



Chelmer Foods

Newsletter



MARKET ANALYSIS

02.06.2023

British consumer price inflation hit a 41-year high of 11.1% in October and in April, at 8.7%, was the joint highest alongside Italy's among the world's big advanced economies, sparking a sell-off in bond market as investors bet on more BoE rate rises. (Reuters)



The Turkish economy faces challenges such as high inflation, a weak currency, and a current account deficit. These issues are expected to persist after President Recep Tayyip Erdogan's re-election. Suppliers are awaiting TMO's statement on wheat prices, which will impact Bulgur prices.

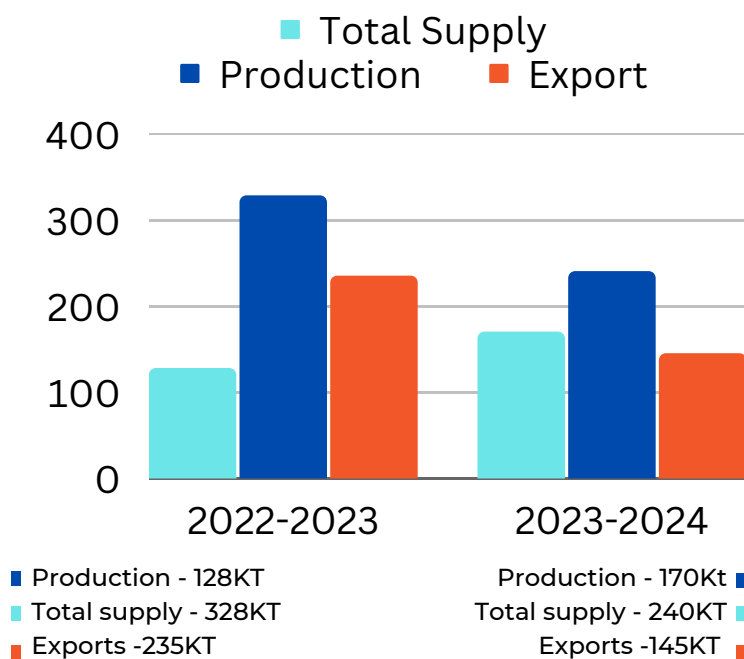
Canada's farmers are busy with the sowing season which will end next week, and prices are anticipated to decrease, but it may take longer as farmers rest before selling carry-over stocks.



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CHICKPEAS

Canadian chickpeas Crop



Turkey's chickpea production is close to 350,000 tons per year, with domestic consumption ranging from 100 Kt to 120 Kt tons. This leaves a surplus for export. Australian chickpeas are primarily focused on the Pakistani market, with limited demand from other destinations.

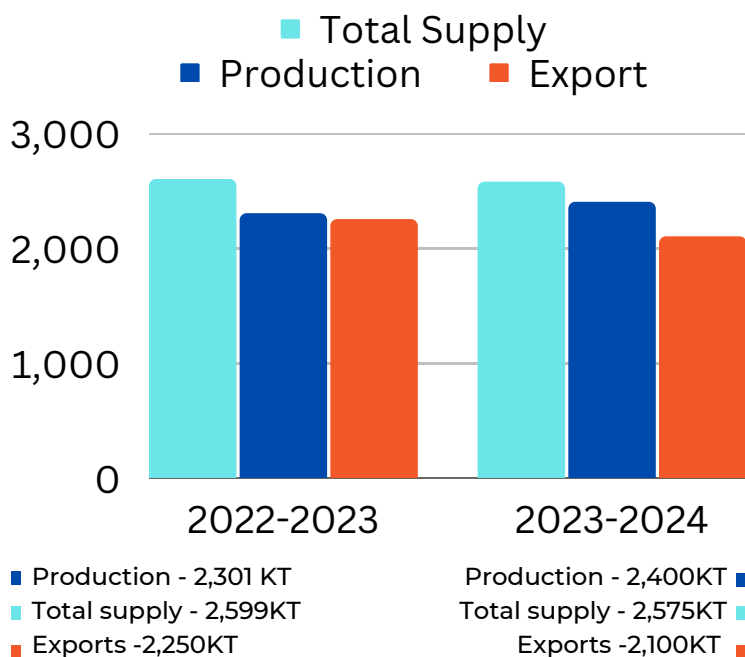
Traders attending the GPC in Sydney reported some trading activity, but the significant currency risk in Pakistan continues to impact Australian seller risk appetite.

Canadian chickpea exports for 2022-2023 are expected to reach a record 235 Kt due to increased demand from the US, EU, and Turkey. While the area seeded for chickpeas is expected to rise in 2023-2024, lower carry-in stocks will result in a decrease in supply, although prices are forecasted to remain high.



LENTILS

Canadian Lentils Crop



The Turkish lentil market is expected to remain stable, with good rains in March, April, and May ensuring no decrease in yield or quality. Red lentil production is around 300,000 tons, which aligns closely with domestic consumption, limiting the potential for exports. However, Turkey imports, processes, and re-exports approximately 500,000 tons of red lentils from Canada, Australia, Kazakhstan, and Russia.

In India, there has been minimal trade movement for Australian red lentils, with prices holding steady. Canadian lentil supply for 2022-2023 is forecast at 2.6 Mt, with exports expected to increase significantly. Large green lentil prices are projected to have a premium over red lentil prices, although the average price in Canada is expected to fall due to increased global supply.



KIDNEY BEANS

In the dry bean market, Canadian exports for 2022-23 are projected to rise to 0.36 Mt, driven by increased demand from markets like Japan and Mexico. However, larger North American supply has put pressure on Canadian dry bean prices, with white pea beans and black beans averaging 5% lower and pinto beans down 15% compared to the previous year.



Looking ahead to 2023-24, the area seeded in Canada is expected to decrease by 14%, resulting in a decrease in production to 250 Kt. Exports are forecast to decline, and stocks are expected to decrease. Despite a stronger Canadian dollar and lower North American supply, the average price for Canadian dry beans is predicted to be slightly lower. In the US, the area seeded to dry beans is expected to decrease by 2%.

