



By Appointment to  
Her Majesty The Queen  
Fine Food Ingredient Importers & Distributors  
Lupa Foods Ltd  
Borehamwood



**LUPA**  
FOODS

Your partner  
in food since 1902

# Market Report

## Pasta

OCT 2023





**BRCS**

Agents and Brokers

**CERTIFICATED**

INTRODUCTION

## YOUR PARTNER IN FOOD SINCE 1902

Lupa Foods is a UK based full-service B2B partner to the food industry.

With a global and domestic sourcing footprint, we import and distribute a selection of more than 600 bespoke and commodity products, combined with services that include NPD, technical, procurement, logistics and business.

Innovation and a customer centric approach is at the forefront of everything we do, and our 120 years' experience the foundation we build our customers' success on.

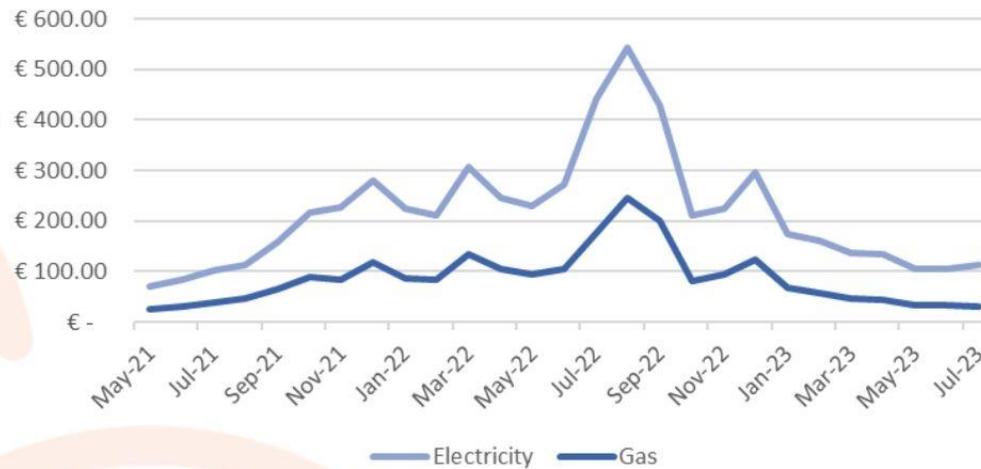
# Introduction

Durum wheat, a cornerstone for pasta manufacturing, is undergoing notable market transformations. This report offers an in-depth analysis of the durum wheat landscape, highlighting the integral roles of Italy and Canada in the worldwide pasta sector.

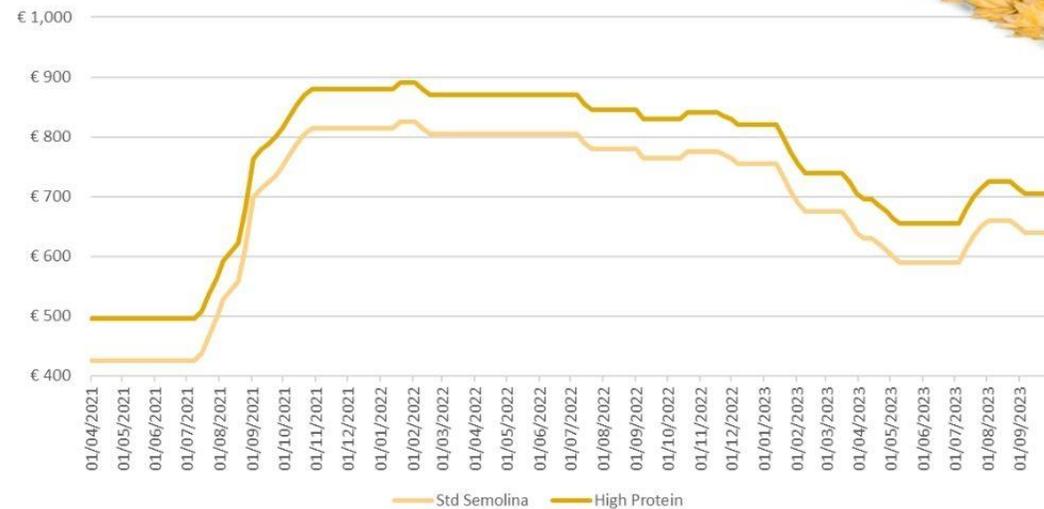
It's crucial to recognize that durum wheat significantly influences pasta costs. While certain input and logistical expenses we've previously discussed may have found stability, they haven't all reverted to their historical levels. Rather than experiencing total deflation, we're observing a consistent stabilization in annual inflation rates on some of these.



## Italian Gas & Electricity Prices



## Semolina Prices (Borsa Bologna)



# Durum Wheat Insights



## Canada



**Harvest Decline:** As a leading global wheat producer, Canada is experiencing a notable decline in its durum wheat harvest. The current year's wheat crop is projected to be among the lowest in the past decade, with a significant drop from the previous year.



**Reason for Decline:** Adverse weather conditions, particularly dry spells in key farming regions, have impacted yields. This reduction is causing a dip in wheat stocks for major exporters, reaching some of the lowest levels in recent years.



**Implications for Pasta:** The reduced durum wheat production in Canada is influencing grain exchange costs. This trend is expected to impact the price of pasta in the coming months, with potential price hikes on the horizon.



## Italy



**Pasta Price Dynamics:** Despite global wheat price decreases, there's an anticipation of rising pasta prices in the domestic market. Some industry experts believe that the challenges in global wheat harvests, especially in major producing countries, will push pasta prices higher.



**Domestic Durum Wheat Production:** A significant percentage of pasta in Italy is made with domestically produced durum wheat. Despite global market fluctuations, the price of this domestic durum wheat witnessed a drop recently, compared to the same period in the previous year.



**Market Sentiment:** There's ongoing debate regarding potential increases in pasta prices. While some attribute it to challenges in global wheat harvests, others argue that domestic durum wheat prices have remained stable, making significant price hikes for pasta unjustified.



# Global Wheat Market Dynamics Impacting Italy and Canada

## Weather Conditions



The current El Niño phase of the El Niño-Southern Oscillation (ENSO) is expected to last until early 2024, bringing increased precipitation to regions like southern Europe, which may influence wheat production positively in Italy.

In the northern hemisphere, the spring wheat harvest concludes under challenging conditions, especially in Canada, the US, and China. Meanwhile, the southern hemisphere, particularly Argentina and Australia, faces dry spells. While Argentina anticipates an uptick in its wheat crop, Australia's drier conditions raise concerns about tightening global wheat supplies.

Weather patterns have played a significant role in shaping the durum wheat market thus far. For instance, prolonged droughts in Spain have severely impacted the wheat crop, leading to reduced production estimates.

Similarly, excessive rains have affected the quality of the harvest in Russia and Kazakhstan. While Argentina sees a rise in its wheat crop forecast, concerns about Australian wheat due to adverse weather conditions can tighten global wheat supplies, indirectly affecting the Italian and Canadian markets.



## Quality Concerns



The quality of durum wheat, especially in Italy, is tending towards the medium-low range. Factors such as varying Test Weights (TW) and the presence of foxy grains indicate that this year's harvest might not be up to the mark compared to previous years. The ash content, which is higher than the average of the last five years, further underscores these quality concerns.

## Geopolitical Tensions



The market is closely monitoring any potential restrictions on Russian exports and developments in new insurance options for voyages to and from Ukraine. The geopolitical tensions, especially the docking of vessels at Ukraine's Chornomorsk port and Russia's efforts to block shipping routes are in focus.

## Export Dynamics



The export behaviours of major players in the market are influencing the global durum wheat landscape. For instance, the potential availability or reintroduction of export bans by the Turkish government could be a turning point for the market. Similarly, limited exports from Russia and Kazakhstan due to low harvest quality are reshaping the supply chain.

## Stabilization



Following correction in August, the European durum wheat market (SEDWI Index) is showing signs of stabilization. This suggests the market is finding its footing after recent fluctuations. However, Russian wheat is being offered at very competitive prices, suggesting that Russia's floor price policy might not be strictly enforced.

## Global Demand



China's significant purchases of French and Australian wheat indicate a potential increase in global wheat imports, which can influence durum wheat prices. Demand remains robust across Europe, North Africa, and Turkey. This consistent demand, coupled with fluctuating supply, is a key driver in the market dynamics of durum wheat.



# Forecasts

## Price Trends

Historically, durum wheat prices tend to rise seasonally around this time of the year. Given the current market dynamics, especially with the quality concerns and robust demand, this trend might continue.



## Volume Projections

While specific figures are not mentioned, the reduced production in countries like Spain, coupled with limited exports from Canada, Russia, and Kazakhstan, suggests that the global supply might be tighter than in previous years.



## Quality Outlook

The quality of durum wheat is expected to remain a concern, especially in Europe. Factors like weather patterns and regional agricultural practices will play a crucial role in determining the quality of future harvests.



# Conclusion

In conclusion, the durum wheat market is currently navigating through a phase of stabilization after recent price corrections. While demand remains strong, concerns about quality and reduced production in key regions are the primary drivers shaping the market. Looking ahead, these factors, along with export dynamics and weather patterns, will play a pivotal role in determining the trajectory of the durum wheat market.

The dynamics of durum wheat production play a crucial role in shaping global pasta prices. With Canada's harvest facing challenges and Italy navigating domestic debates on pasta pricing, both nations, as significant stakeholders in the pasta industry, must strategize effectively to ensure market stability.

As global events and conditions continue to evolve, close monitoring and adaptive strategies will be key to navigating the challenges ahead.

**Reach out to discuss your needs for the coming months and how we can assist you with your pasta requirements.**



# PRODUCT RANGE OVERVIEW

WE OFFER A WIDE RANGE OF PRODUCTS THAT WE CAN SOURCE UPON REQUEST

## Pasta

Egg Pasta  
Dry Pasta  
Speciality Pasta  
Gluten Free

## Gnocchi

## Noodles

## Couscous

## Grains

## Rice

## Pulses

Canned Pulses  
Dried Pulses  
IQF Pulses\*

## Tomatoes

Paste  
Sundried  
Sieved  
Chopped

## Oils & Vinegars

Oil Blends  
Flavoured Oils  
Olive Oils  
Seed Oils  
Vinegar

## Condiments

## Pastes

## Sauces

## Seasoning

Herbs & Spices  
Salt

## Concentrates

## Flavourings

Citrus  
Extracts  
Essences  
Juice  
Oriental

## Bakery

Flatbreads: Naan / Pita  
Tortilla: Wrap / Chips  
Dried Ingredients  
Flour  
Functional  
Sugar  
Sweetener  
Toppings

## Dairy

Butter  
Cheese  
Cultured Dairy  
Liquid Dairy

## Free From

WowButter

## Olives

## Capers

## Vegetables (Ambient / IQF\*)

Artichokes  
Beetroot  
Gherkins  
Jalapenos  
Mushrooms  
Peppers\*  
Sauerkraut  
Sweetcorn  
Onions\*



Search Products

\*on request, subject to MOQ



# SEASONALITY



**CONTRACT START**



**PROSPECTING / CROP**



**CONTRACT CONFIRMATIONS**

	January	February	March	April	May	June	July	August	September	October	November	December
UK SEASON												
PASTA												
COUS COUS												
PULSES												
RICE												
OLIVES												
CAPERS												
TOMATOES												
SWEETCORN												
GHERKINS												
PEPPERS												
BEETROOT												
SAUERKRAUT												
JALAPENOS												

# MISSION



## WHY LUPA FOODS?

**We aim to be an essential partner to the food industry for quality ingredients.**

To be a leader in the development, supply and production of sustainable, high quality and innovative products. We earn the respect and loyalty of customers through consistency and product excellence, and by focusing on customer service.

We care for the environment, striving to continuously reduce our impact on the planet, ensuring a better future for all that calls it home.



Customer-centric



Innovative Approach



Sourcing Solutions



Our Heritage



Technical Excellence



# LUPAFOODS

Your partner in food since 1902



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# GET IN CONTACT





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