



CHELMER FOODS NEWSLETTER

HIGHLIGHTS

31.03.2023

Interest rates were raised to their highest for 14 years, as the decision to lift rates to 4.25% from 4% came after inflation rose unexpectedly last month. This also follows the collapse of two US banks and the rescue of Swiss lender Credit Suisse.

Inflation, which is the pace at which prices rise, remains close to its highest level for 40 years at 10.4% in the year to February, more than five times the Bank's target.

This interest rate rise could be the last. The pace of rises is slowing, and inflation is now predicted to fall faster than expected, in part as a result of the government's help for energy bills.





Flaxseed

31.03.2023

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.

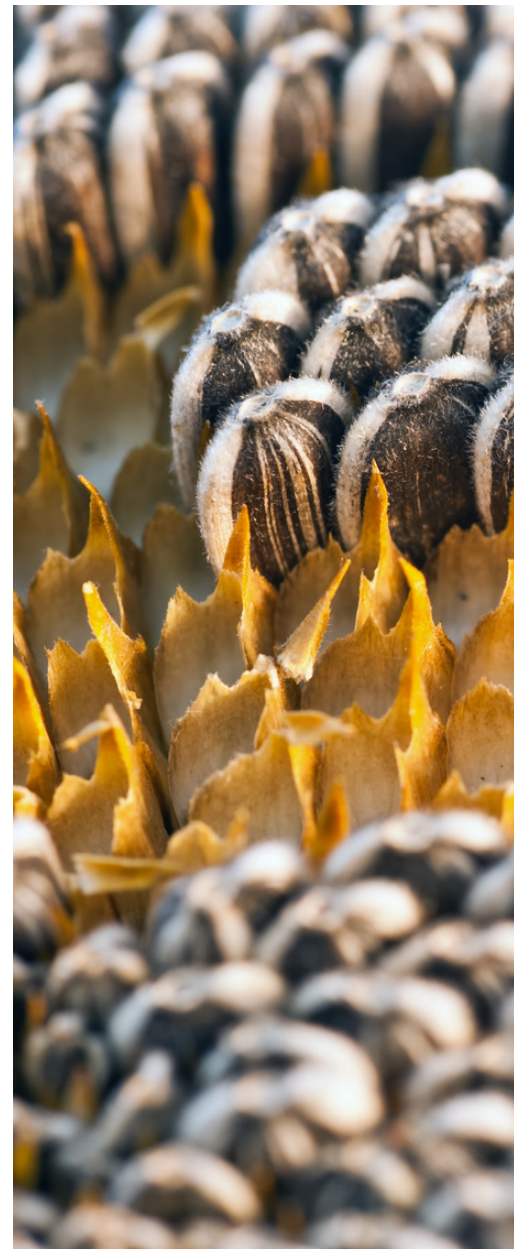




Sunflower

31.03.2023

In the nine months of the current 2022/2023 season (01/07/2022-26/03/2023), the EU imported 1,977,936 mt of sunflower seeds from third countries, compared to only 401,743 mt in the same period of the previous year and also significantly less in the first good five months of the 2020/2021 season, at this time when imports had reached 746,1185 mt. The main consumer countries in the EU during this period were Bulgaria, Romania and Hungary, followed by France and Spain. Ukraine remains unrivalled as the most important third country supplier for the EU. There have been recent production estimates for the EU sunflower seed crop 2023. Although a very distant forecast, it is estimated that there could be a potential increase of up to 20% given that last years yields were impacted by drought. As usual, these estimates should be treated with caution several months in advance, as the weather in particular is a decisive factor in the summer months and can cause dramatic effects.





Millet

31.03.2023

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

31.03.2023

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. Buyers in the euro area are, however, profiting from exchange rate fluctuations. Although 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

31.03.2023

Compared to last week, little has happened in the Chinese pumpkin seed market. There is still a lack of demand both from China and overseas and hardly any trading activity is taking place. Prices for GWS kernels are therefore holding steady while there were slight changes in the shine skin market, albeit within a moderate range. The main problem is still the shortage of raw materials, especially GWS kernels are hardly available. As it is still about five months before the new crop arrives on the markets, this could well turn out to be a problem. The remaining goods are in the warehouses of speculators, who are in no hurry to sell but are waiting for prices to rise. As things stand, sowing of this year's crop will start between April and May. According to Chinese seed companies, farmers will prefer to grow shine skins, while the acreage for GWS kernels will be smaller than in 2022.

