



Newsletter ChampFood International

December 2021 / 03

As a respected relation of ChampFood International we share actual items with you about our company and the technological developments in the mushroom business. The topics of this edition are:

- **Developments ChampFood International**
- **Developments on the commodity markets**
- **The Mushroom scene "Downunder"**

Developments ChampFood International

2021 is rapidly approaching its year-end. 2021 will be an interesting one for our history books. In March, when the spring season arrived, everything seemed to look a bit normal again. The high Covid-19 infection numbers started to come down, stringent lockdowns were eased, and our daily lives and business activities returned somewhat to normal modes. But as of October, Covid-19 infections numbers started to climb again and nowadays we find ourselves in a new (but light) lockdown again.

2021 has been a good year for ChampFood International in terms of sales and productivity. Our ongoing sales efforts are paying off and we see our sales volumes growing in every single ChampFood market around the world. In order to cope with this growth, we have expanded (and continue to do so) our production and (back) office teams. For 2022 we will install a second bagging machine and we will expand our internal and external storage capacities. Like other exporting firms we experience more difficulties in finding sufficient container equipment. Despite the high transport costs, it remains rather difficult to obtain container equipment in time and to reserve space on vessels. We therefore ask our overseas customers to send through their desired ordering schedules weeks or months in advance. This way we have a better chance of finding the best transport options. We also see a growing demand for our biological and ecological supplements. This growing demand puts pressure on the limited supply of biological raw materials. So far we have been able to meet all order requests and wishes without any problems. 2022 promises to be a challenging year for our beloved mushroom industry. The costs of energy, labor and raw materials are increasing and therefore result in higher compost prices. We hope that mushroom farmers will be able to get better prices for their mushrooms so their revenue models remain profitable.

Developments on the commodity markets

By now everyone has experienced the higher prices for all basic needs in life. Around the world we see an increasing number of countries who are experiencing higher inflation numbers. This is caused by multiple factors.

The higher prices also apply to the raw materials used in ChampFood products. Every single protein and carbohydrate-rich raw material has seen an increase in price, varying from 30 to 100% (or more) in a matter of 12 to 15 months. Soy is still reasonably priced. But due to high transportation costs and premiums within the logistical chain, the final product price becomes significantly higher. And rising soy prices means other protein-rich raw materials become more expensive as well. For the short-term (January-June) we continue to see high prices for soy, rapeseed and sunflower. The new soy harvests in South America (Brazil and Argentina) look good for now. Therefore we see that, towards the European summer months, the price of soy is quite good.

For rapeseed and sunflower the only price-pressure relieve might arise from positive yield forecasts next year. On the spot market there is hardly any rapeseed and sunflower available. For rapeseed there is even a global inventory imbalance which pushes the price further up. Sunflower harvests in Europe have been rather good in 2021, but the supply side remains very limited. Partly this is caused by technicalities. Other reasons are export restrictions (in certain sunflower producing countries) and because farmers are not willing to sell their product yet. They hope for even higher prices.

Until the summer of 2022 we don't expect any major price reductions for soy, rapeseed and sunflower. The things that could create some price relieve are a weakening of the US dollar, a decreasing oil price and changes on the soy demand side (i.e. demand drop). But for now these events seem very unlikely and the only thing we can do is waiting for next year's harvest.

For customized advice you can of course contact our sales representatives anytime.

The Mushroom Scene "Downunder"

By Dr. Geoff Martin, Chair. Australian Mushroom Growers 'Association & Principal Dr. Mush Advisory Pty Ltd

ChampFood International has asked Dr. Geoff Martin to share his knowledge and experiences with us regarding the Australian mushroom industry.

Please click on this link in order to get to his interesting article: <https://www.champfood.com/news/the-mushroom-scene-downunder/>



On behalf of the ChampFood International team we wish you and your family Merry Christmas Holidays and an Happy, Healthy and Prosperous New Year!

SALES & SUPPORT TEAM WORLDWIDE



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