

11 August 2016

- Chinese price offers are rumoured to be edging closer to the \$80s cfr
- FACT/India reportedly awards Swiss Singapore in the low \$80s cfr against 1 August tender for 15-25,000 t
- RCF/India opens price bids under tender for 10,000 t sulphur
- OCP/Morocco comfortable in its position, receiving regular contract cargoes
- Toros/Turkey closes tender and makes award at an undisclosed price for 15,000 t granular sulphur
- Meranol/Argentina receives 15,000 t granular sulphur from Spain, next requirement not until Q4

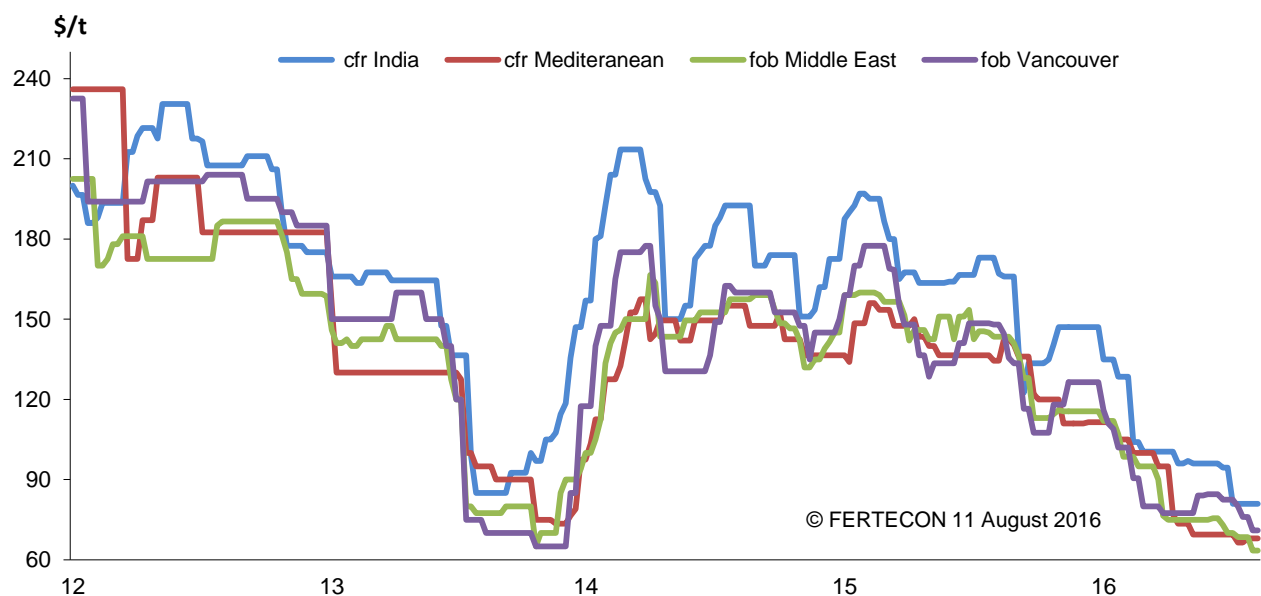
OUTLOOK

Stable to Soft

KEY PRICES

	11 August	4 August	28 July
Vancouver spot \$/fob	69-73	69-73	74-78
Middle East \$/fob	57-70	57-70	57-80
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\$

	11 August	4 August	28 July	
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	57-79	60-79	60-79	
China cfr spot	57-79	60-79	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	74-78	Indicative Netbacks
Vancouver fob spot	69-73	69-73	74-78	Indicative Netbacks
California fob	74-80	74-80	74-78	Indicative Netbacks
Middle East fob	57-70	57-70	57-80	Full ME price range
Middle East fob contract	60-71	60-71	60-71	Q3 business
Middle East fob spot	57-67	57-67	57-67	
Tasweeq Qatar Sulphur Price (fob)	65	65	65	
Saudi Aramco monthly price (fob)	66	66	73	
Middle East – Adnoc (fob)	70	70	80	
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](#).

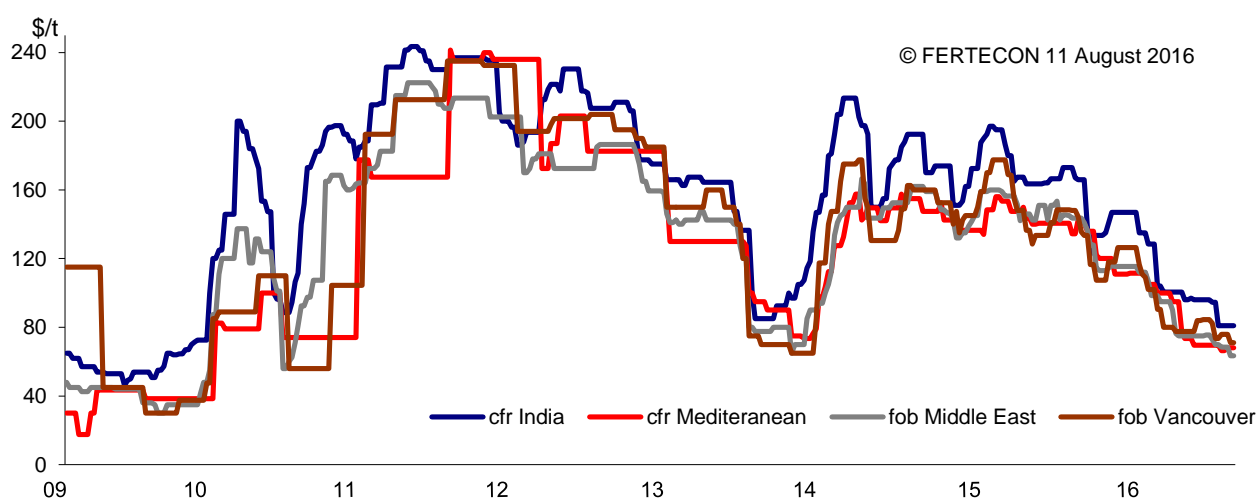
FREIGHT INDICATIONS US\$

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

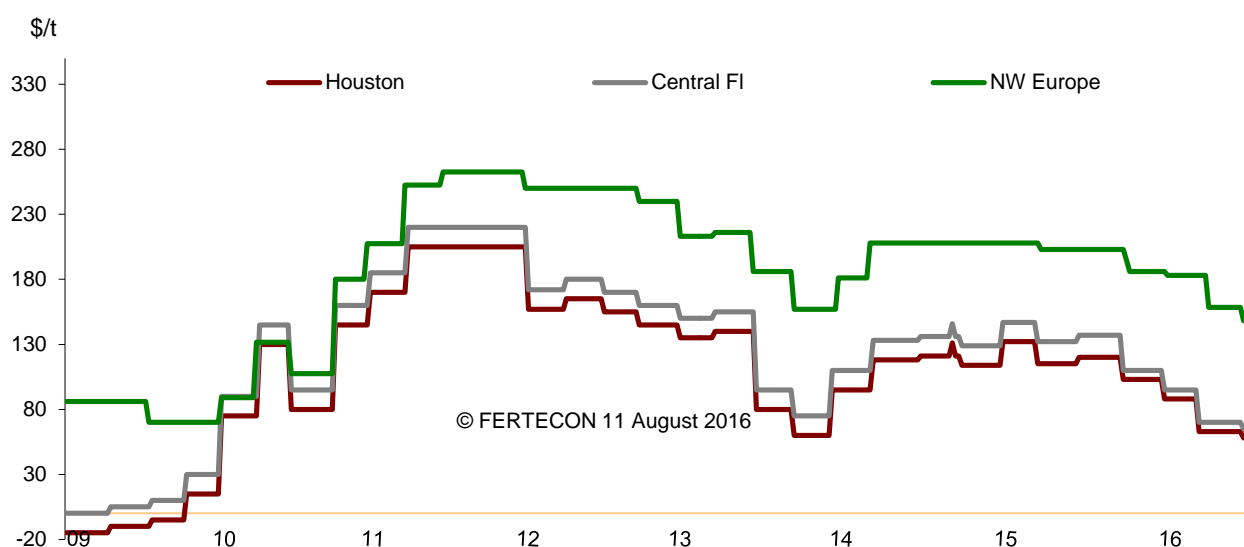
FERTECON TENDER SERVICE

Holder/Country	'000 t	Close	Load/Deliv.	Notes
Kharg P/Iran* (granular)	30	6 August	August	Closed
Tasweeq/Qatar*	30	17 August	September	
Toros/Turkey	15	6 August	August/September	Closed
RCF/India	10	1 August	September	Closed
FACT/India	15-25	1 August	September	Awarded low \$80s cfr
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

There has again been some tender activity in various sulphur markets but pricing information has been sketchy and at least three tenders have yet to close therefore the market's direction in the short term is still slightly uncertain. There have been some indications that prices in China have begun to edge up on the back of speculator activity but buyers have yet to engage at these new higher prices. In India we have seen FACT make an award in the low \$80s cfr which is in line with current prices and falls within the already published range. The Chinese range has widened slightly given that liquid sulphur is selling yet lower - now sub \$60 cfr from South Korea, setting a new low for this year.

Downstream production in China continues to be reduced with YUC reportedly operating phosphate production at a lower rate below 50% capacity, while manufacturers in Guizhou are understood to be running at about 65-70% capacity and in Hubei at 70% capacity or slightly higher. The running rate in southwest provinces stayed at 65-70% this week and Kailin is rumoured to have one 600,000 t DAP plant shut down because of a technical problem, although this has not been confirmed by Kailin.

The Chinese domestic sulphur price has been flat for nearly a month according to some sources but this week they edged up slightly by Rmb 20-25/t to Rmb 680-685 and some suggested this might carry on until prices reach Rmb 700-720. Port inventories are estimated between 1.8-1.9 million tonnes. Zhenjiang holds around 380,000 t and Fangcheng and Zhanjiang a combined total of about 570,000 t. Inventories at Nantong have been estimated between 600-730,000 t.

On the African continent, OCP's recently started-up JPH-2 plant is running smoothly and the JPH-3 plant is slated to start up sometime in Q1. Sulphur demand in Zambia has dropped sharply since the start-up of the Kansanshi copper smelter that produces more than 1 million t acid each year. Sulphur imports are believed to be minimal and acid is even exported to the DRC to the tune of about 13-15,000 t/m. The DRC is understood to import about 25,000 t/month sulphur at present but this tends to fluctuate depending on the run-rates of local copper mines.

Changing shipping routes have also been the talking point for many market participants, having seen some unusual movements such as a granular sulphur shipment to Tampa from Vancouver or a cargo from Mexico to Argentina. There is potential for more change as exports from higher cost producers are reducing and suppliers with increasing output in the Middle East diversify their customer base. Given the competition from lower cost producers in the Middle East and improving domestic supply in China and India we might see competition intensifying, which will most likely result in yet lower prices in the long run with additional capacity slated to come on stream in Central Asia and the Middle East before 2018. Whereas in the past Canada was the main global sulphur benchmark, we might see a shift towards the Middle East and it is a very real possibility that Canadian exporters will need to follow the Middle East's direction in the future. **A more in-depth analysis and forecast can be found in the latest issue of Informa's Sulphur Futures Report.**

MARKETS

EUROPE

BENELUX: The market is balanced and plants are operating as usual during the summer holiday season.

FRANCE: The *Sulphur Genesis* delivered about 3,800 t liquid sulphur to Bayonne on 3 August. Adiseo is expected to receive a small lot shipment from Spain at the end of the month.

SWEDEN: The *Sulphur Genesis* delivered about 3,800 t liquid sulphur to Helsingborg for the Kemira sulphuric acid plant on 10 August.

MEDITERRANEAN: Toros has closed a tender for 15,000 t but there has been no information released with regards to the award.

AFRICA

MOROCCO: OCP's recently started-up JPH-2 plant is running smoothly and the JPH-3 plant is slated to start up sometime in Q1.

Morocco has yet to release its import data for May, June and July but Fertecon estimates OCP imported between 410-430,000 t per month during the period.

Please note that the *Eternal Grace* was not carrying sulphur from the Norilsk plant as reported last week. The *Abu Al Abyad* is expected to arrive in Jorf Lasfar with about 50,000 t granular sulphur from Ruwais on 12 August.

The *Georgios S* is expected to arrive in Jorf Lasfar with about 50,000 t granular sulphur from Ruwais on or around 22 August.

The *Sea Meray* is expected to arrive in Jorf Lasfar with about 25,000 t granular sulphur from Shuaiba during the 2-half of August.

SENEGAL: June imports were 65,619 t, up from just 2 t in June 2015 and nothing in 2014. The main sources were Kazakhstan and the UAE, splitting the totalling at equal sizes.

This brought January-June imports to 168,971 t, an increase of 15% on the same period last year, understood to be to meet higher phosphoric acid output in the country. The main sources for the sulphur were the UAE at 123,000 t (ICS contract with Adnoc), Kazakhstan at 33,000 t (Trammo sale) and 12,500 t from Italy (small lot Mediterranean cargo). Source: Fertecon / GTIS / National Agency of Statistics and Demography

SOUTH AFRICA: June imports were 39,082 t, almost all from Qatar, a drop of 57% on the same month last year. This is because Foskor was carrying out a planned maintenance shutdown reducing its import demand accordingly.

This brought annual imports to date to 276,453 t, in line with 2015 but down substantially from 2014's 386,931 t. The main sources were Qatar (124,000 t, up 209%), Saudi Arabia (106,000 t, down 5%) and UAE 45,000 t (up 1,257%). Source: GTIS / South African Revenue Service

TUNISIA: Overall production of downstream products has continued to improve this year compared with 2015 although production of DAP remains limited to just the one line at Gabes still. Production remains constrained by the delivery of sufficient phosphate rock. In a recent interview the Minister of Energy and Mines indicated that phosphate rock production in Tunisia was still running at only 40% of the volume produced in 2010, i.e. prior to the Arab Spring. A decline in the number of rail carriers has been instrumental in preventing a return to normal production rates, falling from 14 to just 4.

COPPER BELT: Sulphur demand in Zambia has dropped sharply since the start-up of the Kansanshi copper smelter that produces more than 1 million t acid each year. Sulphur imports are believed to be minimal and acid is even exported to the DRC to the tune of about 13-15,000 t/m. The DRC is understood to import about 25,000 t/m sulphur at present but this tends to fluctuate depending on the run-rates of local copper mines.

ASIA

BANGLADESH: BCIC has issued an import tender for 15,000 t granular sulphur, closing 21 September for delivery in Q4.

CHINA: Price ideas have increased slightly this week although there is still no significant change in terms of any new business reported for granular sulphur. There is now talk of offers in the low \$80s cfr and rumours that some buyers may be willing to pay this as their stocks are dwindling, although domestic stocks of nearly two million tonnes would more than meet their immediate requirements. There are rumours that a Middle Eastern seller has offered one September cargo at \$82 cfr but nothing firm was concluded at the time of writing.

There have been some suggestions that some buyers might need to return to buy some sulphur as their inventories are dwindling, but given high stocks they might approach local sellers before asking international traders for fresh imports.

Some sources suggested that prices could stabilize and we might have reached the bottom of the market for now as the Autumn fertilizer application season might lure some buyers to the market and prices have been unchanged for almost a month.

One spot liquid sulphur deal at \$57 cfr has been confirmed by a trader this week and as such the lower end of the range has been adjusted down. Another molten sulphur lot was heard sold in the low \$60s cfr whereas crushed lump is being offered in the low \$70s cfr from Saudi Arabia but slightly lower from Iran and Russia.

The domestic sulphur price has been flat for nearly a month according to some sources but this week they edged up slightly by Rmb 20-25 to Rmb 680-685 and some suggested this might carry on until prices reach Rmb 700-720.

Port inventories are estimated between 1.8-1.9 million tonnes. Zhenjiang holds around 380,000 t and Fangcheng and Zhanjiang a combined total of about 570,000 t. Nantong has been put between 600-730,000 t.

Production

The G20 meeting is reportedly affecting industrial operations in the Shanghai area and as such sulphur demand is lower in the region.

YUC is reported to be operating phosphate production at a lower rate below 50% capacity while manufacturers in Guizhou are understood to be running at about 65-70% capacity and in Hubei at 70% capacity or slightly higher.

The operating rate in southwest provinces stayed at 65-70% this week and Kailin is rumoured to have one 600,000 t DAP plant shut down because of a technical problem, although this has not been confirmed by Kailin.

INDIA: FACT is reported to have awarded Swiss Singapore in the low \$80s cfr against its tender that closed on 1 August for 15-25,000 t sulphur for 1-5 September arrival in Cochin.

Greenstar is due to receive the *Ken Monnys* with 24,500 t at Tuticorin on 15 August against their purchase from Landa Maritime.

RCF has opened price bids under its 6 August tender for 10,000 t (+/-10%) of sulphur for shipment to MBPT. Price offers and their equivalent price in USD are as follows:

- Mangalore Refinery Rs 3,619/-; equivalent to around \$54.01 ex-refinery
- Reliance Rs 5,523/-; equivalent to around \$82.43 ex-refinery
- Essar Oil Rs 6,320/-; equivalent to around \$94.32 ex-refinery
- Swiss Singapore- \$89.40 cfr

Imports

May imports were 117,121 t, an increase of 114% on May 2015, perhaps due to the lower price of sulphur compared with last year. The main source was Qatar at 85,000 t (nil in 2015) and Kuwait at 30,000 t (up 11%).

This brought January-May imports to 573,286 t, an increase of 10% on the same period last year. The main sources were as follows:

India Sulphur Imports ('000 t)			
January - May			
	2014	2015	2016
Qatar	163	125	193
Saudi Arabia	233	191	159
UAE	50	43	113
Kuwait	91	65	53
Bahrain	40	34	24
Japan	16	36	18
Others	3	27	14
Total	597	523	573

Source: GTIS / Ministry of Commerce

AUSTRALIA: June imports were 102,751 t, up 26% on June last year. The main source was Canada as usual, at 71,000 t, down 13% year on year, followed by Qatar at 32,000 t (nil in 2015 but the same volume in 2014). This brought January-June imports to 527,943 t, an increase of 15% on the same period last year. The main sources were Canada at 388,000 t and Qatar at 138,000 t (up 294%). Imports in 2015 were lower because of various production issues at FQM's Esperance site. Source: GTIS / Australian Bureau of Statistics

PAPUA NEW GUINEA: Ramu Nickel is expected to issue an annual tender in Q4 this year for the supply of about 250,000 t sulphur during 2017.

VIETNAM: There are rumours that one buyer is seeking to buy 15,000 t granular sulphur. The buyer's price idea is understood to be around \$70s/mt fob.

NORTH AMERICA

UNITED STATES: June imports were estimated at 148,000 t based on USGS figures for the first five months of the year. This brought annual imports to an estimated 875,000 t, down from 959,000 t in the same period last year. Source: USGS / GTIS / Ministry of Commerce

SOUTH AMERICA

ARGENTINA: Meranol received a 16,500 t cargo last week from Repsol in Spain, understood to be priced in the \$80s cfr. Freight is estimated at \$25-35/t. Meranol now has stocks of about 20,000 t and also receives about 1,000 t sulphur from a local refinery and as such its next import requirement will be for a shipment in December.

BRAZIL: July imports were 116,547 t, a drop of 41% on the same month last year. The main source was the US at 43,000 t (down 38%), followed by the UAE at 39,000 t (nil in 2015) and Russia at 33,000 t (down 66%). This brought January-July imports to 1.044 million t, a drop of 9% on the previous year. The biggest change occurred in imports from Kazakhstan that fell from 317,000 t in 2015 to only 124,000 t in 2016. Import from Russia also fell, from 307,000 t in 2015 to 207,000 t in 2016. Shipments from the US edged up by 32,000 t and by nearly 70,000 t from the UAE. Canada also shipped 37,000 t more sulphur this year than last.

The other main sources were as follows:

Brazil Sulphur Imports ('000 t)			
January - July			
	2014	2015	2016
US	518	443	476
Russia	123	308	207
Kazakhstan	312	318	124
UAE	3	45	114
Canada	47	2	40
Kuwait	62	0	31
Others	89	37	51
Total	1,153	1,153	1,044

Source: GTIS / SECEX – Foreign Trade Secretariat

CHILE: The next shipment to Chile is expected in August from Vancouver, where a 60,000 t cargo loaded for Noracid early July, bought in May against a tender; the price was understood to be around \$100 cfr.

June imports were negligible. This brought January-June imports to 110,000 t, most of it from Canada, a drop of 21% on the same period last year but up from 47,000 t in 2014. Source: GTIS / Chile Customs - Servicio Nacional de Aduana

CUBA: There have been unconfirmed rumours this week that a Canadian cargo may have been bought by Sherritt this week but this has yet to be confirmed by the buyer.

MEXICO: May imports were 84,000 t, all from the US, an increase of 180% on the same period last year. This brought January-May imports to 280,000 t, an increase of 9% on the same period of last year. The main sources were the US at 205,000 t (up 117%) and Canada at 75,000 t (down 54%). Source: GTIS / INEGI

SUPPLIERS

EUROPE

FRANCE: The Total La Mede refinery is now slated for conversion into a bio refinery by Q4. Once the plant has been converted it will stop producing sulphur.

FSU

KAZAKHSTAN: TCO is believed to have now started a 40-day maintenance shutdown at some of its gas operations.

Production in the country is expected to increase not only because of the start-up of the Kashagan oil field, but Chevron also announced that it is planning to expand the Tengizchevroil development as part of its Future Growth and Wellhead Pressure Management Project. It will increase crude oil production at the Tengiz field by 260,000 b/d, bringing TCO's total oil production to an estimated 1 million b/d. Fertecon estimates that this will result in an increase in sulphur production too, but this will depend on the sulphur content of the crude. Additional oil production from the expansion was expected in 2022 at the earliest.

The Kashagan project's sulphur capacity will be 1 million t/y at 370,000 b/d oil output. Assuming that the oil at the Chevron plant contains about the same volume of sulphur, we can reasonably expect sulphur production will grow by about 700,000 t/y.

June exports were 137,000 t, down from 208,000 t in 2015. The drop is because TCO has depleted its sulphur block and now has less granular sulphur for exports.

Kazakhstan Sulphur Exports ('000 t)			
June			
	2014	2015	2016
Russia	47	50	50
China	111	156	73
Morocco	79	0	19
Namibia	0	0	15
Lithuania	19	12	12
Israel	0	57	10
Ukraine	31	17	8
Italy	2	0	0
Argentina	0	18	0
Brazil	38	66	0
Senegal	0	28	0
Tunisia	33	0	0
World	360	404	187

This brought annual exports to 1.253 million t, a drop from 2.052 million t in 2015. The main destination was China at 334,000 t, followed by Russia at 294,000 t and Morocco at 167,000 t. The earliest we might see an increase in exports is probably in Q1 2017 if ramp-up operations proceed as planned at the previously mentioned Kashagan project.

Kazakhstan Sulphur Export ('000 t)			
January - June			
	2014	2015	2016
Russia	302	385	294
China	809	866	334
Morocco	265	137	167
Israel	88	166	115
Brazil	283	256	103
Others	350	288	242
World	2,096	2,052	1,253

Source: Fertecon / GTIS / Customs Control Committee of the Ministry of Finance

RUSSIA: May exports were 306,589 t, an increase of 17% on the same month in 2015. Morocco took twice as much this year than last but the volumes shipped to Brazil and China were similar to May last year.

Russia Sulphur Exports ('000 t)			
May			
	2014	2015	2016
Morocco	92	65	128
Brazil	48	58	68
China	22	41	40
Belarus	12	12	16
Tunisia	23	29	15
Lithuania	6	9	11
Others	42	50	28
Total	245	263	307

This brought January-May exports to 1.637 million t, an increase of 23% on the same period last year. The main change was in exports to China, which went from 187,000 t in 2015 to 360,000 t in 2016. Exports to Tunisia almost quadrupled from 68,000 t in 2015 to 274,000 t in 2016 but Moroccan exports were static just under 450,000 t. The other main destinations were as follows:

Russia Sulphur Exports ('000 t)			
January - May			
	2014	2015	2016
Morocco	484	454	467
China	208	187	360
Tunisia	103	68	274
Brazil	130	168	207
Lithuania	60	73	116
Belarus	73	53	80
Lebanon	17	60	20
Israel	0	52	19
Germany	22	10	19
Argentina	13	6	14
Others	101	200	62
Total	1,212	1,333	1,637

Source: GTIS / Federal Customs Service of Russia

TURKMENISTAN: Export figures from the country have been disappointing so far this year, mainly as a result of high freight costs. We originally forecast that exports would double this year compared with last year's figures of 607,000 t, but it now looks more likely that 2016 exports will be more or less in line with 2015.

MIDDLE EAST

MIDDLE EAST: Middle Eastern suppliers are claiming to be sold out and have no spot availability for the rest of August.

IRAN: Kharg Petrochemicals closed a tender for 30,000 t granular sulphur on 6 August to load between 15-20 August at Kharg Island but a result was not immediately available.

June exports were 151,000 t, a drop of 23% on June 2015. The main destination was China at 115,802 t, down 40% followed by Indonesia at 35,000 t (nil in 2015). This brought January-June exports to 615,714 t, a drop of 17% on the same period last year. The main destination was China at 541,000 t, a drop of 19% followed by Indonesia at 75,000 t, an increase of 17%. Source: GTIS / Iran Customs

QATAR: Tasweeq's tender is closing next week for 30,000 t granular sulphur which will provide a good indication as to where prices are heading for September.

UAE: There is talk that about 60,000 t granular sulphur has been sold to China from the UAE this week at an undisclosed price. However, if we take into account that Adnoc's August lifting price for the Indian subcontinent is at \$70 fob, this sale to China will more than likely be in line and as such it is estimated to equate to around \$80 cfr.

SAUDI ARABIA: For September one trader said that Saudi Aramco may have some spot availability but the other suppliers appear to be sold out for that month too.

ASIA

INDIA: The *Pan Daisy* is due to load 29,700 t sulphur in Bedi on 12 August, though to be for China.

May exports were 62,000 t, most of it to China, up 11% on May 2015. This brought January-May exports to 320,916 t, up from 261,502 t in 2015. Most of the sulphur was exported to China with the exception of just over 30,000 t which was shipped to Indonesia.

JAPAN: June exports were 141,112 t, the majority to China, an increase of 21% on the same period of last year. The increase in output has been attributed to the refining of sour crudes, which yield more sulphur. This brought January-June exports to 718,288 t, the majority to China, up from 613,556 t in the same period of 2015.

SOUTH KOREA: June exports were 106,246 t, up 16% on June 2015. Most of the tonnes were exported to China as usual. This brought January-June exports to 694,688 t, an increase of 13% on the same period of last year. The main destination remained China. (Source: GTIS / Korea Customs and Trade Development Institution)

TAIWAN: A source suggested that Formosa will likely only have one cargo available in September, in which case it will probably go to a term buyer.

NORTH AMERICA

CANADA: Production in Alberta is understood to be up and running now but some production in British Columbia is still affected by the damage they sustained during the floods. Expectation is that from August-September onward sulphur output will return to normal.

Price indications have been a mixed bag this week. Some sources suggested the mid \$60s fob adding that the \$70s fob are no longer achievable but another source said that it is still selling in the high \$60s to low \$70s fob.

UNITED STATES: June exports were 167,587 t, up 17% on the same month of 2015 but down from 191,455 t in 2014. The main destinations were Brazil at 64,000 t (up 31%), Morocco at 50,000 t (nil in 2015) and Mexico at 29,000 t (down 51%).

This brought January-June exports to 1.049 million t, up 20% on 2015 but almost the same volume as in 2014. The main destinations were as follows:

United States Sulphur Exports ('000 t)			
January - June			
	2014	2015	2016
Brazil	399	340	388
Morocco	164	123	238
Mexico	71	110	201
China	214	114	121
New	110	18	50
Others	89	169	51
Total	1,048	875	1,049

This Source of Data: U.S. Department of Commerce, Bureau of Census

FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
5 Aug	770	640	647	394	636
8 Aug	777	638	645	392	636
9 Aug	770	642	642	389	631
10 Aug	795	659	639	391	638
11 Aug	833	687	640	394	653

Source: Baltic Exchange

AGRICULTURE

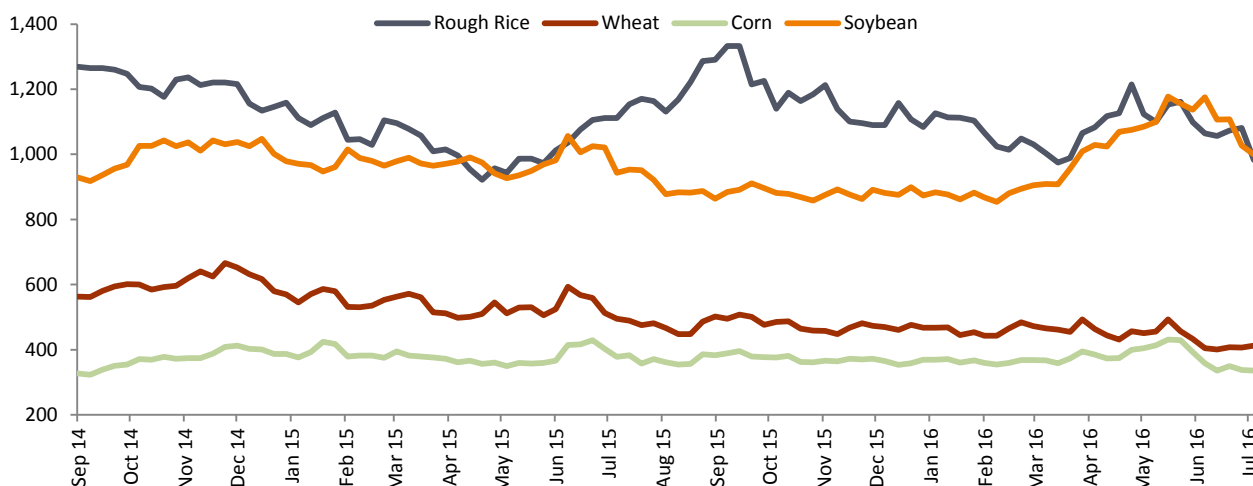
CROP FUTURES

CME CROP FUTURES (cents/bushel)						
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	August 2015	Annual Change
Corn	322.4	-2.6	333.0	343.2	357.2	-10%
Wheat	411.6	-0.6	437.6	454.2	475.2	-13%
Soybean	1,017.0	+26.6	998.4	982.0	951.0	+7%
Rough Rice	952.0	-2.5	973.0	994.5	1,171.0	-19%

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

CORN:	WHEAT:
Corn futures were weaker week-on-week in spite of a drop in USDA crop condition ratings, which whilst lower than in the previous report were still up year-on-year.	Wheat prices have been relatively volatile this week although closed less than a cent down week-on-week, as crop losses in France balanced high production levels in Russia.
SOYBEAN:	RICE:
Prices have been supported by strong demand over the last week, most notably from China which has substantially increased its purchasing activity in recent weeks.	Rice futures continue to stumble with yet another decrease in September futures as traders continue to lose faith in the Asian oversupply situation being resolved in the next 12 months.

WEEKLY CBOT CROP PRICES (¢/BU)



REGIONAL MARKETS

FRANCE: France's farm ministry has cut its average yield estimate for the soft wheat harvest this year to just 5.57 t/ha, some 30% below the year ago level of 7.07 t/ha and the lowest since 1986. The revision comes after months of adverse weather in the country that has seen the government promise to support growers in areas where the damage has been at its worst.

The ministry revised down its estimate for total output to 29.1 million t, down from 36.95 million t a month ago and the record 40.9 million t it produced last year. If realised, it will be the smallest wheat crop in France since 2003.

The Ile-de-France region around Paris was expected to see yields fall 40% below the average of the previous five years. The Hauts-de-France region in the far north would see a 38% drop and Centre-Val-de-Loire a 31% decline, the ministry estimated.

UNITED STATES: US corn conditions ratings declined more than expected according to this week's USDA Crop Progress report, while soybean ratings were non-moving.

According to this week's USDA Crop Progress report, US corn saw 74% of its crop rated good/excellent compared to 76% the prior week with the USDA also revealing that 7% of the crop is now rated poor/very poor, up from 6% the prior week. "The corn crop decline may come as a surprise since it was beyond expectations, and maybe particularly noted by traders given that they've been expecting the crop to fall ratings-wise only to have it either hold steady or even increase in recent weeks" indicated Issue Monitor, part of Informa Agribusiness.

US corn dropped to its 7th highest in the rankings since 1989, although conditions remain well above the 1989-2015 average and ahead of last year at this time, added MDA Weather Services.

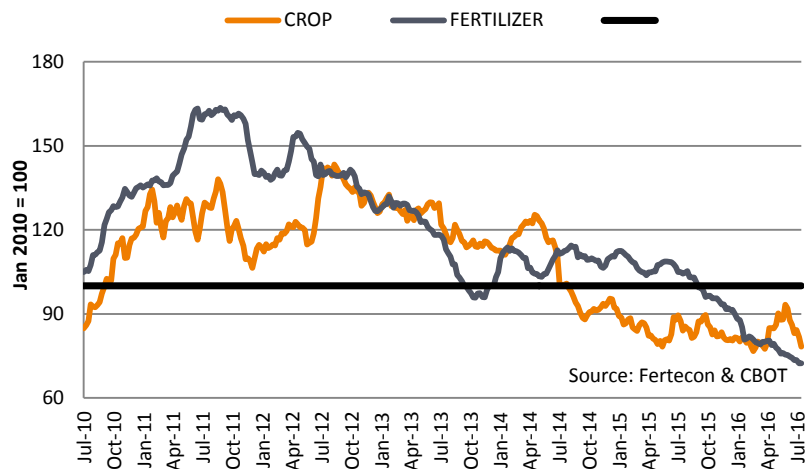
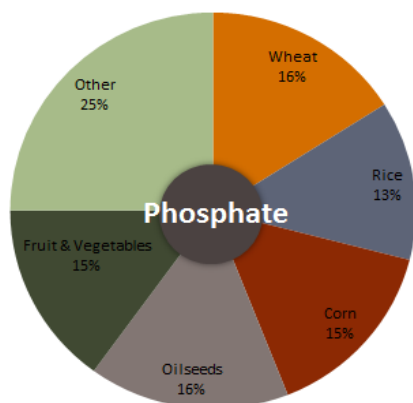
Meanwhile, US soybean conditions ratings held steady at 72%, with now 17% excellent and 55% good compared to 15% excellent and 56% good the prior week.

In wheat, the spring harvest moved even quicker than traders expected, reaching 30% as of 7 August, well beyond the year-ago level of 22% and the 18% five-year average. The winter wheat harvest continues to edge to the finish line, with 94% harvested against 96% in 2015 and a 91% five-year average, outlined Issue Monitor.

PHOSPHATE USE BY CROP

FERTECON FERTILIZER & CROP INDICES

Source: IFA



Using 6 January 2010 as the starting point (Jan 2010=100), the Fertecon indices aim to assess relative fertilizer affordability and illustrate the comparative movement of fertilizer prices (a basket of urea, DAP and MOP) against crop prices. The denotation is that the higher the crop index is relative to the fertilizer index, the more affordable fertilizers are to farmers – and vice versa. <http://agribusinessintelligence.informa.com/>

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