



CHELMER FOODS MARKET OUTLOOK

SEEDS MARKET

08.07.2022



The Bank of England recently commented saying the UK and the rest of the world has "deteriorated materially" in light of international forecasts from the IMF and OECD, who are also claiming that Britain is more susceptible to recession and has persistently high inflation rates compared to other western countries.

This, in combination with the turmoil in our government has contributed a major downturn in the USD v GBP, while keeping the EURO v GBP stable as Europe possibly follows suit.

GBP to USD Chart

• 1 GBP = 1.19327 USD Jul 8, 2022, 09:11 UTC

British Pound to US Dollar





Flaxseed

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Most packers/suppliers are now open to taking bids given the lack of enquiries. Germany, much like other European countries have bought steadily over the past few weeks in aim to secure an average cost price across their contracts, although imports have dropped by 16% due to extremely high prices and freight rates from countries such as Canada. Global supply still needs the support of Russian material to help maintain continuity of supply, however, since May 1st up to and including August, Russian flaxseed has been subject to an export duty of 20% in addition to the high farmgate prices and expensive freight costs. This makes the goods less attractive at the moment.



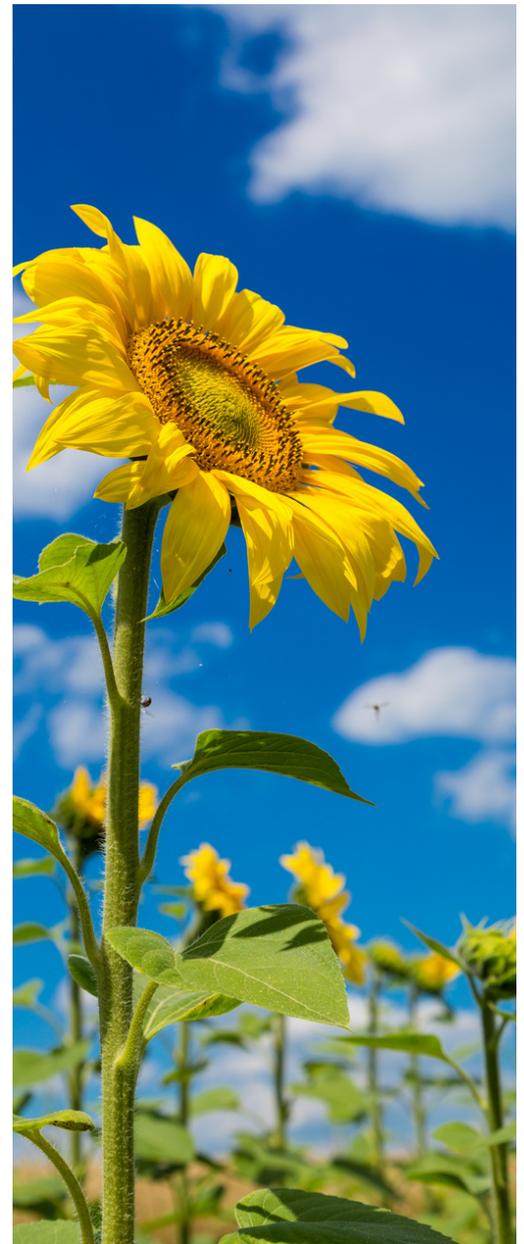


Sunflower

08.07.2022

Despite initial reports on declining crop yields by comparison year on year, recent revised figures show this may not be the case, and in fact better than first predicted. Of course, we still must contend with Ukraine's unpredictability in figures and continuity of supply, creating a deficit in the global supply.

Although, other major producing neighboring countries such as Romania, Hungary, and Bulgaria, have the potential to see higher yields than initially thought. Looking to Russia, it was announced by the Russian government that the existing export duties on sunflower oil and sunflower meal will be extended by one year until 31 August 2023.





Millet

08.07.2022

European markets are offering contrary price levels depending on origin, supply, and delivery period. Other than this, the market seems relatively stable at current levels, now awaiting further updates.

The U.S. now seems to be offering at comparable levels to Europe, perhaps to maintain the additional business won as a result of Russia invading Ukraine.





Poppy

08.07.2022

As previously reported this year's crop will be down considerably. Nearing the harvest, we have a more accurate reported figure of 40% down compared to last year's crop.

From a purchasing point of view, it would be recommended to cover at least some requirements. Czech poppy seed production might not even reach 17,000mt this year, compared to just over 29,000mt last year.



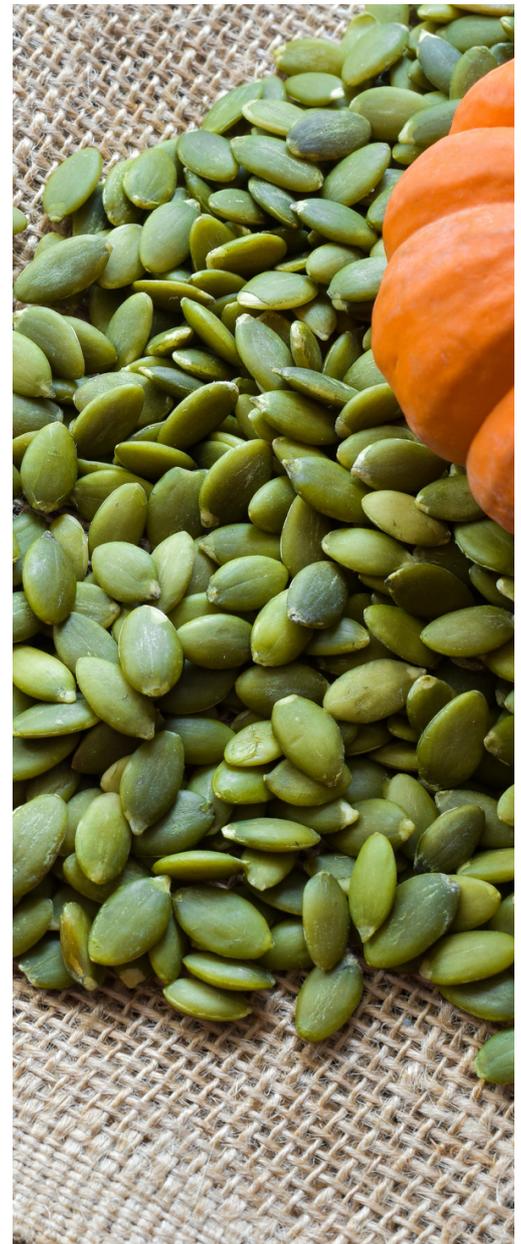


Pumpkin

08.07.2022

Although Some packers and traders are still trying to prop up higher prices and stimulate the market in hopes that buying interest in both the domestic and export market picks up, this stance may result in a carry-over if they insist on holding onto the stock.

Speculators claim there are still large quantities of shine skins in the warehouses, too many to sell completely in July and August. There is still relatively weak demand in the market so at some stage they may change their approach.





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While oil prices are elevated due to Russia's assault on Ukraine, Brent crude oil, the international benchmark, is currently \$104 a barrel, far below this year's peak of \$128 reached in early March.

However, petrol and diesel prices remain at a record high, fuelling the cost of living which is rising at the sharpest pace for 40 years. The average price for a litre of petrol is now 191.43p, according to the RAC motoring association, and diesel prices reaching 199.05p a litre.

This of course, has a knock-on effect to fuel surcharge rates, inflating the prices of delivery costs. We now sit at a level of 30% and rising.



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