

DURUM WHEAT PRODUCTS



MARKET UPDATE NOVEMBER 2024

As a trusted importer and distributor of premium durum-based products including Italian pasta, French couscous, and European semolina Lupa Foods is committed to providing our customers with actionable insights to navigate the current market. This report covers essential trends in durum wheat supply, pricing dynamics, and strategic purchasing recommendations to support optimal procurement.

Global Durum Wheat Market Overview: Key Supply and Pricing Drivers

- **European Production Shortfalls:** The EU's durum production has reached its lowest level since 1997 due to adverse weather in Italy and France, prompting a significant increase in import demand. Italy is expected to import around 91.5% of its durum wheat, with Canada, Turkey, Kazakhstan, and the USA as primary suppliers. France's export competitiveness has also been impacted by low yields and increased production costs.
- **Strong North American Production:** North America, particularly Canada, is forecasted to produce over 8.3 million tonnes of durum this year. The influx of Canadian supplies into the EU market is expected to drive prices down, creating an attractive window for buyers as these supplies become available this autumn.
- **Global Supply and Policy Dynamics:** While global production is high, driven by North American and Turkish yields, potential policy changes in Turkey and high Russian tariffs may impact longer-term availability. Lupa Foods will continue to monitor these variables to keep you informed of potential price changes.

Product-Specific Considerations: Italian Pasta, French Couscous, and Semolina Flour

- **Italian Pasta:** Lower durum prices are reducing production costs for Italian pasta as producers increase imports from Canada and Turkey. Lupa Foods controls the entire supply chain to mitigate risks associated with blending and ensure that our Italian pasta maintains high standards of quality and authenticity. Our Italian partners are also implementing sustainable practices, which we support through partnerships focused on energy efficiency and waste reduction.
- **French Couscous:** Severe weather and increased input costs have constrained French durum yields, limiting couscous availability. France's traditional export markets face growing competition from Turkish and Russian suppliers.
- **European Semolina Flour:** The current reduction in durum prices makes semolina production more cost-effective, ideal for manufacturers looking to secure or build inventory.

Purchasing Recommendations: Contracting for the First Half of 2025

With further price declines projected, securing your supply now and contracting for the first six months of 2025 offers strategic advantages:

- **Locking in Favourable Prices:** Durum prices are at multi-year lows, presenting an attractive contracting opportunity. Securing rates now allows you to lock in savings and hedge against potential volatility, even if additional price drops may occur.
- **Price Stability Amid Global Volatility:** Durum wheat markets remain sensitive to global factors, including weather events and geopolitical dynamics. Contracting early provides price stability and reduces exposure to potential price increases.
- **Potential for Mid-Year Price Rebounds:** Although prices are currently softening, factors such as changes in Turkish export policies, fluctuations in soft wheat markets, or supply chain disruptions could drive prices up later in the season. By contracting for the first half of 2025, you can re-evaluate as these dynamics unfold.
- **Securing Reliable Supply Amid Tight Stocks:** Global durum stocks are low, with Italy's import dependency increasing the demand for imports. Contracting now ensures a secure supply of Italian pasta and other durum-based products.
- **Benefit from Italian Producers' Cost Savings:** Italian pasta manufacturers are capitalizing on low durum prices to offer competitive rates. Contracting now captures these cost benefits and supports efficient inventory planning for consistent supply through mid-2025.

Current durum wheat market conditions offer an opportune moment to secure Italian pasta, French couscous, and semolina from Lupa Foods at competitive prices. We recommend contracting supplies for the first half of 2025 to lock in favourable pricing and secure consistent inventory. This approach provides the flexibility to re-evaluate and manage any potential price changes in mid-2025.

For tailored purchasing strategies or additional sourcing information, please contact your Lupa Foods representative. Our comprehensive supply chain management and commitment to quality ensure reliable, high-standard products to support your production needs.



For more information and assistance please get in touch!

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