



Schreiber Foods
International, Inc.

Bits & Bites

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We finally have some news you have been waiting for – prices on many items are starting to decline! Caution however must be exercised as extreme volatility still exists all over the world. Gas is a prime example; in October the price was around \$4.00/gallon and today only 4 months later it is under \$2.00 in most areas. How long will it remain here? Your guess is as good as anyone's.

The slow world economy has many in the food supply chain selling products at prices far below recent prices. Just as farmers in the past few years changed their attention to higher paying crops, predominantly corn for ethanol, they will change again into higher paying crops if prices get too low making their present crops uninteresting.

The value of the US Dollar has been quite volatile recently as well. In one recent 2 week span, the US Dollar weakened by almost 17%, raising our cost! The Dollar has since gained ground however these fast, large fluctuations are impossible to predict and manage.

TUNA - Due to slow business and lower cost of fuel for the fishing boats prices of **Skipjack** in particular have dropped significantly from recent historic highs. Of course, these are prices quoted now in the Far East and will take 6-8 weeks to arrive here. **Yellowfin** and **Tongol** have softened somewhat but nowhere near the decline in Skipjack. These are all "Light Meat" varieties with Skipjack being the lowest cost and **Tongol** the upper end. Some operators use **Tongol** in place of **Albacore** because it is so light in color and significantly lower in cost. Albacore, White Meat tuna, has been fairly steady with the Albacore fishing season coming up in April. We import 12oz. cans of Light Chunk and Solid Albacore for smaller users.

OLIVE OIL - There was a good Fall harvest around the Mediterranean in all olive varieties applying downward pressure on prices. Slower world wide purchases have resulted in lower prices in all 3 grades. **Extra Virgin**, the first pressed oil, having the best flavor and lowest acidity has declined about 10% and then Pure and Pomace Olive Oil with further reductions. The value of the dollar has a great influence on our landed cost, but overall prices are down.

In the past year a Spanish company purchased Bertolli from Unilever, and another brand, Carbonell signaling the intention of Spaniards to become aggressive in bottling and marketing Spanish olive oil. Spain is the world's largest producer of olive oil.

PINEAPPLE - The pineapple market has been on the decline as packers are catching up on shipments with the winter crop, and the recent re-entry of Thailand as a supplier to the USA. Thailand pineapple packers were virtually eliminated for the past 14 years from competitively exporting pineapple to the USA due to an anti-dumping order which levies additional duties on pineapple produced in Thailand. This anti-dumping duty order has now been terminated, and the additional product has now helped the available supply, and reduced market prices as a result.

MUSHROOMS - Mushrooms have also rebounded from last year's terrible crop (November – February) in both China and India. Prices are softening now, however, China does not have the volume this year to sustain low prices and we can expect to see increases later in the pack season.

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