



# Newsletter January 2014



Global Executive Search  
Services for Food and  
Agribusiness

GLOBAL AGRI TRADING NEWS

CONTACT: +91-11-47008453, 42267455 NEWSLETTER@GLOBALAGRITRADINGJOBS.COM

## COMPANY NEWS

Cargill Inc. is taking a minority investment in UkrL and Farming, an agricultural holding business in Ukraine that's a big player in one of the world's biggest corn exporters. The deal is to the tune of \$200 million for 5 percent of UkrLandFarming. The deal could be a significant one for the Wayzata-based Cargill, giving it a link to some of Europe's best farmland with a lot of growth potential for new China business.

Tyson Foods is recalling almost 34,000 pounds of its mechanically separated chicken products, because it's possible they contain a strain of salmonella. The products being recalled aren't sold in retail stores but are meant for institutional use. The salmonella strain can cause Salmonellosis, which is one of the most common threads of bacterial illnesses that can come from food.

## COCOA

Smugglers have trafficked around 40,000 tonnes of Ghanaian cocoa beans into top grower Ivory Coast since November to take advantage of a drop in Ghana's cedi currency, exporters and merchants said.

Cocoa smuggling between the two countries is common but over the past decade it has mainly involved Ivorian beans being taken illegally to Ghana, the world's second largest producer, where the government buys output at a fixed price.

## COFFEE

Conab, the Brazilian crop bureau, has estimated Brazil's 2014 coffee harvest at 46.53m -50.15m bags. This is far below the figure of 60m bags, projected earlier due to ideal growing conditions enjoyed by Brazil's plantations. Lower coffee output means lower Arabica crop, which would at best reach 37.53m bags, down more than 700,000 bags last year. Overall coffee area, including that set aside for Robusta Coffee, will fall 61,000 hectares to 1.96m hectares.

## CORN

Corn prices are sharply lower after the U.S. government reported a surprisingly large increase in ethanol supplies. Besides higher ethanol supplies, which suggests that demand could be weakening for the fuel, traders are also worried that the U.S. Department of Agriculture could raise its production estimate for last fall's

crop on Friday and report higher corn stockpiles.

China took advantage of falling grain prices last month and imported 820,968 metric tons of corn and corn-based animal feed from the US. However, roughly 600,000 of corn have been sent back by China saying it flunked their quality-control standards. China says the problem is genetically modified crops.

## DAIRY

New Zealand's Fonterra is recalling 8,700 bottles of fresh cream marketed under its Anchor brand which were distributed to retail and food service outlets around New Zealand's North Island. This is after test results indicated presence of a potentially fatal bacteria in one of its ingredients used in infant milk formula, sports drinks and other products. This is the second food-safety scare faced by the company in less than six months.

## RICE

The Thai government is unable to pay farmers delivering their crops under the rice mortgage scheme. The subsidy programme has

resulted in a massive build-up of unsold stockpiles of rice making way for India and Vietnam to surpass Thailand as the world's top exporter in financial terms. The govt. is resorting to desperate measures to set right the situation.

## **SOYABEAN**

Brazil underlined its claim as the world's biggest soybean producer, with officials upgrading their forecast to a record 90.3m tonnes, and the farm minister saying that a far higher result could "easily" be achieved. Conab, the official crop bureau, raised by 300,000 tonnes to 90.3m tonnes its forecast for Brazil's newly-started 2013-14 soybean harvest. Production at that level would see Brazil overtake the US as the biggest producer.

## **SUGAR**

Indian sugar futures fell to their lowest in more than two years on rising supplies, subdued demand from bulk buyers and as a drop in overseas prices made signing new export deals difficult. The key February contract ended down 1.12 percent at 2,729 rupees per 100 kg on the NCDEX, after falling to 2,726 rupees earlier in the day, the lowest since Oct. 31, 2011.

## **WHEAT**

Wheat production in India, the world's second-largest grower, will probably climb to a record, as all-time high domestic prices

boost planting, adding to global grain surpluses. The harvest could total 100 million tonnes (mt) in the marketing year starting April 1. Output had fallen 2.5 per cent to 92.5 mt a year earlier from a record 95 mt in 2011-2012, according to the agriculture ministry.

In the US, the coldest air in almost 20 years is threatening to topple temperature records, ignite energy demand and damage Great Plains winter wheat.

In Australia, demand for grain in drought affected areas, combined with the failure of crops in northern New South Wales and southern Queensland, is keeping local prices firm in the face of falling global prices. About 75 per cent of the Australian wheat crop is sold into export markets, with most going to the Middle East and Asia, which is emerging as a strong and growing market. Asia is an extremely important market for Australian wheat, particularly Indonesia and China. Australian wheat will face competition in its export markets from traditional competitors like Europe and the Black Sea region, and especially Canada, which has had a record wheat crop this year.

