

Dear client,

This week we would like to share with you our latest market news about the sunflower market in Eastern- Europe and the pumpkin market in China.

The last two weeks I (Mark) have been travelling through China to visit the pumpkin plants in a.o. Inner Mongolia and Heilongjiang province. For me it was the first time that I visit our processors myself and that I saw the Chinese pumpkin harvest with my own eyes. It was a great experience and also good to learn more about the pumpkin process in general. The latest market information and crop news regarding this trip can you find here below. If you have any specific questions, feel free to ask. You can reach me and my colleagues through contact details below.

## PUMPKIN

### Market

Current market situation is still difficult for the processors and the farmers. Many people hoped for a better market when new crop material was ready to ship. But in current situation we still see many people waiting. Last season there was a lot of speculation because many ‘middle man’s’ (local traders) had purchased big quantities raw seeds from the farmers to make some good money later in the season. As the price kept decreasing many local traders lost a lot of money. At the moment there are no traders who want to take this risk again, so no traders keep stock of the raw seeds. This means that the raw material is easy to get for the processors. For all inquiries they need to full fill they can easily buy directly from the farmers. As the local farmers are not business men (like the local traders), they will sell easy on low profits. This situation without any speculations or people who are holding stocks made the market increase from the start of 2016 crop.



Due of the decreasing market we see many interest from European buyers. The prices are on attractive levels and it's easy to get perfect quality product on a low price. One thing you should pay attention to during this period and crop, that is the calibration of the kernels. In the raw material of shine skin kernels and GWS kernels we see more small kernels than last crop. It's important that the processor will pay good attention to this, else the final product will be a mix of very small seeds with bigger ones. This can be a big money saver for the processor, because only selling the small seeds to the domestic market brings less money in their pocket.

What can we expect during October and November?

Many processors will hope that the world look different after the SIAL and that the market will increase because of the high demands on the pumpkin. We don't see any indications that market will increase during the next two month and we expect even a small decrease during October and November of 50 – 80 dollars a ton. The simple reason Is a very good availability of the raw seeds. We don't expect any big price drop as farmers will not sell on lower levels, else they will make big loses. When the domestic and the export demands stays on this level we feel the market can get up during the end of 2016 beginning of 2017.

Crop news

The harvest is almost finished, only in the north-east region they will collect the last pumpkins within the next few days. The volume and the quality of 2016 crop is positive. In general we see an increase on the availability compared with last season of about 20% on the shine skin and 20-25% on the GWS. There is still about 15-20% of the 2015 crop stored.



Our advice?

Packers are looking for new contracts so at the moment it's easy to cover longer periods on a very interesting price level. We see some companies buying only from hand to mouth, but we believe it's an interesting moment to make sure you receive your goods on an interesting price level till the next pumpkin season.

## SUNFLOWER

East Europe (Bulgaria)

### Market

We can say that the Bulgarian sunflower market is on a low and stable level at the moment. The quality and volume of the 2016/2017 crop is very good. Last the week market became a little bit more nervous when Cargill has send a ship to Bulgaria to collect raw seeds for their production. This big sales increased the price a little bit, but we believe it was more because of all the speculation than a problem/shortage on the raw seeds. The availability of the kernels is high and we see slowly a rising demand on the bakery kernels. On the other hand we see a shortage on the bakery chips. Prices of chips and kernels becoming closer to each other due of the high interest of chips. We see also a growing demand for good quality in-shells for the birdfeed market. We expect a stable market till the end of 2016 without any big changes. If the export demand can rise further we believe that market can go up at the beginning of 2017.

Kindest regards,

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