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On the onset, we thank our readers in taking out time to provide their feedback on a time to time basis that is helping us improve the content of the newsletter as we try to incorporate more agri commodities.

Adding to this, we are happy to announce launching of our new website for all our valuable readers- especially agri-commodity traders and related professionals working in commodity firms who will now get a chance to directly link with us on our new website [www.globalagritradingjobs.com](http://www.globalagritradingjobs.com) by registering on our website [www.globalagritradingjobs.com](http://www.globalagritradingjobs.com). This website has been custom designed and created to meet the burgeoning demand of the global agri-commodity traders and other professionals (working with commodity firms) by large trading houses searching for the most talented agri-commodity traders cum associated professionals across the globe.

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### Coffee

Vietnam exported 110,000 tons, or 1.83 mln 60-kg bags, of coffee in May 2013, down 46% from 204,000 tons in the same month.

Cameroon exported 3,343 tons of Robusta coffee in April 2013, down 35.7% from 5,198 in the same month last year, data from the National Cocoa and Coffee Board (NCCB) showed.

### Sugar

The International Sugar Organization (ISO) has increased its estimate of the projected global surplus in 2012/13 to a record high of 9.982 million tons and warned that this left "little hope for higher prices". The new figure compares with the 8.526mt the ISO forecast in February.

The Cuban sugar industry reached its most critical moment in 2009-2010 when production declined to 1.1 million tons, the

worst in 105 years. Since then, production has been modest, with an increase of 7% and 16% in the subsequent two harvests. The goal this year is to reach 1.7 million tons of raw sugar following the 1.4 million tons harvested in 2012.

### Dairy

Danish milk prices have bounced back slightly in May, although they are still below the levels seen in 2012. The market clearing price (for milk containing 4.36% fat) was €0.049/kg at the May event compared with €0.035/kg in February

Australian milk production has fallen for the fifth month in a row, season. Earlier this month, Dairy Australia forecast this season's output at 9.35 billion litres.

This week's announcement by Glanbia Ingredients Ireland (GII) - the joint venture between the plc and cooperative businesses - that it is to build a €150 million processing plant is being seen as real evidence that the food industry is a key part of Ireland's economic recovery. The Irish dairy industry believes it is capable of delivering the 50% increase in milk production by 2020, a central plank of the government's Harvest 2020 plan for the food industry.

### Agri Policies- Grains

Argentina aims to improve its soya and maize output by adopting a law securing the rights of seed companies to protect their genetic modification (GM) technology, a government minister said this week. The government plans to send a bill to Congress later this year to stop big plantations from using seeds from GM plants

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### GLOBAL AGRI NEWS

without paying royalties to the companies that designed them, Agriculture Secretary Lorenzo Basso told the Reuters Latin America Investment Summit.

### Company News

Dow Chemical Co. still faces claims from some large customers over alleged price fixing after being ordered by a federal judge to pay \$1.2 billion in damages to a group of smaller clients following related charges. These related to an alleged cartel that a jury found set prices for polyurethane-foam materials used in autos, packaging and household materials.

### Grains

Russia has the potential to export as much as 60 million tons of grain a year in the foreseeable future - an amount which would allow it to rival the United States as the world's leading global grain supplier.

Production of the major grain and oilseed crops in Canada during the upcoming 2013/14 (Aug/Jul) crop year has been projected upwards from estimates made in April, according to Agriculture and Agri-Food Canada (AAFC). In its update released late on May 21, AAFC estimated total grain and oilseed output during the 2013/14 season at 74.5 million tons. This was up from the 73.7mt Forecast in April and compares with 2012/13 production of 70.2mt.

### Poultry

Mexico is to exempt 300,000 tons of chicken imports from tariffs as it wrestles with rising prices after a series of avian flu outbreaks.

Ukrainian poultry exports to Russia have been halted pending an investigation into Russian allegations of contamination. In a statement, Russia's state veterinary service *Rosselkhoz nadzor* said poultry products from the Ukraine had been found to contain 'banned and

hazardous substances', without giving further details.

Saudi Arabian efforts to curb rising poultry imports are so far showing little sign of success, with the country spending record amounts on purchases from Brazil in the first quarter of this year.

In the US, a recently completed baseline study of chicken parts found more than a quarter of them positive for *Salmonella*, and more than a fifth positive for *Campylobacter*.

## Corn

The U.S. government reported on May 27 that 71% of the U.S. corn crop was planted, which is a record 43% rise from the previous week. That figure even surpassed the already high expectations for rapid corn planting progress that was expected by grain traders. USDA reported 19% of the corn crop has emerged, which is well behind the 46% average seen this time of year. Grain traders are reckoning the late corn planting will not significantly impact yield potential. They figure the recent rains in the U.S. Corn Belt that have replenished parched soils are a positive for yield potential which outweighs the negative of planting delays due to the moisture.

However, selling pressure in corn and soybean futures is being limited Tuesday by areas of the Upper U.S. Midwest that still face prolonged planting delays after heavy rains the past two days. Extended weather forecasts for the region also call for above-normal rains for that region. Grain traders will continue to keep a close eye on the weather forecasts for the U.S. Corn Belt.

## Food

Cuba imports 80% of the food it consumes, including grains, rice, milk powder, soybeans, and meat. Meanwhile authorities are promoting the use of idle lands and the sale of farm equipment and offering better prices for agricultural products. Last year, the country spent US\$1.6 billion on those imports, of which 42% was devoted to animal feed, Spearheading reforms in agriculture and in the sugar sector, allowing for greater participation by the private sector.

China's biggest meat processor has offered \$4.7bn in cash for Smithfield Foods, in what will be the largest Chinese takeover of a US company. If completed, the deal will help open the Chinese market for US meat producers and reduce Washington's trade deficit with Beijing.

## Cotton

**THAILAND** - Marketing Year (MY) 2011/12 cotton imports declined significantly to 1.3 million bales as spinning mills were adversely affected by widespread flooding during the previous year.

In addition, Thailand's textile and garment industry contended with a slowing domestic and

global economy, which resulted in a 28 per cent contraction in textile and garment production.

Sources indicate that spinning mills have gradually recovered in the first half of MY 2012/13, but capacity utilization is still 10 to 20 per cent below normal levels due to the continued global economic slowdown and an increase in the Thai national minimum wage.

**CHINA** – National Cotton Council economists say cotton's 2013 outlook will be influenced by China's policy decisions and continued competition from man-made fiber (MMF). The NCC sees 2013 world mill use of 108.7 million bales, an increase of 2.5 percent from 2012. More specifically, international mill demand outside of China is estimated to increase by 5.7 percent for the 2013 crop year, with more than half of the growth being accounted for by India and Pakistan.

## Soybean

Prospective Plantings report, the USDA projected that 77.126 million acres (ma) of soybeans would be planted in the U.S. in 2013—down 72,000 acres from 77.198 ma in 2012. U.S. soybean price prospects in 2013 are likely to continue to remain historically high through the remaining winter, spring, and early summer months of 2013. Even with a large 2013 South American soybean crop and the availability of large exportable soybean supplies in May-June and a slowing of U.S. soybean exports, U.S. soybean prices are likely retain at least “moderate strength” until the 2013 U.S. soybean crop becomes available in fall 2013. However, if in combination with a large 2013 South American soybean crop, either a “trendline” or “above trendline” yield U.S. soybean crop occurs in 2013, then a significant rebuilding of U.S. soybean ending stocks and sharply lower U.S. soybean prices would likely result by fall 2013 and on into “new crop” MY 2013/14.

In Canada, soybean seeded area in 2013-14 is expected to reach a record 1.74 million hectares with increased area shifting westwards on strong prices, improved prices and proven endurance in extreme weather. However, the soybean output is expected to decline by 10% to 4.455 million MT on lower yields.

In Turkey, soybean production is projected at 142,000 MT.

## Rice

The 2013/14 US rice crop is projected at 189.5 million cwt, 5 percent below a year earlier, the result of smaller plantings and a lower yield. Imports are projected at 22.5 million cwt, an increase of 5 percent from a year earlier. Global rice production for 2013/14 is forecast at a record 479.3 million tons (milled basis), up 2 percent from a year earlier, a result of expanded area. Record crops are projected for China,

India, Nigeria, the Philippines, Thailand, and Vietnam. Global rice use (including a residual component) for 2013/14 is projected at a record 476.8 million tons, with Bangladesh, Cambodia, China, India, Indonesia, Nigeria, and Vietnam accounting for most of the projected increase

## Oilseeds

China may resume rapeseed meal imports from India as Beijing has recently agreed in principle to lift the ban on imports of Indian rapeseed meal. The ban was imposed in Jan 2012, after some cargoes were found to be contaminated with ‘malachite green’ chemical. Before ban, China imported 400,000 tons (MT) of rapeseed meal from India.

Pakistan palm oil imports rose to 187,151 tons (MT), up 17% from 159,850 MT a month ago, and up 20% from 156,283 MT in April 2012, said Pakistan Bureau of Statistics. In value terms Pakistan spent US\$ 156.8 million on palm oil imports last month, down 10% from US\$ 173.3 million in April, 2012.

Myanmar needs to spend US\$ 300 million to meet domestic demand on palm oil imports (Malaysia dominant supplier) amounting to 300,000 tons a year due to lack of local production, and outdated equipment for edible oil production. Peanut, sunflower and sesame are exported by local farmers rather than selling to domestic crushers resulting in rising demand for edible oil imports.

Turkey's sunflower production seen at 1.5 million MT in 2013; Groundnut at 129,000 MT; sesame at 16,000 MT, and rapeseed at 112,000 MT

## Pulses

Canada- The pulses, see a generally favorable outlook. Peas and dry beans both look attractive right now. “There’s good opportunity in lentils, but still have about 18 months of strong supply to get through. Even so, lentils at 20 cents per pound still pencil out pretty well for growers.”

A cross section of traders and millers said that the world market was adequately supplied this year and therefore, the opportunity for a bullish trend was rather limited. At the same time, supply stress can develop in case of specific crops such as lentils in the coming months. India, the world's largest producer, importer and consumer of a wide range of pulses, is obviously a focus of attention, especially for exporting countries such as Canada, Australia, US and Myanmar.

India's pulses production in 2012-13 is an estimated 17.7 million tons (mt), up from last year's 17.1 mt. India's annual imports of pulses are estimated at about 30 lakh tons valued at over Rs 9,000 crore.



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