



**Schreiber Foods
International, Inc.**

January 2008

Ambrosía
IMPORTED FOOD SPECIALTIES

Happy New Year! To say 2007 was a tough year for imported foods would be an understatement. The dollar lost almost 15% of its value vs. the Euro, the price of oil jumped significantly, which increases costs of transportation and packaging (including tinplate for cans), and erratic weather caused reduced crops in numerous countries raising costs even higher. Looking ahead, we are not seeing much relief for 2008, as these factors will remain, and demand for many items has increased while supply has not kept pace. Cost pressures will continue throughout the international supply chain, but we will attempt to seek out the more reliable suppliers who provide quality products at competitive prices.

Olives – New pack Spanish ripe olives are expected to cost the same in Euros as last year, but a weaker dollar will cause an increase in price. Ripe olives from Argentina should cost slightly less than Spanish, although Argentina is not always as reliable as Spain. Queen size green olives are forecast to be shorter in supply than normal, and coupled with the weak dollar, could show increases of \$5-\$6/case.

Mushrooms – Chinese prices are finally beginning to retreat slightly, but are still historically high. Supply is becoming more consistent, but there is still another month or two of packing, where a sudden weather change could once again affect supply.

Pineapple – Raw material remains very tight, especially in China which traditionally has the least expensive product. Packers are very backed up with pending orders, and we do not expect the tight supply to loosen up until at least the end of the second quarter.

Olive Oil – Prices for olive oil are on the upswing due to the cost in Euros being higher coupled with the weak dollar. We continue to import pomace, pure and extra virgin from Italy.

Mandarin Oranges – The new crop will finish being packed during January and prices are up only slightly compared to last year.

Tuna – Albacore prices are steady, but chunk light prices are at levels not seen before. Tongol is higher, yellowfin is just about unavailable for a reasonable price, and skipjack is at levels not seen in a very long time. Expect these higher prices to continue through the spring.

NEW PRODUCTS:

Maraschino Cherries – packed in PET plastic, with or without stem, gallons and half gallons.

Honey Mustard – new formulation made with Colman's English Mustard, new lower price, still packed 2/10 lbs plastic pails. Great for sandwiches.

New "2-pack" packaging – Quart cocktail onions, quart non-pareille capers, and 28 oz anchovies in olive oil are now available in a 2-pack. This promotes fewer damages in shipping from your distributor to your stores compared to shipping "eaches", and reduces inventory the stores need to stock of these slower moving items.

Would you prefer to receive this newsletter via email in the future? If so, please email Joann at jlonginetti@ambrosia-foods.com with your email address.

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