



Global Market Report

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PRICE TRENDS:

Albacore -Firm

Tongol – Firm

Skipjack- Firm

Yellowfin- Firm

Pineapple- Firm

Mushroom- Firm

Mandarins: Firm

Artichokes: Firm



Skipjack Tuna

Fishing has been poor in all catching areas. Reports from Eastern Pacific show severe slowdown in catch. They are getting about 10/MT per day/boat. PNG is reporting 20/MT per day. Deliveries of raw material to canneries are being delayed. Total fresh fish landing in General Santos is about 50 MT per day. The incoming raw material is just enough to serve old contracts. Packers are only taking hand to mouth position due to high RM prices. Thailand canneries are reportedly paying above \$1900/MT for raw material for June deliveries. The FAD ban will begin in July. Demand from EU/Japan is high. Canneries are running minimum capacities and as per reports some may have to shut down.

Outlook: Firm.

Yellowfin Tuna

Yellowfin supply has been extremely limited. 10 KG up fish is now being traded at \$2900 Per MT levels both in EU and Japan. Some sources indicate that price will move above \$3000 soon. Fish suppliers are separating yellowfin for sales to EU and Japan due to high demand/better pricing. Canneries are receiving some volume of small size yellowfin 90:10 ratios mixed in with Skipjack. Avg price \$2300-2400/MT but volume is very limited

Outlook: Firm.

Tongol Tuna

Both Thailand and Vietnam are reporting extremely limited supply of raw material. Fish size is too small giving poor yield (about 10-12% less than skipjack). Thai packers pay 55 BHT per Kg (\$ 1850/MT.). Vietnam season has started slowly but all available volumes are being sold on spot basis. Prices stay firm.

Outlook: Firm

Albacore Tuna

The March 11th Earthquake/Tsunami has created serious damages to Japanese fishing ports and vessels. What is worse is the later on radiation scare/issues which made the usual summer albacore fishing basically to be zero. Japan's summer albacore season used to be from April to July/August and during the season majority of the catch is consumed by Japanese domestic market and then the balance quantity of around 30,000 to 50,000 MT each year is usually exported to other countries. However, this year because of the disaster, Japan faced with severe shortage of supply and had to depend on fish from other origins. With the off season (march-July) in Indian /Pacific ocean and such big demand from Japan forced the market to be at high levels. Market has reached from a \$2900 level in march to a current level of \$3600 MT and above.

Outlook: Firm/very limited supply



Mushrooms:

The unexpected bad cold weather of this year caused reduction in fresh mushroom supply. The output of mushrooms was much fewer than previous years. Supply of mushrooms fell short against increasing demand. Price of raw material has been rising up by 25-30% since December. Major suppliers in China has lost their '0%' duty status and unclear on final resolution by USDOC. Only 2 packers from China are now shipping. But availability is extremely limited with high prices. Production /availability from India is limited too.

Outlook: Firm



Pineapple:-

Thailand reports improved RM supply during 2nd half May/June and fruit price has dropped to 5.80 to 6.50 BHT Kg.. However, the current improvement in supply may not offset the shortage of 2010 and the increasing demand from importing countries. Overall supply in Thailand during the first 5 months of this year (Jan-May2010) is 1,100,000 MT. Production cost has increased due to high fuel prices/cost of tinplate and increase labor expenses. Some areas (small suppliers) in Thailand are

reportedly having high nitrate issues from fruit supplied by uncontrolled farmers by use of fertilizers for fast growing. This is mainly affecting the juice market and as a result frozen pineapple juice concentrate market has softened as the affected suppliers try to release their inventories and low prices. The larger suppliers with better control procedures are still maintaining existing price levels for Juice as they don't have a nitrate issue. Canned pineapple prices has shown a slight decrease during the past 2 weeks but major suppliers predict that price will rebound once the peak summer season is over. Packers also anticipate additional increase in cost of tinsplate starting the 3rd quarter. Some suppliers are also reporting labor shortage.

Chinese peak Season is over. Raw material price has increased again. Fresh market demand is high in China causing very low volume delivered to the canneries.

Outlook: Firm



Mandarin Oranges:

The food service inventory in China has depleted within the first 5 months of this year. All the booked volumes have been shipped out already. However, the case of retail is different. Importers/customers have not pulled out their booked volume in the same ratio as the food service movement. As a result some suppliers are concerned and apparently offered product to the market to maintain their cash flow.

Forecast on the next crop- too early to predict. However the general situation in China is quite bad. Hunan/Hubei/Jiangxi/Jiangsu regions, referred as the "the warehouse of Chinese food", are facing with serious drought situation. The lakes have no water. The paddy fields near the mandarin orange growing areas are dried up. (see pictures below) Typically this will influence the production of Yellow peaches, pears and Mandarin oranges. Domestic food prices have increased- (growth rate is 9%).



Forecast: Firm



Artichokes:

Spain has finished their production season. Market remains firm since beginning of the season. The average cost in raw material around 20% higher than last year. There is very limited volume of unsold stock available. General prices were about 20-25% higher than last year. Peru anticipates normal crop with similar volumes of previous season. However, all their anticipated crop volumes are reportedly sold out/committed for customers. Some canneries are offering but prices are about 30-35% higher than last season. Limited quantities are available from Chile

Outlook: Firm



Olives:

The general situation is similar to that of previous month. During last 2 weeks European customers have reportedly booked some major volumes of green olives in retail size. Green olives prices are basically stable for the past several months. Supply of black olives was sufficient to keep the prices stable as well even though packers expected some increase due to anticipated shortage in specific counts used for sliced. But the reality is that the demand has not been increased so packers are reportedly keeping prices to similar levels as in the past. Some increase is expected in cost of tinplate in the near future, but not sure.

Outlook: Stable

Peppers and Pimientos:

Peru has no carryover inventories from the previous crop. Next season will begin in Sept/October. Spanish season will begin within next 2 weeks. Price has not been established yet.

Outlook: Firm.

Coconut Products:

The general situation still remains unchanged. Fruit supply has improved slightly but still not enough to fulfill all the pending contracts. New trees will take at least 7 years for harvesting. Fruit price is 48 BHT/kg. Some packers continue to source RM from other origins at high prices to meet the current demand. Increase in cost of tinplate is also affecting the final price.

Forecast: Severe shortage

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