with European supplies

New crop.

Prices of current crop in national currency are stable during the last few weeks in the domestic market, but buyers paying more attention for pricing of new crop currently. The expectation in 2016 is that sunflower seed production in Bulgaria will increase compared with 2015. According to March estimates, sunseed harvest in Bulgaria will reach 1.8 MMT or 12% higher than in 2015 (1.6 MMT). Production will increase due to acreage expansion to 800 Th ha. Sunflower seed productivity is likely to remain at 2.23-2.25 MT/ ha.

Packers are gently getting more excited and see slowly the orders for new crop deliveries growing.

Argentina

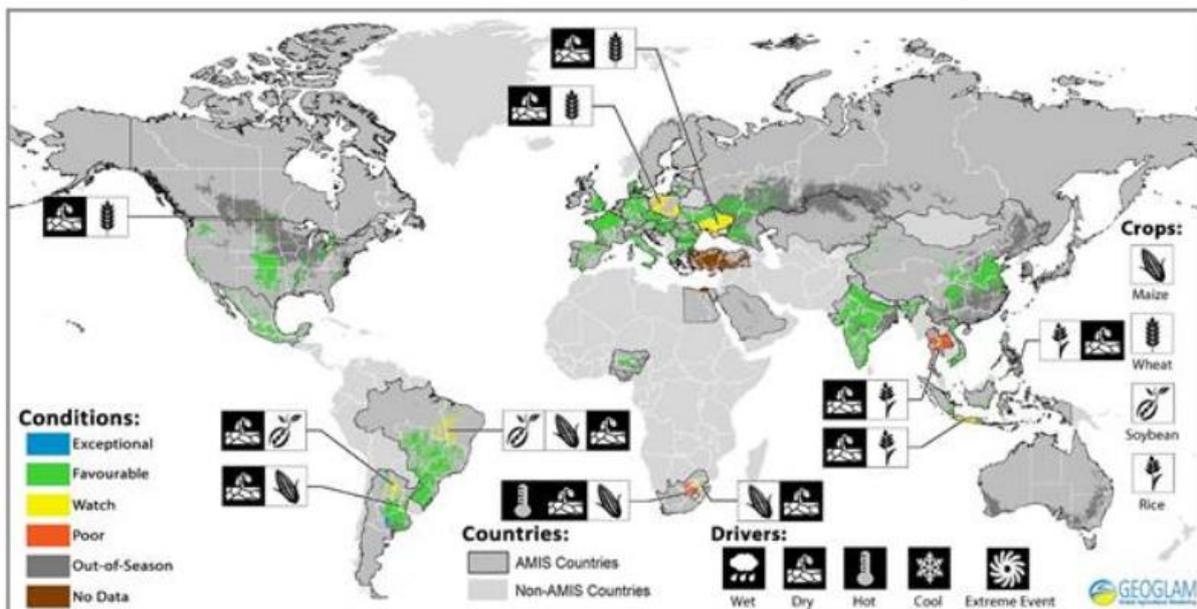
EU Boosting Argentine

The European Union is buying more sunflower seeds from Argentina, the world's fourth-largest producer, as a cut in export taxes and a weaker peso make imports cheaper. Shipments into the EU may be up to 10 times bigger in the 2015-16 season ending in July compared to a year earlier. The first vessels of Argentine sunseed has already sailed Europe.

Argentina scrapped a tax on sunseed exports last year, helping boost shipments and pressuring prices in Europe and the Black Sea region, according to a report from Oil World. The depreciating peso also helped boost overseas sales of the crop, which is crushed and pressed to extract an oil commonly used in cooking.

European imports of Argentine sunflower seeds may rise to 150,000 to 200,000 metric tons in 2015-16, up from about 20,000 tons a year earlier. The peso depreciated 38 percent in the past year, which makes Argentine more competitive with European supplies. The biggest decline in a basket of 24 emerging-market currencies tracked by Bloomberg.

Shipments from the South American nation will help bridge a drop in the EU's crop, which Oil World estimates will be 15 percent smaller at 7.65 million tons. Large quantities will probably start to arrive at European processing plants from mid-April. These are welcome quantities because of the reduced European sunflower seed crop and soft seed crop in general.



USA

Market

USDA surprised the sunflower industry when it projected a decrease in oil type sunflower acres for 2016. Most average guesses had oil acres increasing by 10 percent from 2015. USDA pegged the area intended for oil type varieties, at 1.44 million acres, which is down 7 percent from 2015. The area intended for non-oil varieties was estimated at 249,400 acres, down 19 percent from last year. This number was about in line with industry expectations. If realized this would put total sunflower acres at 1.69 million in 2016, down 9 percent from last year. USDA estimated US 2016 corn acres higher than expected, wheat lower and soybean slightly lower. USDA estimated soybean acres at 82.2 million versus 83.0 expected and 82.7 last year. Current soybean to corn ratio may suggest final soybean acres could increase from this estimate. The March USDA report gives producers a benchmark to see what others are thinking of planting in 2016. It also gives them the chance to change their minds and make planting adjustments to take advantage of market opportunities. When making final cropping decisions diversify your crop risk this year and take another look at both confection and oil sunflowers, they maybe among your top-earners.

PUMPKIN

China

Decrease again

The demand is slow and packers keep lowering their prices to force some business. Even prices of GWS grade, which seems more stable in the market dropped as well. Like we mentioned in our previous reports, many farmers choose to plant pumpkin seeds this season, because last year this product was very profitable. Now the whole available volume is big and maybe too big. At the begin of the crop there were no big worries, but by end 2015 and during 2016 the demands get lower, everybody starts pushing their material. We are already in April and farmers getting more nervous. They push their raw seeds to the packers as there stocks are still big. Packers pretend every time that we have reached the bottom, but a week later, the opposite get proved again. The positive fact is still that it is easy to find very good quality pumpkin seeds on a sharp price!

Kindest regards,

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