

November 2022

## A monthly snapshot of key changes within the market

In collaboration with Mintec Global, the leading global provider of pricing data and insight to the food and beverage sector, we bring you Market Movers. This monthly report provides you with a snapshot of the key changes within the market.

		Year on year (Y-O-Y)	Drivers (Y-O-Y)
<b>Nuts and seeds</b> *Largest decrease by Y-O-Y	Nuts, Seeds and Dry Fruit	-24.78%	Supply
	Packaging	-16.71!	Demand and Supply
	Oils and Oilseeds	-10.09%	Supply
	Fish and Seafood	+9.52%	Supply
	Beverages	+ 11.52%	Demand
	Energy	+ 13.39%%	Russia – Ukraine conflict
<b>Dairy and eggs</b>	Dairy and Eggs	+14.12 %	Demand

### Nuts, Seeds and Dry Fruit

The Turkish sultana supply is plentiful. This follows an ample harvest this year and a hefty carry-in.

The demand developments continue to be driven by two key themes. Firstly, there are concerns over rising inflationary pressures and how this could impact consumer spending within the dried fruit category. Secondly, sultanas benefit from being the cheapest food ingredient in the nut and dried fruit category.

Some market participants are more buoyed by the present market opportunities, mostly pointing to the fact that sultanas continue to be competitively priced.



### Fish and Seafood

Anticipating increases in the cost of frozen seafood going forward as the GBP has reached a 30-year low against the USD.

Frozen headed and gutted cod prices are maintaining record levels due to a lack of availability caused by the Russian conflict and reducing quotas. Whilst all whittfish is expected to increase, haddock is still at a more competitive price than cod.



### Meat and Poultry

Poultry (Chicken and Turkey) continues to be turbulent as we go into the avian flu season. In addition, with the cost-of-living crisis we will continue to see consumer demand drive into cheaper alternatives. This will push supply tighter as we go into the winter period on core dark meat lines.

Pork continues to be very turbulent. British, EU and Chinese pork pricing are all on the rise. The price increase is being driven by the lack of supply due to processors slowing supply due to production related costs; specifically, CO2, labour and energy.

### Coffee

Coffee has been very unstable over the last 12 months, with many prices rising and falling over in both the Robusta and Arabica market. The instability of this is partly due to the sector still recovering from last year. Brazil's harvest which ran from April-August (largest producer at around 36%) also got trimmed as the season went on. The rising fuel costs to transport products around the world has also added pressure to this sector.

### Food Ingredients

Weak GBP/USD rate leads cocoa prices in London and NY on divergent paths.

Demand side fundamentals are also uncertain, as the squeeze on real incomes caused by the 'cost of living' crisis across global markets is likely to test the historical resilience of chocolate consumption to economic downturns.

### Plant Power

In light of tighter supply on meat, plant-based meat is being used or bulk up the protein in meals. In addition, plant-based meat is healthier and more environmentally sustainable than animal meat.

### Dairy and Eggs

As most buyers were adequately covered ahead, lower than-expected cheese volumes were traded during August. Buyers and sellers still have a wait-and-see approach, the four weeks to date (8 September). Consequently, EU cheese prices remained relatively stable compared to spring 2022.

Some EU milk processors prioritised cheese production, over other dairy ingredients, as it offers the most stable returns, supported by strong exports and high demand for whey protein concentrate products (a cheese by-product).

More butter and SMP are expected to be produced in Q4 2022, at the expense of cheese production, due to their higher valorisation. This expected drop in production is likely to support EU cheese prices during Q4 2022, but the cost-of-living crisis may hinder demand.

### Energy

The Nord Stream 1 (the main pipeline taking gas from Russia to Germany) cut drives further supply concerns across Europe. This has massively reduced the amount of gas that can be directed to Europe and caused further market uncertainty.