



# MARKET REPORT

September 2020

*If there were no crises, there would be no progress.*

*Hubert Joost (\*1939) former tax consultant*

## WHAT A YEAR



*What a year – sheer madness! This year, we have just experienced worldwide how quickly it can throw us all off track; but we have also learned, internalized and implemented a lot.*

For example, we are very happy that we moved into our new PMM headquarters a year ago. Here, generous working conditions can be implemented perfectly in accordance with the new rules. Our modern IT allows flexible working from home (WFH) with highest security and reliability. Our customers appreciate it. WFH is becoming a new standard world-

wide. One year ago, we also introduced our new private label line ADRIA. Here, too, our partners appreciate our consistent striving for top quality in the country of origin, the best price-performance ratio and a sizing in accordance with the needs of the market. Yes, the past months have been incredibly exciting. At the end of the year we will come up with another surprise, you can be curious. But for now, we wish you good health, good business and lots of fun reading this new market report.

### PMM-Service

### COOLING IS CRUCIAL

Better safe than sorry! Therefore, we would like to point this out after the hot August days: Semi-preserves such as our anchovies in sunflower oil must be chilled (not only with us in Germany)!

In order to preserve the excellent quality of the canned food, a continuous cold chain with temperatures between + 5°C and a maximum of + 12°C from the origin to the consumer must be guaranteed. Equally important is a constant storage temperature, not only at the producer and during

transport, but also in the kitchen until the moment of processing. If you observe this, you and your customers will have a top ADRIA product in your hands.



## INTERVIEW

# What is behind the *disposal costs*?



*The costs of packaging disposal are rising and rising – even in 2021 – because not everyone is pulling in the same direction. PMM will of course participate in the new disposal system and bear the costs. We talked to Diana Uschkoreit, managing director of the waste disposal and recycling company Bellandvision (Pegnitz), about the errors and confusions of the system – an explosive topic which was just taken up, also by the German specialized magazine for the food trade LZ "Lebensmittel Zeitung". However, it is clear that those who stock up on time can certainly save money.*

**PMM:** Ms. Uschkoreit, what development do you see in the area of "disposal costs" for the year 2021?

### Diana Uschkoreit

As soon as the German Packaging Act (VerpackG) came into force, it was expected that the costs for the collection, sorting and recycling of packaging incurred by private end consumers (including restaurants, hotels, etc.) will increase, as much greater efforts must be made to achieve the new recycling rates.

However, it was assumed that there would also be cost-reducing effects if, with the VerpackG and the associated Central Packaging Register Office (ZSVR), all packaging subject to the system participation requirement from all manufacturers, traders, importers, online traders etc. were fully involved. Unfortunately, this has not yet happened.

In addition, the VerpackG allows local authorities to set guidelines. For example, they can specify how light packaging (ferrous metals, aluminum, composites, plastics) must be collected from the end consumer by the dual systems. In my view, the local authorities overstretch this option. Specifications are made that are not sensible from an ecological point of view, but which mean that consumers have to pay for the collection and recycling of packaging when they buy a product.

In the case of paper, cardboard and board (PPK) in particular, the opportunities for local authorities to exert influence are increasing the price of participation in the system

dramatically. From 2021, license prices of over 200 euros per ton of paper and board can be expected, and cost increases have also occurred for materials such as glass and lightweight packaging, increasing license prices by 10 % to 20 % - depending on the material.

### What new additional challenges are emerging for industry and trade?

In 2018, the ZSVR has started its work. In 2019, audits of the dual systems and of the manufacturers subject to participation or their quantity reports were already carried out. However, the total participation quantities (license quantities) are still decreasing. Against this background, the ZSVR has greatly intensified its examinations this year. If all manufacturers and traders who are obliged to participate behave in accordance with the law and register with the ZSVR, conclude a participation contract with a dual system and report their quantities to the dual system and in LUCID, no sanctions are to be feared. If this is not yet the case, however, it is necessary to take action as soon as possible.

### How can we overcome hurdles together?

BellandVision is happy to answer all questions that arise regarding the participation of packaging in the dual system and supports its customers in fulfilling their legal obligations - also with regard to the reports that must be made to the ZSVR in LUCID. We stand for efficient recycling and maximum service.

**We thank you for the conversation.**

WE HAVE MORE THAN JUST

# Tomato Sauce

*Always one step ahead - read the latest developments in tomatoes from **Italy** and **Portugal** here: in both countries the harvest is running at full speed. By the beginning of September, well over 50 percent of the harvest had already been brought in. In between, heavy rain in northern Italy delayed the mechanical harvest for a short time, but after "two days everything was running again", according to insiders. In southern Italy, only about 9000 hectares of harvest area remain to be worked (as of 7 September), reports ANICAV, the Italian industry association for canned products (vegetables/fruit).*



So there is enough raw material, but until a few days ago the quality was a headache. The great heat in July and early August throughout Italy caused the tomatoes to ripen too quickly, so that often only crushed goods reached the factories. Since harvesting and delivery had to be done very quickly, the trucks were temporarily jammed in front of the factory gates and a large part of the tomatoes could only be processed into Passata or tomato paste.

The overall yield of tomatoes has therefore been rather poor so far - both from the growing areas in the north and from those in the south. This applies to round tomatoes, from which e.g. diced tomatoes and tomato pulp are made, and to long peeled tomatoes (pelati). Sometimes even more peeled tomatoes than usual were brought from Puglia to Naples and Salerno to the

factories. The manufacturers were afraid that they would not be able to deliver the agreed quantities. A reorder is hardly possible at present. Sales are stagnating. Therefore, the producers hope for a better harvest with the later plants in the course of September. In any case, the weather is playing along at the moment and the

tomatoes can ripen in peace - so that a better quality of the product can be expected.

"This is simply not a normal year," says a market expert. Under all circumstances, the producers want to fulfill the contracts that were concluded before the harvest at first. In addition, in the wake of the corona crisis, manufacturers have opted for smaller can sizes in an empty market and have reduced the production of 3-kilo cans and Bag-in-Boxes (BiB), in some cases significantly. Nevertheless, there are still residual stocks in the 3-kilo range for peeling tomatoes, as this market has hardly moved at all in the last six months due to the crisis. PMM was able to secure sufficient quantities of Italian top-quality products early enough. In addition, we now offer mashed tomatoes in the new 1000-gram Tetra-Pak: sun-ripened goods from Italy, not repacked goods, a super-fresh product from Northern Italy finally also in ADRIA quality.

In Portugal, the harvest is also in full swing and halfway through. The weather was generally stable, but brief rains during the planting period resulted in a slightly lower yield of tomatoes at the end of August (a total of about 1.3 million tons of fresh tomatoes). The quality is very good, but the pressure on manufacturers to process the goods quickly in the coming weeks is increasing. After all, as in Italy, strict safety precautions are of course in place in the fields and factories when it comes to Covid-19.



## MIX OF *Fruits*

*Right now, we should not completely forget how to enjoy. How about a lightly sugared fruit cocktail, for example? The ingredients – pears, peaches, pineapples, grapes and cherries – have just become a bit more expensive in the countries of origin, but we have stocked up on supplies in time, which can be retrieved immediately. The reasons for the tense situation among farmers and producers are the capricious weather and poor harvest results (e.g. pineapple in Thailand) as well as the lack of care of the peach plantations in China. In the Middle Kingdom, there is also a risk that the grapes will run out because of corona in some regions where less work was done.*

*Unfortunately, the situation remains unsatisfactory and the price level high until the end of the year. But as mentioned before, we do not let our fruit cocktail be spoiled. Just give us a call and enjoy the mix!*



## *The Courage* TO CLOSE THE DEAL



The crisis is driving up fish consumption in all European countries: in the first half of the year, more than 15% more fish and seafood went over the counter in

Germany alone. The sale of canned fish even climbed by up to 46% in some cases, reports the German industry association FIZ (Fish Information Center, Hamburg). However, per capita consumption of canned fish has been increasing since 2016, especially canned herring and tuna. The average price of canned fish has also been rising for three

years - fish is becoming increasingly popular as a high-quality food. Retail, gastronomy and delivery services benefit from this. But PMM customers also benefit from our know-how and good advice. In the meantime, the price of the goods has decoupled from the more fixed raw material price and the suppliers are under pressure. Those who now have the courage to make a purchase can secure canned fish at a historically favorable price level.

The demand for tuna is unbroken. No wonder that the food giant Nestlé recently launched its first plant-based seafood product. The would-be tuna is called Vuna and consists of pea protein. We have the real fish in best ADRIA quality.

## ITALY, *vacations* AND PIZZA ...

*Tommaso Tagliavento, also known as Thomas Schneidawind, on his way south with a bright yellow Fiat Cinquecento and a 10-kilogram package of delicious ADRIA tomato pulp – you can get those in Italy too, but just in case ...*

*We wish all our customers the same good mood and a relaxed late summer.*

