

PAUL M. MÜLLER

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FOOD NEWS

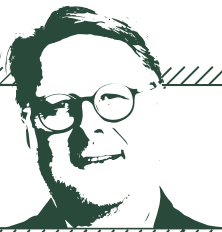
MARKET REPORT

MAY 2023 ISSUE

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„We cannot change the wind, but we can set the sails differently.“

Aristoteles



Dosed – our column

Water is life and essential for food production too. The impact of heat and water shortages on fruit and vegetable harvests was part of our Food News more than once last year. And water plays a role again in this report: for some it is lacking, for others it is threatening. Increasingly, we are dealing with extreme weather events around the world. While the „monster heat wave“ and lack of rainfall in Asia are causing health problems and crop failures, we are currently seeing dramatic flood images from the Emilia-Romagna region of northern Italy in the news. Both events make it clear that climate change has many facets. Its consequences are a major threat to people and the environment. Further below, you can read how the heat in Asia is affecting the pineapple harvest. We do not yet dare to survey the situation in northern Italy. But one thing is certain: here, too, the current weather events are having devastating consequences for farmers – not only for the upcoming summer harvest, but also with a view to damaged orchards in the long term.

Against this backdrop, the ubiquitous shortage of skilled workers in this country seems like complaining at a high level. And yet: We also want to address this problem in this issue of Food News and spoke with Jeanette Gonnermann, Managing Director of the Waren-Verein of the Hamburg Stock Exchange. In the interview, she reveals what concepts are needed now to make the industry fit for the future.

Water is life and also essential for food production, as I wrote at the beginning. It also goes with this: We cannot change the wind, but we can set the sails differently. In this spirit: We accept the challenges in all their variations and look forward to the upcoming summer with you.

Yours, Thomas Schneidawind



Pineapples: Monster heat wave with consequences

The pineapple market is not calming down. In April, the supply of raw material was even 19 percent lower than calculated forecasts. With consequences! Whereas in March we reported raw material prices at 8.00-8.30 Thai Baht/kg, local experts are now talking about 8.40-8.70 Thai Baht/kg pineapple. The main reason for the falling supply and price increases: drought. In Asia, there is talk of a „monster heat wave“ with unusually high temperatures of up to 46 degrees for a long period of time. Due to the dry period not only the total amount of the harvest is decreasing, but above all the size of the fruit. The increasingly small pineapples are not suitable for further processing into canned goods and are instead used for the production of fruit juice and fruit juice concentrates. Those who need canned pineapples can currently still fall back on stocks from the last winter harvest, but these are also gradually coming to an end.

At present, no one dares to predict how prices will develop. On the one hand, supply is falling and inventories are low; on the other hand, demand is still rather low as buyers are behaving very cautiously on that market

By the way: Our glossary provides a detailed [overview of the various pineapple cut sizes](#).



Tomatoes: Weather as a great unknown

Already in mid-May, many tomato products of the past harvest are sold out in northern Italy, especially for wholesale and industry. In the case of tomato paste in drums, there is only one producer left who can offer certain quantities for sale. 4,250 ml cans and 10 kg BiB tomato pulp have to be repacked from barrels at great expense to ensure demand until the new harvest. In the case of small formats for the supermarkets, the world is completely different: Here, in some cases, there are still significant surpluses from the previous harvest – for example, 720 ml bottles of Passata and 425 ml cans of chopped tomatoes.



With a view to the new harvest, some of the manufacturers will therefore switch from small containers to catering sizes – if the possibility exists in production planning.

With very important items already sold out or paying top prices for them (almost four months before new production from the upcoming summer crop is available), the power in price negotiations is clearly with the sellers at the moment. These justify the price increases on the one hand with the significantly higher expenses for the raw material. For example, on May 19, the raw material price in northern Italy was fixed at 150 euros per ton of round tomatoes and is thus identical for the first time in all Western European growing regions. On the other hand, cost increases for all packaging materials and higher interest rates for financing

are also driving up prices. Only lower energy costs are helping to ease the costing situation to a certain extent.

However, the big unknown in pricing remains the weather. For example, after the long drought, torrential rains in the Emilia-Romagna region of northern Italy flooded immense areas. It is still unclear how many hectares of land are actually involved, which must now be dried and prepared before new seedlings can be planted. However, insiders estimate that these measures will push back the previous schedule by at least two weeks.

But extreme weather is not only causing problems in Italy. Heavy rains also significantly increased uncertainties in major tomato growing areas in California. And in the Chinese region of Xinjiang frost caused problems. In addition, Ukraine will not play a significant role as a supplier country for tomato paste, and the fact that tomato products from China are no longer in demand from some customer countries or buyers is spurring the distribution battle for European products.

Our conclusion: Ultimately, demand will always determine the price. It is therefore to be hoped that consumption does not subsequently collapse due to excessive price increases and that there is eventually a drop in product prices.



Find out more about tomatoes in our [»Special Tomaten«](#) of our strong brand [ADRIA](#); whether fresh, dried, diced or strained. We explain everything here: from production to use, differences and special Brix content.

Sweet Corn: wide price ranges

Corn commodity prices vary widely by region around the world. In Thailand, they have risen sharply in recent years due to drought. In addition, tariffs are high, so that Thai corn imports are no longer competitive on the European market. Corn from Hungary is still of good quality, but it is now a good 40 percent more expensive than the product from China.

The falling freight costs of the past six months and the current USD/euro exchange rate are also making corn from China increasingly interesting. Here, in contrast to Europe, it can even be harvested three times a year. However, it remains to be seen how much of this will actually be available for export to Europe, because domestic demand is also rising.

Paul M. Müller's corn stock is well filled, so we can supply you with high quality goods at good prices. Feel free to contact us.



Apricots: Bright to cloudy prospects

With regard to the raw material prices of apricots from China, market experts currently report a slight increase, but they expect overall more favorable prices for canned goods than last year. The latter can be explained by various factors: For example, the three- to four-week harvest period in China, which began a few days ago, is going well. At the same time, there are still large frozen stocks of the fruit on the market. For this reason, insiders expect less competition from producers of frozen goods than usual. Last but not least, freight costs have also fallen and are having an additional positive impact on the price of canned goods.

The situation is different in Europe: Here, market experts are forecasting reduced yields of 30 to 35 percent in Greece and 15 to 20 percent in Spain for the apricot harvest starting in mid-June, as well as total crop failures in Italy. Due to the poor harvest, as well as increasing exports of

fresh produce, an increase in raw material prices of 25 to 37 percent compared to last year is possible, according to our external expert. In addition, increased sugar prices and guaranteed minimum labor wages could raise prices for canned apricots from Europe – despite falling energy costs.



INTERVIEW



„We don't need to discuss the shortage of skilled workers and look abroad to recruit competent employees there. We have many highly educated women in Germany. We just need to create family-friendly conditions for them in which it is attractive for them to work.“

Jeanette Gonnermann

Since 2021, Jeanette Gonnermann has been at the helm of the Waren-Vereins der Hamburger Börse e.V. In an interview with Paul M. Müller (PMM), the CEO talks about why women are important in the working world, what she advises young leaders to do and how to combine a career and children.

Ms. Gonnermann, you have been in office at the Waren-Verein der Hamburger Börse e. V. for one and a half years. Being a managing director in a traditional industry – a curse or a blessing?

Let me put it this way: A male-dominated industry offers great advantages and I feel very comfortable here. First, why advantage? I have been permanently underestimated as a woman. Some people didn't want to see that I had studied law and was a department head at an early stage, and I often felt compelled to justify myself. At some point I realized that being underestimated is an advantage and benefits me, because then you can only surprise people in a positive way.

Second: Women have charm and are engaging. I find it good and profitable to lead cooperatively and humanely instead of strictly hierarchically.

Women in leadership positions are still a rarity. Do we need more of them?

Oh yes. Women in leadership is a topic that has been on my mind for a long time, and of course I would like to see more of them. I've never regretted my decision because it's always been my drive to go into a leadership position.

What can companies do here?

Companies need to modernize themselves and move with the times. We don't need to discuss the lack of skilled workers and look abroad to recruit colleagues there. We have a lot of great women, we just need to create framework conditions in which it is attractive for them to work. In other words, we need to implement models that make it possible to combine family and career.

Apart from that, we at Waren-Verein have noticed that

companies with a modern image, especially in the area of websites and social media, are much more attractive to young specialists and managers. If a company is not online in some form, it simply does not exist.

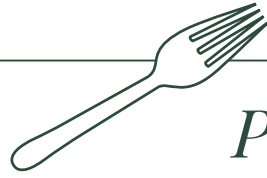
What are the reactions to you in a leadership position today?

Young women who are doing their training come up to me and compliment me. They think it's great what I do and how I do it. But they also tell me that they want to have children. I can only reply that it's possible to do both, but you have to accept prejudices and the fact that you'll reach your limits. With the Young Leaders project of the Waren-Verein, we have created a network of young professionals – female and male – from the industry. Here we talk about new work, digitization, but also about such major future issues as sustainability. The fact that we discuss these topics ultimately benefits both genders.

Finally, the crucial question: Do we need a quota?

I agonized over this question for a long time. In the end, I decided in favor of it. There has to be some form of compulsion to clear the first hurdle. After that – I hope – automatism sets in. What I don't like is when women are called token women even though they are top performers. You would never say that to a man.

Thank you for the interview. For reasons of space, we have shortened some parts of the interview for the Market Report. You can find the entire interview with Jeanette Gonnermann as well as many more with other exciting interviewees [on our website](#).



Picked up

Türkiye: Worry and uncertainty

Whether it's hot peppers, peppers, tomatoes or cherries – Türkiye is an important growing country for the international market. However, local growers and producers are currently facing a variety of challenges in terms of weather, the economy and politics. Lush harvests can no longer be taken for granted – climate change is having a relentless impact. In addition, overall costs are higher because raw materials have to be purchased on the international market at foreign currencies. The only exception, according to insiders, is currently energy prices, although these are also likely to be on an upward trend in the long term. Other key factors for sharp price increases are high inflation in the country as well as higher interest rates and expensive loans.



Kurz gesagt: Die Stimmung im Land ist angespannt und alle schauen mit Spannung auf die kommende Stichwahl am 28. Mai. Ihr Ausgang wird ausschlaggebenden Einfluss darauf haben, wie sich die Gesamtsituation in der Türkei entwickeln wird.

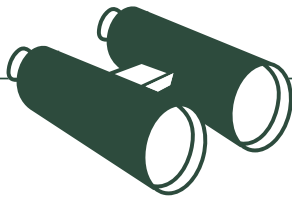
Trade show: Review and outlook



The Private Label Manufacturers Association (kurz: PLMA) is not only an organization with over 4,000 member companies around the globe, but also organizes the annual international trade fair „World of Private Label“ in Amsterdam – as it did last Tuesday and Wednesday, May 23-24. Our Managing Director Fabian Kretschmer as well as our buyer and seller with a focus on tuna Eve-Florence Gölz were also on site and were inspired by new ideas from the industry. Their conclusion: „We returned with lots of news about preserves, tomatoes, tuna and anchovies. The highlight of the fair was also the other countless impressions and positive conversations.“

But the best for the end: Our personal trade fair highlight is even coming up this year. From October 7-11, we will be present with our own booth at the Anuga trade fair on site and we are very much looking forward to it. Who will visit us in hall 2.1, aisle C, booth 019?

The complete trade fair calendar with all relevant trade fairs of the industry can be found on our website.



Outlook

Reinforcement in purchasing and sales

Vincenz Herrmann has been part of the team since January 1, 2023. As a trained wholesale and export merchant, he works closely with his other colleagues in purchasing and sales.

Vincenz, what does your day-to-day work look like?

In the morning, I start the day full of energy – with a good cup of coffee on my desk, I immediately read the first emails. I also check the sales inbox for new orders and work through them. At the moment, my focus is on sales. That's how I'm getting to know all the products better and better. During the lunch break, by the way, we often cook together.

What are your highlights so far?

Firstly, the great team, the atmosphere and the communication among each other. In terms of content, I find everything related to import and export very exciting. I get a lot of insights here that I wouldn't necessarily have as a customer. For example, the fishing times for tuna, when pineapples are harvested, and of course how products are transported by rail or truck or shipped in containers.



And what are you looking forward to?

I've already learned so much about can sizes, familiarized myself with article numbers, and helped calculate prices. Eve Florence Gözl and I also learned a lot about the production and preservation of canned products at a training course run by the Warenverein. Now I'm looking forward to working more and more independently and with more confidence – so actually to everything that the future holds in store.

That sounds great. Good luck and have fun!

PMM Community

You want to tell us a story or share experiences from the industry? Do you have feedback for us? Photos or stories? We would like to invite you to actively shape the PMM Market Report, and we welcome every contribution, suggestion and criticism. THANK YOU for taking the time to read and be a part of our PMM community.



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