

**December 18<sup>th</sup>, 2018**

*Holiday & New Year Update*

**Happy Holidays!**



**Happy Holidays!**

**Thank you for  
your business.  
We look forward  
to working with  
you in 2019!**

**Happy New Year!**

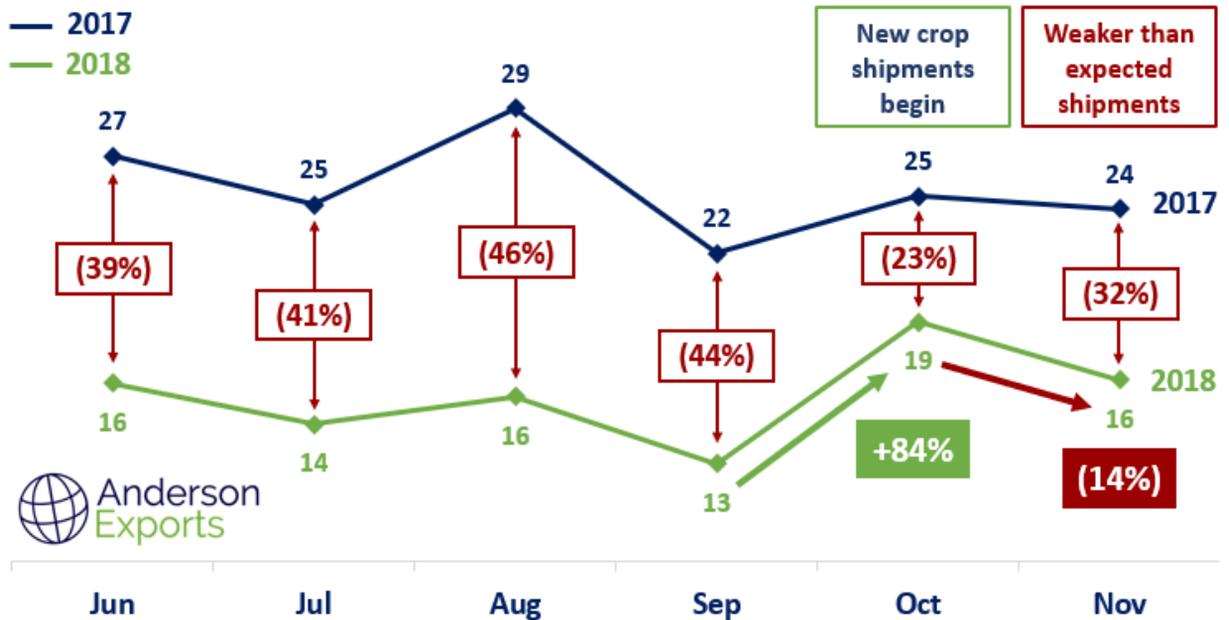


### Raisins

Total domestic and export shipments of California raisins were lower than expected in November.

**In November, total shipments of California raisins were weaker than expected, 14% lower than Oct.**

**California Natural Seedless Raisins**  
Domestic & Export Shipments — Monthly Shipments (000s Packed Tons)



Some suppliers are offering slightly lower pricing in order to facilitate business but the market in general is relatively stable. Some raisin processors are comfortably sold and some even much more strongly than last year at this time. However, other suppliers may have grower payments due or there may be other reasons that could be motivating more competitive pricing in some instances. Even with the weaker than expected total shipments in November, we do not expect a major decrease in price for California raisins. We are not likely to see a drop in price the way we did 2 years ago due to the continued demand from California's core customers. This is good news for both buyers and sellers as we can expect relatively stable pricing with some packers willing to hold their pricing steady and even raise it after the new year.

### Raisins (Continued)

Due to a number of issues, including overhanging contracts from last year, there is still likely major demand to be filled for many buyers' forward needs leading into 2019. Other buyers have been slow to cover, opting buy hand-to-mouth rather than forward contracting. In any case, the next 60 - 90 days will better determine the state of the industry and where California's crop will be in regards to carry-in for the 2019 season.

Domestic demand for California's raisins has been strongest for spot and LTL shipments. This domestic demand has been stronger than normal, following the trend of hand-to-mouth purchasing seen in the export markets.

Chile is essentially sold-out of last year's raisin crop besides some miscellaneous types and sizes. The new Chilean raisin crop is developing well and has benefited from favorable weather. Though early to tell, the total crop is expected to be in the 50K MT range. Prices for the new 2019 Chilean raisin crop should be settled in January & February 2019. South Africa's new raisin crop is also developing well with estimates for the total crop in the 80K MT range. Turkey is selling out of sultana raisins more rapidly than in prior years. Export shipments, primarily to Europe, have been quite strong in the past few months.

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.

### Walnuts

California walnuts has seen a marked recovery in pricing from the early days of this season's harvest. For those buyers who were fortunate enough to book their material early, some may have booked contracts for Chandler J/L in-shell walnuts as low as USD \$0.75 / lb. These buyers are likely to be quite content not only with the margin on these early contracts, but also with the steady rise in price we have seen over the past few weeks. Business is reportedly being done at much higher levels today. This price stabilization reflects the overall sold position of California walnut packers, with many comfortably sold if not entirely sold out of in-shell Chandler product for this season.

As we approach the end of 2018, many packers will re-evaluate their sold positions after the 1st of the year, re-entering the market at the prices they feel will get their product sold. This will mean pricing will depend on the individual packer and their comfort level with their currently contracted inventory.

### Walnuts (Continued)

We work with California's top 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.

### Almonds

Strong demand for almonds was reflected in the latest shipment report for November. Shipments totaled 237.6 million lbs in November, up 4% compared to the prior year period. The market has firmed since the report was published as many suppliers opt to hold off the market while prices creep up rather than sell earlier at lower levels. Shipments to China and Vietnam were quite strong and domestic shipments were stable. Even with larger and larger crops, California almonds continue to post strong shipment numbers--invalidating the possibility of oversupply, at least for the time being.

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.

### Cranberries

As we enter 2019, it seems that uncertainty remains the only constant in the ongoing trade spats between the Trump Administration and China. The current duties total 40% for US product shipped to China. This will have consequences for the New Crop cranberry harvests globally. Tariffs being the primary issue on many buyers' minds, will push both Chinese and European importers to look to Canada and Chile as their option of first resort. This is good news for Canada and Chile, although their total production will in no way be enough to cover the total demand for these buyers looking to escape the pressure caused by tariffs.

Also adding to the uncertainty surrounding cranberries this year are issues similar to those faced by the raisin industry in that there are still a number of overhanging contracts from the previous year at last year's prices. All of this adds up to current pricing that is likely to remain high for the foreseeable future, with buyers likely to purchase the non-USA fruit from Canada and Chile rather quickly. This will leave the remaining global demand to be purchased hand-to-mouth until buyers feel confident enough in the stability of pricing and/or tariffs to jump back into the market for forward contracts.

We supply Conventional and Organic Whole, Sliced, or Diced Sweetened Dried Cranberries (SDCs) packed in bulk cases as well as 50 Brix and 65 Brix cranberry concentrate shipped in bulk 55 gallon drums.

# December 18<sup>th</sup>, 2018

## Holiday & New Year Update



### 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

#### Bulk



Sugar



Soy



Corn

ICUMSA 45  
Soybean Std #2  
Animal Feed

... And more

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