



# CHELMER FOODS NEWSLETTER

## HIGHLIGHTS

17.03.2023

In London, finance minister Jeremy Hunt presented less gloomy forecasts for Britain's economy at his Spring Budget on Wednesday the 15th of March.

Upgraded official forecasts showed Britain, the only one of the G7 group of large economies not to recover to its pre-pandemic size, would now avoid a recession this year.

Sterling rose 1.2% to its highest level against the euro this year, as the currency pair most closely associated with the UK outlook reacted to the official view that a recession will be avoided in 2023.

The pound fell 0.85% against the U.S. dollar to \$1.2055, as global investors dived into perceived safe-haven assets.





# Flaxseed

17.03.2023

Spring sowing is underway in Ukraine's Odesa region as the Department of Agro-Industrial Development of Odesa Oblast has recently announced. Despite the continuing attacks from Russia, which render the situation very dangerous for farmers, the prices for Eastern European flaxseed have declined slightly, again. Looking to Canada, trading has revived and demand has risen. Importers in China are, curiously, issuing more enquiries, which indicates that they are now buying less in Russia.

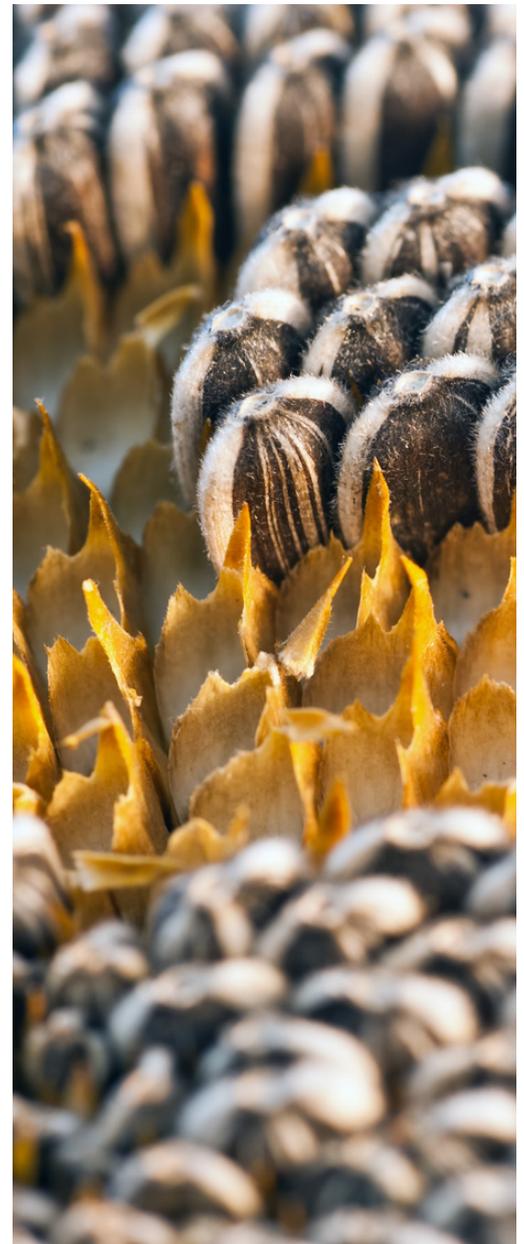




# Sunflower

17.03.2023

Bulgaria is the most important export destination for Ukraine by far, followed by Romania. Exports have now, however, slowed as most importers do not require any further stocks and demand has declined. Suppliers in Bulgaria are also far from satisfied with the present demand situation. Many producers are holding back in an attempt to drive up prices. Raw seed supplies are, however, limited. The EU imported a total of 1.919 million mt of sunflower seeds between 01 July and 12 March. Imports only ranged at 356,861 mt in the same period in 2021/2022 and at 727,605 mt 2020/2021. Bulgaria is the most important destination within the EU by far as imports amount to 773,241 mt, followed by Romania (426,020 mt) and Hungary (301,778 mt).





# Millet

17.03.2023

Not much has changed in the market over the last few weeks. 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 similar. 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. However, there seems to be a conscious effort to obtain or retain European business, as they had managed to previously pick up some volumes on the back of the Russia/Ukraine war breaking out.





# Poppy

17.03.2023

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. In summary, although packers are open to bids, this has created some caution in offering further out.





# Pumpkin

17.03.2023

While prices are relatively firm, traders state that only 4,000-5,000 mt of GWS kernels are available. Shine skin supplies, by contrast, comprise 70,000-80,000 mt. Trouble is also that processors hold most of the remaining GWS kernel supplies and expectation is that these volumes will be sold out before this year's crop arrives. Another issue to consider is that farmers have little incentive to grow GWS kernels. Profits have been way too low for them this season and local governments prefer them to grow other products such as corn. As sowing will start in April and continue until the end of May assessments will only be possible then. 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.

