



Chelmer Foods

Newsletter



MARKET ANALYSIS

07.07.2023

Food and non-alcoholic beverage prices in the UK rose by 18.4% in the year to May 2023, down from 19.1% in the year to April 2023. This is the second consecutive month of decline, and it is a sign that the peak of food price inflation may have passed.



It is important to note that the easing of food price inflation is likely to be gradual. There are still a number of factors that could push food prices up in the coming months, such as further rises in energy prices and disruptions to global food supply chains.



FLAXSEED

The flaxseed market has been quite quiet in recent weeks. There have been no major new offers, and the prices have been relatively stable. However, there are some signs that suppliers are starting to push for slightly higher prices. If you are looking to buy flaxseed, it is a good idea to start looking now.



The prices are likely to continue to rise in the coming weeks, so it is better to buy now than wait. Much like other European crops, unfavorable weather conditions in some of the major producing countries could have an influence.



SUNFLOWER



Bulgarian sunflower seed traders are confident about the development of the crop, as the weather conditions have been ideal so far. However, it is still too early to say for sure how the harvest will turn out. The coming weeks will be crucial, and a prolonged dry spell with high temperatures could quickly turn the tide. The traders are hopeful that the weather will continue to be favourable and that the harvest will be a good one.

However, they are also aware of the risks and are taking them into account. If the weather does turn, they will be prepared to adjust their expectations accordingly. It seems that we have now hit our bottom levels and the market is starting to turn. Some oilseeds are increasing, and the market is following accordingly.



MILLET

The millet market is currently stable, with prices expected to remain at current levels until the new crop comes into play. This is due to a number of factors, including the ongoing Russia-Ukraine conflict, which has disrupted global supply chains. Warm weather in Europe is also expected to contribute to stable prices.



The situation in the United States has changed slightly as the updated acreage report has just been received and shows that millet is on par with last year's planting. Despite droughts, some timely rains have stabilised the market and prices are softer than 6 months ago.



POPPY



The Czech poppy seed cultivation forecast for 2023/2024 is looking to be a significant decline from last year. Market players estimate that only 16,000-18,000 hectares will be sown this year, which is a 30-40% decrease from the 26,000 hectares that were sown in 2022. There are a few reasons for this decline. The weather conditions at the start of the sowing season were not ideal and the fields were too dry, which led to poor germination rates.

It is predicted that because of the adverse weather conditions most of the 2023 poppy seed production is not expected to be available on the market before the end of September. Looking to Spain, they are also experiencing something similar and will also have a short crop this season. Turkey may soon become a viable alternative to source Poppy from, the majority of the crop is grown in the central and eastern regions of the country, where the climate is ideal for poppy cultivation.



PUMPKIN

The overall economic outlook is uncertain, which is making consumers less likely to spend money on discretionary items, it is predicted that come the new year the Chinese government will aim to stabilise their economy and in turn strengthen their currency rate.



Pumpkin A grade kernels should maintain current price levels comparable to what new crop will present, but AA material should in theory drop.

