

PAUL M. MÜLLER

SEIT 1956

FOOD NEWS

MARKET REPORT

ISSUE SEPTEMBER 2024

19.09.2024

*„Change is the law of life. Those who look only to the past
or the present will miss the future.“*

John F. Kennedy



DOSED – our column

I admit it: I love the mountains. Traditionally, I go hiking in the fall, like now, and skiing in the winter. But I also associate tradition with companies like Volkswagen. „VW - you know what you've got“ was once an advertising slogan - today there is talk of plant closures and redundancies. Without having detailed insights: Political uncertainties, the pressure of transformation and competition from China are likely to be reasons why the company has become unbalanced.

We, too, are fighting against imponderables: new laws, inflation, tough (but fair) price negotiations. The big balancing act: retaining the tried and tested, focusing on the new - and always keeping our own traditions and values in mind.

One of the reasons we are able to do this is because we rely on long-standing partnerships. Harald Freudenthaler is one of them. He has been closely associated with the ADRIA brand since the 1990s. In this interview, he talks about why our ADRIA brand is so highly regarded in Austria as the head buyer and seller at ECO Gastrohandels GmbH in Vienna.

Another topic in the latest Food News: the harvest in the northern hemisphere is still in full swing and is achieving some decent results.

There is also a ray of hope in the sea freight rates in Asia, where the market is easing - read more in the „Good news“ section. In the case of haze apples, those from China could therefore be interesting in terms of price - especially as the harvest from Europe is poor and raw material prices are correspondingly high.

As you can see, we experience business and entrepreneurship in all its facets. Ups and downs are part of it. But one of the great advantages I currently see for SMEs: While we are not like a heavy cargo ship in seemingly calm waters - as was perhaps the case with VW - as a medium-sized company, we are like a speedboat on the move. Fast and agile. Always ready to take a new direction and get back on course - before dark clouds gather on the horizon. And we do this by finding creative solutions to problems, constantly questioning processes and focusing on employer branding. The beauty of it is that traditions can also emerge from new things, if you just let them...

Yours sincerely, Thomas Schneidawind

New Season

Chickpeas and beans: Heterogeneous situation

„Everything on track“, this message reached us these days from our **Partner from Spain** from which we receive our ADRIA chickpeas relate. He reports: „The harvest in the northern hemisphere (for example in **India, Pakistan and Russia**) is already over and was normal. In **Argentina** on the other hand, will not start until November.“ It remains to be seen how quality and quantity will turn out. Currently, prices are largely stable and a maximum of 2% cheaper than last year. In the coming year, our partner would also like to increase **Chickpeas from Spain** in his factory. BRC and IFS certifications play a particularly important role in the selection of suppliers, as he reports.

There is less good news on the market for **Kidney beans**: The harvest in the **USA and Canada** is running normally, but there are absolutely no offers for the necessary raw materials from these two most important origins - so speculation is in full swing. The supplier country **China** is itself a buyer on the market due to its now high domestic demand. Argentina, another source of kidney beans, is only a limited alternative for quality reasons. We are currently still stocked with products from last year's harvest - if you are interested, please contact us. Thomas Schneidawind is your right contact here.

Fun fact: pulses (also known as legumes) are healthy for the climate. On the one hand, they are a good source of vegetable protein and contain a lot of fiber, which makes them healthy for humans.

Secondly, the plants of chickpeas, beans and the like bind nitrogen (an essential nutrient for plant growth) from the air during cultivation and accumulate it in the soil. Therefore, no additional nitrogen fertilizer is required for legume cultivation and subsequent crops, which cannot bind nitrogen themselves, also need less fertilizer. This makes them healthy for the environment. The production of nitrogen fertilizer is very energy-intensive. So pulses are not only good for human health, they are also good for the planet.

KICHERERBSEN UND BOHNEN
HETEROGENE SITUATION

Ernte: normal

2025: Ernte vermehrt aus Spanien beziehen

Ernte: normal

Ernte: normal

hoher Eigenbedarf

nur bedingte Alternative durch schlechtere Qualität

PAUL M. MÜLLER

Tomatoes: Harvest in progress

Since the end of July (and probably until October), tomatoes have been harvested almost continuously in Italy, Spain and Portugal and, depending on the region, processed into pulp, passata, tomato paste and the like. The harvest is also in full swing in Turkey and Greece, while in China it is almost over. We spoke to experts on the ground and have summarized the most important information here:

First the good news: In **Southern Italy, Portugal and Turkey** the harvest is going well. The fruit is of high quality and the harvest volumes to date are in line with forecasts.

Our managing director Fabian Kretschmer a few days ago in **Portugal** to see for yourself at a local partner: „Industrial tomatoes offer super produce in good quality.“

In **Turkey** the production has reached its peak: the first products from the new harvest are already available and appear promising in terms of both quality and price. „The harvest is 90 percent complete in the southern regions and 70 percent in the Bursa area. In Konya, we are still in the middle of it,“ says our Turkey expert. The price of raw materials has fallen by 3 percent compared to the previous year. On the one hand, this is due to remaining stocks. Another reason is the high financing costs due to inflation, which means that only goods that have already been ordered are actually produced and less to no goods in stock. Nevertheless, the customs duty, e.g. on tomato paste, is currently 14.4 percent and must be included in price calculations. This also applies to goods from China.

In **Spain** the yield even exceeds expectations. Tomato paste is primarily produced there in barrels - probably more than originally planned.

From **Northern Italy** we receive less good news. „By the beginning of September, 340,000 tons less were harvested than in the previous year,“ says our partner, explaining: „This means we would be 10 to 20 percent short by the end of the season.“ Why is that? The weather conditions for the early varieties, which are harvested from mid/late July, were already poor at the start of the season and the harvest forecasts were low. Hopes were therefore pinned on the late varieties, which are harvested from mid-August. However, it is now clear that even these varieties will not achieve the expected and hoped-for yield. In a normal harvest, the yield is more than 70 tons per hectare.

The current yield is only around 60 tons, which is around 15 percent less than in a „normal“ year. Due to the lower quantities, production is not running at 100% capacity, which in turn significantly increases the production costs in the factory. During their visit to MUTTI on September 12 Thomas Schneidawind and Eduard Kekel saw it for themselves: „Production was only running on two out of ten lines on the day of our visit due to the rain. That is far from economical. This means that large quantities are missing throughout northern Italy in order to reach the packing targets - let's hope for better weather that lasts into October.“

Finally, a look at **China** In the north-western region of Xin-jian: temperatures have been higher than usual for months. In the tomato fields, the fruits are therefore all ripening at the same time - and not stretched out over a longer period as planned. As a result, around 20 percent of the tomatoes cannot be processed because they are overripe. As a result, the total yield is estimated to be 300,000 tons less than expected and will only be 1.2 million tons instead of 1.5 million tons.

By the way: we regularly share the latest pictures and videos from our local partners on our social media channels. For example, you can find exciting insights into how the huge tomato fields, harvesting machines and factories in Spain look.



Apples: Bleak harvest outlook in Europe

„The apple harvest in **Germany** will probably be lower this year than it has been for seven years,“ reported the Tageschau in mid-August. The reason: late frosts that froze the flowers. There was talk of around 22 percent less yield than in the previous year. At the beginning of September, this forecast was revised slightly downwards. Accordingly, the harvest in 2024 is estimated to be 15.7 percent lower than in 2023. However, as 2023 was not a good apple year, the expected harvest volume in 2024 is still 21.3 percent lower on a three-year average. The situation also looks bleak in other countries. In Poland (the most important apple-growing country in Europe), the harvest volume is estimated to be 19.6 percent lower than in the previous year. In other words: a drop of 25.0 percent on a three-year average. So it's not a surprise that the total harvest volume of **European apples** in 2024 is estimated to be over 11 per cent lower than in 2023.

As a result of the situation described above, we can expect to see price rises for dried apple pieces from Europe: Last year, the raw material price was 0.32 euros per kilogram of apples. This year, we are already talking about over EUR 0.40 per kilogram. More precise price forecasts will be possible once apple pulp production begins at the end of September.

On the other hand, we have received more positive news from **China**. The harvest looks very good and the current fall in freight costs could also make apples from China an option (at least in the short term). However, it should be borne in mind that this increased demand could also lead to higher prices. Our expert Eduard Kekel stays on top of the topic and is your contact for all questions relating to apples.



Pineapples: Factories stay closed longer

The **Thai pineapple market (one of the most important for us) is at a standstill**: Fruit is missing and many factories are still closed. For example, in the south of the country, where production was originally scheduled to start in mid/late September. There is now talk of October and **the expected harvest volume is likely to be 23 percent lower** than expected. So as soon as more factories start processing the winter harvest, they will compete for the limited raw materials and the **Prices rise accordingly**. How they develop in the coming weeks until the end of the year depends primarily on the further harvest in Thailand.

In November/December, it will therefore be decided whether Thai pineapples are competitive on the global market compared to those from Indonesia and the Philippines.

Also with **Partners from Kenya** we are always talking about pineapples: June, July and August are always a „low season“ there due to the cooler temperatures. However, due to flooding and heavy rainfall this year, experts were even talking about a „**Low Low Season**“. For weeks, there was so little raw material that (as in Thailand) no production was possible here either. In the meantime, the **Easing the harvest situation somewhat** and the shortfalls are slowly being worked off (probably over the next few months).

Incidentally, it's not just the pineapple situation that is currently causing concern. The prices for (tropical) fruit cocktails could also rise. On the one hand, because of the situation with pineapples from Thailand described above. On the other hand, because **Heavy rainfall** in Asia other fruits. For example papaya, which is also an integral part of our tropical fruit cocktails from Adria are.



INTERVIEW

NACHGERFRAGT:

Einblicke in Ethno-Handel und -Gastronomie



INTERVIEW MIT HARALD FREUDENTHALER
ECO GROSSHANDELS GMBH

„A brand becomes a brand when the customer is happy with it.“

– Harald Freudenthaler

Harald Freudenthaler has been closely associated with the ADRIA brand for many years. His first encounter with the brand was back in the 1990s, and since then he has enjoyed a close, trusting working relationship with Paul M. Müller and Managing Director Thomas Schneidawind. Today, Harald Freudenthaler works for ECO Gastrohandels GmbH in Vienna as a senior buyer and seller and shares his insights into the ethno trade in Austria with us in this interview.

PMM: Mr. Freudenthaler, why is the ADRIA brand so important in Austria?

We started distributing the ADRIA brand in Austria with Paul M. around 30 years ago. You have to know this: Here in Austria, the boom in pizzerias began in the late 1980s and early 1990s. Back then, the effort involved was very high and the Italian gastronomy industry was slowly rethinking its approach because it wanted to reduce the amount of work involved. At the time, the products involved a lot of work and manual labor, such as grating cheese or slicing salami or pepperoni. The problem was that these convenience products were not available on the market. Together with Paul M. Müller, he started an attempt to import mild and hot sliced pepperoni in jars. Back then, Thomas Schneidawind and his Turkish producer actually managed to realize their wish and deliver the first containers of sliced peppers to us. To this day, the ADRIA peppers are mild and spicy cut very well known and incredibly popular throughout Austria - still one of our best-selling ADRIA items.

PMM: What other examples are there?

When we started selling and positioning the ADRIA brand in Austria with all items for the Italian food service industry, pizzerias gradually realized that they could rely 100 percent on the quality and price. This attitude and the positive perception of the ADRIA brand have grown steadily in Austria since then and will continue to do so in the future.

PMM: How does a brand become a brand?

By having the confidence to list an unknown brand - that's how it was when we sold ADRIA products for the first time. It is also very, very important for a brand, especially in our industry, that the product has a very high recognition factor when it comes to visual presentation. A brand also becomes a good brand through the constant availability of goods. Nobody benefits from a great brand if it is not available. It is also important that a brand becomes a brand when the customer is happy with it. When they are proud of it and say: I only work with this brand.

PMM: How is your company planning logistics in Austria?

In and around Vienna and the neighboring provinces with own logistics. Everything concerning the ADRIA brand or smaller, medium-sized wholesalers with external logistics.

PMM: What are the major challenges in the ethnic market?

In my opinion, it is very important to understand the mentality and culture of our customers in the ethnic market. If you don't understand the people, then it simply won't work, because the ethnic customer reads and listens between the lines. Business talks are not just about business. If you manage to cultivate this special culture of conversation, you can not only build good business relationships, but also long-term friendships. Another point is the ordering system in this customer group. Most orders from ethnic customers are processed over the phone for the reasons mentioned above: We still talk to each other.

PMM: What are the top sellers of the ADRIA brand?

Tuna, corn and peppers. Tuna is the measure of all things for us. It is used for most dishes, such as tuna salads or tuna spread. Between 80 and 90 percent of the tuna I buy and sell goes straight onto the pizza. It's the same with corn. And with pepperoni anyway.

PMM: How important are strong partnerships like the one with Paul M. Müller for ECO Gastronomiebedarf?

Enormously important. I know that we cannot be successful in the long term without a strong sponsorship. A strong partnership is characterized by the fact that we believe in each other and work constantly to continue to be successful together. Our focus is not on the classic customer-supplier relationship, but on a customer-supplier relationship based on partnership. Thanks to many years of working together, I naturally know the entire team very well - I have great and competent contacts for every area and all my concerns. Even if something doesn't run smoothly, we stick together.

Thank you for the interview.

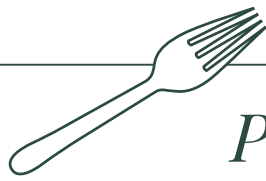
For space reasons, we have shortened the interview for the market report in some places. You can find the entire interview and many more with other interesting interviews on our website.

ABOUT THE PERSON

Harald Freudenthaler started out as a delivery driver in a four-man business in the early 1990s and later switched to field service. After holding various professional positions, he joined Gastro Profi in 2011, where he was a founding member, managing director and later an authorized signatory. He has been working for ECO Gastrohandels GmbH in Vienna (Austria) since 2022 and is in charge of purchasing and sales for ADRIA products.



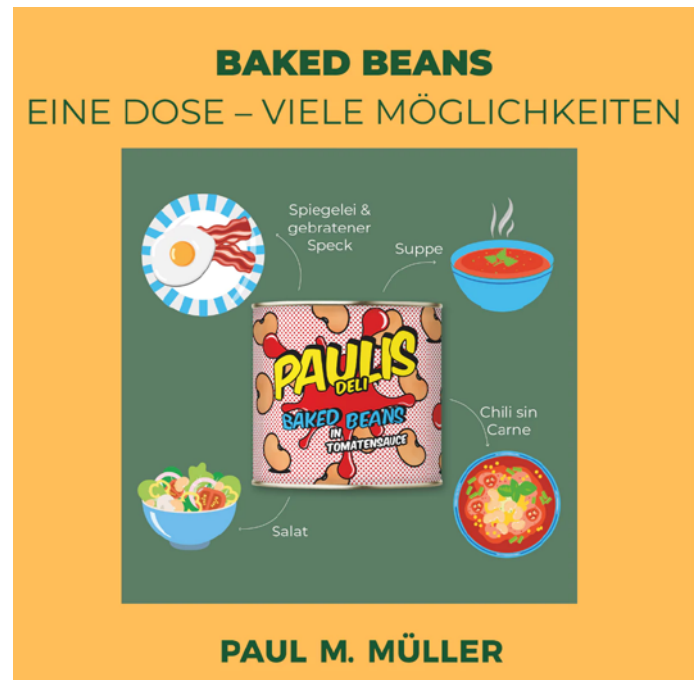
[You can learn more about ECO Gastrohandels GmbH on our Partner site.](#)



Picked up

Baked beans: One can – many possibilities

Thank god - it's Friday! Baked beans are an essential part of a cosy breakfast (whether buffet, à la carte or at home), aren't they? For example, the classic way with a fried egg and bacon. The good news is that our **PAULIS DELI Baked Beans** are quick and easy to prepare - and the result is super tasty! However, they are not only perfect for breakfast, but also as a base for various dishes at lunchtime or in the evening - for example as a base for **soups, salads or chilli sin carne**. You can find our favourite recipe and video for the latter [here](#). Bon appétit!



Pesto production: The secret of Citres

Basil is the star of many dishes. Likewise **Pesto alla Genovese** in which the herb clearly plays the leading role. The big challenge during production: preserving the fresh taste and at the same time guarantee a long service life. This is exactly what Citres and convinced us with it. We have had the pesto (and other products from the producer) in our range at Paul M. Müller for over 5 years. In conversation with the manufacturer, we gained **exciting insights into production and ingredient selection**:

In June the **basil harvest in Italy** are in full swing - and so is pesto production at Citres. After the short transportation from the field to the factory, the basil is **cold ground** and directly **mixed with sunflower oil** - the perfect flavor preservative, without any additives! Wait - sunflower oil instead of olive oil? Yes! The explanation is as follows:



Sunflower oil is more heat-stable, so it retains its sensory properties even at the 90 degrees Celsius required for pasteurization without becoming rancid. It also guarantees consistent quality with **36 months minimum shelf life!**

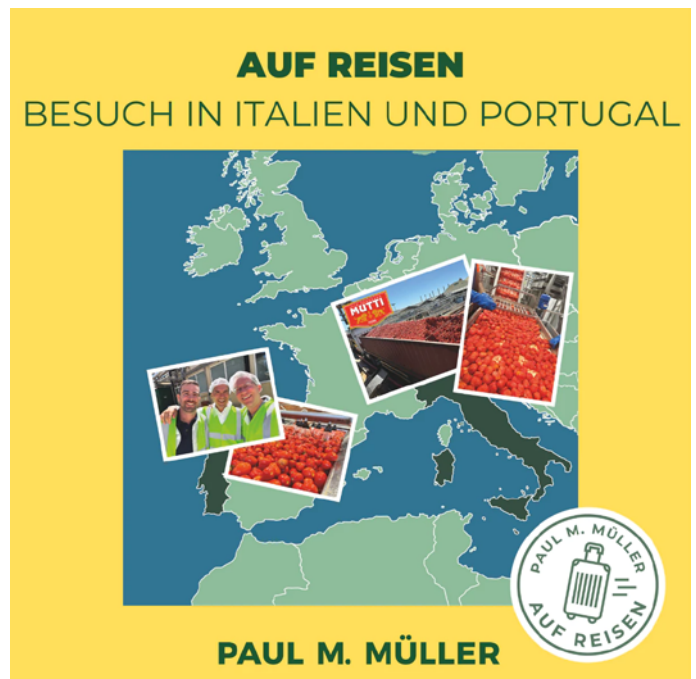
With Citres Pesto alla Genovese, however, it's not just the inner values that count. The **polypropylene container** is well thought-out and ideally suited for use in commercial kitchens.

It is **Unbreakable, lighter and more practical** than its glass counterparts. Reusable, resealable and recyclable on top of that!

Now we are interested: What is your favorite recipe with pesto? Feel free to write to us - we'd love to hear from you! And if you need pesto, please contact us at [Eduard Kekel](#) with your request.

Traveling: Visit to Italy and Portugal

PMM on tour: Our team has been travelling for you over the past few weeks. Our Managing Director Thomas Schneidawind and Eduard Kekel (Purchasing and Sales) visited **MUTTI in northern Italy** and gained a comprehensive insight into the current harvest as well as the factory and warehouse in Parma (more on this in [last Tuesday's Talk](#)). Managing Director Fabian Kretschmer travelled to **Lisbon in Portugal**, together with Barbara Deman from Quality Assurance **to meet a strategic partner**. During their visit, both were impressed by the modern technology at the plant and recognised **promising development potential** for future products. It is important to us to maintain personal meetings with our partners in order to build **sustainable and constructive relationships** - also in the interests of our customers.

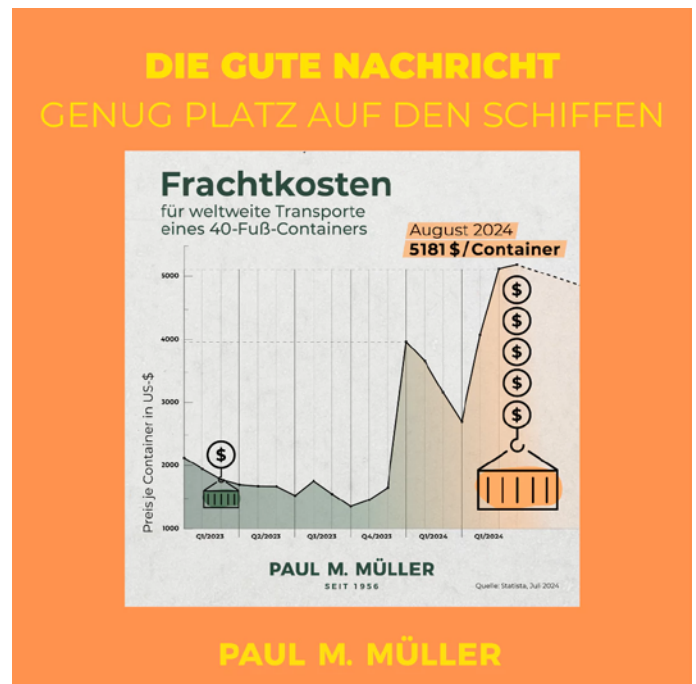


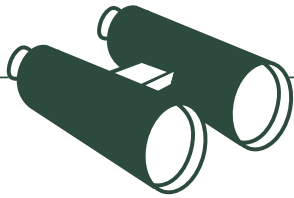


Die gute Nachricht

The good news: Enough loading capacity on ships

The market for **sea freight in Asia** is currently easing. There is currently **loading capacity on the ships** and heavy **20-foot containers are also being carried again**. The reason: due to the uncertain situation, many importers have brought forward cargoes to July and August that should originally have been shipped later. As a result, the **volume of cargo is currently lower**, creating more space on the ships and causing freight rates to fall. **The price of crude oil has also eased considerably**, which has contributed significantly to this. However, it is possible that rates will rise again after Golden Week (29 September to 6 October). These ups and downs could continue until after Chinese New Year. So it remains exciting!





Outlook

Save the date: Fairs and festivals in autumn

While we are wistfully saying goodbye to summer, we are also looking forward to autumn. Firstly, there is the **Oktoberfest**, which takes place in Munich from 21 September to 6 October and is a major economic driver for the food industry. There are also **industry-relevant trade fairs** on the programme - such as **'Südback' in Stuttgart**, **'Sial Paris'** and **'Alles für den Gast' in Salzburg**. You can find the exact dates in our [Paul M. Müller trade fair calendar](#).



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.

