



CHELMER FOODS NEWSLETTER

HIGHLIGHTS

03.03.2023

The pound dipped on Thursday as the dollar rallied, and speculation grew that the Bank of England may not hike interest rates any further.

Sterling was last down 0.45% against the dollar at \$1.197. Meanwhile the euro was up 0.05% against the pound at 88.72 pence.

Analysts said the dollar and British interest rate outlook were driving the pound. The Bank of England Governor Andrew Bailey on Wednesday raised the prospect that the central bank might not need to raise interest rates again, after hiking them to 4% from just 0.1% in December 2021.





Flaxseed

03.03.2023

Looking to Europe we have seen no real change in price. 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. However, China is starting to ramp up purchases of Kazakhstan raw material. This has been slightly unpredictable as the thought would be Russian crops being more attractive. In addition, the war between Ukraine and Russia is causing logistical problems, resulting in rising freight costs. Shipments to the West were therefore becoming increasingly complicated for Kazakh traders, while Russia was making full use of its loading capacities and was not always dependent on land routes. Overall, prices are still relatively attractive for European raw material. Canadian flaxseed still does not manage to hold its own against supplies from the Black Sea region, buyers from China and the EU states obtain their goods mainly from Russia and Kazakhstan. Market players therefore reckon that prices should decline.

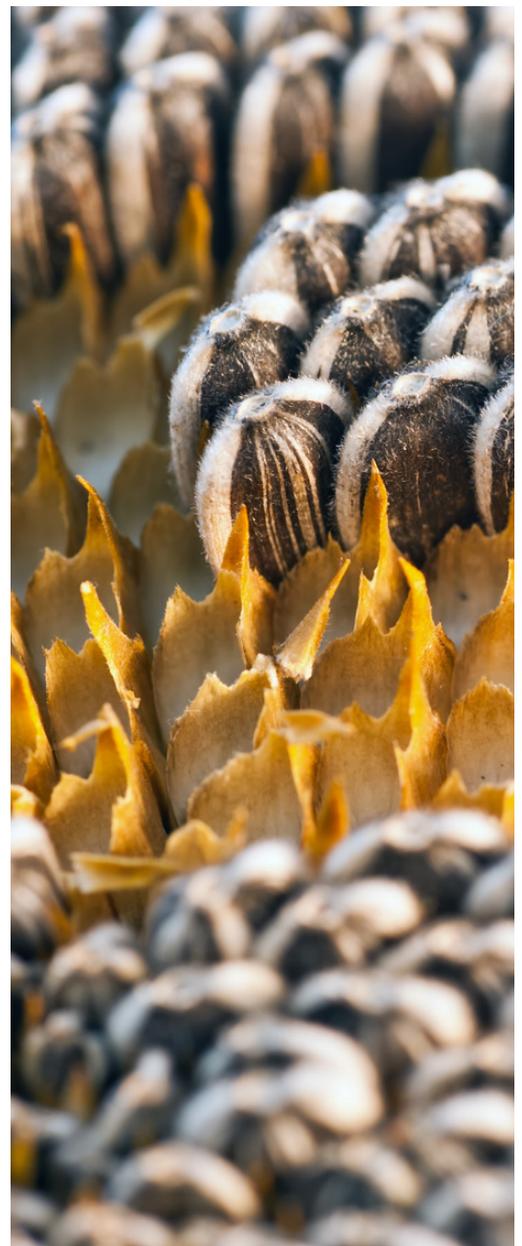




Sunflower

03.03.2023

Although fierce fighting continues in Ukraine, sunflower seed sowing has started in the Odesa Region. Sunflower meal shipments in the Black Sea grain corridor, however, slowed in January. China and Europe are the most important destinations for Ukraine's sunflower meal and seeds. China certainly is the leading importer of Ukrainian sunflower meal and accounted for 53% of all shipments in September-January 2022/2023. The EU has doubled its sunflower meal purchases from Ukraine and currently accounts for 39% of the country's exports. Moldova and China supply much smaller volumes and China is, in fact, the second most important export destination for the EU after Turkey. Bulgaria is the main buyer within in the EU. The country acts as a re-exporter for Ukrainian agricultural commodities and imported a total of 757,350 mt of sunflower seeds in July-February 2022/2023. China mainly sells bakery kernels in the domestic market, whereas Bulgaria is the main supplier for this variety in the export market. Although sunflower kernel prices have remained relatively firm in Bulgaria in recent weeks, high demand in China may start to slowly drive-up prices.





Millet

03.03.2023

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

03.03.2023

No real change. 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

03.03.2023

While speculators are trying to push up prices on the Chinese pumpkin seed market, buyers are only willing to buy the bare necessities. Nevertheless, prices are unlikely to decline for the time being. After the continuous price increases of the past weeks, farmgate prices for shine skins remain at their current levels while GWS kernels are continuing to increase. Speculators are still eager to push prices higher, but they are running into trouble with buyers, who are only buying what they need to fulfil urgent contracts. Market players estimate that commodity prices will remain at their high levels for a while, as speculators will not relent for the time being. Most suppliers are currently short of commodities, as the new crop will not be sown until April, they may soon have to bow to high price pressure in order to fulfil their orders. Price changes are likely to occur in March and April, but what these will look like will depend to a large extent on the demand situation.

