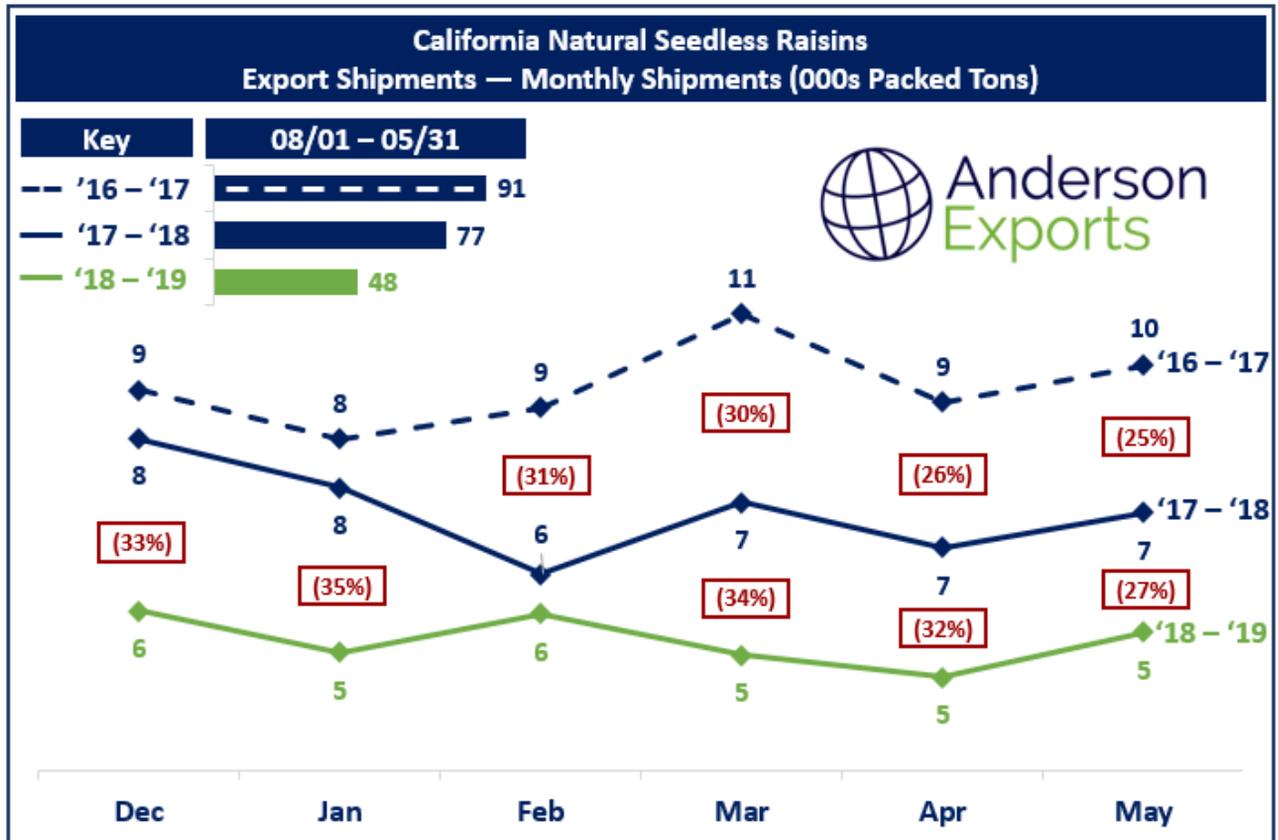


Raisins

Bulk California Thompson raisin prices are falling as raisin packers compete to move tonnage. Unique price opportunities are available for high-volume contracts and we welcome your inquiries.

With good quality and availability on the current 2018 / 2019 California Thompson raisin crop, we suspect the principal drivers of low shipments to be related to demand as a result of high prices. Other raisin growing origins including Turkey, South Africa, and Chile picked up market share from California last year when California struggled with a short and rain-damaged crop. The opening prices for the current 2018 / 2019 California crop -- which were especially high due to the record field price set by the Raisin Bargaining Association (RBA) this year -- helped incentivize some raisin importers to stay with non-California origins even when California offers the highest quality available globally.

The last three years of California Natural Seedless raisin shipments to export markets and the described key developments help illustrate the current state of the California raisin market:



Raisins (Continued)

During the 2017 / 2018 season for California raisins, shipments were lower than the prior year due to resting vines (smaller bunch counts) and rain-damage while the raisins were drying, resulting in a smaller crop with high risks of quality problems (sand, grit, mold, etc.). California raisin prices rose during the 2017 / 2018 year as availability waned and shortages arose, giving way to an extremely low carry-out. That year, buyers of California raisins were forced to cover their needs elsewhere -- namely, with Turkey, South Africa, and Chile origins -- given that California's raisin crop was short, expensive, and burdened with quality issues due to the unexpected rains. Even California packers imported foreign raisins to cover some of their customers needs. It was not uncommon for buyers of California product to experience rising prices and decreasing quality. Many U.S. raisin buyers also looked outside the country to cover their raisin needs, resulting in big increases in imports from alternative origins such as Uzbek and Afghan raisins in addition to the more well known origins of Chile and South Africa.

Despite there now being ample supply of high quality California raisins, in the 2018 / 2019 season, shipments have been even slower than last year when there was widespread crop damage. Many California raisin buyers who turned elsewhere in the 2017 / 2018 season have evidently not yet returned to cover their raisin needs with California product.

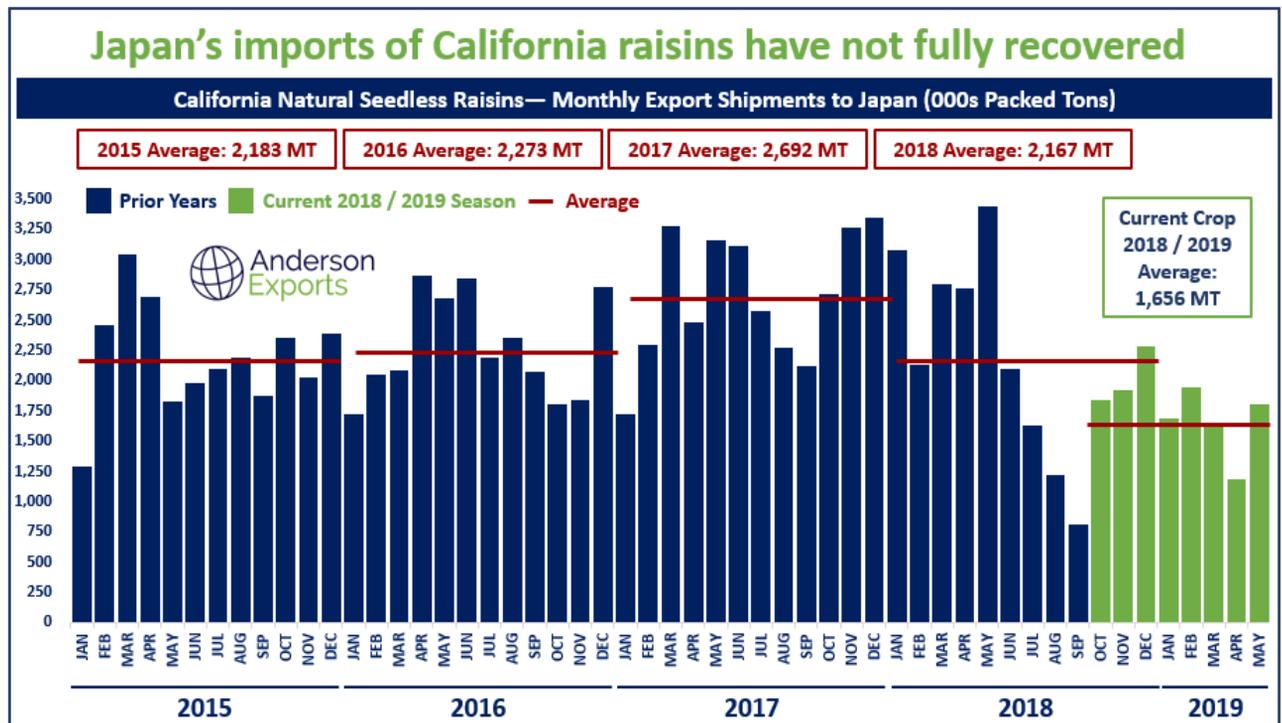
Prices for California Natural Thompson Seedless raisins were relatively high at the beginning of the 2018 / 2019 season due in part to the elevated prices carried over from the prior season (when there were crop shortages) and principally due to the high field price -- the highest on record -- set by the RBA this year. The latest RBA price may have been informed partly by the prices at the end of the 2017 / 2018 season, when prices for California raisins were likely not tethered to reality as it was not clear that much tonnage was even sold at such high prices anyway. Due to these compounding factors, many buyers elected to cover much of their annual raisin needs from other origins, at cheaper prices, for the 2018 / 2019 season.

The slower sales and shipments in recent months are motivating packers to lower their prices to try to win new business. These packers are assuming, perhaps optimistically, that there remains unmet demand in the market and that these lower prices could motivate sales. It is hard to know the extent to which weaker shipments are simply related to price or if they represent a deeper and more unsettling trend of continuing substitution away from California.

Raisins (Continued)

The weak May shipment report further evidences the slow pace of sales as the total tonnage of California raisins moved in May was the lowest in 7 months. The May Shipment report for California raisins showed 15,838 packed tons of Natural Seedless raisins shipped, including 10,566 MT for domestic and Canada and 5,272 MT to export markets. From August 2018 to May 2019, shipments of bulk California Natural Seedless raisins totaled 162K MT, 26% lower than the prior year. Compared to the prior year period, shipments to domestic and Canadian markets were down 20% while shipments to export markets were down a staggering 38%.

Japan, California's largest export market by a vast margin, is down 41% for the period from August to May for the current crop. For the current 2018 / 2019 crop, California has shipped on average 1,656 MT per month to Japan which lags below average shipments in 2017 and 2018 by 39% and 24%, respectively.

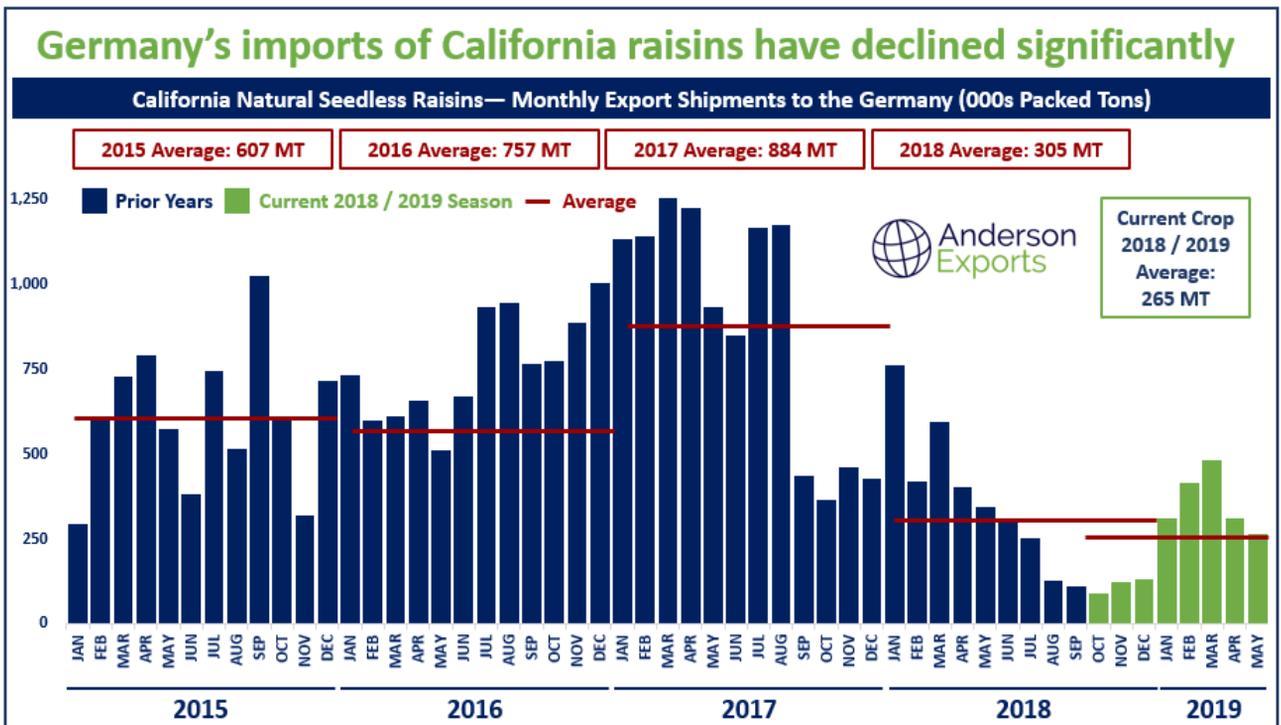


Japan's lower imports of California raisins this year are especially concerning for California packers given that global superiority on quality has been understood as essential to serving Japan's raisins needs. Japanese raisin buyers, more than any other market, have been willing to pay a premium for Double-Run Supreme and Special Grade raisins, which are processed to very strict quality standards.

Raisins (Continued)

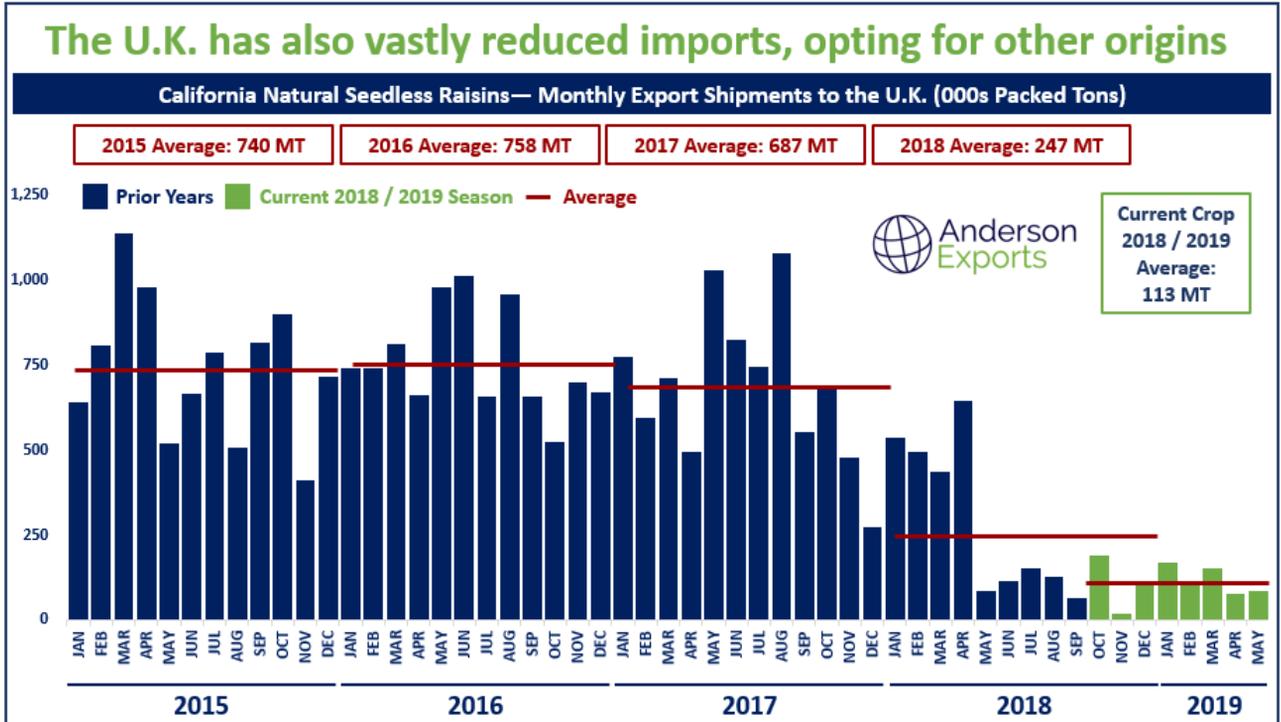
With imports of California raisins down in the current year, it is hard to know whether sales are suppressed due to Japan purchasing from other origins, which may have acceptable quality at a more competitive price. Alternatively, buyers may be covering only hand-to-mouth and waiting for California raisin prices to continue to go lower, at which time they will book more substantial volume in line with prior years.

Japan may be the most recent case of origin substitution away from California raisins, which is clearly observed in the UK and Germany over the last couple of years. For the current 2018 / 2019 crop, California has shipped on average 265 MT per month to Germany which lags below average shipments in 2017 and 2018 by 70% and 13%, respectively.



Raisins (Continued)

For the current 2018 / 2019 crop, California has shipped on average 113 MT per month to the U.K. which lags below average shipments in 2017 and 2018 by 84% and 54%, respectively.



Today, excellent quality California Natural Thompson Seedless Select raisins, Flame raisins, DOV raisins, and other varieties are available at very competitive prices and we look forward to the opportunity to quote.

The USDA released the 2018 California Raisin Grape Mechanical Harvest Report on June 11th, 2019, showing total raisin acreage mechanically harvested 45,429 or about 30% of California’s total raisin acreage. Of this 30% which was mechanically harvested, 29% of acres are specifically planted using an overhead trellis system, the technology employed to grow and harvest dried-on-the-vine (DOV) raisins. The share of acres mechanically harvested by raisin variety were led by Selma Pete which had 68% mechanical harvesting, followed by Fiesta (50%), other raisin types (30%), and Thompson Seedless (25%).

We supply all major bulk California raisins including dried-on-the-vine (DOV) and tray-dried Natural Thompson Seedless Selects, Selma Petes, Flames, Goldens, and other varieties in Jumbo, Select, and Midget sizes and welcome your inquiries. We also supply Selma Pete DOV Double-Run Supreme raisins to Japan and elsewhere which are processed twice to achieve exceptionally low stem and capstem counts

June 23rd, 2019

California Natural Seedless Raisin Update



Pistachios

While there is some availability from the current crop, the developing 2019 pistachio crop is now in focus.

We supply raw in-shell pistachios and raw pistachio kernels of all sizes, grades and styles. We also supply roasted Extra No. 1 pistachios and welcome your inquiries.

Almonds

For Almonds, Non-Pareil availability is virtually non-existent as most suppliers are sold-out or booked until the new crop. Many suppliers will not be offering new crop pricing until after the NASS Objective Almond Estimate which will be released in July.

Our most popular almond varieties are Nonpareil, Independence, Butte/Padre, and Carmel types with the most popular grades of Supreme, Extra, Standard 5%, and more.

Walnuts

California is virtually completely sold or committed on walnuts. We now having discussions with buyers regarding new crop needs.

We work with California walnut packers to supply our customers with Jumbo and Jumbo / Large (J/L) in-shell Chandler, Howard, Hartley, Vina, Tulare, Serr and other varieties. We also provide bleached in-shell walnuts in addition to California shelled product including Chandler and non-Chandler Light Halves & Pieces (LHP) 20%, 40%, 80% and higher based on customer requirements. We also supply Combo Halves and Pieces (CHP) and Light Sorted Pieces (LSP).

Cranberries

The upcoming meeting of the Cranberry Marketing Committee in August will likely include information to give a more refined sense for the future of the bulk sweetened dried cranberry markets.

We supply Conventional and Organic Whole or Sliced Sweetened Dried Cranberries (SDCs) packed in bulk cases as well as Organic Apple Juice Sweetened varieties. We also work with quarter inch diced and other diced cranberry products available as per client requirement. In addition, we supply 50 Brix and 65 Brix cranberry concentrate shipped in bulk 55 gallon drums.

June 23rd, 2019

California Natural Seedless Raisin Update



About

Anderson Exports is a bulk ingredients sourcing agency specializing in supplying the best ingredients from California and South Africa. Our newsletter delivers actionable market intelligence to inform our clients' purchasing decisions.

Products

Dried Fruits



Raisins



Cranberries



Blueberries

Prunes
Apricots
Cherries

... And more

Nuts



Walnuts



Almonds



Pecans

Cashews
Hazelnuts
Pistachios

... And more

Seeds & Pulses



Sunflower



Red Beans



Lentils

Popcorn
White Beans
Pumpkin Seeds

... And more

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