



Nyhedsklip no. 82

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Announce – Investment proposal

SHAI HILL Aps - jord i Ghana

Shai Hill Invest ApS, offers investor a derivative project of 8,000 acres of the best positioned and suitable farmland in Ghana, ready to move ahead. Total price: 920.000 USD. Shai Hill, located close to the Volta River, from which water can be pumped to the crops, and close to the port Tema in southern Ghana. The infrastructure is good, with good roads to both Tema as to the capital, Accra.

Agricon SH Ghana has prepared the Investment proposal including the following documents:

1. Spent two years on the feasibility studies, as well as created necessary contacts and knowledge of the local conditions in Ghana. Including communication with the Danish Embassy and current EU Committee Representative Office
2. Prepared and negotiated lease of 8,000 acres of farmland, with an option up to a total 24,000 ha, stamped and approved by the authorities in Ghana.
3. Feasibility studies
4. Approved drainage plan from the Volta River. (Environmental Protection Report)
5. Soil analysis of 8,000 acres. (Performed on coordinates)
6. EPA Report. (Permits for the farm)
7. Mapping. (Drafting of the lease)
8. Overall a professional Farmer Team.
9. Prepared budgets for crops Rice, Maize, Sunflower and Soya

Further info

We are prepared to help and initiate the process with investor if desired. Do you have further questions please don't hesitate to contact: Allan Kronborg, tel.: +45 40989209; Mail: ak@northtrade.dk

About Ghana

- Free elections for over two decades
- 10 year tax holiday for agriculture companies
- The climate is superior for up to three crops per year
- There is a large and capable labor force
- Ghana population is expected to double by year 2050
- The Ghanaian government and chieftains are very supportive of agriculture activities.
- English is the main language



World

Commission lowers estimates for EU cereal yields

Source: Agrar Europe 23 August 2016

The European Commission has reduced its average yield estimates for soft wheat, barley, maize, rye and sugar beet in its latest crop update.

The average for total cereals yield across the bloc has been reduced to 5.36 tons per hectare, down from 5.52t/ha last month and 5.48t/ha in 2015. The figure is above the 5.27t/ha average for the past five years, however.

In its latest update for August, Mars, the Commission's crop monitoring unit, reduced the forecast for average soft wheat yield across the 28 member states to 5.86t/ha, just above the five-year average of 5.83t/ha.



The downgrade was not unexpected due to the reports coming out of France in recent weeks. The Commission's estimate for French yields of 6.56t/ha is down from 7.92t/ha last month and the five-year average of 7.34t/ha, but is still above many private analyst forecasts.

Rainy June

"Weather conditions [in France] remained wet in June and had various negative consequences on wheat and barley growth: an increased pest and disease pressure, anoxia and lodging," Mars explained.

"The lack of radiation, present especially in the most productive regions in central France, slowed down crop development and particularly impacted wheat and barley, which were reaching the grain filling stage and diminished the spikelet fertility."

EU barley yields are also reduced to 4.88t/ha from 4.99t/ha last month with the estimate for France down to 6.2t/ha from 7.09t/ha last year and Germany down to 6.65t/ha from 7.17t/ha.

Poll suggests most US, Brazil consumers prefer antibiotic-free beef

Source: Agrar Europe 24 August 2016

A survey carried out by US agricultural giant Cargill has indicated that 54 pct. of US citizens and 69 pct. of Brazilians in favor antibiotic-free beef

The poll also suggests 35 pct. of consumers in the two countries are willing to pay more for antibiotic-free beef. Cargill carried out its 'Feed for Thought' survey into consumer attitudes in the world's two largest beef-producing countries, with more than 2,000 people in the US and Brazil took part, our sister publication Animal Pharm reports.



Cargill is a supporter of antibiotic reduction and says it is committed to "the judicious therapeutic use of animal antibiotics to treat sick ani-

mals and help maintain the safety of our world food supply”.

The company’s US beef business recently reduced usage of shared-class antibiotics by 20% at its four cattle feed yards and four alliance partners feed yards. The firm is exploring antibiotic alternatives, such as the use of essential oils in poultry feed, and is reducing antibiotics in its turkey production.

Free trade negotiations with EU

Both the US and Brazil are hoping to increase beef exports to the EU through potential free trade deals – TTIP and Mercosur respectively – yet their competitive edge over the EU in beef production is one of many considerable hurdles in the two sets of negotiations.

The European Commission wants to include provisions on antimicrobial resistance (AMR) in the sanitary and phytosanitary (SPS) chapter of the potential TTIP deal.

Countries



Romanian corn exports are 48 pct. lower than last year

Source: Black Sea Grain 26 August 2016

According to UkrAgroConsult data, in May 2016 Romania exported 254.3 KMT of corn (139.1 KMT in the previous month), which is 48% lower compared to record high exports of May 2015 (486.4 KMT).

Spain, Belgium, Netherlands and Lebanon were top buyers of Romanian corn in May 2016.

Over September-May (2015/16) Romanian corn exports are 48% behind the volumes exported over the same period of 2014/15 (2697 KMT against 4978 KMT). Due to lower EU corn crop this season share of EU countries in the Romanian corn export structure grew to 69% (53% over the same period of 2014/15).



Impressive decrease in exports was observed in the destination of Egypt – (96.5 KMT against 453.8 KMT). Also, a complete loss of South Korean market is noted this season, which bought 600 KMT over the same period 2014/15.



Global meat giant to shift base from Brazil to Ireland

Source: Agrar Europe 09 August 2016

Brazil’s JBS, the world’s largest meat company, has revealed plans for a large-scale corporate restructuring that would effectively move its headquarters to Ireland.

The company, which has steadily built its global footprint through acquisitions in the US, Australia and Europe, details the proposed changes

in documents filed with the Securities and Exchange Commission (SEC) in New York.

JBS incorporated a Dublin-based company JBS Foods International in May of this year and it has now applied for this to be listed on the New York stock exchange.

According to the SEC filings, Brazilian-listed JBS S.A. will transfer all its assets to JBS Foods International, with the exception of its Brazilian beef business and related activities, including those related to leather production.

Key reasons for move

The rationale behind the move is to raise JBS profile among global institutional investors and “better reflect its global presence and diverse international operations”. It will enhance our ability to participate in the expected further consolidation of the global food industry and to better compete with other global food companies for international development opportunities,” the SEC filing notes.

By improving access to international equity and debt capital markets, the change will make it easier to raise financing to fund growth while also bringing down the cost of capital.



Saudi Arabia opens market to polish beef

Source: Agrar Europe 17 August 2016

Poland has secured access to another potentially lucrative beef market thanks to a new agreement with Saudi Arabia.

In a statement, the Polish agriculture ministry said Saudi authorities have approved a final model health certificate for beef and bovine products. The ministry said this clears the way for Polish exporters to start supplying beef to the Saudi market "in line with agreed terms".



Saudi Arabia imports more than 100,000 tons of bovine meat each year – around two thirds of which is low-cost buffalo meat from India. Until recently most of rest came from Australia and New Zealand – though Brazil has started to win back market share since regaining access late last year. A handful of EU member states have also made some inroads into the Saudi market– notably Ireland and the Netherlands.

Morocco marked also opened

Morocco recently joined a growing list of African countries opening their market to polish beef. Recent progress in these markets would suggest Poland will also have some success in Middle Eastern countries such as Saudi Arabia.

Building on a decade of progress, Polish beef shipments reached more than 380,000 tons in 2015 – a rise of 16% on the previous year. While the bulk of this went to other EU markets, Turkey, Bosnia & Herzegovina, Japan, Israel and Hong Kong all took significantly more beef from Poland last year.

These gains helped offset the loss of the Russian market, which has maintained an embargo on all EU beef since August 2014.



Passions about purchase of farmland in Latvia

Source: ActusQ Newsletter July/August 2016

The Manabalss.lv Internet platform has collected more than 10,000 signatures in support of a ban against the sale of farmland and forestland in Latvia to foreigners.

Activists say that they want to ensure that farmland and forestland are owned by Latvian citizens and that it is no longer sold to foreigners and international investment funds.

Before 2014, the law on privatization of land in the rural areas included limitations against the ability of foreign citizens (as private persons) to buy land in Latvia. Upon joining the European Union (EU), however, Latvia promised to open the market to citizens from other member states. The transition period ended in 2014, and the law was amended. In 2014, the Agriculture Ministry instituted new criteria for people who wish to buy farmland in Latvia -- an education or experience in agriculture and a written promise to continue to use the land for farming for the next three years, transparency about financial beneficiaries and other.

EU has officially demanded that Latvia amend its laws about the purchase of farmland, because the law currently violates the principle of the free circulation of capital and the freedom of engaging in entrepreneurship.

Latvia has the lowest total tax rate for businesses in the Baltic States

Source: ActusQ Newsletter July/August 2016

Latvia's total tax rate of 35.9% for businesses is still the lowest across the Baltic States (49.4% in Estonia and 42.4% in Lithuania), according to the latest edition of the Paying Taxes report from the World Bank Group and PwC

Croatia has the lowest rate in the EU and EFTA region (20%), with the highest rate in France (62.7%). Latvia's total tax rate ranks 27th globally and at 12th in the EU/EFTA region. Latvia's total tax rate of 35.9% is made up of 6.3% corporate income tax, 26.6% labor taxes, and 3% other taxes.



Model analysis

The model company takes 193 hours to comply with its Latvian tax requirements, which is above the EU/EFTA average of 173 hours. However, with only seven payments a year, Latvia's indicator is among the lowest globally and in Europe, ranking third in the EU/EFTA region (after Norway and Sweden in first and second place respectively).



Russia on course to become world's largest wheat exporter for first time

Source: Black Sea Grain 30 August 2016

Due to a large harvest, the country's export potential amounts to 30 million tons of wheat in the 2016/2017 agricultural year, which is an absolute record for the last few years

However, export growth is constrained by low prices on the world market and export duties imposed in 2014 for fear of price growth in the country.

In mid-August 2016, the U.S. Department of Agriculture (USDA), whose analytical service is considered to be one of the world's most respected, announced a sensation: In the 2016/17 agricultural year, "Russia is forecast to be the world's largest exporter for the first time ever." According to the department, the country has achieved this outstanding result due to ideal conditions such as optimal weather for loading, effective management of the movement of grain through ports, and steady supplies throughout the year.

A record forecast

According to the USDA forecast, Russia will be able to sell 30 million tons of wheat on the world market, ahead of all the 28 EU countries combined. This year's crop failure in France and Italy (the former of which is the EU's largest exporter) opens up new markets for Russia.

"Russia has freight and logistical advantages to growth markets in North Africa, Sub-Saharan Africa and the Middle East.

Big wheat harvest

According to USDA data, Russia will collect a total of 72 million tons of wheat this year. Russia's Agriculture Ministry predicts 73 million tons of wheat, as it also takes into account the crop harvested in Crimea.



According to Russia's Agriculture Ministry, Russia exported a record 34 million tons of grain in the last agricultural year, including 25 million tons of wheat. "This year, Russia will be able to sell 37 to 40 million tons of grain.

Russia is not the only country that collected a record harvest this year. Australia, Canada, Kazakhstan, Ukraine and the United States have also become agrarian leaders, the USDA report indicated. "The record wheat production has caused a drop in prices on the international market".

Black Sea markets ramp up grain exports

Source: Agrar Europe 24 August 2016

Grain exports from Russia, Ukraine and Kazakhstan are rising and outstripping rivals in the EU, according to local analysts

Russia is expected to increase grain exports to 3.5 million tons in August from its estimate of 2.2mt in July, SovEcon agriculture consultancy

indicated. Real July exports were at 2.6mt for grains, including 2.0mt of wheat, according to SovEcon's estimate.

The government is considering reducing the floating wheat export tax, which is at a minimum level of RUB10 (US\$0.15) per tonne but could rise if the rouble currency declines or global wheat prices rise. The move, if approved, will help to ease risks for forward contracts and thus support exports, SovEcon added.

Ukraine crops

Meanwhile in Ukraine, local consultancy UkrAgroConsult outlined that its own bumper grain harvest could allow its exports to reach a record 40.7mt this season. Exports totaled 38.5mt in the 2015/16 season (July to June).

The consultancy also raised its forecast for the country's 2016 grain harvest to 62.7mt, 1.7mt higher than a month earlier. UkrAgroConsult indicated that the new forecast was due mainly to high yields of early grain crops and bigger than expected harvests of wheat and barley. Ukraine is expected to harvest up to 26mt of wheat and 9.6mt of barley,

"Warm weather and precipitation created favorable conditions for corn vegetation. Average productivity is expected to be an all-time high or close to a record high - nearly 6 tons per hectare - and gross production may reach 25mt.

How Russia's pig breeders overcame the embargo

Source: Pig Progress 24 August 2016

The Russian pig industry has managed to overcome the trade embargo with both the United States and the European Union by

expanding its total amount of breeding animals

Data by the Russian Ministry of Agriculture reveal that the number of purebred breeding farms grew from 117 in 2013 to nearly 150 in 2016. The overall growth of the pedigree herd grew from 84,000 head to 107,000 head in that same timeframe.

Share of pedigree sows

According to a study by Ivan Dunin, chief specialist of Russian Research Institute of Animal Breeding, the share of purebred sows reached 3.5% out of the overall number of sows at the country's farms back in 2013. This corresponded to basic zootechnical rules determined by Russian scientists.

The study indicated that the largest share of breeding stock is made up of: Large White (48%); Landrace (19%); Yorkshire (10%); Imported Large White (15%); Duroc (6%); other breeds (2%).

Prior to the embargo, Russia was mostly importing breeding stock, primarily from Denmark and Canada, according to Federal Customs Service data. However, imports from Europe stopped at the beginning of 2014 due to veterinary restrictions while imports from Canada stopped as from August 2014.



Construction projects

In recent years, several construction projects for breeding farms and breeding-to-finish facili-

ties were launched by several holdings, including Cherkizovo and Miratorg. In addition, agricultural holding Exima pumped 13 billion roubles (US\$200 million) in a project for the construction of a large breeding centre.

Ros Agro, Cherkizovo are among producers worried by outbreaks

Source: Blomberg News 29 August 2016

Russia is registering more cases of African swine fever this year than usual, prompting pork producers such as Ros Agro Plc and Cherkizovo Group PJSC to increase safety measures.

Disease's spread seen hindering Russian effort to boost export

Outbreaks that took place in households and among wild boars totaled 182 by Aug. 22 this year, which is more than any previous full year except 2013, according to data from Russia's agriculture agency, Rosselkhoz nadzor. The country, which is the world's fifth-largest pork producer, is seeing the virus mostly confined to the central and southern regions.

The efforts to prevent the spread of the disease are "almost like a war," Ros Agro Director General Maxim Basov said Aug. 26 during a conference call with analysts. In the Tambov region, where the company has farms, employees aren't now allowed to return home for the night after a day's work as part of a full quarantine, he said.

Georgia infected in 2006

The virus was introduced into Georgia from southern Africa in 2006, before spreading north. Mortality may reach 100 percent in do-

mestic herds, with no vaccine expected in coming years.

Cherkizovo's recent measures include more thorough disinfection of feed-delivery trucks and extending work shifts so employees enter and leave farms less frequently, according to Marina Kagan, the pork producer's director for public and investor relations. "The situation worsened very much in the past four, five months".

Cherkizovo had to shut down two farms last year after the virus infected the operations.

Hindering export boost

The outbreaks hurt Russia's chances of expanding pig-meat exports, Kagan said, as a resurgent industry is close to meeting the country's domestic demand. The National Meat Association proposes killing off as many wild boars as possible in the regions where the disease occurs, Sergei Yushin, head of the group's executive committee, said at an agriculture meeting held by President Vladimir Putin last month.



Kazakhstan increased grain exports by 33 percent

Source: Black Sea Grain 22 August 2016

According to official statistics, in July 2016 the country exported 268.2 KMT of grain against 256 KMT in July 2015



Total grain exports since the beginning of 2015/16 (September 2015 - July 2016) reached 5236.9 KMT, which was 33% more than over the same period of 2014/15 MY – 3942.4 KMT.

Flour exports over the reporting period increased by 27.5% - to 1943.3 KMT against 1522.8 KMT in September-July 2014/15.



IFC considers \$40 million loan to Chinese feed firm

Source: Agrar Europe 18 August 2016

One of China's fastest-growing animal feed producers has approached the World Bank's investment arm for a \$40 million loan to fund ambitious growth plans

The International Finance Corporation (IFC) is considering the request from Anyou, a company that already has more than 50 production facilities in 26 Chinese provinces.

Already an IFC client, Anyou currently supplies piglet feed for more than 65 million piglets in China every year. The company's latest expansion plan requires investments of around \$90 million.

The initiative would allow Anyou to reach more pig producers in frontier regions of China and help those farmers bring down levels of piglet mortality while also improving their livelihoods. By providing high quality feed, the IFC says the project would result in healthier hogs and a smaller environmental footprint while also contributing to food safety.

Most Chinese consumers want pork with better animal welfare

Source: Black Sea Grain 23 August 2016

About 72% of Chinese consumers would like to pay premium prices of 5-10% for pork with better animal welfare, and another 3% are willing to pay extra of up to 25%



This is according to a survey made by the World Animal Protection and the Chinese Veterinary Medical Association (CVMA).

The survey, covering 2070 respondents in the Chinese metropolises of Beijing, Shanghai, Guangzhou and Shenzhen, also found that 77% of the consumers would change retailers to pursue animal welfare pork. The CVMA said it is drafting animal welfare standards for broilers, layers, pigs, and beef and dairy cattle. Pork accounts for 64% in China's meat consumption.



Vietnam in urgent need of deep water port in Mekong Delta

Source: Black Sea Grain 23 August 2016

Vietnam's Deputy Prime Minister Vuong Dinh Hue has asked relevant ministries and agencies to consider building a deep water port in the Mekong Delta

The port will ease transport barriers for goods from the country's most productive region in terms of agriculture and aquaculture.

Currently there is no such port for the region. One of the ideal locations for the sea port is in Hon Khoai Island in the southernmost province of Ca Mau. Hon Khoai is situated about 12 nautical miles from international waters, 15km from the southernmost point of Vietnam's inland territory and 14km from the Ho Chi Minh Highway.

In fact, in July 2015, the central government agreed in principal to allow the construction of a deep water port in Hon Khoai with estimated investment capital of \$2.5 billion.

Big rice production in Mekong Delta

A report from Can Tho University showed that rice production from the delta accounts for more than half of Vietnam's output and contributes 80 percent to the country's rice exports. The region is also home to around 80 percent of Vietnam's fruit output and 60 percent of its fish catch.

About 22 million people, or 24 percent of Vietnam's population of over 90 million, live in

the Mekong Delta. The negative effects from the El Nino phenomenon and upstream dams, however, have brought about the worst drought and saltwater intrusion in the region for nearly 100 years.



Kenya launches \$77 mln project to boost livestock resilience

Source: Agrar Europe 25 August 2016

A new project aimed at helping livestock farmers cope with drought and disease has been launched in Kenya with \$77 million in support from the World Bank

More than 93,000 households from 14 participating counties are expected to benefit directly from the initiative, which forms part of a wider US\$197m Regional Pastoral Livelihoods Resilience Project (RPLRP).



The project aims to reduce the death rate of cattle by 30%; increase the value of livestock traded in selected project markets by 10%; reduce the number of livestock traded in drought years by about 8%; increase the number of livestock traded in normal years by about 6%, and to also halve the time lapse between early warning information and the response.

The World Bank's International Development Association (IDA) is contributing to the project, which also extends to Uganda and Ethiopia.



West African cotton production to surge

Source: Black Sea Grain 22 August 2016

West African cotton production is set to bounce back, after weather damage in the previous crop, US officials said

The US Department of Agriculture's bureau in Dakar forecast rising crops in the main West African cotton growers, Burkina Faso, Mali, Cote d'Ivoire, Senegal, and Chad, despite the region's top grower abandoning genetically modified seeds.

Production across the countries was seen at 1.9m tons in 2016-17, up 24% year on year, with production in Burkina Faso hitting record levels.

Drought, rain damage

The cotton crop is recovering from last season's disappointing crop, when production fell 16% year on year, to 1.6m tons, falling short of USDA forecasts.

The Dakar bureau ascribed the drop in production to "late rains at the beginning of the season and heavy rains at the end of the season". "This situation resulted in decreased cotton yield and seed cotton production in most of the countries," the bureau said.

Opportunity knocks for pigs as Cuba changes

Source: Pig Progress 24 August 2016

Cuba is slowly changing; the country offers vast opportunities for both parties in the pig industry as well as for pork exporting countries

What does the country's pig business currently look like? A recent review of the data and recent industry commentary suggests that there are opportunities for the pig industry in Cuba that should encourage any ambitious exporter from the pig meat supply chain to think hard about this Caribbean island.

The changes will bring opportunities in the export trade for pig meat and also for suppliers of pig genetics, animal feed/additives and animal health. What are the drivers for change in this bastion of communist ideology that makes this market worth a second look?

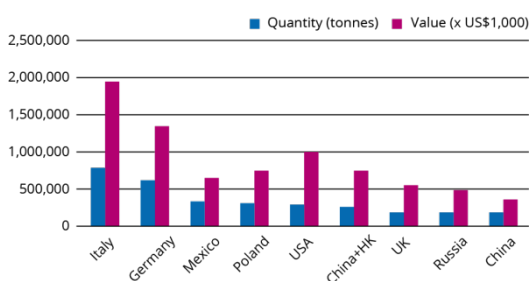
Market-orientated reforms

The market-orientated reforms that were introduced are important. The majority of public land has been redistributed to small cooperatives, and private agricultural markets for farmers have been established which allows them to sell surplus products after meeting government quotas. There are now about 300 private agricultural cooperatives that are focused on pig production.

Agricultural imports

The Empresa Cubana Importadora de Alimentos (Alimport) controls the import of most of Cuba’s agricultural imports (+80%). Alimport is the only approved importer for key food products such as wheat, fresh fruits, vegetables and meat. Alimport is a state corporation, and its largest shareholder is the Ministry of Foreign Trade.

Figure 1 - Cuba's pigmeat imports, 2011.



Source: Cuba's National Statistics and Information Bureau (ONE).

Imports supply about 80% of the annual food consumption in Cuba and large parts of this are poultry meat (US\$200 million mainly from the US), maize (over US\$200 million mainly from South America) and cereals (over US\$200 million mainly from the EU). However, it appears that the USA’s self-imposed disadvantage on trade with Cuba has been noticed by other players in the export game. In 2009 US agricultural exports had a 42% share of the import market but this had dropped to 16% in 2014.