



AGRO REPORT

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As a customer-oriented company, ACE AGRO CORP. has made every effort to calm its customers' minds and pave the way for achieving their goals. One of the ways of this company is to inform the clients about the current situation in the market and the forecasts through which they can continue their business with a more open mind. The report provided with a schedule every two weeks helps us in this crucial matter.

We need to accept that it was an unusual situation in the world of lentils this year. Although last year's focus was on demand, 2021 is paying all its attention to the supply side. In addition, transport time and cost play an important role in which lead time needs to be under serious consideration.

According to Canadian Grain Commission (CGC), 187,500 MT of No.2 Canada and 11,000 MT of other grades were shipped from Vancouver from the start of the season. This data (figure 1) shows the importance and attractiveness of this grade of lentils. This is while the preliminary yield break downs from Saskatchewan Agriculture point to 20% grade No.1 Canada, down from 37% last year, and 62% No.2 raised from 58% of the previous year. According to the given data from Saskatchewan Agriculture data, the primary grades is like below table:

<i>Lentils</i>	2017	2018	2019	2020	2021
<i>No.1</i>	52%	37%	18%	37%	20%
<i>No.2</i>	44%	51%	49%	58%	62%
<i>No.3 and X3</i>	4%	11%	27%	5%	15%
<i>Sample</i>	0%	1%	6%	0%	3%

(figure 1)

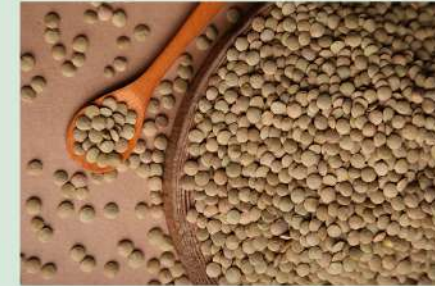
Based on Statistics Canada, 2020 yield was about 1,501 lbs/acre; ten years average is approximately 1,427 lbs/acre, and five years average is calculated at 1,261 lbs/acre. The given numbers claim, 2021 harvest is 33% lower than last year and 26% lower than the 5-yr average.

We can firmly admit that the global production level is low this year and all world needs to accept. Global trade is experiencing a decline of 450,000 MT, which is not good news, especially for the exporting countries. On the other side, the importing countries dependent on Canadian lentils are thinking about changing their local market behaviour to a more expensive product this year.

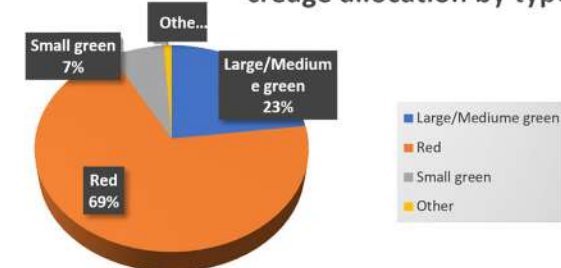
This situation had a serious effect on supplies. According to Marlene Boersch, Mercantile Consulting Venture presentation on GPC, acreage allocation by type in 2021 is like: Large/medium green: 23%, red: 69%, small green 7%, other:1%.

Also the production amount by type is: Large/medium green: 22%, red: 71%, small green 7%, other:0% with the total production of 1,950,106 MT.

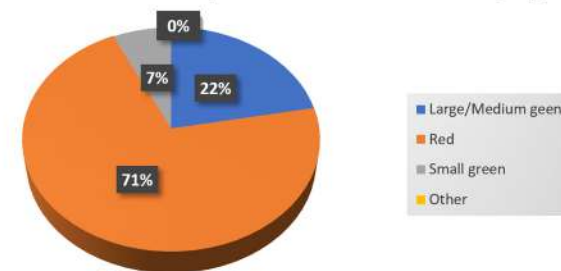
The reason for yield reduction can be vividly shown in the moisture map. All are aware that a long heat and drought cause low soil moisture through the North American Prairies. Weather is playing an essential role at this time, and the severe effect of drought may take around two years to relieve and achieve the standard balance sheet again.



acreage allocation by type



The production amount by type

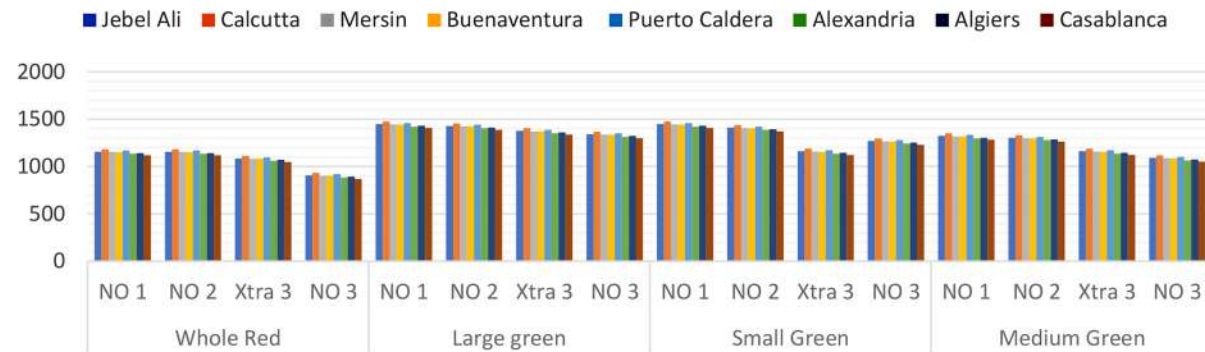


CFR indications for the chosen destinations are shown below.

Please be advised that it is just an indication for potential customers to be aware of the general situation, not an exact price.

All prices are in US dollars.

Lentils Type Price



Lentils Type		Jebel Ali	Calcutta	Mersin	Buenaventura	Puerto Caldera	Alexandria	Algiers	Casablanca
Whole Red	NO 1	1157	1184	1154	1152	1168	1134	1142	1120
	NO 2	1157	1184	1154	1152	1168	1134	1142	1120
	Xtra 3	1086	1113	1083	1081	1097	1063	1071	1049
	NO 3	908	935	905	903	919	885	893	871
Large green	NO 1	1447	1474	1443	1441	1458	1422	1430	1407
	NO 2	1429	1456	1425	1423	1440	1404	1412	1389
	Xtra 3	1376	1403	1372	1370	1387	1351	1359	1336
	NO 3	1340	1367	1336	1334	1351	1315	1323	1300
Small Green	NO 1	1447	1474	1443	1441	1458	1422	1430	1407
	NO 2	1411	1438	1407	1405	1422	1386	1394	1371
	Xtra 3	1162	1189	1158	1156	1173	1137	1145	1122
	NO 3	1269	1296	1265	1263	1280	1244	1252	1229
Medium Green	NO 1	1322	1349	1318	1316	1333	1297	1305	1282
	NO 2	1304	1331	1300	1298	1315	1279	1287	1264
	Xtra 3	1162	1189	1158	1156	1173	1137	1145	1122
	NO 3	1091	1118	1087	1085	1102	1066	1074	1051

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