# CHELMER FOODS NEWSLETTER

## HIGHLIGHTS

**14.04.2023**

Sterling fared better than many other currencies last month when several small bank failures in the U.S. Dollar losses and improving market sentiment about the UK economy have helped lift the Pound to Dollar rate back above 1.25 in early April, from 1.21 in January, while making Sterling one of the best performing major currencies of the year.

World stocks were higher on Tuesday, with European markets leading the way as traders bet that interest rates would soon peak and come down later this year.

The governor of the Bank of England, Andrew Bailey, has played down the risks of a system-wide banking crisis, paving the way for further interest rate increases to combat the UK's high inflation levels.

# Flaxseed

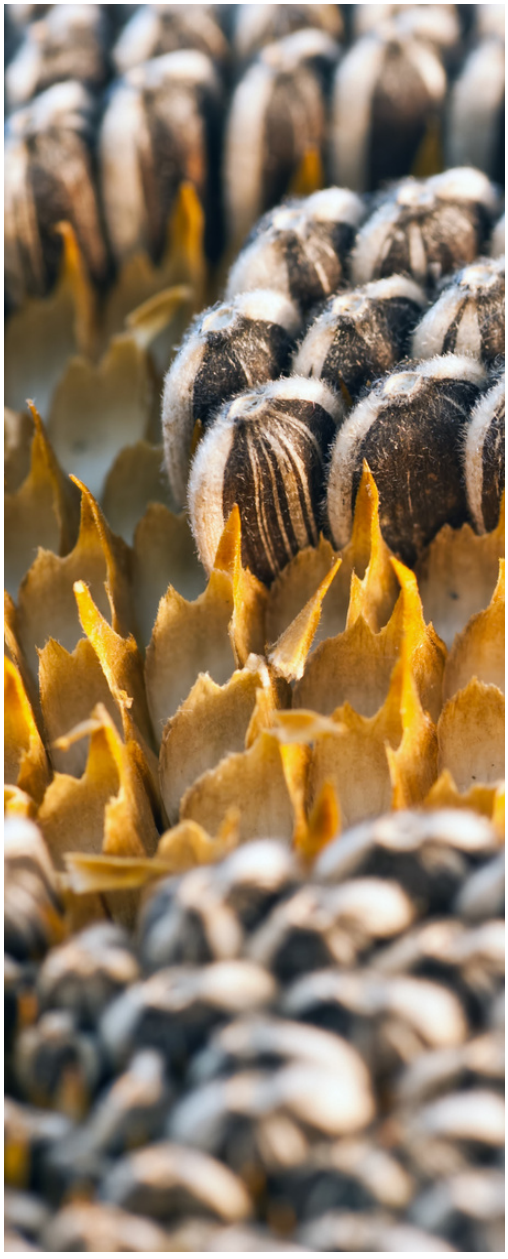
14.04.2023

Not much has changed for the EU. 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, and continuing to do so. 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. However, it is speculated that there may not be sufficient Kazakhstan material available until new crop, which will more than likely push up prices.

# Sunflower

14.04.2023

By some It is predicted that production in Ukraine will decline by 2.1% in 2023. At the same time, others have forecasted that oilseed cultivation could increase by 8%. For example, the acreage for sunflower seeds is to be expanded by almost 10%. Even with a slight decline in yields, the crop could then increase by 6.5% year-on-year. Even if these quantities are still far from the pre-war level. Meanwhile, the Ukrainian and Polish agriculture ministers agreed that shipments of wheat, corn, sunflower seeds and rapeseed from Ukraine to Poland are suspended until the start of the new season on 1 July 2023 to reduce pressure on the respective markets. Romania and Bulgaria are looking to carry out something similar, but for the time being only checking each truck at the borders.



# Millet

14.04.2023

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, however, stock levels are starting to dwindle. 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.

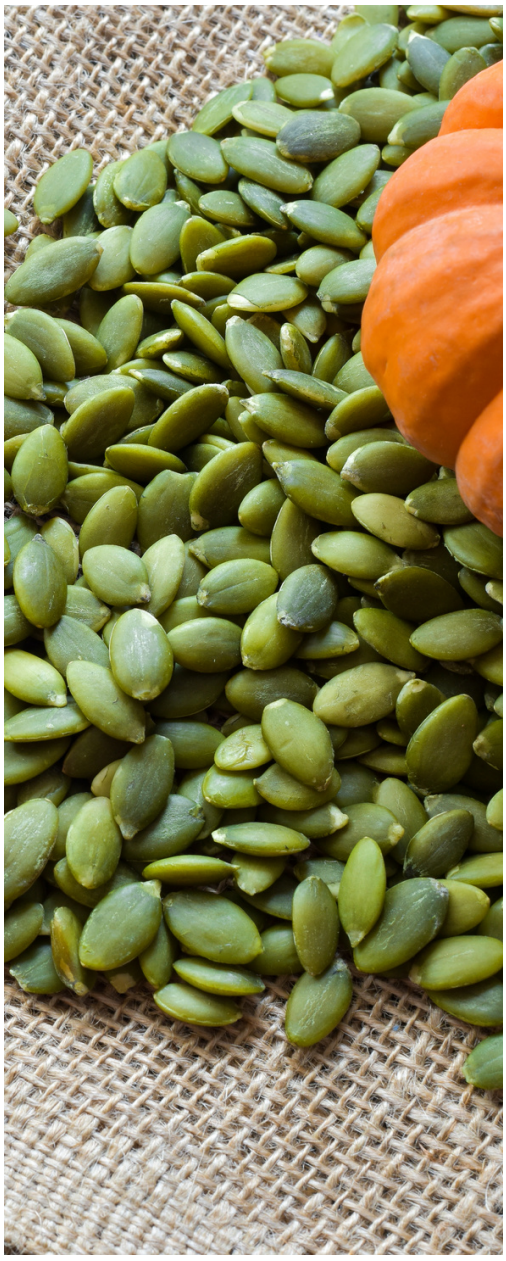
# Poppy

14.04.2023

Not much has changed in the market. Traders state that sufficient supplies of blue poppy seeds estimated at 7,000 mt are available in the Czech Republic. This did not stop some producers from trying to drive up prices, luckily without success. Although Easter has only driven up demand a bit, prices are relatively firm and prices have by no means reached a turning point, farmers are not prepared to accept lower prices. Sowing remains an issue as speculations are rife and the latest estimates state that the area comprises 15,000-18,000 ha. Many farmers have already completed sowing.

# Pumpkin

14.04.2023



The already high prices on the Chinese pumpkin seed market have risen again this week. There are several reasons for this. First, growers have started sowing the new crop and the outlook is anything but rosy. According to Chinese seed companies, 30% less shine skins were sold than last year, and sowing of GWS seeds could even be down by up to 60%. Many farmers prefer to grow other agricultural commodities such as wheat, sunflower seeds or corn, with which a higher profit can be made. There is also more support from the government for these products. Demand from overseas is rather weak, but some transactions are still being made. Market players expect domestic demand to pick up in the next few weeks, however, two important food fairs are coming up in China, which should boost buying interest, especially among roasters and bakeries. The issue is that the market is running out of raw materials.