

Dear client,

We are pleased to share with you our latest update 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. We always appreciate your feedback.

## PUMPKIN

### Crop news

Seeding for pumpkin seeds are finished and we would like to update you about the latest news. Please see our summary below.

-South Xinjiang Region, total planted area reduced by 20-30%, due to hot weather, crop seeded started from April 20th and now 90% flowered, and some pumpkin length already reached 20cm. But after years of growth of cotton, lands in South Xinjiang already got polluted by pesticides. So the crop here will start to harvest end of Aug, early Sep.



-North Xinjiang Region, total planted area increased by 10-20%, Many of our packers collected their raw material from this area. Total production here could reach 150.000 metric tons. Crop seeded May, and due to cold temperature, some lands seed fail to sprout, and farmers replaced the land with kidney beans. But basically the planted land here should be more equal or more than last year. Normally crop in this region starts to harvest Mid Sep, so shipment will take place during Oct.



-Northeast: total planted area reduced by at least 20%, more lands are moved to grow soy and snow white pumpkin seeds. The expected production could be around 80.000-100.000 metric tons. Here the raw material harvest early Sep, but normally the color of AA grade is not as good as seeds from Northwest.

-Inner Mongolia and Gansu Region: planted area stay similar as last year level, or SMALL increase like 10% and kernels are also of good quality. But most goods are for the domestic market and is going to roasting plants. Recent hail hit some of the regions.



#### Market news

We have seen a stable market last weeks with normal interests. Many people expected prices to go up during the summer, but so far no big changes. There is still some 2015 crop stock held in the mid trader hand, but no one wants to sell cheaper as their funds from the bank. They prefer to keep the goods for now rather than sell with financial risks. We talk about a quantity around 2.000-5.000 metric tons. Packers still have good stocks with good quality seeds for export, but as buying on interesting levels is very hard we still believe price will rise during the summer months.

This year we expect the total planted area for shine skin pumpkin seeds will reduce by 10-20%. This week we received first indications prices for new crop. Because the weather was not so favorable the last few weeks and the planted area is reduced. We hear pricing about USD 200-250 higher than current market price. Of course it is just the beginning and we expect first firm prices by the end of August. Our advice is to make sure you book current crop on time before there will be problems with the availability of good material. And we will inform you with firm prices when the market is ready for new crop.

#### Please we aware of;

- 1: Volumes of current crop can get less soon.**
- 2: Prices for new crop can turn out to be higher because of the decrease in plantings.**

## SUNFLOWER

### East Europe

#### Current crop

We are in a sunflower market that is seeking for a direction. All packers expected that the price for current crop will go up further during June, but after an increase by the end of May market became stable again. Fact is that the offers for current crop material are getting less and it is difficult to find bigger volumes. Packers expected a market around euro 750 in July, but current level is still around euro 700. Current crop chips is still difficult to find as packers simply did not hull that much seeds. Now the weather in Eastern Europe become warmer, we need to be aware for the risk of insects. Fumigation for shipments is absolutely recommended during the summer months. In this period it is also more important to know the packers well and how their storing facilities are. The risk of buying kernels with insects becomes bigger these months.

#### New crop

On the new crop we hear also a lot of speculations. At the moment the difference in price between current and new crop is around 20 \$/mt for black sunflower. The soybean and rapeseed markets have still a big influence on the price, but now the weather becomes more important. The sunseeds are looking good at the moment but there is still a whole summer to come. Everybody is following the weather at the moment to see how the crop will develop. We expected that every small (negative) change in the weather will have influents on the new crop price levels. At the moment the difference between current and now crop price is small. We advise to make sure you book on time for the first month(s) because this is always a very hectic period. Everybody wants their product asap when new crop arrives. For current crop we advise the same because offers get less.

Please we aware of;

- 1. Availability on chips from now until and including September 2016 very rare.**
- 2. Tightness on bakery will appear especially for the period August and September 2016**

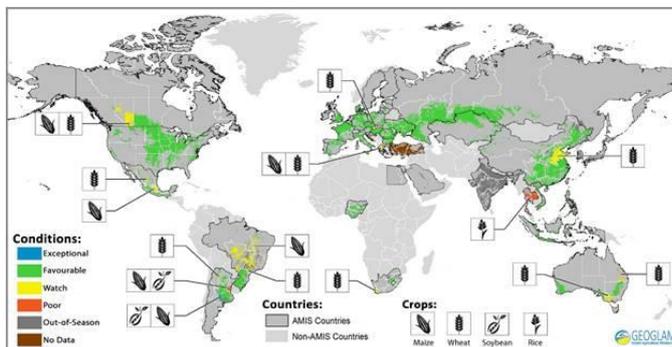
## Argentina

### Market News

Currently we see a very slow market on the Argentine sunflower. Packers are trying to push there material which have also influence on the prices. The competitions is big. Consuming countries like Turkey and Syrians are not buying big quantities as there is plenty material available and pricing is low. Therefore packers try to focus more on other markets like Europe. Current market prices are around USD us 750/mt for 20/64 up to us950/mt for 24/64.

Argentina has exported from January to April 15.992 tons

Turkey	3.398	21%
España	2.296	14%
Siria	1.329	8%
Mexico	1.069	7%
Other	7.900	49%
Total	15.992	100%



## USA

### Crop Progress

Planting is wrapping up in the Dakotas: North Dakota producers are 98% done planting sunflower and South Dakota producers have planted 80% of the crop. Crop conditions look good in North Dakota as well, with 78% of the crop reported in good to excellent condition.

### Crop Progress - Monday, June 20, 2016

State	This Week	Last Week	Last Year	5 Year Average
North Dakota				
<i>Planted</i>	98	93	96	86
<i>Emerged</i>	82	63	76	NA
South Dakota				
<i>Planted</i>	80	68	62	70
Texas				
<i>Planted</i>	85	80	90	87
Colorado				
<i>Planted</i>	67	48	50	63
Kansas				
<i>Planted</i>	70	51	57	65
<i>Emerged</i>	45	14	26	39

### Crop Conditions - Monday, June 20, 2016

State	Very Poor	Poor	Fair	Good	Excellent
North Dakota	0	2	20	75	3
Minnesota	1	4	46	45	4

### Markets

Old crop sunflower prices ended down 25-45 cents with new crop down 10-25 cents in the past week. It was a wild ride in the markets last week. As fund selling, a mostly benign NOAA summer US Midwest weather outlook, concern about EU economy coupled with new US Fed concern about the US economy rattled markets. Fund selling was linked to traders positioning themselves ahead of the USDA June crop acreage and stocks reports. Most are looking for USDA to increase US 2016 soybean acres in their June 30 report. If soybean acres increase sharply after USDA's June 30 Acreage report, soybean prices could fall sharply. The NOAA 30 and 90 day outlooks still favor hot weather in June and for the summer, with normal summertime rain expected. Traders looked at the forecasts as largely favorable for crops. Also impacting the markets is this week's vote by the British on whether to stay in the EU. It has been argued that a British departure would disrupt financial markets. Traders are expecting more outside influences to affect commodity prices ahead of the June 23 British vote. The Fed Chairman's mixed comments about the US economy last week added further pressure as traders left commodities for safer havens. In addition to weather forecasts, market attention will continue to shift to the June 30 acreage and stocks reports.

Kindest regards,

Paul, Nurcan, and Mark  
Trade department

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