

Import Brief

ARTICHOKES

Offers of canned artichokes from new pack will be reduced from South America this year. Most packers from Peru advised that they planted less acreage. Some of them have reduced their plantings by about 30%. In Chile, some packers will ship their product to the fresh and frozen markets, and those offering canned product have also reduced their quantities for this season. No major offer is expected out of Ecuador, where the main packer has closed their artichoke operations.

ANCHOVIES

Anchovy fishing in Morocco started very late this year creating a short supply in the market. In Peru and Chile catches were improved and raw material was available, but the high cost of olive oil and tin continued to drive pricing upward.

BABY CORN

Over the past 2 years, Baby Corn supply has been in short supply. We are pleased to advise that we now have stable inventory of all baby corn items.

BASMATI RICE

There were early expectations of a bumper crop for Indian Basmati Rice. However, due to recent large floods in the Punjab area (the basin of basmati rice), at least 35% of the new crop has been destroyed. These floods affected both Indian and Pakistani farmers and producers. There has also been increasing demand the past 4 months from Iran for Indian Basmati Rice. Taken together, we expect prices to continue rising in upcoming months.

CAPERS

This year, Morocco's caper crop started about two weeks late due to unusually cold weather and raw material prices seem to be around 35% higher than they were last year. The world's Caper crop will be at least 25% shorter than last year. The late crop in Morocco and Kyrgyzstan combined with short work days during Ramadan holidays have contributed to the shortage of capers in the market. It is expected that little of the Syrian raw material will reach processors due to the continued unrest in that country. These factors, along with the lack of carryover from last season, have created a spike of around 35% in raw material costs. Suppliers are reluctant to offer, and prices continue to climb while availability is uncertain. Work days – and virtually no carry-over from last year, will undoubtedly affect new crop pricing.

COCONUT MILK

Raw material for Coconut Milk shrunk by 30% in Thailand as a new type of insect has damaged many coconut plantations. More damage is expected if the insects migrate to other plantations. Spot-market prices are climbing.

DIJON MUSTARD

Recently the European Union (EU) confirmed that U.S. beef producers will continue to enjoy 0% duty on exports to the EU market for high-quality beef produced from non-hormone-treated cattle. To reciprocate, the U.S. has maintained the low-duty on food imports from the EU, including Mustards from France. Before this deal was struck in 2009, and recently renewed, imported French mustards were subjected to duties of 100%.

ESCARGOT

Availability of achatine escargot snails continues to be extremely tight, with late shipments and uncertain supply continuing from last year into 2013. Several factors have contributed to this issue, including dry conditions in harvesting areas, overharvesting of young snails before they are able to reproduce, and alternative products to gather – yielding higher profits for the collectors. As a result, pricing for achatine escargot raw material has climbed rapidly, to the point where the cost is just slightly below the cost of the better quality helix escargot snails. We suggest now is a good time to move to the better quality helix snails (pomatia and lucorum), as pricing is similar and availability of achatines will continue to be problematic.

FARRO

Weather conditions reduced both the quantity and quality of the Farro this season, while demand for this product continues to rise. We expect an increase in pricing of about 8-10% beginning with new crop shipments. There is no carryover inventory of from last year's crop, so the increase will be felt immediately.

MANDARIN ORANGES

Severe drought has destroyed almost 30-40% of the new crop of Chinese Mandarin Oranges, either causing the fruit to completely shrivel,

or actually killing the tree. This summer's heat wave in China was the worst in 50 years and has caused water needed for irrigation, to be especially scarce in parts of China where mandarin orange trees are grown. The significant decrease in yield negates any effect on supply of carryover product that factories may have on hand. While firm prices for the new crop will not be available until November, the spot market for #10 tins of Whole Mandarin Oranges is already \$2-3/case higher than last year's crop.

MUSHROOMS, DRIED

The crop situation for Dried Mushrooms is looking particularly poor this year. Hot weather in Europe and China has led to drastically reduced yields on porcini, morel and chanterelle mushrooms. Most of the harvest is going directly to the fresh market, with prices too high to begin to dry the products. We expect higher prices on most dried mushrooms this year, and information on availability of inventory will become more clear in about one month.

OLIVE OIL

The olive oil market remains strong and prices remain at a relatively high level as they traditionally do in most summer months.

OLIVES

Greek — Queens will be very short in Greece, as the crop has been very disappointing.

Spanish — Although it is still early, olive growers in Spain expect a short crop of Queens for the new season. At this time it appears that the Queen olive crop will yield only 50% of usual quantities and raw material prices will increase by at least 30%. Manzanilla and Hojiblanca olive yields appear to be normal, but since farmers prefer to machine pick and sell to olive oil producers, pricing will be heavily influenced by olive oil demand.

Oil Cured — an important Moroccan producer of oil cured olives has been buying all available raw material in order to fulfill an unusually large contract. This has left the market completely dry while new crop availability will not be until February 2014.

PEPPERONCINI

Thanks to favorable weather, the pepper crop in Turkey is expected to be very good. This bodes well for both Pepper-oncini and Banana Peppers as quality is expected to be exceptional in addition to the large crop yield.

QUINOA

World demand for Quinoa has grown stronger as the U.S. has become the largest importer of Peruvian quinoa and consumption has jumped in Europe, Australia, China, Japan and South Korea. The supply of raw material is currently tight. We continue to see increases in the price of White Quinoa and their sub-products of about 3-4% for the month of August. This is due to the great demand for this product from all different international markets. Availability does not seem to be an issue.

RICE, ITALIAN

Due to an unusually wet spring in Europe, the planting schedule for Arborio Rice and Camaroli Rice was delayed by about 21 days. As rice needs a minimum number of days to reach maturity, the harvest of this rice will be delayed from first week September until the end of September or early October. Farmers are concerned about rain in September, as the fields need about 10 days without rain before harvesting in order to reduce the moisture level in the rice to the proper level to maintain quality.

SESAME SEEDS & SESAME BASED PRODUCTS

Continuing increases in demand have again pushed up pricing on sesame seeds, with little availability of raw material offered for sale. Suppliers are working diligently to procure additional raw material, now as there is a possibility of very short inventory levels into autumn. Expect price increases on sesame seed, sesame oil, tahini and other sesame based products.

SUN-DRIED TOMATOES

We expected a short crop of tomatoes this summer in Turkey. Farmers this year moved to planting corn, rather than tomatoes, for which they receive government subsidies. Tomato price levels will be heavily influenced by demand from the tomato paste industry, which buys most of the crop in Turkey and controls the market.

Economic Updates

STEAMSHIP LINES WILL IMPLEMENT PEAK-SEASON SURCHARGES FROM ASIA TO USA

Steamship lines are insisting that they will implement Peak-Season Surcharges for all shipments out of Asia as of 8/1/2013, which will increase the freight cost of imports from Asia.

On September 20, 2013 the U.S. dollar closed at 1.31196 against the Euro.