



CHELMER FOODS NEWSLETTER

HIGHLIGHTS

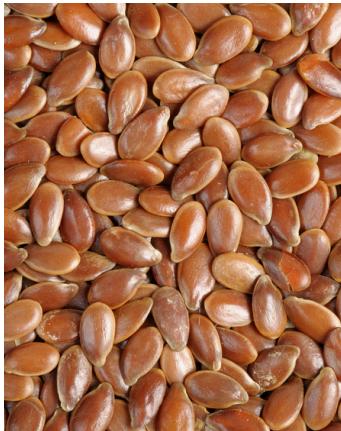
17.02.2023

Food inflation is at a 45-year high, with a supermarket boss warning that grocery prices will remain elevated this year.

Overall, UK price inflation fell for the third month in a row to 10.1% in the year to January from 10.5% in December.

The biggest factors in the rate slowing were decreases in fuel prices and the cost of dining out.

Grocery prices are one of the main drivers fuelling overall inflation and were up 16.7% on the year to January.



Flaxseed

17.02.2023

High supply in the general market is weighing on prices, and to boost demand, Kazakh flaxseed traders have been forced to adjust their prices in recent weeks. Since the beginning of the new calendar year, offers for brown flaxseed, 99.9% purity have declined. These price adjustments are making it increasingly difficult for Canadian flaxseed traders to regain a foothold in the export market. Buyers in Europe are sourcing their flaxseed from Kazakhstan as usual and filling gaps with supplies from Russia, if necessary, despite the current circumstances. Russia, meanwhile, has had a record crop this season, according to its own figures, and thus has no difficulty in accepting requests from Chinese buyers. China was a stable bank for Canadian flaxseed until prices soared to unimaginable heights last year. Although there have been significant price reductions in the meantime, Canadian goods still cannot compete with the offers from Russia and Kazakhstan. In addition, thanks to the USA's own very good crop, even demand for Canadian linseed from the neighbouring country has remained relatively low this season.

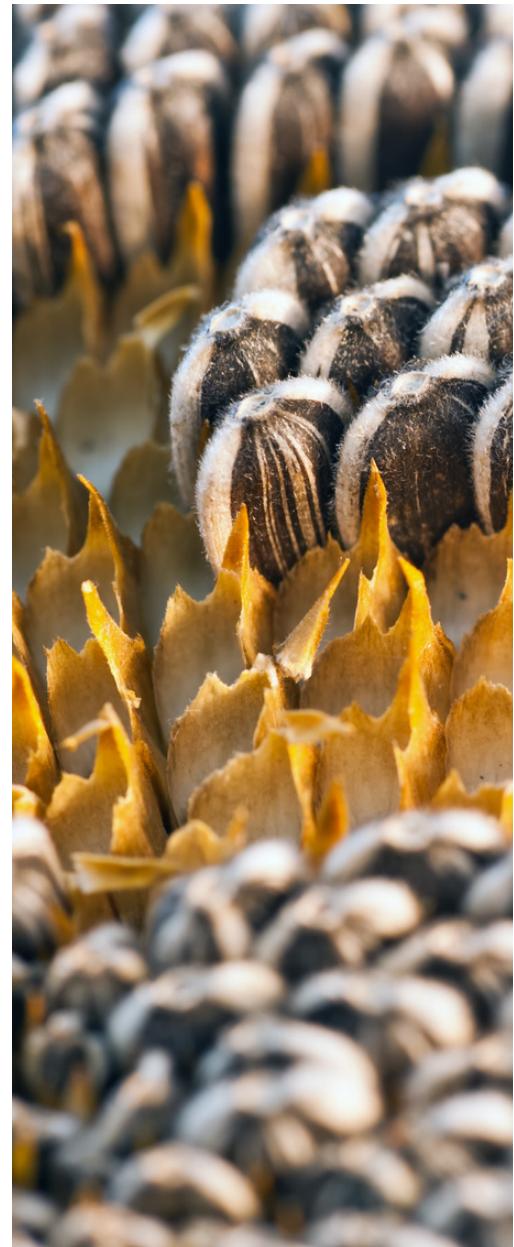




Sunflower

17.02.2023

The prices for bakery kernels remain at the same level of the past weeks. Market players report basically no demand from the European region, but at the same time enquiries from the USA and Asia are stable. US traders are now also said to be reducing their prices in order to keep up with European offers and China is showing increased interest in hulled sunflower kernels. For the time being, this allows the traders to stick to their prices despite the lack of buying interest from Europe. Looking to the UK market, stocks remain unchanged and still seems to be saturated with sunflower seeds and as a result has prompted some short-term/prompt rather attractive prices.





Millet

17.02.2023

Not much has changed in the market over the last couple of weeks. Despite a slight increase in prices, Millet remains relatively stable with some buyers open to a bid. The EU market in general is relatively quiet. The U.S. market also remains the same. Price levels in the U.S. remain stable as growers have the bin space to hold onto raw material and wait to see how export demand plays out. There is supply, but not excessive this year out of the USA.



Poppy

17.02.2023

The drastic decline in the Czech poppy seed production last year meant that prices increased massively at the beginning of the current season. Although the market has eased again since then, prices are still significantly more expensive than in recent years at this time. Higher production costs are currently preventing prices from falling to their old levels, and some growers are not in a hurry to sell and are storing their raw materials until prices are at an acceptable level for them. However, with significant demands withdrawn from the Ukraine and Russian markets, this leaves Czech material open to bids, therefore having a knock-on effect on other origins such as Spanish material. For the coming Czech sowing season, market players expect that the poppy acreage will be further reduced in favour of other agricultural commodities such as, wheat, rapeseed, corn, mustard seeds, etc. offer higher profits for growers.





Pumpkin

17.02.2033

The Chinese Pumkin seed market is now starting to turn. Last week there were already significant price increases on the Chinese pumpkin seed market, and since then prices have once again shot up noticeably. Farmgate prices have risen for both shine skins and GWS kernels and export prices are being adjusted accordingly. After a review of stocks, market players now announced that there are still about 80,000-90,000 mt of shine skins and 10,000 mt of GWS kernels available. This quantity is not sufficient to meet demand until the new crop arrives. Moreover, almost all of the raw materials are in the hands of speculators and traders, who can thus control prices well. This suggests that price increases will be even more frequent in the coming months. In addition, next seasons GWS may result in a smaller crop as farmers experienced lower profit margins this year, due to the kernels not generating good enough profits.

