



# CHELMER FOODS NEWSLETTER

## HIGHLIGHTS

23.09.2022

Energy bills for UK businesses will be cut by around half their expected level this winter under a huge government support package. The scheme will fix wholesale gas and electricity prices for firms for six months from 1 October, shielding businesses from crippling costs.

It comes after ministers announced a multi-billion-pound plan to help households with bills for two years. Analysts suggest the help for firms and households combined could cost up to £150bn. The government said the scheme would apply to companies which had agreed fixed deals at higher prices on or after 1 April, when energy bills started to surge. Those on variable and flexible tariffs will also be eligible.



### GBP to USD Chart

• 1 GBP = 1.09113 USD Sep 23, 2022, 15:05 UTC

British Pound to US Dollar





# Flaxseed

23.09.2022

Sanctions against Russia are continuing to disturb well-established supply chains. Deliveries, consequently, take longer, logistic costs have surged, and some shipments are simply no longer possible. To make matters worse, the sanctions imposed on trucks have driven up freight rates. The issue is that trucks from Russia and Belarus have been unable to cross into the EU since April and Belarus has banned the movements of vehicles from the EU. These restrictions have prompted trucking freight rates from Kazakhstan to Poland to double. China has rumoured to have recently dipped into the market committing to a volume for the seed, flour, and oil. Looking to the rest of the EU, and much like other countries, energy costs have soared. This is causing a major increase in essential integral packaging items such as paper bags, pallets, and even the thread for the sacks.

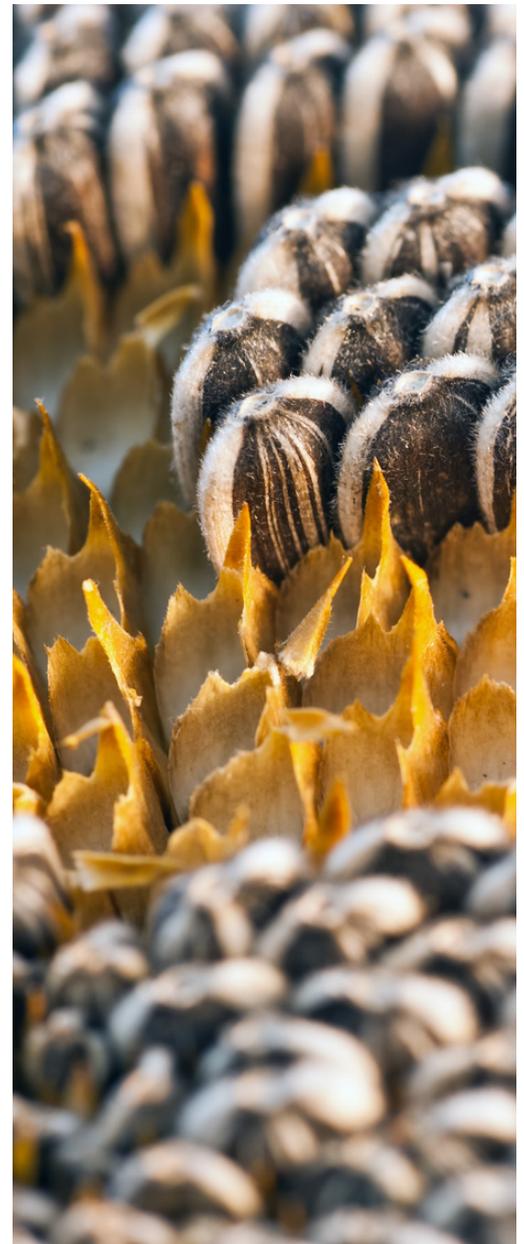




# Sunflower

23.09.2022

In the Eu, mounting fears of recession has a created a volatile market over the past few weeks. It is now widely thought that current market levels have potentially reached their lowest point, quickly prompting an increase in demand. This is in combination with potential (Russian backed) referendums in Eastern Ukraine, sending the market into a frenzy yesterday appreciating a number of goods up 7-8%. Looking to China, farmers have been able to harvest in main producing areas such as Xinjiang and Inner Mongolia as the Covid-19 situation is under control there, the first arrivals are, in fact, expected in the next few days. However, the yield is lower compared to last year and stock levels are low due to reluctance to purchase at high levels. This all points to a temporary low market level, however, still volatile and susceptible to a number of factors.





# Millet

23.09.2022

Despite Ukraine's best efforts given the obvious obstacles they have had to overcome, going from unusually prolonged hot weather conditions sweeping across Europe, they are now tackling a continuing battle against rainfall at such a critical stage of harvest. Taking this into consideration it seems only short-term contracts are being offered and sellers are encouraging buyers to purchase at least some of their requirements, in fear there may not be enough raw material going further into the new year. Looking to the U.S. not much has changed. Persistent hot weather, in combination with farmers being able to store it, has created an upwards trend in the market.





# Poppy

23.09.2022

Demand is still relatively slow, but more so, unusually quiet for this time of year. It is speculated that traders and processors are said to still have stocks from old crop, which is why they are not under pressure to replenish their stocks as quickly as possible. This has stunted any need for a price increase, although will create fluctuations in the market and possibly present some opportunities for buyers. However, market players do not currently consider a long-term downward trend likely, despite the lack of demand.

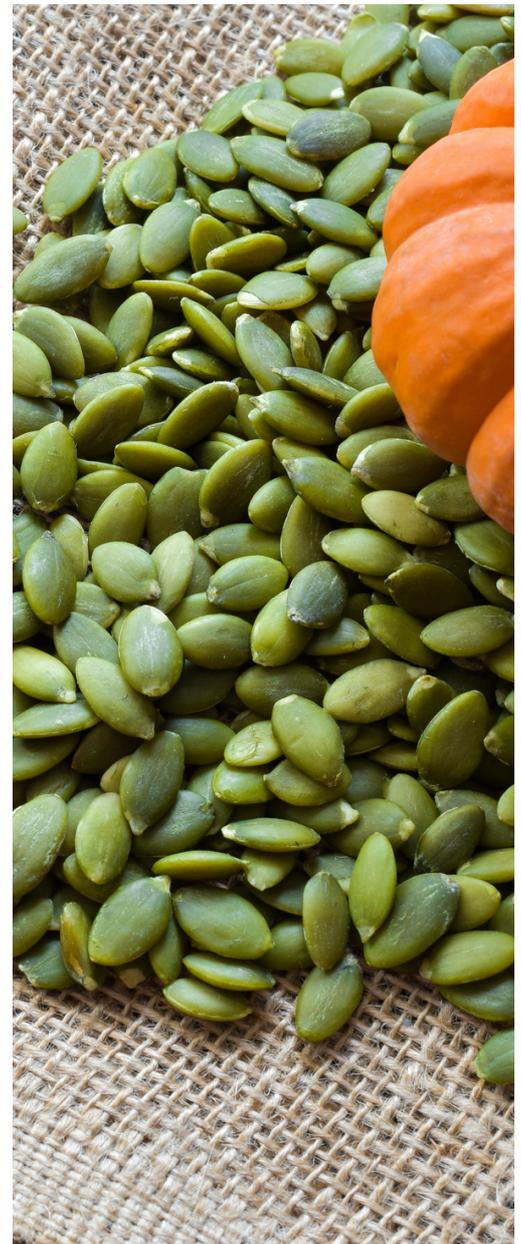




# Pumpkin

23.09.2022

More and more shine skin new crop material is becoming available in the market, although with little buying interest both internationally and domestically, despite initial expectations. Consequently, this has led to speculation that the market will continue to fall. This is all in combination with an expected recession looming, further encouraging the market price to decline. As expected, the crop of GWS kernels in China is rumoured to be very good, and the high yields are causing prices to fall. This may encourage buyers to look at alternatives by replacing shine skin purchases with GWS kernels. This could stabilise prices, which would be much needed as speculators show no interest in GWS kernels and focus exclusively on the shine skin market.





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## NEWSLETTER

UK interest rates have been raised to 2.25% from 1.75%, marking their highest level in 14 years. It is the seventh time in a row that the Bank of England has raised rates as it battles to stem soaring prices. The increase takes borrowing costs to their highest since 2008, when the UK banking system faced collapse. Interest rates have been rising since last December as the rise in the cost of living has accelerated.

Inflation, the pace at which prices rise, is currently at its highest rate for nearly 40 years. At 9.9%, it remains five times higher than the Bank of England's target of 2%.



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