



CHELMER FOODS NEWSLETTER

SEEDS MARKET

27.05.2022



Even before the war in Ukraine, the world's food supply was delicate. Increasing high temperature anomalies unprecedented for the time of year in recent times, were already affecting crops globally, oil crops in Canada last year, and corn and soybean yields in South America, even the wheat crops here in the UK over the past few seasons. In addition, the covid pandemic had a huge impact on labour shortages, freight, access to containers, shortage of drivers, and completely shook up the food industry.

The added pressure the Ukraine war has put on the food industry leaves a void in the market, that alternative origins and methods undoubtedly cannot pick up the shortfall for. Perhaps this indicates a shift towards a more sustainable and self-sufficient way of looking at the food industry.





Flaxseed

27.05.2022

The market is still firm, flaxseed oil prices seem to have subsided. This would typically indicate prices easing, however, farmers and traders are relying on the market holding firm in anticipation that prices will come down just before new crop comes into play, where the market may, however, turn again as soon as the oil mills require more material.

Although Russian origin is to be avoided, the linseed market heavily relies on supplies from here at present, despite the fact the country imposed a 20% export duty on linseed in May. Kazakhstan and Canada will also have an influence this season. Rising costs for pesticides, fertilisers, fuel and energy should prompt producers to ask for higher prices this season. Nonetheless, nature can take its course and the crops are still subject to weather conditions.



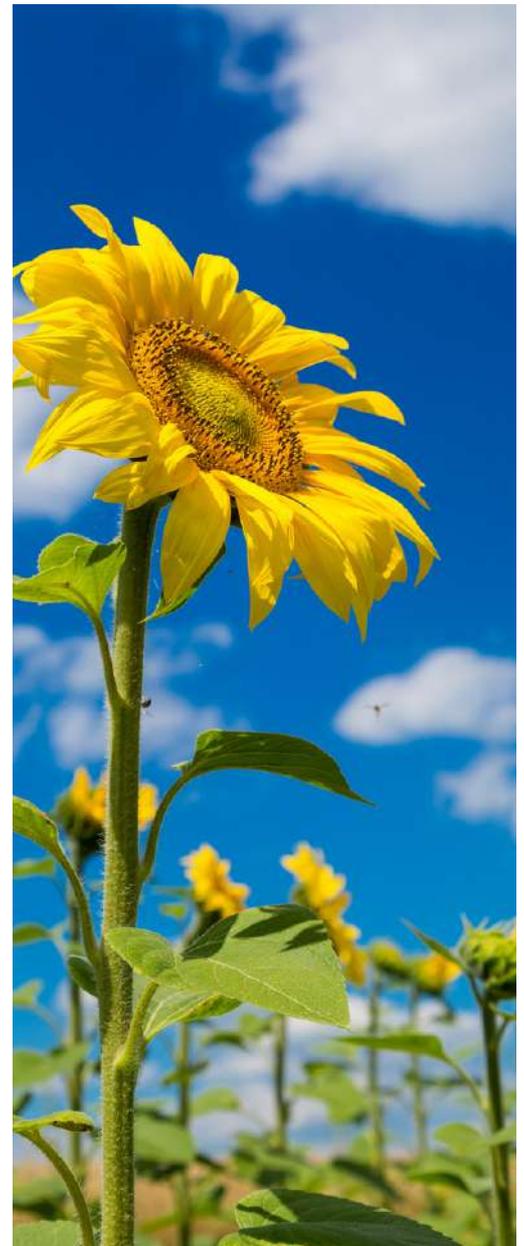


Sunflower

27.05.2022

Inflation in energy, fuel, and the effects this is having on the food industry, has everyone's attention and watching market movements tentatively. As the war in Ukraine continues, beyond expectations, it is now restricting the global food supply significantly. There is still a high degree of volatility in the market and renders forecasts virtually impossible, despite the Ukraine's Ministry of Agriculture reporting that sowing only ranges 25% lower than last year.

Having said that, it is also speculated that the port of Odessa will be closed for the entirety of next season, meaning there will be little opportunity to get material out and ease supply limitations. There have been reports of some quantities being exported via land, although the quantities exported render little to no impact on the global market, as the quantities you can ship vs truck are unparalleled





Millet

27.05.2022

Still remains a turbulent market restricted by the capability to only cover short term positions. Farmers in Ukraine have managed to sow some volumes despite all odds, nevertheless, by comparison to last year, less has been planted and yields will be lower, and still unable to get a clear view on Ukraine's crops.

The market in the U.S.A seems to be holding steady if not coming down for shorter term more prompt deliveries, however, still with logistical obstacles being the main concern. The real turning point could be the beginning of new crop, we could see a sharp incline in prices from this point that may not recover for the remainder of the year.





Poppy

27.05.2022

Although the market remains very firm and has not particularly waived much from its current price level, it appears the Czech poppy seed crop has benefited from recent widespread rainfall and the poppies are developing well.

Yields are expected to be lower in comparison to last year due to farmers replacing poppy and cultivating land with more profitable agricultural commodities. Prices are predicted to remain at current levels over the coming months.



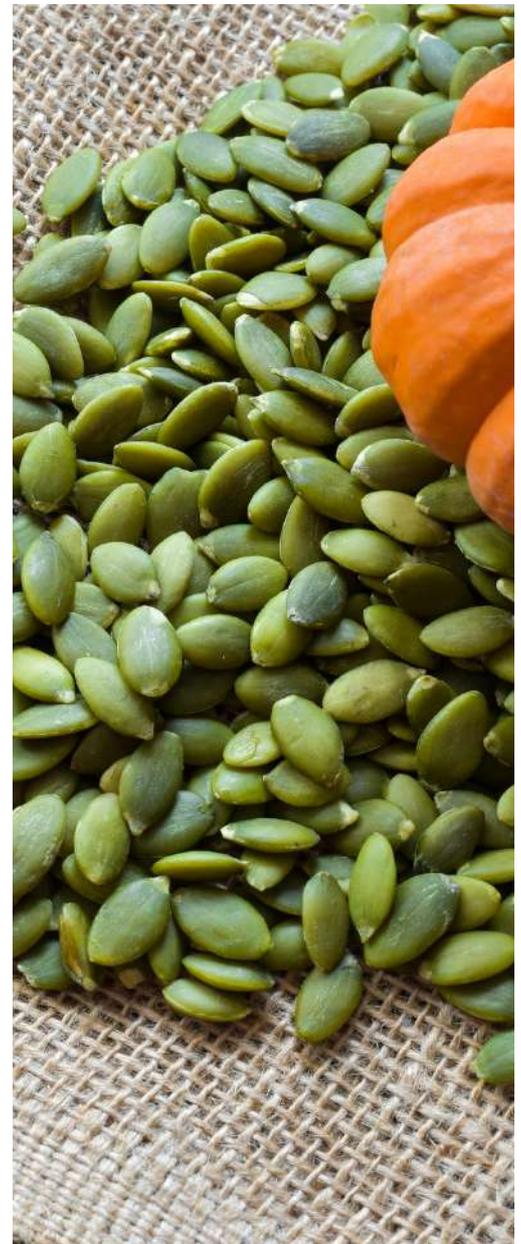


Pumpkin

27.05.2022

Recently we have been in a downwards trend, however, raw material prices are starting to firm up, 80% of the carry-over is rumoured to be in the hands of packers and traders, aiming to pull up prices further.

The market is predicted to follow this trend through to July-August time. A kneejerk reaction from buyers has been to cover some of their requirements.





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NEWSLETTER

A brutal blast of record-breaking heat has spread over southern and central Europe, shattering May records from Portugal to Germany. Some of the most extreme heat is focusing in Portugal, Spain and France. This runs simultaneously with record-setting temperatures that are occurring in eastern United States, who are experiencing exceptional heat scorchers. Mild weather in Europe this winter also meant soil moisture started to evaporate more quickly than in recent years, further weighing on crop conditions.

Many relating crops are in particularly bad shape right now. In Central Europe, the US, India, Pakistan and North Africa, dry weather means yields are set to be low. In Ukraine by contrast, the weather has been good for crop conditions.



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