



# CHELMER FOODS MARKET OUTLOOK

## SEEDS MARKET

**29.07.2022**



The US central bank has announced another unusually large interest rate hike as it battles to rein in soaring prices in the world's largest economy. The Federal Reserve said it would increase its key rate by 0.75 percentage points, targeting a range of 2.25% to 2.5%.

The bank has been raising borrowing costs since March to try to cool the economy and ease price inflation, but fears are rising the moves will tip the US into recession.

Recent reports have shown falling consumer confidence, a slowing housing market, jobless claims rising and the first contraction in business activity since 2020. Many expect official figures this week will show the US economy shrank for the second quarter in a row.

The announcement has slightly boosted the value of GBP v USD, but for how long.





# Flaxseed

29.07.2022

Prices seem to be settling in European markets to almost pre-war levels, mainly down to the market being so quiet. However, farmers will undoubtedly aim to support current high levels to help absorb increasing overheads such as fuel, labour, equipment, and tackle general inflation.

Given last year's heat and drought impacting Canada's crop, this year's supply will be much healthier, having said that, prices would still need to come down considerably to be competitive.



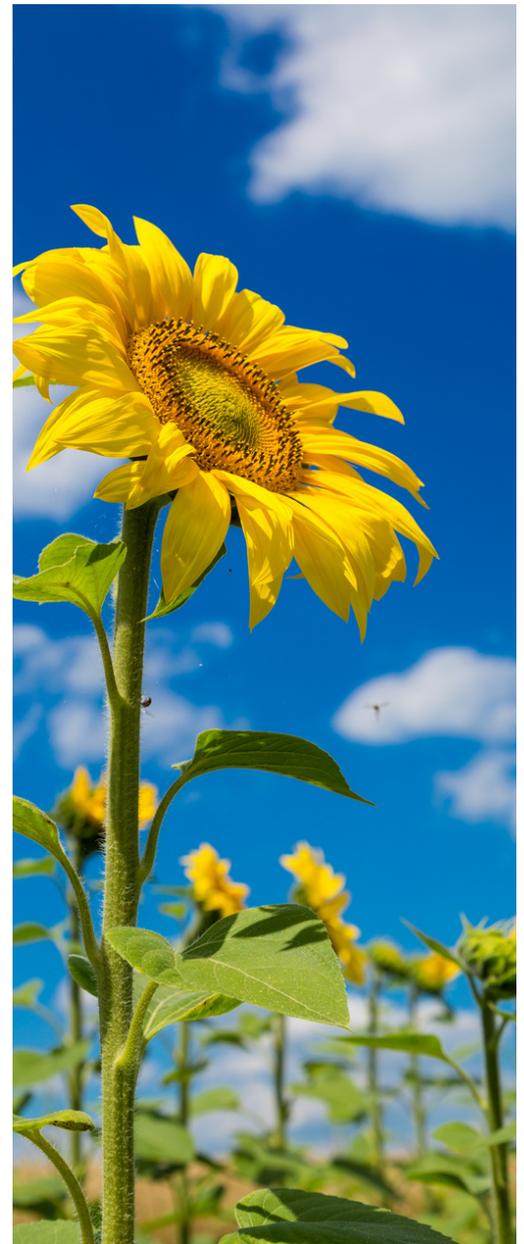


# Sunflower

29.07.2022

In the first three weeks of new season year on year, the EU's imports are up considerably. The main importing countries in the EU during this period are Bulgaria, Romania, Hungary, closely followed by the Netherlands and Portugal. Ukraine has become the most important non-EU exporting country in recent months.

Steps have now been actioned following the meeting of delegates between Ukraine, Russia, Turkey and the United Nations on 13th of July. A few days ago, the first Ukrainian shipments arrived in the Bulgarian port of Varna.





# Millet

29.07.2022

Prices now seem to have settled with European packers starting to offer longer term positions. For a slight premium the U.S. market is also starting to offer new crop material, as well as some very competitive prompt shipments. European markets appear active, some looking to the Ukraine for supply to support their demands.





# Poppy

29.07.2022

Although early reports have a pessimistic view of this year's crop, many now seem more optimistic about the yields, nonetheless, there will be a huge drop in production that cannot be avoided. From an estimated 17,000mt, some market players are estimating something closer to/or over 18,000mt, however, still significantly down year on year.

Looking to other European buyers, it looks as if Germany's imports increased in May compared to the same month last year. Shipments from Czech Republic picked up, whilst Austria and Spain's declined significantly.



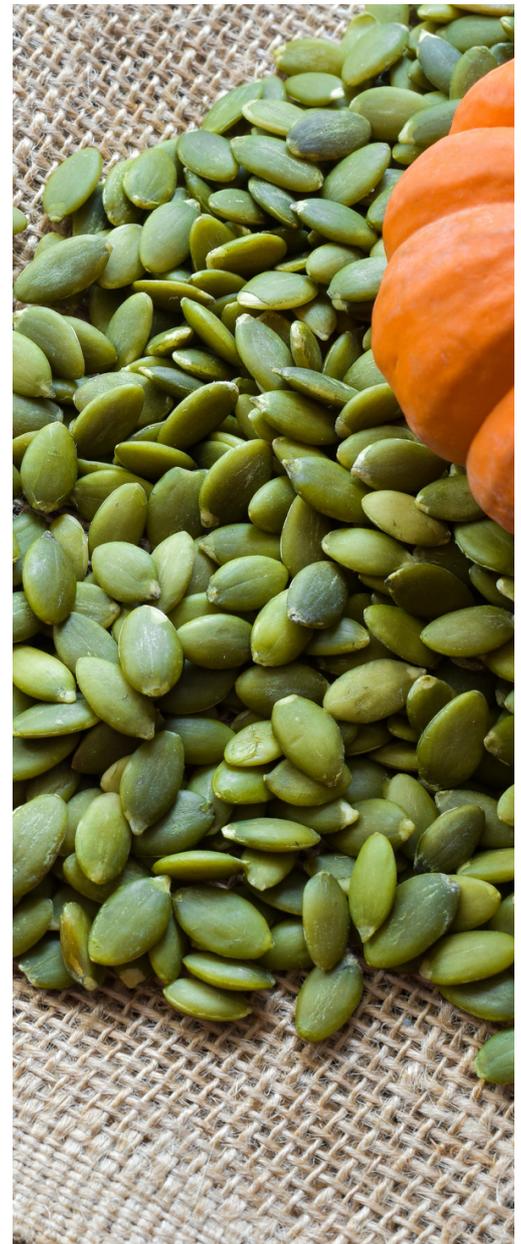


# Pumpkin

29.07.2022

Another quiet few weeks with continued weak demand from both domestic and exporting markets. Prices still remain at inflated levels despite the fact new crop prices are looking optimistic.

The dilemma for those holding old crop, is that they cannot afford to let the raw material go at a reduced rate given their initial high purchase cost. Perhaps this season a more sensible, cautious, approach will be taken when purchasing.





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A dispute over pay has prompted strike action at the UK's busiest port. The union Unite said 92% of its members at the Port of Felixstowe voted in favour of strike action and there was an 81% turnout. A 5% offer was made by the Felixstowe Dock and Railway Company.

The current pay increase has been rejected on the basis that in real terms 5% is effectively a pay cut with the real rate of inflation standing at 11.9%.

About 2,550 people work at the Port of Felixstowe, which is the UK's biggest container port, handling 48% of container trade.



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