



# Chelmer Foods

## Newsletter



### MARKET ANALYSIS

28.04.2023

LONDON, April 21 (Reuters) - British businesses reported their busiest month in a year and consumers turned more confident, according to surveys published on Friday that added to signs of a recovery in the economy that has so far defied forecasts of a recession.



The preliminary reading of the S&P Global/CIPS UK Composite Purchasing Mangers' Index (PMI) also showed the slowest input cost inflation in over two years, but price pressures look strong enough for the Bank of England to raise rates again next month. (Reuters)

The International Monetary Fund this month predicted that Britain's economy would shrink by 0.3% in 2023, a less severe hit than its previous forecast but still the sharpest contraction among the world's big rich economies this year. (Reuters)



# FLAXSEED

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Prices for Eastern European flaxseed have come under noticeable pressure in recent weeks. Market players are cautious, and nobody particularly wants to cover a long position. As the European market is still relatively quiet, Kazakhstan suppliers are selling available volumes to China in anticipation to get business going.



This then leaves the question, over the summer months, will there be enough Kazakhstan material available to bridge the gap till new crop.





# SUNFLOWER



It has been announced that a ban on imports of certain agricultural products from Ukraine was being prepared. However, this would only apply to the five EU countries particularly affected by imports (Poland, Slovakia, Hungary, Romania and Bulgaria) and transit to other EU countries would remain possible. The five most important products (corn, wheat, rapeseed, sunflower seeds and sunflower oil) are affected. These account for about 90% of agricultural imports from Ukraine to these countries.

Until now, it was planned that the import ban would remain in force until the start of the new season on 1 July 2023. According to the Ukrainian Ministry of Agriculture, about 137,300 ha of sunflower seeds had been sown in 13 Ukrainian administrative districts by the end of last week. While analysts expect cultivation of key Ukrainian agricultural products to decline by 7% year-on-year, forecasts for the sunflower seed crops are much better. It remains to be seen whether the EU import ban can change this or whether it is already too late. Prices for Eastern European sunflower seeds have stabilised despite the import stop announced last week.





# MILLET

The EU imported around 43,674 mt of millet worth EUR 24.308 million from third countries in 2022. This means that the import volume decreased by 25% year-on-year, while the import value actually increased by 4.3%. The average import price increased compared to the previous year.



Ukraine remains the most important supplier to the EU. Looking to the U.S. price levels 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

In the Czech Republic, farmers have almost completed the poppy seed sowing for the coming crop. However, the persistent rainy weather meant that some farmers were not yet able to cultivate the planned areas. The actual size of the cultivated area is still being determined. According to estimates, 18,000 ha have been sown, 16,000 ha with blue poppy and 2,000 ha with white poppy seeds.



This would mean that the area under cultivation would be about 8,000 ha and therefore 30% smaller than last year. Overall, a much smaller crop in comparison to last years.



# PUMPKIN

The price situation on the Chinese pumpkin seed market continues to escalate and traders can now only shake their heads. Already last week prices shot up massively and an end is not in sight. It is difficult to check how many goods are still available, but it is unlikely to be much, and the small remainder is in speculators' warehouses. There are very few suppliers who can currently offer GWS kernels. The remaining quantity of shine skins is estimated at 30,000 mt. Although demand from overseas remains weak, domestic purchases continue diligently.



The biggest problem now is that the season will continue for another four months and traders feel that there are nowhere near enough pumpkin seeds on the market to meet all the demands until the new crop reaches the markets, this is especially true for GWS kernels. The speculators, however, believe that they will be able to meet demand sufficiently.







**CHELMER FOODS**

## **NOTE**

The EU Commission has agreed to an import ban for Ukrainian agricultural products to protect neighbouring member states from the impact of uncontrollable volumes of cheap imports, but transits are still possible to support Ukraine in circumventing the Russian blockade in the Black Sea. This includes countries such as Poland, Romania, Hungary, Bulgaria and Slovakia. The import ban is proposed to be from the 24th April to the end of June 2023.



**IMPORTANT**