



May 11, 2011

Here is the latest news brought to you by American Roland Food Corp.

### Hot Off the Press!

**ARTICHOKES** – As previously advised, this year's artichoke crop in Spain was very poor. The continuous frosts during January and cold weather in the successive two months produced shortages of raw material that drove prices up. Now, with the currency exchange situation (dollar weakening against the euro) the prices in the market are even higher. This general market situation is also being reflected with the upcoming season from South America, where prices are expected to increase, because there is no carry over from last season and supply in general is expected to be tight. Some products will not be available because suppliers will have limited product to offer. We are expecting this situation to become critical in the near future in both terms of availability and cost increases.

**ESCARGOT** – Due to unfavorable weather patterns in Indonesia, the Escargot harvest was negatively affected and prices will increase.

**GREEN PEPPERCORNS** – The harvest of green peppercorns in Southeast Asia has been delayed; suppliers do not have the raw material to pack. Shipments are expected to begin in late-May for arrival end of June.

**KALAMATA OLIVES (GREEK)** – Despite the faltering Greek economy and the increasing possibility of a Greek financial default, farmers continue to request higher prices for the remaining inventory of Kalamata olives. We do not expect to see improvement before next crop (November – December 2011). Pricing will increase, especially when higher fuel costs and the weak US Dollar are factored into the market.

**MAPLE SYRUP** – As the end of the Maple Syrup season has come and gone, we are happy to report that we were able to dodge damaging weather, and the crop will yield similar quantities as last year. Supply will be uninterrupted and pricing should remain the same. A strengthening Canadian Dollar against a weakening U.S. Dollar may be the only factor that might increase pricing at this point.

**PINEAPPLE** – The new pineapple crop, mid-April to late-June, in Thailand has just begun, and reports on the crop have been mixed. On one hand, reports indicate the crop looks much better than it did 2 months ago due to favorable rainfall and temperatures. However, contrasting reports suggest the crop could be down 25-30% from last year due to impatient growers that harvested the pineapples before they matured.

**SUN-DRIED TOMATOES** – Global supply of Sun-dried Tomatoes is now short. Reports indicated that sooner or later this would occur since the crop yield was low this year.

## Noteworthy News from the Archives

**CAPERS (from April 2011)** – The caper market is now very tight as Turkish and Moroccan raw material is depleted and there is no carryover product. Spot purchases on the market are very expensive and the new crop is not until late summer.

**CHERRY PEPPERS (from April 2011)** – There is currently a shortage of Cherry Peppers which will continue until the new crop season and new shipments in late August.

**COCONUT MILK (from April 2011)** – The existing coconut supply remains extremely tight. Raw material is almost nonexistent and packers may not be able to ship again until late spring.

**COUSCOUS (from April 2011)** – The cost of the durum semolina wheat used in the production of traditional couscous has increased dramatically in recent months. Costs on producing all traditional couscous products are increased and we do not see any relief until mid-summer, depending on the yields of the 2011 wheat crops worldwide.

**CUCUMBERS (INDIA) (from April 2011)** – Indian packers report very low yields of cucumber that can be used to pack Cornichons and Pickles. There is an expected shortfall of almost 60% for the first quarter of 2011. The next crop is second-half June 2011.

**KALAMATA OLIVES (GREEK) (from April 2011)** – Prices paid to the farmers by Greek olive packers spiked in late winter as farmers refused to sell olives, instead deciding to hold the product to sell later at higher pricing. Many suppliers, having already agreed with farmers on a set price per kilogram, arrived to collect the new crop olives, but instead were told that they needed to pay more. More troubling is the virtual lack of smaller olive calibrations (extra large 200-230 per kilo before pitting and smaller) in the new crop raw material. In addition, the available quantities of small calibration kalamatas have a high percentage of "blonde" olives (tan to light green in color). The quantity of blonde olives is high enough to make removal of these olives impractical. End users will see most inventories of smaller kalamata olives (generally used for pitted, sliced, wedges and "barchetta" cuts) with a good percentage of blondes, once existing inventories of 2009 harvest are depleted. This condition will persist until next new crop olives are available in March 2012.

**MANDARIN ORANGES (from April 2011)** – The current market price for canned Mandarin Oranges increased 10-15% in the past two weeks. Importers making spot purchases will face increased costs. The factors for expensive crop remain the same:

- **Lack of raw materials.** Chinese fresh market demand drove up pricing. Bad weather was also damaging.
- **Increase in sugar.** Light syrup is a key component of canned Mandarin Oranges. Unlike the United States, Chinese packers do not have many substitutes for sugar such as corn syrup and other sweeteners.
- **Tin price.** Increased usage of tin plate by developing nations has caused packaging materials to steadily rise.
- **Labor shortage.** Like many developing countries, China's growing GDP has augmented wealth and job opportunities. Many laborers have moved on to more lucrative jobs in computer chip factories, semiconductor factories, etc. To retain workers, canneries raised salaries threefold. In cases where canneries could not

maintain competitive salaries, they have resorted to operating on a skeleton staff, often 60% below operating capacity.

- **Weak US Dollar.** A weak US Dollar makes this import more expensive.

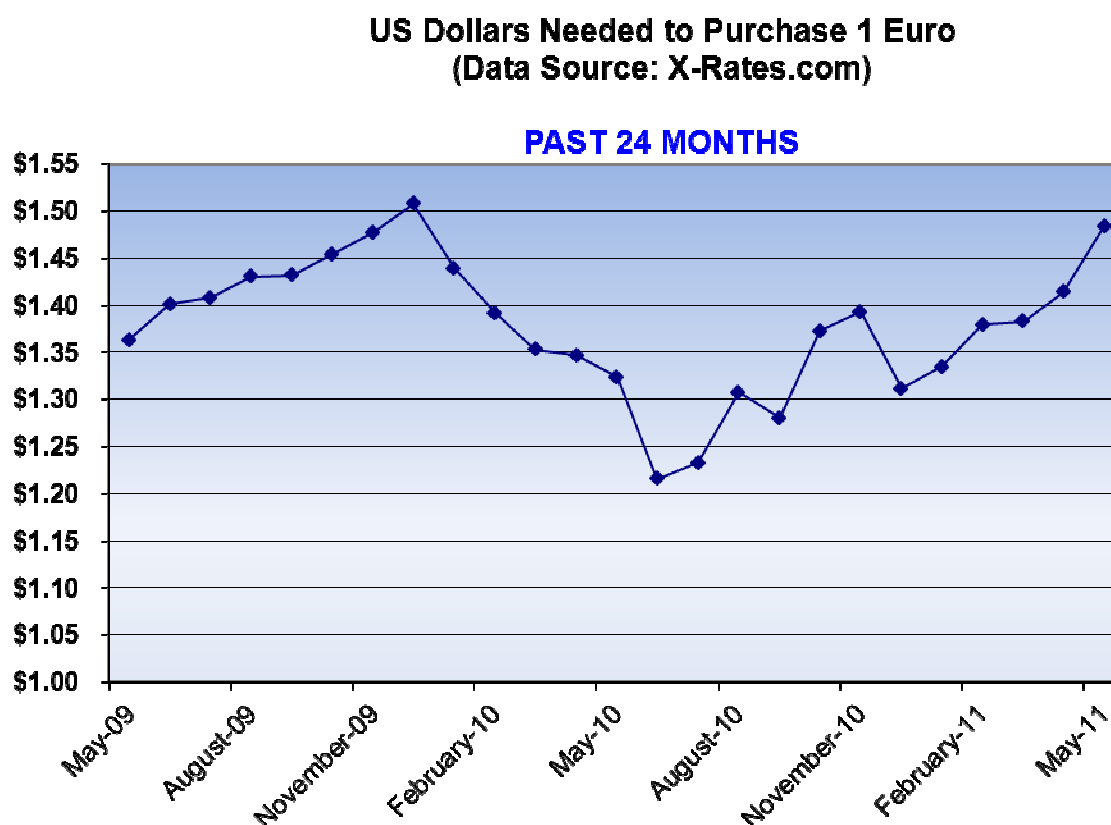
**MANGO (from April 2011)** – Indian farmers report excellent flowering on the mango trees and expect a good crop in May and June when fruits are ripe for harvest. This will help stabilize pricing when the new crop arrives in the summer.

**MUSHROOMS (from April 2011)** – Mushroom production in China has all but stopped as packers find it nearly impossible to source raw material. Extreme cold weather and snow destroyed many mushrooms in Guangxi and Sichuan earlier this year. In Zhangzhou, yield was normal, but there was less land for farming this season, as many farmers sold their plots of land last year to developers who are planning a high-tech industrial zone.

**WHEAT (from April 2011)** – Surprisingly strong harvests in the southern hemisphere could help ease global grain shortages, but high prices are likely to persist, the US government has forecast. The USDA forecasts that Argentina and Australia would each grow more wheat than previously thought. Prices are expected to remain high due to increasing demand from developing nations, China and India in particular. Due to this situation end users and consumers may see higher prices on items made from wheat.

### Economic & Other News

**US DOLLAR** – On May 10, 2011 the U.S. dollar closed at \$1.4358 against the euro. The graph below shows the trend from May 1, 2009 – May 1, 2011.



### Upcoming Events

We will be exhibiting at the **National Restaurant Association Show** in Chicago, IL, May 21 - 24, 2011. Please drop by and say hello. The entire National Accounts team will be available to answer any questions that you may have and to show you some interesting new items for your menu.

**Booth #: 3064**

For our complete product listing, please visit us at <http://www.rolandfood.com>.

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