



Chelmer Foods

Newsletter



MARKET ANALYSIS

30.06.2023

Britain's economy made a lacklustre start to 2023 as inflation ate into households' disposable income, official figures showed on Friday, and economists expect higher interest rates to keep up the pain even as inflation eases.(Reuters)



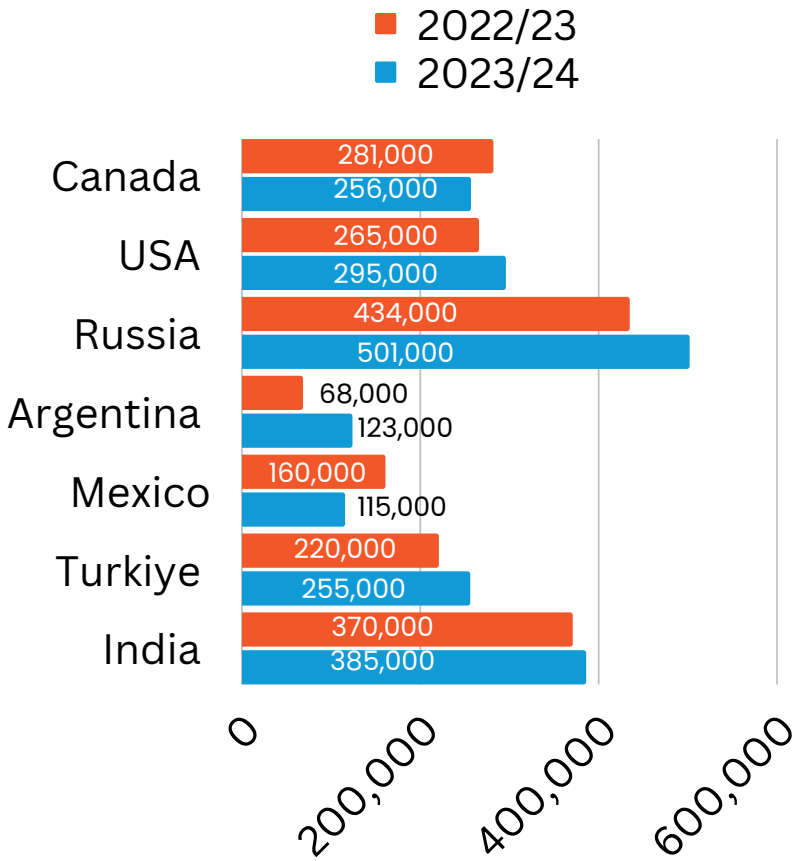
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The decline in Ukraine's production is impacting global grain prices. This trend will likely extend to pulses and oilseeds as grain production rises and prices decrease. Consequently, pulses and oilseeds are expected to become more appealing. In the coming years, there may be a shift from grains to pulses and oilseeds, potentially lasting until 2026.(GPC)

CHICKPEAS

Kabuli

World Total Supply, MT



India has removed retaliatory tariffs on USA pulses, including chickpeas. Russian suppliers have raised production by 15% and offered lower prices.

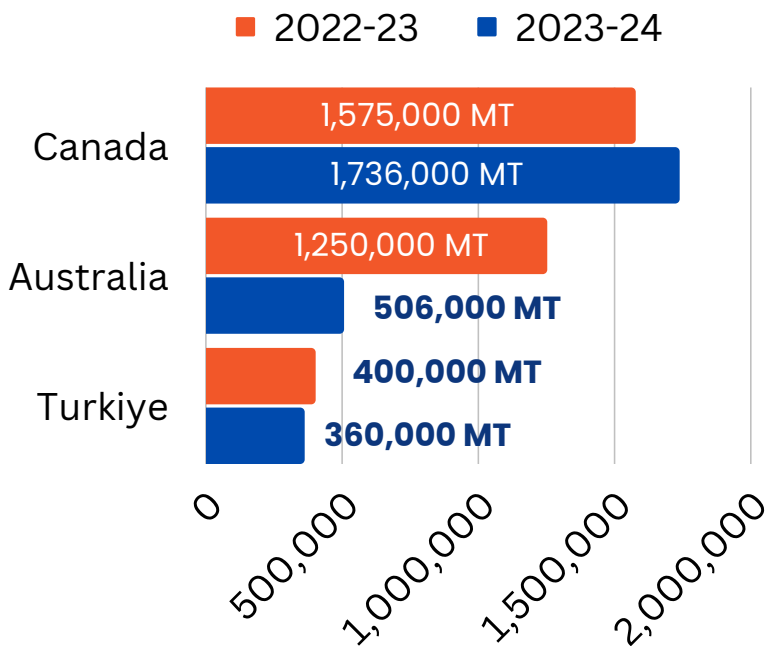
The ongoing conflict in Ukraine and subsequent sanctions have led to an increase in chickpea exports to Turkiye. Consequently, European and UK buyers are being more cautious when purchasing chickpeas from Turkiye. Competitors for the UK market include Argentina, Turkiye, Mexico, and Canada.

Mexico faces supply shortages, Argentina's total supply rose by 16%, and Canada has mostly sold out its 2022 crop and has started offering the 2023 crop. **Turkiye** will soon start harvesting its 2023 crop, offering competitive prices for Canadian, Argentinian, and Turkish origins. Positive forecasts are expected for chickpea production from major origins.



RED LENTILS

Production Red Lentils (GPC)



The forecast for red lentils is positive, traders focusing on the 2022 crop and awaiting the arrival of the new crop. **Canadian** farmers have mostly sold out their 2022 crop of green lentils, resulting in a small carry-over for red lentils. In 2022, the **Australian** crop of red lentils was the largest (1078 MT) over a six-year period, but according to the GPC, 2023 lentil production is expected to drop by 506 KMT. However, there is a large carry-over from the 2022 crop to be expected.

In **Turkiye**, red lentils prices are lower compared to the Canadian market. Several factors contribute to this, including currency fluctuations. Turkey is currently experiencing high inflation rates. Turkish growers are expecting the new crop volume to be similar to the previous year, along with a carry-over. Canadian suppliers have sold most of their 2022 crop and are keeping red lentils in stock in an attempt to increase prices.



GREEN LENTILS



Canadian farmers have nearly depleted their stock of green lentils and are not rushing to offer the new crop. With weather conditions posing a risk, most farmers are awaiting actual numbers for the new crop before beginning to offer it.

Green lentil production is also expected to increase, with Canadian farmers anticipating a 10-15% growth in crop volume compared to the previous year.

The elimination of tariffs between the US and India could potentially impact Canadian prices. However, the US also has a strong local consumption market. On the other hand, Canada faces competition from Russia and Kazakhstan in the green lentil market.

