



CHELMER FOODS NEWSLETTER

HIGHLIGHTS

03.02.2023

Prices in British shops have been driven to record highs as inflation accelerated this month, according to a new index.

This rise was particularly driven by food inflation, which experts fear is yet to hit its peak.

Rising food production costs and elevated fruit and vegetable prices saw the cost of fresh food soar by 0.7 points in a month, while the cost of ambient foods, those stored at room temperature, also hit new highs.

While global food costs are coming down from their 2022 high and the cost of oil falling, it is expected to see some inflationary pressures easing. However, as retailers still face ongoing headwinds from rising energy bills and labour shortages, prices are yet to peak and will likely remain high in the near term as a result





Flaxseed

03.02.2023

It is estimated that Canada's production is circa 474,000mt this current season which is 37% up on last year. Total supplies range at 569,000 mt, which is also 36% up on last year. Issue is that Canadian flaxseed is not quite as competitively priced as Kazakhstan or Russian this Year. This has prompted buyers in China and Europe to turn their backs on Canada. The USA are the main export destination at present. Russian material is also muddying the water what with some extremely low prices being offered. However, sanctions related to ship and cargo insurance, a ban on Russian transporters and wagons entering the EU, and difficulties in payment processing (sanctions against Russian banks) will not allow deliveries into the EU market. These factors have caused the market to subdue, although restricting supply chains and smaller pool to draw raw material from could cause the market to rise. Currency over the past few weeks have also played its part in price fluctuations.

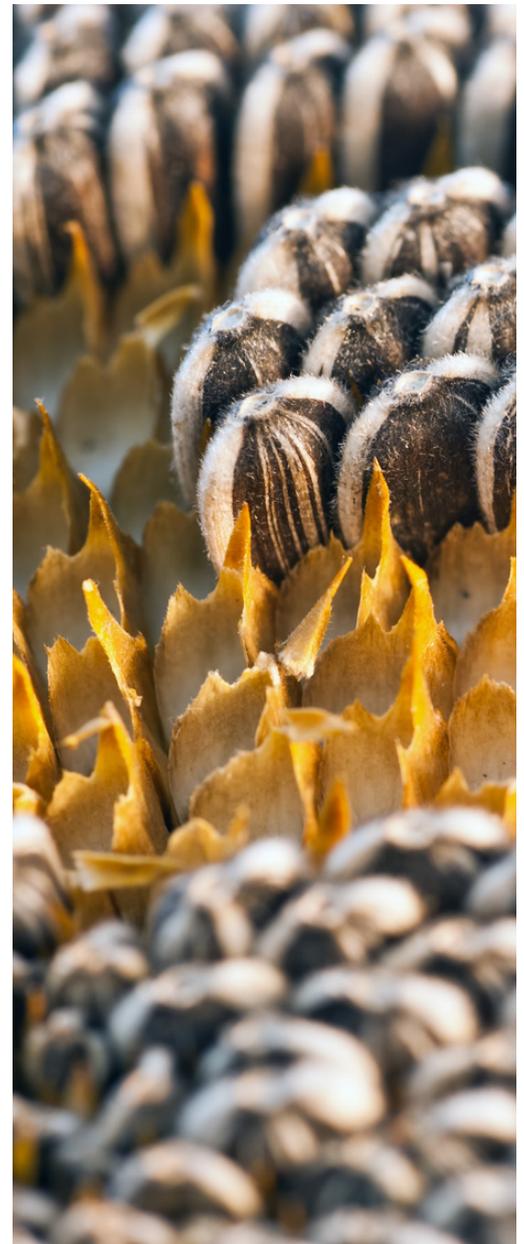




Sunflower

03.02.2023

Bakery kernels and inshells are trading firm despite the market being rather subdued. Issue is that prices are already relatively low. In a second step the Ministry of Trade intends to impose a tariff quota allowing a certain amount of seeds to be exported before the duty applies. This quota will depend on the average volume of exports in previous years. Looking further down the line, global supplies are also expected to run low in the final months of the season, which is why Kazakhstan will implement an export duty on sunflower seeds. However, looking to the UK the market seems to be saturated with sunflower seeds and as a result and prompted some short-term/prompt rather attractive prices.





Millet

03.02.2023

Not much has changed the market over the last couple of weeks. Millet in the EU is now getting higher. In the past week or so producers have had to purchase raw material at a higher cost as Millet supply is now starting to dry up. Prices look to increase in the coming months till new crop comes into play. 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. Furthermore, EU regulations have dictated additional testing, naturally increasing the price levels. U.S. are sitting at higher levels than the EU now.





Poppy

03.02.2023

Producers with good yields are eager to sell, whereas less fortunate farmers are holding back in the hope that prices will rise further. These farmers may even prefer to sell their supplies next season. Since poppy seeds are less attractive than other crops it is to be expected that sowing will once again decline in the Czech Republic this year. Developments will prove crucial in the next few weeks as to what is in store for 2023/2024 and the first estimates will be issued at the end of February at the latest. Overall, costs still seem to be rising across the board, increasing agricultural costs, energy, fuel, and fertilisers are all playing a part.





Pumpkin

03.02.2023

Farmgate prices on the Chinese pumpkin seed market are holding steady for the time being, which is not least due to the fact that most market players are currently still on holiday in the course of the New Year's festival, and trading is therefore heavily restricted. By the end of the week, however, the situation should have largely normalised again. Nevertheless, there is exciting news from the shine skin market. According to reports, speculators who have a large quantity of the commodity are ready to release their stocks for sale in the coming days, this could be as much as 20,000-25,000 mt. If this happens, it is likely to put significant downward pressure on shine skin prices. In addition, demand from both the domestic and overseas market is currently relatively low, so prices are not being supported here either. There were also only minor price changes in the GWS market. Although demand is weak, prices are largely holding steady as raw material supplies are also tight. In addition, we are seeing fluctuations in exchange rates which can have some effect on raw material prices, but for the most part holding steady.

