

PAUL M. MÜLLER

SEIT 1956

FOOD NEWS

MARKET REPORT

ISSUE JULY 2024

18.07.2024

„Those who enjoy the sun in summer carry it in their hearts in winter.“

Rainer Haak



Dosed – our column

What is the best thing about summer for you? The abundance of fresh fruit and vegetables? The long days? Or the upcoming vacation? Summer means something different for everyone. But for many farmers, producers and processors, it certainly means one thing: the most exciting and labor-intensive time of the year. The grand finale, so to speak, that you have been working towards for several months. The positive news is that the weather in many European countries of origin of tomatoes, capers, apples and the like is generally good: unlike last year, the temperatures are not too hot and the water situation is (so far) good. However, there are and have been extremes... For example in northern Italy, when numerous tomato fields were flooded by persistent rainfall. More on this in our New Season news.

Raw materials are one thing, transportation, processing and the economic situation are another. Two factors are currently keeping the industry on its toes: firstly, freight rates from the Far East, which have multiplied compared to the previous year. Secondly, the rise in interest rates, which is also having an impact on the final price. This is because trading in large quantities of food requires a lot of money, which often has to be borrowed from the bank. After years of 0 percent interest rates, they have now risen again - making loans more expensive.

Producers (but also retailers like us) are confronted with this. And while we're on the subject of interest rates, we should also take a look at Turkey: Interest rates for banks there remain at 50 percent, making the previous description of interest rates in other European countries seem ridiculous.

No matter where we look: Overall, there is a sense of restraint on the market. Due to the overall economic situation, demand is lower than usual, but prices cannot and will not fall in the foreseeable future. At the same time, there are too many uncertainties in the world, which make long-term economic decisions difficult and require a great deal of courage.

You can see that not only does everyone have their very own plan for the summer, but also the individual challenges that surround them.

No matter what the best thing about summer is for you, we wish all producers and manufacturers a good harvest and our customers successful business.

Culinary greetings from Oberhaching

Thomas Schneidawind



Türkiye: Good harvest forecasts, but numerous challenges

Positive news with regard to the fields in Turkey: the **Water supply** seems **sufficient** and good results are expected for the upcoming harvest. Let's hope that no natural disasters such as hailstorms or extreme heat intervene.

There are enough challenges anyway. The **Inflation in Turkey remains at a high level**. In June 2024, it fell slightly compared to the previous month for the first time in a year - from 75.45 percent in May 2024 to 71.60 percent in June 2024. Nevertheless, the latest figures from our local contact show significant inflation rates compared to the previous year: for example, for energy (86%), cardboard packaging (68%) and minimum wages (49%). Prices for ingredients and raw materials have also risen sharply, for example, salt by 54% and vinegar by 38%.

Another **The challenge is the high level of interest rates** of 50 percent, which is particularly disastrous for factories if they do not have enough equity to cover their production costs and are not granted sufficient credit lines by the banks. And then there is the weak Turkish currency. When exporting products, Turkish producers are forced to sell their products for prices that are below their actual production costs. The situation is serious and we are hoping for a rapid improvement.



Tomatoes:

Long harvest season expected

Tomato lovers can look forward to the harvest starting in just a few days in some places, **the yield already appears to be good**. First a look at **Northern and southern Italy**. The starting signal for the harvest is planned for next Monday, July 22 - initially with small quantities, as the planting period (especially in northern Italy) extended over a long period from April to June this time due to the weather. The reason: due to the weeks of rainfall, fields were flooded and some of them had to be replanted. Some of the plants that survived the prolonged wet weather are suffering from diseases and are not as productive as usual. Therefore, these points are safe: **Harvest time will start slowly** last longer than usual, reach their peak in September and (if the weather cooperates) **last until October**. More precise forecasts in terms of tonnages are not expected for a few weeks at the earliest. Water does not appear to be or become a problem this year, as the reservoirs are well filled. Only in southern Italy could it become a limiting factor - depending on how dry the coming months are and whether the water reserves are sufficient.

In **Portugal** and **Spain**, the water reservoirs are also well filled. The harvest will start there in about a week. As the weather conditions have been optimal so far. Currently, **experts do not see any major challenges**. However, it remains to be seen how the weather will develop.

There is a certain amount of uncertainty when it comes to price, as the cards have been reshuffled this year for the countries of origin. **Spain** is back on the market after two years of drought and is trying to regain the lost ground. **China** is attractive for tomato paste in terms of price and volume despite a European tariff of 14.4 percent, but this advantage is offset by the high freight rates.

Northern Italy tries to maintain last year's high price level and remains proud (so far). Southern Italy has so far been more successful than in recent years in [Large can](#) (Catering size / HoReCa) has sold little and will start production for the time being.

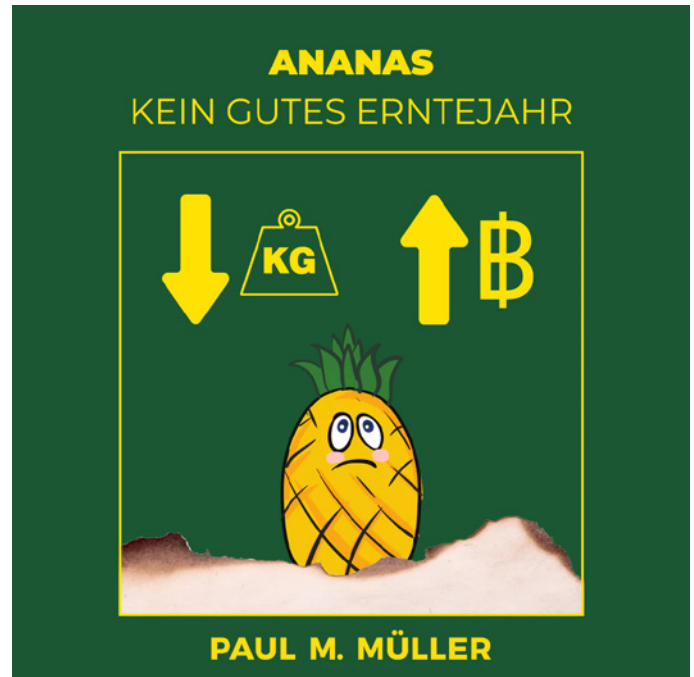
Finally, a look at **Organic goods**: Compared to the previous year, the **Volume losses** which **Prices remain correspondingly high**. Even though the greatest demand for tomato products still comes from Germany, our local expert has noticed a decline here too - „mainly due to inflation and the high price level“.

A lot can happen when it comes to tomatoes before our next Food News in two months' time. That's why we regularly report on tomatoes and other product groups on our website and on our social media channels. Information and pictures from our local partners are included here.



Pineapples: Not a good harvest year

We have already reported on this in detail in the last two Food News articles, and now the Thai Food Processing Association (TFPA) has once again provided concrete figures: 2024 (just like 2023) will not be a good year for pineapples. Ca. **The harvest volume is 25 percent lower** in the first half of the year compared to the previous year. **At the same time, the quality is poor** Small, unripe fruits with a high nitrate content and damage resembling sunburn. This raw product is particularly difficult to use for canned pineapple slices ([click here for the Overview of the different internal forces](#)). Due to the low supply, the **Commodity prices continue to rise despite poor quality** and are currently at **up to 14.20 Thai Baht per kilogram**. On top of this, the prices for processed canned fruit are also affected by the increased Freight costs influenced. And the initial forecasts for the winter harvest in a few months' time do not look good either. We will of course continue to keep you up to date. In addition, our pineapple expert Fabian Kretschmer available for questions.



Apples and pears: We can only speculate so far

Comparing apples with pears? Doesn't work! We know that, which is why we take a look at the pears first: In **China** The harvest is currently going well, but the high **Freight costs** the market. As a result, orders for pears from overseas are likely to decline further - similar to the current situation with peaches. The market in China is also weakening due to the economic situation in its own country. Even if this results in falling prices, these reductions will not have an impact on the final price in the European market because they will be „eaten up“ by the high freight rates.

There is currently even more uncertainty when it comes to apples. **Poland** frost and hail damage to the fruit trees. From **South Tyrol** we receive better news - the chances of a normal harvest are good. Please note, however, that this early information should always be treated with caution!

As you can see: How the prices for the new harvest of apples and pears will actually develop is pure speculation in many respects. We will know more in a few weeks' time. Namely after the Prognosfruit from August 7 to 9 in Budapest. As part of this leading global event for the fruit industry, the WAPA (World Apple and Pear Association) announced the forecast for apple and pear production and also discussed trends in the European and global fruit market.

We will keep you up to date - for example via the News section on our website, via our profiles at Instagram or LinkedIn and in the FoodNews!



Capers: Neither vegetables nor fruit

Small but tasty - capers are a popular ingredient in the kitchen. And have been for thousands of years, as archaeological finds have shown. **Caper buds** were used in ancient times as a spice or to treat medical complaints such as toothache or digestive problems. Today, they are an integral part of traditional dishes such as vitello tonnato, Königsberger Klopse, fricassee and insalata pantasca.

The product group of capers is just as diverse as their possible uses: depending on which part of the caper bush is harvested, they are referred to as capers or caper fruits. **Capers are closed flower buds** which are pickled in a spicy brine of vinegar and salt. The following principle applies: The smaller the bud, the higher the quality and the price. „Nonpareilles“ are the smallest at 4 to 7 mm, followed by the „Surfines“, „Capucines“ and „Fines“ classes, all of which you can find in our [Adria range](#) find.

If the fine flowers are not harvested, they become **Caper fruits or berries** which are also sorted by size and then **together with their stems** can be pickled. As they have a milder taste, they are ideal as a snack or topping for dishes.

Caper fruits are currently used in the **Turkey** but also in **Syria, Uzbekistan, Turkmenistan** and other countries. The season extends over several weeks, as the bushes are harvested at regular intervals. **Harvested by hand** to ensure the perfect degree of ripeness - the same applies to the buds in May and June. „This year, the harvest time is slightly delayed due to the weather,“ reported our business partner from Turkey. A look at the prices is also exciting. As there is currently an increased demand for large capers, the price rises here.

At the same time, prices for the small varieties „Nonpareilles“ and „Surfines“ remain stable, meaning that the price difference compared to the large caper buds is becoming smaller. Overall, connoisseurs are expecting a lower yield in the caper market compared to the previous year, not least because more and more capers are being sold. **fewer harvest workers** are available for this laborious work.

For all those who have now acquired a taste for it, we recommend [Linguine with tuna, olives and capers](#). On the Adria website you will not only find the right [Recipe](#) but also a great video from our partner Miesbacher Gastroservice GmbH.



INTERVIEW

NACHGERFRAGT:

Starke Partner, gute Zusammenarbeit



INTERVIEW MIT DANNY KOEDIJKER
MEDITERRANEAN FOOD PARTNERS

„For us, who live and work in a smaller country than Germany with a much smaller population, consumption is also lower. That's why it's great for us to have a strong partner like PMM at our side. Together we can improve purchasing power.“

– Danny Koedijker

Strong partners, strong cooperation: Paul M. Müller works side by side with Mediterranean Food in the Benelux countries. The company is the distributor of the ADRIA brand there. In this interview, Danny Koedijker reveals what the division of labor looks like, how the markets differ and what the major challenges of the future are.

PMM: Danny, good to hear you. You're super punctual. We Germans are usually said to be...

Danny Koedijker: Yes. Fortunately, that's also part of our culture.

PMM: What is the division of labor between PMM and Mediterranean Food Partners?

We are the distributor of the ADRIA brand in the Benelux for Paul M. Müller, so we have a really strong partnership with PMM. We talk about market developments to make sure we have a good starting position for our customers in the Benelux market. Both PMM and Mediterranean Food are strong companies that bring their strengths, knowledge and flexibility to the table.

PMM: Who are you in contact with?

I mainly work with Fabian - it's more than just a professional partnership. Fabian and I have a real friendship. The last time I was in Munich, we went to the beer garden.

When you can have a beer together in the beer garden, you can say that you're friends and not just in a business relationship. He really keeps us up to date with price developments, crop developments or sometimes even sea freight movements. We definitely have weekly contact, sometimes even daily.

PMM: How important is the ADRIA brand in your region?

The ADRIA brand is very important. PMM has built up the brand over the past 25 years together with the co-owner of Mediterranean Food Partners. We have established a good position in the Benelux market and are trying to maintain and improve it for the future.

PMM: Why do customers like ADRIA so much?

It's the good service. It's the good price. It's the quality. It is the company. The brand is well-known. It has been built up over 20, 25 years.

PMM: What distinguishes the Dutch market from the German market?

I think the markets are quite similar. The difference could lie in the fact that we primarily have higher quality products in the ADRIA range for the customers we supply. Customers pay more attention to quality than price. I think the quality is a bit higher than on the German market. When it comes to peeled tomatoes, the quality in the Netherlands is higher than in Germany. As far as pizza sauce is concerned, the Dutch only want the Sugal brand. It's thicker, so you don't have to add tomato paste or anything like that. In Germany you can see that there are different qualities and that less quality is sometimes okay. Fabian told me that he sells a lot of Egyptian pitted olives. In the Netherlands, there are only Spanish olives because of the higher quality standards.

PMM: Are there any other differences when it comes to food?

The way of living or going out is essentially the same. With one exception: the lunch break. In the Netherlands, it's not customary to go out for lunch. When Fabian is here, we do that too, of course. Otherwise, we just work through our lunch break, eat a slice of bread and that's it. So we Dutch don't take time for our lunch break. This is very different from what I saw in the southern part of Germany when I visited Fabian and Thomas. All the restaurants are full at lunchtime. That's not how it works here.

PMM: What about dinner?

We don't take time for that either. When the Dutch are at home, it only takes 10 or 15 minutes and then we've eaten. People prefer to stay at home, but that's also a question of price. I was just talking to Fabian about the gastronomy news in Germany recently. In the Netherlands, it's no longer fun to go out to eat, even if you order a pizza at home, it's now normal to pay 16 to 18 euros. A piece of meat also costs 32 to 35 euros at the moment. In comparison, pizza is still cheap.

PMM: What makes working with PMM interesting for you?

For us, who live and work in a smaller country than Germany with a much smaller population, consumption is also lower and that's why it's great for us to have a strong partner like PMM at our side. Together we can improve purchasing power. Some items are delivered directly from the country of origin to our warehouse, but we also have the option of loading the goods from PMM's warehouse.

PMM's knowledge and experience of the market is also very important to us. For us, it is not just a supplier-customer relationship, but really a strong partnership.

PMM: What are the biggest challenges for the near future?

Climate change is probably the biggest challenge.

PMM: What will change in the Benelux market in particular?

Prices can change, but that's something you can more or less predict. I hope that prices will become more stable.

PMM: What are your plans for the future?

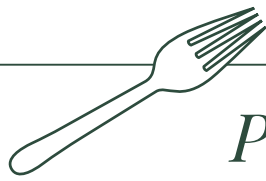
I am positive about the future. Our plan is to grow by taking the right steps. In addition, quality and stability will be the focus for us and our customers. With this in mind, I am confident that we can achieve the right growth in the coming years.

PMM: Thank you very much for the interview, Danny.

Thank you very much. We really appreciate our partnership because thanks to Paul M. Müller we can do what we do. It's a really great advantage to have this partnership. It's something very special. We hope that we can continue with it for many, many years to come.

ABOUT THE PERSON - DANNY KOEDIJKER

Danny Koedijker is 31 years old. He lives in Sneek, in the north of the Netherlands. He founded Mediterranean Food together with Jörgen Bodewes in January 2023; the two are partners in the company. Danny has known Jörgen since August 2018. Before that, he worked at Mediterra, Jörgen's previous company. Danny is married, he and his wife have two sons: Sem is two and a half years old and Mick was born in April 2024.



Picked up

Citres Food Trends: Veggie patty in no time at all

Always on the lookout for the ripest fruit, the best vegetables and the most reliable quality - we share this passion with our partner Citres from Italy. The two pesto varieties „alla Genovese“ and „Rosso“ are currently part of our range. We wanted to find out from our colleagues on site which **Food trends currently in Italy** observe. The clear answer: convenience food is unstoppable - as is the **Love for burgers with or without meat**. The problem: ready-made products contain numerous additives and making them yourself often simply takes too long in the catering business. The solution: vegetable-based mixes that **together with breadcrumbs in no time at all to make succulent Burger patties** are spiced up with additional spices or other ingredients such as meat, cheese, pulses or herbs.

And yet: the burger trend will never be able to replace the numerous delicacies of Italian cuisine - fortunately! In addition to the aforementioned Pesto currently include gluten-free spreads (e.g. with Artichokes, Pumpkin, Pistachios or Chicory) are also very popular with Citres customers.

If you are also open to new food trends or simply curious about the variety of Citres products, please contact us.



Shipping traffic: Rising freight rates

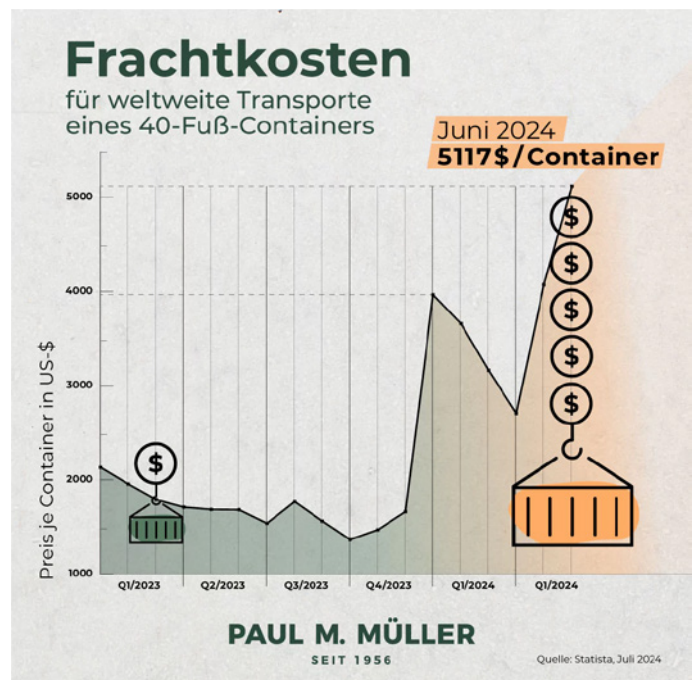
Container freight rates on the Shanghai-Rotterdam route were 422 percent higher on June 20, 2024 compared to the previous year (source: Drewry). And even with these **Record prices** timely delivery of the goods is not always guaranteed because containers are missing in some places or packers delay shipping in the hope of falling prices. As you can see: The industry is facing a huge challenge (especially for freight from Asia to Europe). So let's take a look at the combination of geopolitical and economic factors behind this situation!

This is how the **Conflicts in the Middle East** (especially in the Red Sea) continue to hamper shipping. In order to avoid the threat posed by Yemeni Houthi rebels, many shipping companies have been avoiding the several thousand kilometers further route via the Cape of Good Hope since mid-December 2023. This not only leads to **delayed transportation times and rising costs** but also to **higher sums insured** which are reflected in freight rates.

In addition **lack of cargo space** This is due to the delays described above and may have been artificially exacerbated by the shipping companies. On the part of buyers, traders and importers, demand for freight space is now rising again (after months of restraint). On the one hand, the harvest season is in the starting blocks in many places, and on the other, many stocks are already unusually empty. **So supplies are available** and is urgently needed.

And there is another point that currently comes into play: the already increased demand falls exactly in the same time window as the increased logistics requirements due to the Christmas business, which starts in July every year.

The chart below shows the price trends very well. Nobody dares to say at the moment whether this is an exceptional situation or whether it will become „the new normal“. However, it is clear that transportation is expensive and difficult to calculate, and this is also reflected in price increases for products.

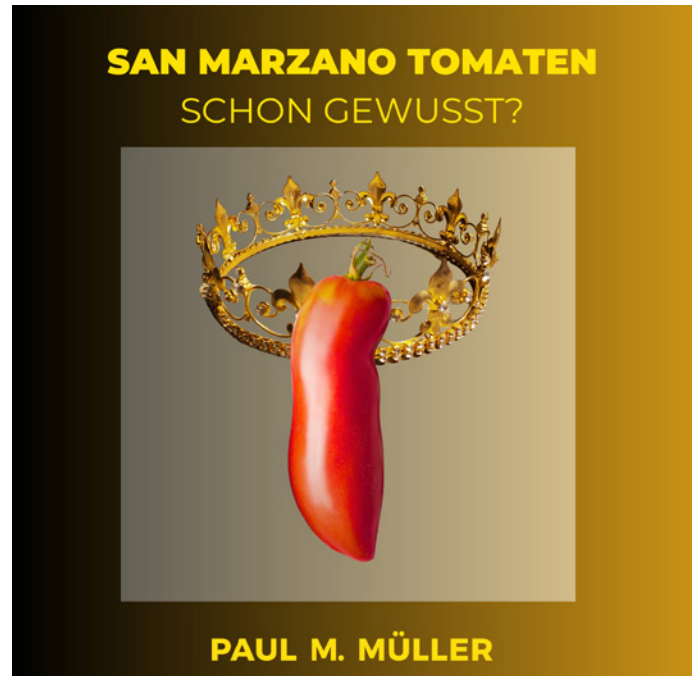


Did you know? San Marzano tomatoes

She is the **Queen among the elongated peeled tomatoes** which are also called pelati: The San Marzano tomato. This old variety comes from **Campania in Italy** and was named after the place where it was and is grown - namely San Marzano sul Sarno. After briefly being threatened with extinction, it has made a real comeback in recent years and is more popular than ever. It is considered to be the ingredient that gives real Neapolitan pizza its special flavor. The crux of the matter: due to its nature, cultivation, harvesting and **Processing by hand** This keeps the market price correspondingly high and increases the risk of counterfeiting. Genuine San Marzano tomatoes from Campania therefore bear an EU protected designation of origin (a red and yellow symbol in a round shape with a jagged edge) and the inscription Pomodoro San Marzano Dell'Agro Sarnese Nocerine D.O.P..

By the way: With us you can order [real San-Marzano-Tomaten](#) from our partner MUTTI.

You can find even more tomato know-how in our [Tomato special](#).



Review: Paul M. Müller Team Days

In mid-June, we went to the team event at Lake Achensee. It wasn't „just“ a trip in a dragon boat, but so much more:

Talking to each other, learning from each other, growing together. „We consider ourselves very lucky that every single person is part of our team,“ says Managing Director Thomas Schneidawind. „Team days are essential to keep it that way.“ Such events also play an important role in **Employer branding** This plays an important role, as it is becoming increasingly challenging to convince the best talent to join the company. Thomas Schneidawind: „We want to integrate new employees well and for this reason alone, we are continuing to work together.“

Here are some impressions from our team days: [Paul M. Müller on the road: Team days](#)

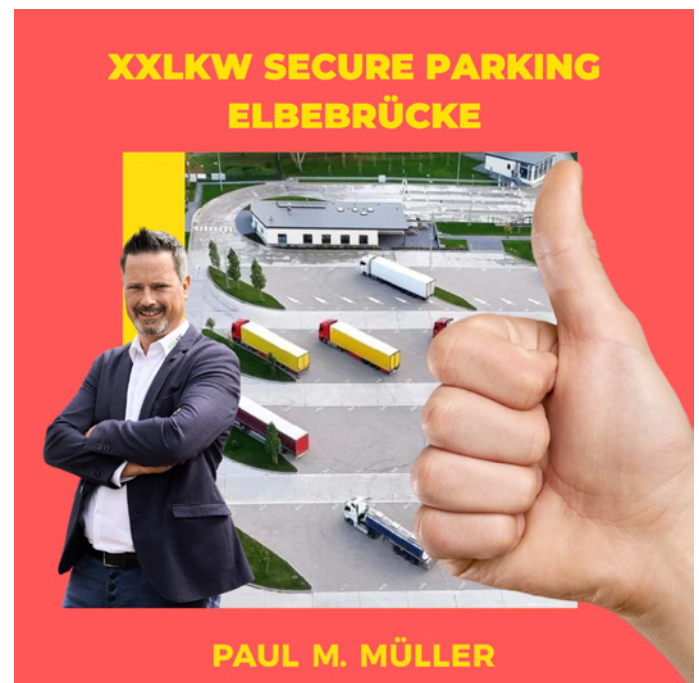


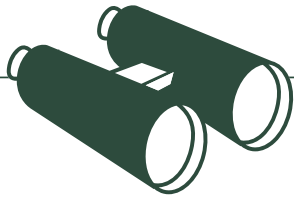


Die gute Nachricht

The good news: XXLKW Secure Parking Elbebrücke

A Truck **safety parking lot** the Counteract the **shortage of skilled workers** will - that doesn't exist? Oh yes, it does exist - and it's our good news. Gerhard Hauptstein from the Hauptstein Group, which, like Paul M. Müller, is based in Oberhaching, has developed the „**XXLKW Secure Parking Elbebrücke**“ on the A9 near Vockerode between Leipzig and Berlin. According to studies, there will be a shortage of around 2 million truck drivers in Europe by 2026. With his parking lot, Hauptstein also wants to **Improve conditions** under which truck drivers work and live. On offer: a lounge, TV, free WiFi, washing machine, an outdoor fitness trail and an area for women. Drivers can cook their own food in the kitchen and drinks and snacks are sold at fair prices in the adjoining store. **107 parking spaces** are available, there are two tariffs - the low tariff: 12 euros for 12 hours. Further information is available at <https://www.xxlkw-parking.de>





Outlook

Logistics watch out: Vacations, driving bans and Ferragosto

Summertime is vacation time! This is also noticeable in day-to-day business: Everything becomes quieter. On German freeways, the weekly Sunday driving ban for trucks from midnight to 10 p.m. is joined by a **further driving ban** added: From July 1 to August 31 are assigned to the Holiday Travel Ordinance **Freeways and main roads off-limits to trucks on Saturdays between 7 a.m. and 8 p.m.** What additionally delays logistics (especially to and from Italy) throughout August: The **Ferragosto on August 15** (in German: Feast Day of Augustus or mid-August) - also known as Assumption Day in Germany. It is usually not only **the hottest day of the summer** but also **one of the most important church and family holidays in the country**. Families go on vacation, factories come to a standstill, stores remain closed or have reduced opening hours. The **Logistics the whole week before, during and after Ferragosto in a summer break** and loading are problematic during this period. To avoid empty truckloads (and therefore higher transportation costs), our logistics are also curtailed during this time and a **Timely stockpiling is essential**. If you have not already done so, please contact us as soon as possible and allow sufficient time.



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.

Your  from Paul M. Müller