



Newsletter June 2014



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GLOBAL AGRI TRADING NEWS

COMPANY NEWS

An agreement between University Malaysia Sarawak (Unimas) and Wilmar International is set to promote sustainable biodiversity management through conservation of rare, endangered and threatened species in oil palm areas statewide. Under a Memorandum of Understanding (MoU), both sides will work together on this strategic plan, particularly on matters relating to biodiversity such as wildlife and environmental management. Sarawak covers close to 1.2 million hectares of oil palm, representing approximately 24% of total plantation area in Malaysia.

GrainCorp has announced plans to spend \$200 million over three years to improve rail infrastructure. However, the revamp will involve the loss of 80 full-time jobs and some silo closures. 'Project Regeneration', as it has been dubbed, comes after the Federal Government blocked the takeover of the bulk grain handler by US food giant Archer Daniels Midland (ADM) in December last year. GrainCorp's investment announcement reflects its commitment to provide improved service to customers as international demand for grain increases.

US agriculture company Archer Daniels Midland is aggressively pushing into Asia after its attempt to takeover Australian grains handler GrainCorp was blocked by the Australian Govt. The company

unveiled its plan to expand its presence in Asia, which includes building two factories in China. Earlier, the company had planned to invest \$250 million in Australia's grains network if its \$3 billion bid for GrainCorp was successful. Archer Daniels Midland now plans to build a sweetener and soluble-fibre manufacturing complex at the port of Tianjin, in northern China, which will open in 2015.

COFFEE

Over one hundred Starbucks coffeehouses across Japan are transforming waste coffee beans into feed for dairy cows - and buying back their milk. Starbucks is introducing a system that turns waste coffee grounds into cattle feed, given to the cattle producing milk for coffees in over one hundred Starbucks coffeehouses across Japan. With over half the world's grain currently used to feed livestock, the Food Recycling Loop is a great example of a closed-loop approach returning valuable nutrients into productive use in the food system.

Coffee output in Vietnam, the top grower of Robusta beans used by Nestle SA and Mondelez International Inc., will probably decline in the year **starting October 2014**. The harvest may contract by 4 percent to 1.64 million metric tons from 1.71 million tons a year earlier, according to reports.

Futures for Robusta climbed 11 percent in 2014 on speculation that demand will outstrip supplies in the year from October, with the shortfall estimated at 1.6 million bags, or 96,000 tons, according to reports. A looming El Nino weather event, which parches some parts of Asia, may also support prices, says Rabobank International.

CORN

Corn futures fell to a 16-week low on speculation that demand for U.S. exports will ebb after China put curbs on purchases of a feed ingredient made from the grain. China's quarantine agency suspended issuing permits to import U.S. dried distillers' grains known as DDGS, because the government deems the product as having a high risk of containing MIR 162, a non-approved genetically modified strain of corn. Futures dropped in the past four straight weeks amid concern that supplies would exceed demand.

SORGHUM

Millers of animal feed in China, the world's largest meat producer, are buying a record amount of sorghum after the Government curbed U.S. corn imports. Imports of Sorghum may climb to a record 3.5 million metric tons in the 12 months beginning Oct. 1, compared with a projected 3 million tons in the current period, according to estimates from traders and analysts. The commodity, traditionally used to

make Baijiu liquor such as Moutai in China, is now used as animal feed.

SOYABEAN

Production of Soya bean in the U.S., the world's largest grower, will jump 10 percent this year to an all-time high of 3.631 billion bushels, and inventories before the 2015 harvest will be double compared to a year earlier, shows a survey. Soybeans prices may drop 15 percent to \$10.50 a bushel.

Oil seeds consumption in the former Soviet Union countries will climb to a record in the 12 months ending in September on livestock feed growth, Oil World said. Demand for feed from 12 oilseeds in the Commonwealth of Independent States will rise to 9.4 million metric tons in 2013-14 from 8.9 million tons a year earlier and 4.2 million tons 10 years ago, says a research report. Soya bean will be the most popular at 3.8 million tons. The rise in demand for Soyabean this season is in line with the prospective expansion of pork and poultry industries in these countries.

RICE

Even before the holy month of Ramadan has begun (June 28 - July 27 this year), the price of rice saw a 4.5 percent spike per kg in the last two weeks in Saudi Arabia. The upcoming festive season - when people use more rice to make delicacies before and after the daily fast - coupled with a decrease in rice from rice exporting countries are the reasons, according to traders. In September 2013, India accounted for 63 percent of basmati rice imports to Saudi Arabia. India has currently reduced its imports to the country owing to demand for rice locally in the sub-continent. India's market share in Saudi Arabia declined to around 69.2% in 2013, compared to 70.3% in 2012. A 10 kg bag of kernel

basmati that cost SR55 (\$14.6631) now costs SR80 (\$21.3). Shortage of kernel basmati from Pakistan and India has kick-started the price hike fight. Locals claim that traders are looking to make a lucrative profit by spiking the prices of all varieties of rice including those from Thailand, Vietnam and Egypt.

The Thai Rice Exporters Association said it expects the country to export 9 million tonnes of rice in 2014, 20 per cent more than the previously-estimated 7.5 million tonnes. Rice exports fell in Thailand after the deposed government in October 2011 began buying rice from farmers at above market price, making export rates uncompetitive. Thailand would export 11 million tonnes of rice next year, ahead of the 10 million tonnes expected from India and 6-7 million tonnes from Vietnam.

China has become the biggest consumer of Vietnam's rice. It bought 41.75 percent of Vietnam's total rice exports in the first five months of the current year. In theory, China can buy Thai rice instead, but Thai rice is far more expensive than Vietnamese. Hence, China will still need Vietnam's rice to feed its 1.4 billion consumers.

SUGAR

The Philippines has reduced its sugar stocks for exports by 90,000 tonnes to boost domestic supply and arrest further local price increases. The move is not expected to have an impact on an over supplied global market and the country's export commitment to the United States. However, it could help ease rising food inflation that has become a concern for the Southeast Asian nation's central bank.

Brazil's current sugar production, and exports, will not challenge their record

highs set two seasons ago, although ethanol output may jump, according to the International Sugar Organization. Brazilian sugar production will fall by 500,000 tonnes to 37.0m tonnes in 2014-15. That would represent a 1.1m-tonne decline on exports last season, which ended in March, and represent a three-year low. Brazil's sugar production will see a small recovery next year to 38.0m tonnes, enough to support exports of 26.5m tones. Stagnation in sugar output in this top producing country may last at least until the 2015-16 season.

WHEAT

Wheat futures fell to a 14-week low on speculation that a U.S. government report would show world production outpacing consumption. Global wheat stockpiles before the 2015 harvest may rise to 188.08 million metric tons, the highest in three years and more than the U.S. Department of Agriculture forecast last month.

During three recent seasons, countries in the Middle East, North Africa and the E.U. were the main sales market for Ukrainian wheat. Grain supplies to North Africa remains fairly stable (32.7% of the general wheat exports in 2011-12, and 36.8% from July to January of 2013-14). The index for the Middle East countries declined from 29.9% in 2011-12 to 16.9% in the July-January period of 2013-14. In the current reporting period, the share of Ukrainian wheat exports to the E.U. countries declined even more dramatically to 2.6% compared to 29.7% in 2011-12. However, Ukraine showed a significant increase of wheat supplies to Asian countries. In 2011-12, the export volumes of Ukrainian wheat to the countries of Southeast Asia totaled 3.8%. During the first seven months of the current year the index grew to 15.6%. In the current season (July-January) the share of

Ukrainian wheat exports to Asia exceeded 28.6%, including 15.6% to Southeast Asia, 7.4% to South Asia, and 5.6% to East Asia.

DAIRY

In Sri Lanka, in a bid to protect the local dairy industry and discourage milk powder imports, the Government has reduced the tax concession granted to milk powder importers with effect from June 2. During the first quarter of this year, milk powder importers were granted a tax concession to keep the local prices stable since the prices of milk powder had increased in the global market. Price of milk powder which was at US\$ 5,000 in January has reduced to US \$ 3,500. A levy of Rs. 125/- is normally charged on a kilogram of milk powder by the government.

In a view to implement dairy success in their country, Kenya Dairy Farmer Foundation (KDFF) and East Africa Dairy Development Project of Heifer International has sought assistance from the National Dairy Development Board (NDDB), Gujarat based apex dairy development body in India. The Kenyan delegation has sought help on forming cooperatives for milk procurement, processing and marketing from NDDB. The delegation visited NDDB and requested assistance in exploring the prospects of organizing milk cooperative for procurement, processing and marketing in Kenya. The delegation also sought need-based assistance in training and capacity building for milk producers and other stake holders. Discussions were also held on the innovations introduced by NDDB in animal breeding, health and nutrition which could contribute to increasing

productivity. NDDB also briefed the delegation about its training modules and contributions of the engineering services to the dairy sector in the country.

New Zealand's Share Market regulator has fined dairy giant Fonterra NZ\$150,000 (US\$130,028) plus costs for failing to inform investors immediately of the botulism scare in August last year, Xinhua news agency reported. Fonterra Co-operative Group Ltd., has issued a statement saying it had reached "a settlement" with the NZX stock exchange regarding breaches of rules around the continuous disclosure of information during the whey protein concentrate (WPC80) global recall. An investigation by the New Zealand Markets Disciplinary Tribunal found Fonterra took two and a half days to tell investors it believed some of its products were contaminated with a botulism-causing toxin. The tribunal found Fonterra first knew about the positive test on July 31 last year, but told investors just before midnight on Aug 2.. he fine was the largest ever settlement to the stock exchange for breaking share market rules, Radio New Zealand reported

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- *Head- Risk Management, 10-15 years, Mumbai, Supply Chain Management Co.*
- *Head- Fumigation, 10-15 years, Mumbai, Supply chain Management Co.*
- *Rice Trader, 10 + years, Dubai, MNC.*
- *Branch Manager-Sales Distribution (Rice), 5-10 years, West Africa, MNC.*
- *Research Analyst- Grains, 5 years, Dubai, MNC.*
- *Logistics Manager, 5 years, based at Dubai, MNC.*
- *Senior Trader- Sugar, 10-15 years, Dubai, MNC.*
- *Cotton/Timber/Coffee/Corn Trader, 5 to 7 years, Dubai, Large Commodity Trading House.*
- *Grains Trader, 3 to 5 years, Delhi, MNC.*
- *Manager Spices Operations, 5 to 7 years, Dubai, MNC.*
- *Accountant, 5 to 7 years, Dubai, MNC.*
- *Executive Assistant to MD, 4 to 8 years, Mumbai, Trading Co.*
- *Manager Execution, 5 to 7 years, Singapore, MNC.*
- *Branch Manager- Rice trading, 7 to 8 years, Nigeria, MNC.*
- *AM Marketing- Flour, 4 to 6 years, Dubai, MNC.*

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