

18 August 2016

- Kharg Petrochemical/Iran makes award in the high \$60s fob against spot tender that closed on 6 August
- Berri block in Saudi Arabia reportedly depleted – only crushed available from Iran and Russia
- Two shipments discovered to Tampa, US from Ust Luga, Russia
- Various vessels in the line-up to arrive in China
- RCF/India reportedly awards 10,000 t to MRPL at Rs 3,619 ex-refinery
- Phosagro reports higher earnings on lower feedstock costs

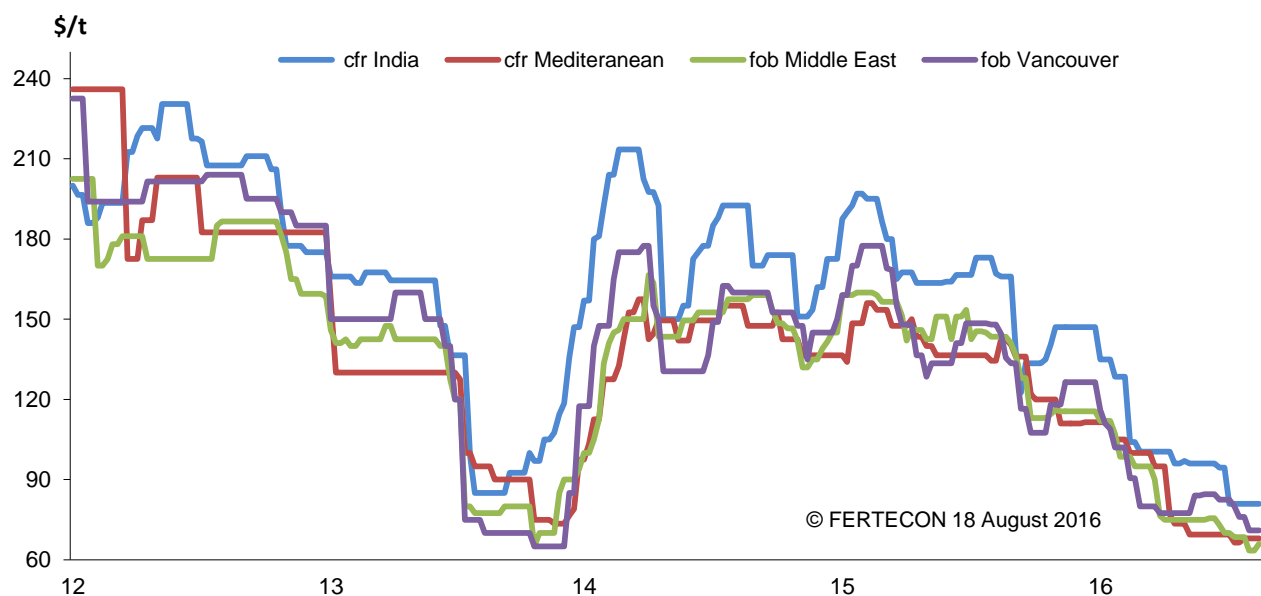
OUTLOOK

Stable to firm

KEY PRICES

	18 August	11 August	4 August
Vancouver spot \$/fob	69-73	69-73	69-73
Middle East \$/fob	60-72	57-70	57-70
Med (inc. N.Africa) \$/cfr	60-76	60-76	60-76
North Africa cfr (contract) \$/cfr	60-76	60-76	60-76
Central Florida (liquid, LT) \$/deliv	65	65	65

SOLID SULPHUR PRICES



SULPHUR PRICE INDICATIONS ALL PRICES IN US\$

	18 August	11 August	4 August	
Med cfr (includes N Africa)	60-76	60-76	60-76	Indicative
Med cfr (small lots N Africa)	60-70	60-70	60-70	Indicative
Med cfr (small lots other markets)	60-70	60-70	60-70	Indicative
North Africa cfr (contract)	60-76	60-76	60-76	Q3 contracts
Med fob (small lots)	47-56	47-56	47-56	Netback Indications
China cfr	55-82	57-79	60-79	
China cfr spot	55-82	57-79	60-79	
India cfr	79-83	79-83	79-83	
Brazil cfr	76-80	76-80	76-80	Spot/Q3 contracts
Vancouver fob contract	69-73	69-73	69-73	Indicative Netbacks
Vancouver fob spot	69-73	69-73	69-73	Indicative Netbacks
California fob	74-80	74-80	74-80	Indicative Netbacks
Middle East fob	60-72	57-70	57-70	Full ME price range
Middle East fob contract	60-71	60-71	60-71	Q3 business
Middle East fob spot	65-72	57-67	57-67	
Tasweeq Qatar Sulphur Price (fob)	65	65	65	
Saudi Aramco monthly price (fob)	66	66	66	
Middle East – Adnoc (fob)	70	70	70	
NW Europe cpt	138-158	138-158	138-158	Q3 contracts
Delivered Benelux (refinery)	98-112	98-112	98-112	Q3 contracts
Tampa/Deliv.Cent.Fla (LT)	65	65	65	Q3 contracts
Cfr Houston (LT)	58	58	58	Q3 contracts
Galveston (LT) ex-tank	58	58	58	Q3 contracts

FERTECON PRICE DEFINITION

*corrected **no market - Prices in *italics* relate to previous period contracts still under negotiation

Fertecon's sulphur prices are available to analyse and download immediately after publishing [via this link](#).

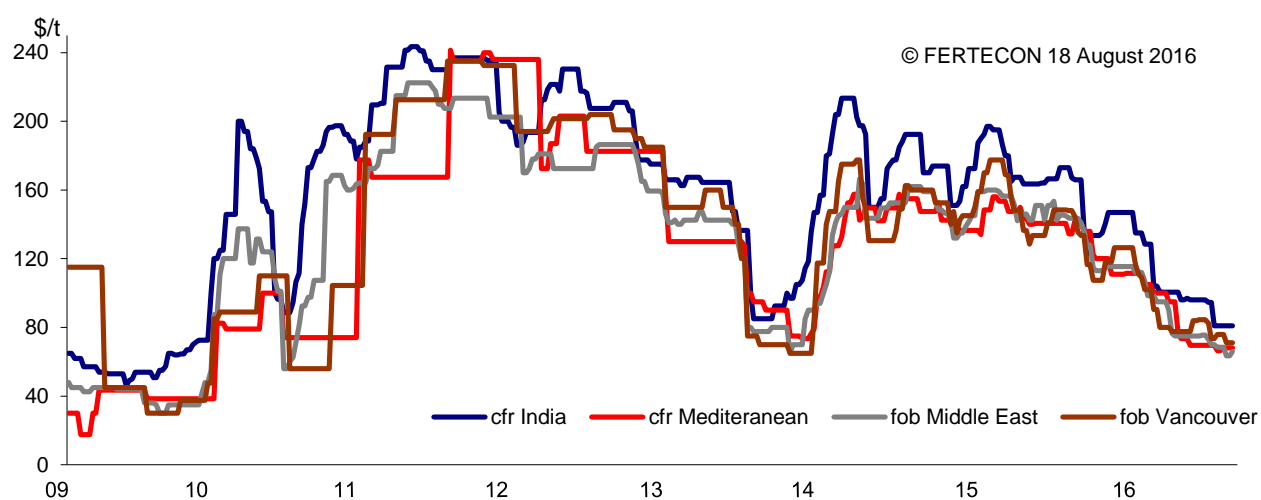
FREIGHT INDICATIONS US\$

Route	Cargo size (t)	Latest rate (\$/t)
Jubail – WC India	15-35,000	10-11
Middle East – EC India	15-30,000	12-13
Middle East – China	35,000	11-13
Jubail – Morocco	35,000	11-13
Vancouver – China	50-60,000	11-13

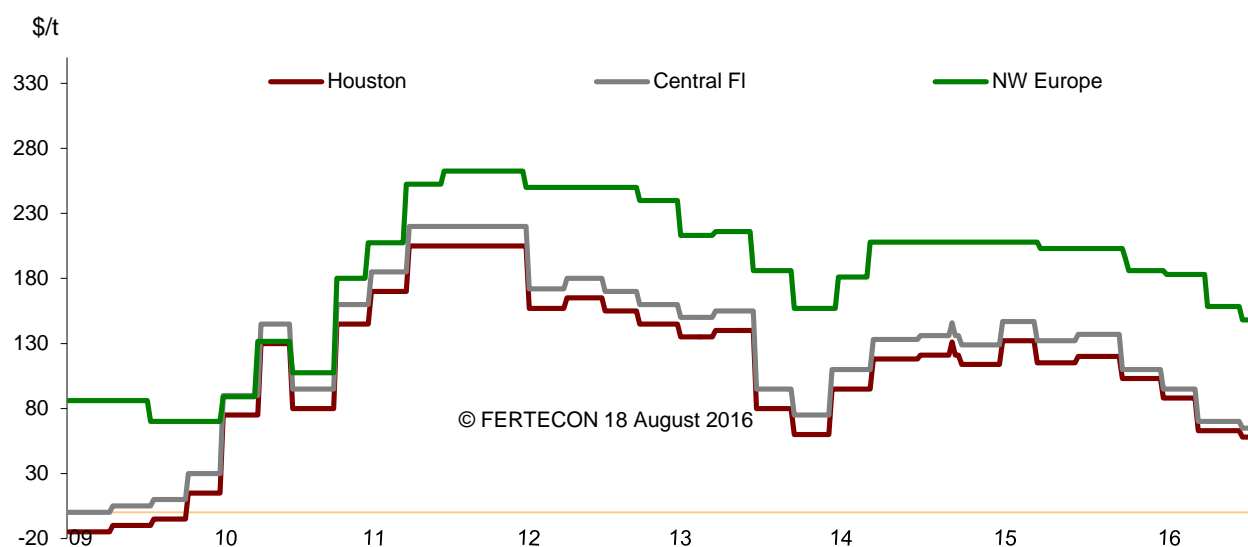
FERTECON TENDER SERVICE

Holder/Country	'000 t	Close	Load/Deliv.	Notes
Kharg P/Iran* (granular)	30	6 August	August	Awarded at \$69 fob
Tasweeq/Qatar*	30	17 August	September	Awarded at \$72 fob
Toros/Turkey	15	6 August	August/September	Rumours in the high \$60s fob
RCF/India	10	1 August	September	Awarded at Rs 3,619 ex-refinery
BCIC/Bangladesh	10	21 September	Q4	
*sales tender				

SOLID SULPHUR PRICES



LIQUID SULPHUR PRICES



The full history of Fertecon's sulphur prices is available to view and download [via this link](#)

ANALYSIS

Prices in China edged up slightly this week on the back of speculator activity. It is as yet unclear whether these prices will hold as many buyers have now taken a step back to observe which direction the market will take but there have been as many arguments for further increase as those against.

Some traders pointed out that the huge stocks held in China (nearly 1.9 million t) are still in the hands of traders/speculators and the buyers that have not purchased in weeks are bound to be running low on sulphur stocks. This will sooner or later make them come to the market for fresh tonnes. Whether they will buy from the domestic market, from stocks or import is unclear but domestic sellers have already notched up the price of sulphur slightly in preparation for this expected emergence in demand.

On the other hand, buyers pointed out that the G20 summit, recent floods and the poor performance of the downstream fertilizer and industrial sectors – combined in many instances with breakeven production costs – will give very little incentive to any buyer to pay more for feedstock. In fact, many of the end-users are carrying out maintenance shutdowns and/or lowered production, therefore they are consuming lower quantities of sulphur than usual – hence the recent increase in inventories. As such, it has been pointed out that there will be no rush to replenish in-house stocks and the seasonal maintenance shutdowns in October will bring another round of slowdown. Therefore, any further increases – if any at all – will need to appear before the middle/end of September and Fertecon expects this will run out of steam by early October.

In Canada, supply is understood to have improved slightly with the restart of Pine River gas facility on Monday, although it is still far from being at full production. The ramp up process will be a slow and lengthy process given the damage the plant sustained during the floods. Full production is estimated to be resumed by the end of December, but even then it is estimated that it will be producing only half of what it was before the floods – although this has yet to be confirmed by Spectra Energy, the company that operates the Pine River plant (see Canada for more details).

A more in-depth analysis and forecast can be found in the latest issue of Informa's Sulphur Futures Report.

MARKETS

EUROPE

BELGIUM: The *Sulphur Genesis* is expected to deliver about 3,800 t liquid sulphur to Antwerp on 23 August from Brake, Germany.

TURKEY: Bagfas is currently receiving shipments from Tupras but will require a cargo before the end of the month. The buyer's price ideas are in the mid/high \$60s cfr.

AFRICA

MOROCCO: JPH1 is reportedly running well and have no production issues. JPH2 has started up but only producing phosphoric acid. It is understood granulation is not expected to start before Q4.

The following is a list of vessels for Safi and Jorf Lasfar:

Origin	Destination	'000 t	Vessel name	ETA
UAE, Ruwais	Jorf Lasfar	50	<i>Baltic Leopard</i>	12 August
Russia, Kavkaz	Jorf Lasfar	40	<i>Strofi</i>	16 August
Kuwait, Shuaiba	Safi	25	<i>Sea Meray</i>	17 August
UAE, Ruwais	Jorf Lasfar	50	<i>Georgios S.</i>	18 August
Total		165		

SENEGAL: Demand for sulphur appears to be healthy in the country as phosphoric acid production has gone up. According to the shipping data, the *CMB Yasmine* delivered about 30,000 t sulphur in Dakar from Ust Luga, Russia on 1 August.

SOUTH AFRICA: Foskor is understood to be producing at 50% capacity only even though it has been attempting to ramp up production following a spate of maintenance shutdowns this year. According to market players, its next requirement is for September at the earliest.

The *Osogovo* is expected to arrive with about 30,000 t granular sulphur from Ust Luga, Russia in Richards Bay on 20 August for various other buyers. This is a very unusual route to import sulphur from and the last meaningful quantity of 24,000 t imported from Russia was in 2013 and nothing before that since at least 1996.

TUNISIA: Sulphur demand appears to be stable at low levels and DAP production continues on one line only at Gabes, unchanged since the start of the unrest in 2011. The last sulphur cargo was delivered to GCT during the third week of July from Russia and previous to that another vessel from Kuwait and one from the UAE early in July, bringing in a total of about 90-95,000 t in July. So far in August no new sulphur shipments have been discovered, perhaps because GCT is holding enough inventories based on the shipments in July.

MIDDLE EAST

ISRAEL: Two vessels appear to be in the line up to arrive against contracts for ICL. The *Koznitza* arrived on 16 August with about 23,000 t from Gdansk, Poland from the Siarkopol plant and the *Chrysoula S.* arrived with about 40,000 t granular sulphur on 15 August from Kavkaz under contract from Austrofin.

JORDAN: Please note that the *Dalarna* delivered about 35,000 t granular sulphur from Qatar to Aqaba on 16 August and not the *Bulk Progress* as reported yesterday. The *Dalarna* is believed to be against JPMC's recent direct purchase from Tasweeq.

BGN's *New Lotus* finished discharging about 50,000 t sulphur for JPMC this week and BGN is now loading another similar sized cargo in Ruwais on the *Maritime Emerald*.

ASIA

CHINA: It has now been confirmed that a spot sale has taken place from the Middle East to China at around \$82 cfr, bringing the high end of the range up slightly. There are rumours that a trader sold one cargo for September delivery to a Chinese trader two weeks ago at \$81-\$82 cfr. The cargo is said to be of Saudi origin. Another firm bid by an end-user has been heard in the low \$80s but this business has yet to be concluded. As such, the high end of the range has been increased to \$82 cfr, but the low-end has been lowered slightly to reflect a liquid sulphur sale at \$55 cfr.

The Chinese molten sulphur market continues to be weak and pressure is understood to be growing in some areas where sulphur solidifying pools are filling up. In particular, the line-up in the area of Nanjing is quite heavy for September, therefore price offers from sellers may dip further. This week there has been one sale reported for 1,500 t liquid sulphur at \$55 cfr, \$2/t down on a similar size cargo last week. Other traders are believed to be offering in the range \$65-75 cfr.

Speculator demand appears to have picked up and there has been more talk of deals priced in the low \$80s cfr. Some traders have taken positions as they believe that buyers will come back to the market as the vast majority of the stocks at ports (estimated at 1.9 million t) is in the hands of traders/speculators and not end-users and that the latter are now running low on sulphur. Fresh import cargoes are being negotiated in the range of \$81-83 cfr, \$2-4/t higher than last week.

Crushed lump availability is low as the Berri block has been cleared in Saudi Arabia although some fresh shipments are now in the line-up from Russia and Iran (see table below). The domestic price for crushed lump is about Rmb 30-35/t lower than granular. Crushed lump import prices are believed to be stable at the top end of the range in the low \$70s cfr.

The domestic price for spot granular sulphur has been pushed up to Rmb 690 ex-warehouse by traders, and some other deals have been agreed at Rmb 685 selling directly to end-users. Some suggested that we might see sales above Rmb 700 but for now the market seems to have stabilized between Rm 680-690 ex warehouse.

With the G20 summit approaching, scheduled for 4-5 September in the city of Hangzhou, more restrictions have been introduced for the chemical industry to limit the effects of pollution. As of 1 August there can be no transportation of chemicals into the province of Zhejiang. In addition, at least 255 chemical factories within a 300km radius around Hanzhou will be closed between 24 August-6 September. These will include all power plants that use coal for energy.

The following is a list of vessels in the line-up at various ports in China:

Origin	Destination	'000 t	Vessel name	ETA
Saudi Arabia	Zhanjiang	32	<i>Sea Arrow</i>	3 August
Russia, Kavkaz	Zhenjiang	40	<i>Captianyannis L.</i>	15 August
Iran, Bandar Abbas	Fangcheng	30	<i>Yangtze Ambition</i>	16 August
Saudi Arabia	Zhenjiang	38	<i>V Red Knot</i>	17 August

Saudi Arabia	Nantong	35	<i>Lucent</i>	20 August
Qatar, Ras Laffan	Zhanjiang	32	<i>DN Vatan</i>	25 August
US, Long Beach	Fangcheng	45	<i>DN Millet</i>	14 September
Total		252		

INDIA: RCF is reported to have awarded MRPL at Rs 3,619 ex-refinery under its 6 August tender for 10,000 t (+/-10%) sulphur for shipment to MBPT. According to Reuters, MRPL is planning to shut its gasoil hydro-desulphuriser and a hydrocracker in September for maintenance. MRPL operates a 300,000 bpd coastal refinery in southern India. MRPL has three crude distillation units at its refinery.

The 14,785 dwt *Sulphur Guardian* is expected to arrive in Vizag on 22 August from Das Island in the UAE with a cargo of liquid sulphur for CIL. The same vessel brought 12,500 t liquid sulphur from Yokkaichi, Yokohama and Chiba in Japan to Vizag for CIL on 2 August. CIL buys around 125,000 t liquid sulphur from Mitsui annually.

Midgulf's *Lord Wellington* (replacing the *Just Fitz* reported earlier) will deliver 25,000 t to CIL later this month. The vessel is currently loading in the UAE. This is against Midgulf's sale to CIL which was reported in July at \$83 cfr. Since then it has emerged that the price has been revised downward to \$79 cfr including 180 days' credit.

Reliance has left its basic price for Sulphur unchanged. The price with effect from 16 August is as follows:

Yard Jamnagar	Rs/t
Basic price	7,096.00
Excise Duty @ 12.5%	887.00
CST @ 2%	159.66
Refundable	MODVAT (887.00)
Selling Price	7,255.66

The price is equivalent to \$108.29 (based on exchange rate of \$1 = Rs 67).

AUSTRALIA: The *Penghu SW* arrived in Esperance with about 30,000 t Qatari granular sulphur on 17 August.

NORTH AMERICA

UNITED STATES: The 56,548 dwt *Bornar Oyster* is expected to arrive in Tampa from Ust Luga Russia on 25 August.

The 40,652 dwt *La Partenais* arrived in Tampa from Ust Luga Russia on 29 July.

The *Sulphur Enterprise* arrived in Tampa three times this year, bringing an estimated 60,000 t liquid sulphur from Galveston.

The *Mitrope* appears to have been moored at Coatzacoalcas since 11 July. This 15,700 dwt vessel used to carry regular shipments of liquid sulphur from Mexico to Tampa. At around the same time we saw the first solid sulphur shipment out of Coatzacoalcas to Argentina and going forward we might find that the *Mitrope* will carry less and less sulphur in liquid form as export might be switched to solid sulphur to other buyers.

Chemtrade Logistics announced a 10% drop in revenues for Q2 2016 due to "lower prices for sulphur in both the Sulphur Products and Performance Chemicals and International Segments and lower volumes of sulphuric acid in the International segment. In this segment, revenues were reported of \$42.0 million, down from \$62.5 million a year previously.

One of Chemtrade's key customers, Fibrant, announced that it would be winding down operations at its Georgia caprolactam plant over the next 16 months. This will affect Chemtrade's own Georgia acid plant which is essentially a dedicated plant for the Fibrant facility. Chemtrade is exploring other potential consumers.

SOUTH AMERICA

BRAZIL: Anglo American closed a tender on 17 August for 35-37,000 t granular sulphur for arrival during 1-half November. An award has yet to be made.

The following vessels are in the line up to deliver sulphur to Santos for Anglo American and Vale:

Origin	Destination	'000 t	Vessel name	Buyer	ETA
US, Beaumont	Santos	40	<i>Porto Leone</i>	Vale	16 August
Kuwait, Shuaiba	Santos	30	<i>Otzias</i>	Vale	17 August
Donaldsonville/Beaumont	Santos	39	<i>Star Hansa</i>	Anglo	20 August
Russia, Ust Luga	Santos	39	<i>Moondance</i>	Vale	22 August
UAE, Ruwais	Santos	38	<i>Oceanlady</i>	Vale	31 August
Total		148			

MEXICO: It is understood two cargoes are loading in California this month, both for Mexico. One is about 25,000 t for Boleo and the other is about 40-45,000 t for Fertinal. This is believed to be against Fertinal's recent purchase at around \$80 fob. There may be a further cargo to Fertinal in September from California but this has not yet been agreed.

As yet Fertinal has not been in the market for further sulphuric acid cargoes for September onwards. Its next requirement is said to be Q4 when it has planned to take its sulphuric acid plant down for a revamp during October/November. If this does indeed go ahead, Fertinal will need nearer to two sulphuric acid cargoes per month during this period and no sulphur cargoes.

SUPPLIERS

EUROPE

TURKEY: Export business is reported to be slow as prices offered by Tupras currently do not work in Egypt where a trader was offering in the low \$70s cfr but these were countered by bids between \$65-70 cfr.

FSU

RUSSIA: PhosAgro's revenue for the 1-half of its financial year increased by 9% year-on-year to Rub 102.0 billion (\$1.452 million) on the back of lower feedstock costs. The average price for sulphur for the 1-half of 2016 was \$73/t fob Black Sea vs \$120/t in the corresponding period of 2015. This is primarily due to the weak pricing environment in the fertiliser and metals industries, which are the main consumers of sulphur. The decrease in Phosagro's expenditure on sulphur and sulphuric acid was RUB 591 million (\$8 million), down 13% year-on-year.

This was driven by a 21% decline in sulphur and sulphuric acid purchase prices denominated in Rub, which was partially offset by a 9% year-on-year increase in volumes consumed due to higher production of phosphate-based fertilizers, mainly MAP/DAP and NPK.

MIDDLE EAST

MIDDLE EAST SHIPPING: The following shipments have sailed from various Middle Eastern ports in recent weeks:

Origin	Destination	'000 t	Vessel name	ETD
Saudi Arabia	Zhanjiang	32	<i>Sea Arrow</i>	15 July
Kuwait, Shuaiba	Santos	30	<i>Otzias</i>	17 July
UAE, Ruwais	Jorf Lasfar	50	<i>Baltic Leopard</i>	18 July
Kuwait, Shuaiba	Safi	25	<i>Sea Meray</i>	22 July
UAE, Ruwais	Jorf Lasfar	50	<i>Georgios S.</i>	25 July
Iran, Bandar Abbas	Fangcheng	30	<i>Yangtze Ambition</i>	27 July
Saudi Arabia	Nantong	35	<i>Lucent</i>	27 July
Qatar, Ras Laffan	Esperance	30	<i>Penghu SW</i>	27 July
UAE, Ruwais	Paradeep	25	<i>Ken Orchid</i>	27 July
Saudi Arabia	Zhenjiang	38	<i>V Red Knot</i>	1 August
UAE, Ruwais	Santos	38	<i>Oceanlady</i>	3 August
Qatar, Ras Laffan	Aqaba	30	<i>Dalarna</i>	3 August
Qatar, Ras Laffan	Zhanjiang	32	<i>DN Vatan</i>	7 August
Total		445		

IRAN: It is understood that Kharg Petrochemical's tender that closed on 6 August for 30,000 t granular sulphur was awarded at \$69 fob.

QATAR: Tasweeq has awarded Swiss Singapore at \$72 fob against its tender that closed this week for 30,000 t granular sulphur for September loading. Some market observers have found this new price surprisingly high given the doom and gloom in the downstream fertilizer markets but others were confident that Chinese demand will soon pick up and higher prices will follow.

Bids were in the mid \$60s to low \$70s fob and given that monthly prices are still at \$65-70 fob, the Fertecon spot price range for the Middle East has been set at \$65-72 fob.

UAE: Production at Adnoc's facilities continues unhindered and vessels are loading at Ruwais as usual.

SAUDI ARABIA: Saudi Aramco is understood to be short and has no spot availability. It is understood to have received various enquiries from traders for prompt and September shipment. Its price ideas are in the low \$70s fob now but no confirmed business has taken place at this level yet. However, one trader suggested that one recent sale ex-Saudi Arabia took place in the very high \$60s fob, more or less in line with previous spot sales.

It is reported that the Berri block has now been completely depleted and no crushed lump sulphur shipment has taken place from the country to China since June. This leaves Iran and Russia as the two countries that have some crushed lump for export.

NORTH AMERICA

CANADA: Price indications in Vancouver are range-bound with very little change expected in terms of pricing in the next few weeks. Sellers in the region expect some firming in China and have already seen the low \$80s cfr discussed but this still nets back to the range of \$69-73 fob published by Fertecon last week. One seller may soon begin discussions for a cargo at a similar price ex-Vancouver. The same seller is looking to load two further cargoes in September, leaving fob prices in the high \$60s to the low \$70s fob.

Another trader is said to have moved three cargoes in the past 10 days and will be moving another to South America next week. The price for these shipments is reported to have been in the above mentioned range.

In Canada, supply is understood to have improved slightly with the restart of Pine River gas facility on Monday, although it is still far from being at full production. The ramp up process will be a slow and lengthy process given the damage the plant sustained during the floods. Full production is estimated to be resumed by the end of December, but even then it is estimated that it will be producing only half of what it was before the floods – although this has yet to be confirmed by Spectra Energy, the company that operates the Pine River plant.

Flooding in British Columbia in June exposed pipes and washed out an access road at the natural gas processing plant, prompting it to shut down, resulting in the loss of about 10% of gas production by Canadian Natural Resources (CNRL) – the parent company of Spectra Energy. In its Q2 earnings release CNRL said that the closure of the Pine River Gas Plant has forced it to cap wells that were producing 176 million cubic feet of natural gas per day (cf/d). At the time of the shutdown, it was processing about 245 million cf/d of natural gas.

In a separate development, CNRL said in the same release that this year is an "inflection point" as it nears the completion of Horizon Phase 2B and next year Horizon Phase 3. Phase 2B will add 45,000 bpd to its existing production and is expected to start up in October and achieve full production in November.

Phase 3 is expected to be completed by the end of 2017 and will add almost 90,000 bpd to the capacity of the Horizon project, bringing average volumes to 250,000 barrels of oil a day. Further expansions to as much as 500,000 bpd at Horizon will require higher oil prices.

UNITED STATES: It is understood that two cargoes are loading in California this month, both for Mexico. One is about 25,000 t for Boleo and the other is for Fertinal. This is believed to be against Fertinal's recent purchase at around \$80 fob. There may be a further cargo to Fertinal in September from California but this has not yet been agreed.

FREIGHT

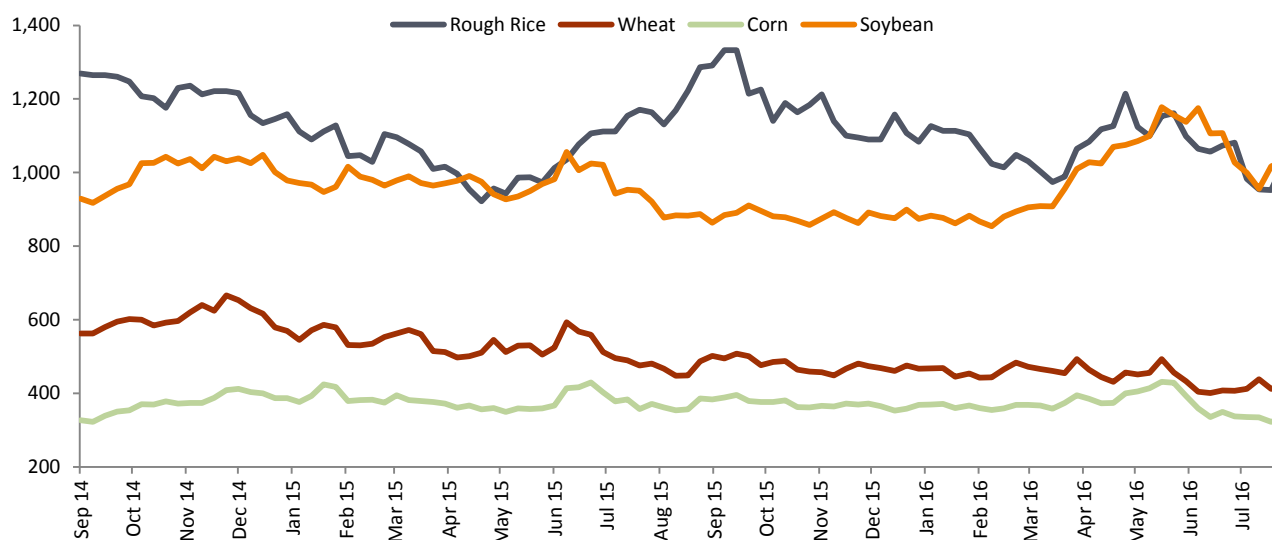
DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
12 Aug	891	703	643	396	671
15 Aug	920	713	646	399	681
16 Aug	926	721	652	403	687

17 Aug	885	726	666	405	685
18 Aug	852	727	677	407	682

Source: Baltic Exchange

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP FUTURES (cents/bushel)						
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	August 2015	Annual Change
Corn	330.2	+7.8	339.6	349.6	367.2	-10%
Wheat	418.2	+6.6	444.0	459.4	474.2	-12%
Soybean	1,030.5	+13.5	1,016.0	1,015.5	903.4	+14%
Rough Rice	1,022.5	+70.5	1,040.5	1,066.0	1,190.0	-14%

Prices are Wednesday's closing rates for the forward months indicated. The 2015 price is the forward price reported one year ago.

CORN:	WHEAT:
While the good US crop prospects continue to weigh on Corn futures, any bearish sentiment over the last week was countered by expectations for solid export demand.	Production issues in Europe and a downgrade in Ukraine's crop estimate were positive. However, a large Russian crop and the advancing US spring wheat harvest tempered the upside.
SOYBEAN:	RICE:
Solid export demand for soybeans supported September contracts. China continues to make large purchases, which should cut into the ending stocks projections going forward.	Whilst the fundamentals of supply and demand remain broadly unchanged, spill over from positive sentiment in neighbouring crop markets supported rice values in the last week.

REGIONAL MARKETS

EUROPE: In its latest EU crop report, analyst Strategie Grains (SG) pegged German wheat output at 25 million t, down by 1 million t from the analyst's previous estimate, while UK production is down 0.2 million t to 14.8 million t. France's output was lowered by 6 million t to 29.9 million t due to "disastrous" yields, SG said, although this was still not as low as some other forecasters have predicted in the past week.

For EU exports overall, SG forecast export volumes falling to 24.7 million t in 2016/17, a downgrade of 4.3 million t from last month, with shipments seen undermined by the relatively strong prices encouraged by France's poor harvest. If realised, this would be significant decline on the 33.663 million t (soft wheat and durum) achieved in 2015/16, according to European Commission estimates, and would be the poorest sales since 21.7 million t in 2012/13.

UNITED STATES: US corn conditions increased slightly this past week, now ranking the 4th highest since 1989, according to MDA Weather Services. Meanwhile, soybean conditions were again unchanged this past week, and are the third highest in the rankings since 1989. They also remained well above the 1989-2015 average and well above last year at this time.

US corn doughing is now at 73% complete nationally, which is well ahead of the average of 60% and last year at this time, when 65% of the crop was doughing.

For soy, 95% of the crop is blooming nationally, slightly ahead of the 5-year average of 93% and ahead of last year at this time when 92% of the crop was blooming. Meanwhile, 80% of the soybean crop is also setting pods nationally, ahead of the 5-year average of 75% and slightly ahead of last year at this time when 76% of the crop was setting pods.

AGRICULTURAL POLICY

CHINA: Whilst China has avoided commercialisation of genetically modified (GMO) soybeans for many years, there is now evidence that it is ready to push forward with their adoption.

The country has already embraced GMO technology for cotton but has not yet permitted cultivation of any GMO food crops, fearing consumers would avoid health risks. However, this week China unveiled its plans for commercialising GMO soybeans in an effort to make its agriculture sector more efficient and boost crop growth.

In its latest five-year science and technology plan, ending in 2020, the government identified specific GMO crops, including soybeans. The government's website last week recommended "pushing forward the commercialization of new pest-resistant cotton, pest-resistant corn and herbicide-resistant soybeans."

A recent source of debate amongst fertilizer analysts has been the extent to which China's agriculture sector might adapt in order to grow more food whilst neutralising fertilizer application growth, as per the "0% Growth" policy it announced in 2015. And whilst commercial production of pest-resistant GMO soybeans won't immediately effect fertilizer consumption (least of all because Chinese soybean production pales in comparison to corn, wheat, and fruit and vegetables production – for all of which GMO production is currently banned) it may be an interesting indicator as to how the agriculture sector might develop over the next 5-10 years. <http://agribusinessintelligence.informa.com/>

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