



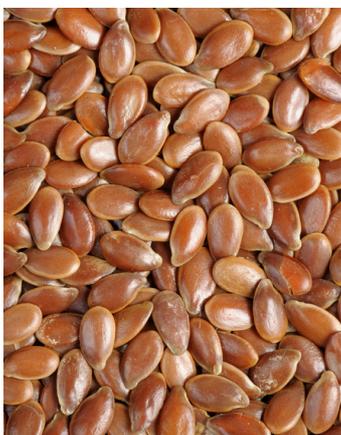
CHELMER FOODS NEWSLETTER

HIGHLIGHTS

16.12.2022

Currency improved this week as the dollar plummeted across the board after data showed that underlying U.S. consumer price inflation rose less than expected last month, reinforcing expectations that the Federal Reserve will slow the pace of its rate increases.

However, in an effort to tackle the ever-increasing rate of inflation, the Bank of England has raised interest rates by 0.5% taking the base rate to 3.5% in a bid to tackle soaring inflation. Analysts now expect interest rates to peak at 4.5% next year before falling back to 3%. This in turn has weakened the value of pound sterling.





Flaxseed

16.12.2022

There is speculation about what will happen in early summer if Kazakhstan has sold off its flaxseed stocks by then, and Russia is no longer an option as a supplier for many customers. Weak demand and still sufficient availability have caused the prices for Kazakh flaxseed to drop significantly since the beginning of the new season.

Prices for Eastern European flaxseed are holding at their current levels, although it's been known to fluctuate €20 to €30 it still sits at low €900 levels for Brown and low €1200's for Golden. Looking to Canadian flaxseed, shipments to Europe are approaching zero, and shipments to China are manageable. The lower demand means that more goods should be available later in the season. Potential price declines are currently being prevented by growers' reluctance to sell. In the long term, however, the high stocks should put pressure on prices.



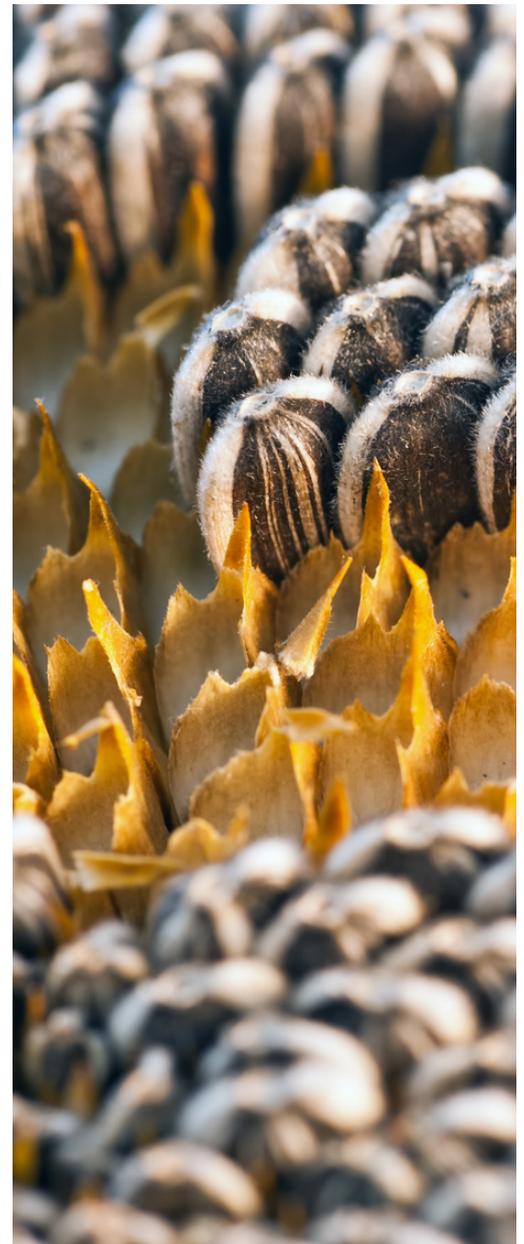


Sunflower

16.12.2022

Demand for hulled sunflower kernels from Eastern Europe has still not stabilized. Compared to other years, buying interest is significantly lower. Bulgarian suppliers are dissatisfied with the enquiries and the favorable offers for bakery kernels are currently relatively near the bottom of the market.

After prices for oilseeds such as sunflower seeds, flaxseed, etc. increased dramatically, many producers reduced their seed input significantly and are only slowly increasing it again and creating some nervousness in the market. If the demand situation does not change, there will still have to be price reductions at some point





Millet

16.12.2022

Not much has changed in the EU market. Demand overall is relatively slow, presenting steady price levels and opportunities to obtain longer term positions. It is expected that the EU market will remain at these levels till the new year. The U.S. market also remains the same.

Price levels remain stable as growers have the bin space to hold onto raw material and wait to see how export demand plays out. Speaking plainly, growers and traders will sell and commit, but may not release huge volumes as they are in a position to wait. Freight rates continue to ease at relatively stable levels.





Poppy

16.12.2022

The Czech blue poppy seed market is characterised by significantly lower trading activity this season. Although the decline in acreage this year resulted in a crop of circa 21,000 mt, which is around 30% to 40% smaller than in 2021, the current price level makes the seeds less attractive for many buyers, some of whom had already taken the precaution of stocking up on larger quantities or reducing their input.

According to market players, many traders and growers are therefore currently sitting on above-average stocks, even from last year's crop. Imports to neighbouring EU countries are down, for example, between August and October 2022, Germany imported a total of 1,047 mt of poppy seeds, a good third less than in the same period of the previous year.





Pumpkin

16.12.2022

The Chinese pumpkin seed market literally breathed a sigh of relief when the government ended the zero covid policy last week and lifted the related measures. Chinese traders report that life is now returning to its normal routine, and that all cities and regions can be travelled freely and hurdles to trade are becoming easier. Even in the most restricted growing areas effected by COVID can now be entered again with traders and processors managing to pick up raw materials there without any problems, for weeks this had only been possible with a high logistical effort. The rush is great because the demand for GWS kernels in particular is unabatedly high and the suppliers no longer have enough goods in stock to fulfil their contracts.

For this reason, they are now stocking up generously to prevent further shortages in the near future. Prices for the new crop are significantly lower than those for the 2021 crop, which is the reason why many customers have switched from shine skins to GWS kernels this year. This high demand now has to be met, so price declines are unlikely any time soon. In contrast, demand for shine skins remains weak in both the domestic and export markets and prices are largely stable. Taking into consideration the above factors, this has inevitably created delays in shipments.

