

PAUL M. MÜLLER

SEIT 1956

FOOD NEWS

MARKET REPORT

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„The shortest distance between two people is a smile.“

Chinese proverb



DOSED – our column

Climate change, wars, disasters - no sooner has the new year begun than you might be tempted to put it aside again. **The challenges, including at a political level, do not appear to be diminishing.** A few days ago, Donald Trump was officially inaugurated as the new US president, and the upcoming federal election in Germany on February 23 is making many of us sit up and take notice. It remains to be seen what impact both will have on the economy. What do pessimists say? The glass is half empty. For optimists, the glass is half full! In recent days and weeks, I have personally experienced that the **The future is not all gloomy, but also has many bright spots in store.**

With regard to the food sector, I note: **There has been a slight decline in olive oil since the end of 2024** which gives both suppliers and consumers a breather. Added to this: The **Veganuary and Dry January**, In other words, January is the month in which people eat a plant-based diet or give up alcohol. Both of these are very popular and are a **Economic driver for food and beverage companies and the hospitality industry** who develop innovative products, menus and drinks to match the vegan and/or alcohol-free month.

Speaking of the market: the labor market is notoriously difficult due to the shortage of skilled workers. So I'm all the more pleased that I recently discovered **positive reviews of**

our (former) employees on the **career platform Kununu**. It's worth a look! My Co-Managing Director Fabian Kretschmer and I are proud of our team anyway - not only because of a top job, but also because we **Moving a lot together**. For example, last year a Sustainability Week in which we made 54 percent of commutes to work more climate-friendly. Many people can achieve a lot.

And I don't want to withhold another example of good news from you: The Steinberg family of innkeepers from Munich is involved with their **Munich Heart Foundation** in socially disadvantaged districts of the city. **Our donation at the end of the year** which many of you, dear Food News readers, contributed to by playing our virtual slot machine, I was able to hand over in person. The result? An afternoon that touched me deeply and showed that many **individuals do a lot of good together and there is always hope.**

What do I take away from all of this? Everyone can make the world a little bit better, on a large or small scale, and see the glass as half full (instead of half empty) - despite all the negative news. Always with a smile on your lips, because that's the shortest distance between two people.

Sincerely,
Yours, Thomas Schneidawind

New Season

Olives: Fruit and oil

Poor olive harvests as well as **speculation in the market** in recent months and years have led to sharp price increases for **olive oil** led. There has now been a slight decline since the end of 2024. The prices for **whole or sliced olives in jars or tins** however, this does not apply - at least according to current knowledge - as the harvest volumes were low last year and the **prices independent of those of the olive oil** are.

Under our brand Adria we stock everything that gastronomes need in their professional kitchens. Whether green (stuffed) or black olives with origin **Spain and Egypt**. In our Assortment list for wholesale, you can find out about the wide variety.



Mandarins: Poor harvest



The **small harvest** of mandarins in the **Türkiye** has had a significant impact on the price of raw materials - it is currently 30% higher than in the same period last year. In addition, the high inflation and the **weak Turkish lira** the producers on site.

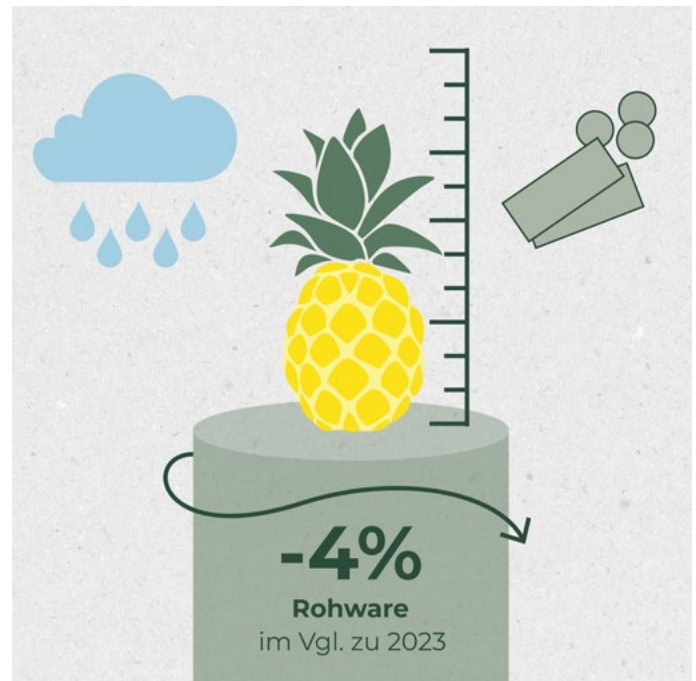
A look at **Spain** should not be missing: In November **storm** to the mandarin plantations on site. This has delayed the harvest and production in some cases. In addition, prices are - as usual - higher than those of Turkish goods. The situation is similar for the **orange harvest**: Our local partner speaks of a **shortened harvest time, lower harvest volume** and a **inadequate quality** - especially for orange segments. The latter belong to the „delicatessen“ segment and are used to garnish crêpes suzette, for example.

Pineapples: Continued high price level

After a **challenging year in pineapple cultivation and business** it is now possible to take stock for 2024: the actual supply of raw materials was significantly lower than originally forecast. In figures: With 651,700 tons **raw materials 4 percent lower than in 2023**. The main reason for this was the unstable weather conditions, which produced smaller fruits and also forced some growers to harvest earlier.

The **pineapple prices remain at a high level** - on January 10, for example, at 13.80-14.50 THB per kg of raw product. Compared to our last report in the November Food News, the supply volume has increased slightly, but so has demand - not least due to upcoming events such as Chinese New Year and Ramadan.

For 2025 the Thai Food Processors Association (TFPA) expects an overall increase of **average supply quantity for pineapples**. The start of the summer harvest (also for new plantations established in 2022) is expected at the end of March.



INTERVIEW



„Our complaint rate at Paul M. Müller is probably not zero, but it's very close.“

– Stanislav Štádlér

Focus on a population of 10.87 million: Stanislav Štádlér is active in the Czech Republic with his company Keystone Value. „Our main activity is importing food mainly from Europe, as the Czech market is not big enough to justify direct imports from Asia,“ he explains. In an interview with Paul M. Müller, he talks about supplying commercial kitchens, the eating habits of the Czech population and the new guidelines that are also shaping his work.

PMM: You are an expert on the Czech market. What can you tell us about it?

The Czech market is very price-aggressive. Czech consumers tend to buy many products during discount campaigns, especially those with a longer shelf life that are easy to store at home. 80 percent of total sales are campaigns or special offers. In certain product ranges, prices can fall by 25 to 33 percent. While German discounters such as Lidl or Aldi only reduce their prices slightly - for example from 1 euro to 95 or 93 cents - the price differences are much more pronounced here during discount campaigns.

PMM: Who dominates the market?

A large part of the market is dominated by discounters, with Lidl, Penny and Norma being the three most important players. Kaufland, which I classify as a hypermarket and discounter, and Tesco also have a significant market share. In the supermarket segment, Billa and Albert, which belong to the Dutch Albert Heijn Group, are major players.

PMM: If we look at Paul M. Müller's product range: Which foods are particularly popular with Czech customers?

Our canned fruit is very popular, especially in formatted varieties. These are particularly suitable for communal catering in large kitchens, canteens and schools. Many customers appreciate it when the canned fruit is already offered in cubes, as this eliminates the need to cut or prepare the fruit themselves. In schools, for example, children are simply given a bowl of diced pears or peaches. The products from our tomato range are also very popular. They are an important basis for many dishes. In the Czech Republic, beef with tomato sauce and tomato soup are particularly popular - and chefs use our products for this. Incidentally, we supply slightly fewer products to the food service industry, as this market is structured somewhat differently. Italian restaurants often buy their supplies directly from Italy, which makes it difficult for us to enter this sector.

PMM: What are the biggest challenges on the market in the Czech Republic?

It is very difficult to remain price-competitive, as Czech trading companies buy goods everywhere and sometimes very cheaply. One disadvantage for us is that the Czech market is relatively open to small quality defects. For example, if a product has already lost 70-80 percent of its shelf life, we can still market it relatively easily. It is certainly different in other European markets.

PMM: Could you please give us an insight into the eating habits of the Czech people?

You have to make a distinction here: It used to be common for families to eat out together in restaurants. In the past two to four years, however, prices have risen sharply - it is too expensive for many families to eat out regularly. Nevertheless, many Czech people still eat in restaurants at lunchtime, although the pricing is different here. Menus are often offered where the soup is included in the price, or there are three to four selected lunch dishes. These offers are particularly popular from Monday to Friday in the city center of České Budějovice and are still affordable for many. In general, the restaurants in the city center of České Budějovice are relatively well frequented, especially in the pubs where beer is served and there is a lively atmosphere.

PMM: Can you tell us about any other special features from the Czech Republic?

We have oriented ourselves to German standards and are currently working on new guidelines for school catering. Little has changed in this area in the last 30 years, but there is now a movement towards new guidelines. A key issue is the consideration of special dietary requirements, such as gluten-free or lactose-free options, in order to cater for children with intolerances. It is important that we develop clear guidelines on how food should be cooked for children and pupils. We should pay attention to aspects such as reduced salt, sugar and fat content and focus more on qualitative nutritional values. The nutritional value tables must also be included in the considerations so that pupils and their parents know what they are eating. We should also focus on more wholegrain products, fruit and vegetables and regional foods and reduce the use of plastic packaging. At the same time, it is important that prices remain acceptable for families, especially those on low incomes. Another aspect is the digitalization of the ordering process. At my children's Catholic school in the

center of České Budějovice, they can choose from three dishes: a classic hearty meal and a lighter option or a dessert. The children can control this choice themselves via an app, which offers qualitative control and flexibility.

PMM: Does this also influence your work?

We need to make sure that our products do not contain too much sugar and possibly consider larger packaging. For example, children could be given apple sauce in bowls instead of plastic cups. Overall, these goals and guidelines are part of a broader effort towards sustainability, which is becoming increasingly important in many areas.

PMM: What do you particularly appreciate about Paul M. Müller's products?

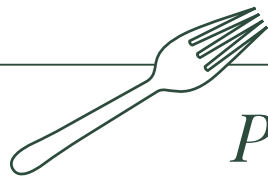
Quality is crucial. Our complaint rate is probably not zero, but it's very close. We have no concerns that we will receive inferior goods or that something will go wrong. If there are still quality defects, this is communicated and a solution is found. We also appreciate the service, especially the communication regarding specifications, sample shipments and market overviews. The standard we experience here is consistently very good.

PMM: Are there any products that your customers would like to see in the Paul M. Müller range?

Yes, we see potential in the canned fruit sector in particular. However, it is a challenge to procure European fruit varieties. For example, it was extremely difficult to get cherries, as availability is very volatile - sometimes there are too many, sometimes none at all. We also see problems with Asian products, as availability is uncertain and prices can often rise sharply. In addition, a product that has minor defects could be quite attractive, especially if it is offered at a lower price. This makes it easier for us to compete with our competitors.

ABOUT THE PERSON

Stanislav Štádler is the father of three children and lives in České Budějovice. After studying at the Business Academy in České Budějovice, he worked for several years in various professions - in a hotel, in a tourism information center and in the medical equipment trade. From 1995, he was sales manager at EFKO, an Austrian producer of sour vegetables. He then became managing director at Machland, a subsidiary of EFKO. In 2008 he founded his own company Keystone Value.



Picked up

European Commission procedure



The European Commission is currently planning, **anti-dumping measures for vegetable corn imports from China** similar to those already in place for Mandarin oranges. As a result, prices for vegetable corn would rise. Whether, when and to what extent these will be adopted and implemented has been the subject of a procedure being examined and developed by the European Commission (following a complaint by France) since the end of 2024.

What happens next? Usually **first price forecasts for European vegetable corn at the beginning of April** possible.

We will of course inform you about this - as well as the outcome of the described above - in our Food News and on our social media channels. In addition, Eduard Kekel is your contact partner for all questions relating to vegetable corn.

EUR-USD exchange rate

For importers of products from overseas, the **development of currencies** (in particular the EUR-USD exchange rate) a **major role for the purchase price**. The strong dollar and weak euro are currently making imports (such as pineapple and tuna) more expensive for us too. On **January 11, 2025, the exchange rate reached a new low of 1.0244 dollars**.

We have highlighted the background to this for you in our previous Food News. Click here for the article. Following the appointment of Donald Trump as the 47th President of the United States, the **price changed again to 1.0416** (as of January 21, 2025).

Incidentally, since steel is also largely paid for in USD, the **prices for tinsplate currently also at a high level**. Our partner in Turkey reports **5 to 15 percent higher euro prices despite low season** for canned food. Similar trends have also reached us from Italy. In addition to the exchange rate, there are other price drivers in this area. For example, the new BPA regulation, to which producers must adapt and invest if necessary. In addition, China's market power in the steel sector should not be underestimated.

As you can see: The topic is broad and diverse. We will therefore be sharing more background information and possible alternatives with you in our upcoming Food News in March.



Situation at the Brenner Pass

Traffic jam ahead: the Brenner highway (A13) is facing extensive construction work in the coming years. The Lueg bridge in the Wipptal valley is currently being renovated for safety reasons. The actual construction work will begin in spring and is expected to last until 2030. The restrictions are already severe, with haulage companies and truck drivers working in long-distance transport particularly affected. In an interview with Johannes Dettendorfer jun. from Johann Dettendorfer Spedition Ferntrans GmbH & Co. KG, we take a look at the current situation.

If you look at the Brenner Pass and the transport routes: What is the current situation like for you as a forwarding company?

The situation at the Brenner Pass is currently quite difficult. The backlog, the upcoming single lane and the increased block handling are leading to capacity bottlenecks. Due to longer throughput times, our drivers are currently managing fewer journeys to and from Italy. What's more, they feel they are being treated unfairly as they have to spend most of their time stuck in traffic jams! „The most important thing for a functioning economy is functioning transport routes,“ my uncle Georg Dettendorfer recently told the Chamber of Industry and Commerce in a Brenner expert panel.

How will the lockdown change the processes in your company?

We manage a lower number of loads with our trucks due to the long downtimes before and after on the highway. In some cases, a shift to rail does not work either. The lack of flexibility and poor performance (train cancellations, delays, etc.) mean that we are unable to shift certain shipments to rail and have to wait in traffic jams.

What are the consequences of this?

We try to reroute our shipments and only allow traffic over the Brenner Pass after block processing days. This is partially successful, but has an impact on our customers' adherence to delivery dates. We are also pursuing the approach of shifting long distances to rail. We are working on an innovative alternative concept with electric trucks over the Brenner Pass. Our e-charging station at our site in Raubling is specially designed for trucks. We are currently working on a design that will allow an electric truck to drive over the Brenner Pass at night to reduce CO2 emissions, support us with time-critical shipments and give preference to trailers. We are working for our customers in all areas.

Extra info: For all customers and partners of Paul M. Müller, the current situation on the Brenner highway means that it is essential to plan ahead.



New EU regulation: ban on bisphenol A (BPA)



The latest news: Regulation (EU) 2024/3190, which came into force on January 20, 2025, on the **ban on bisphenol A (BPA)** and other bisphenols and bisphenol derivatives, companies like us at Paul M. Müller are facing very special challenges. Because: This new regulation also affects the **internal coating of tin cans** and requires significant adjustments throughout the supply chain. We have summarised all the **background information, deadlines and limits** that you should now know for you on our website.

ADRIA Premium Peperonata: Bruschetta with a difference



Whether as a vegetable side dish or with potatoes, polenta or cold roast - the **Peperonata from our top brand Adria** is ready for immediate use. We've already done the hours of stewing for you, so you can get creative. One **ingenious idea** you can already see here. You can find the exact recipe with video and lots more exciting information here. In order not to miss any information, follow us at Instagram and LinkedIn. We look forward to the exchange!



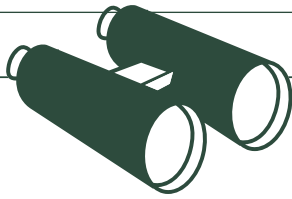
The good news

Handover of donations

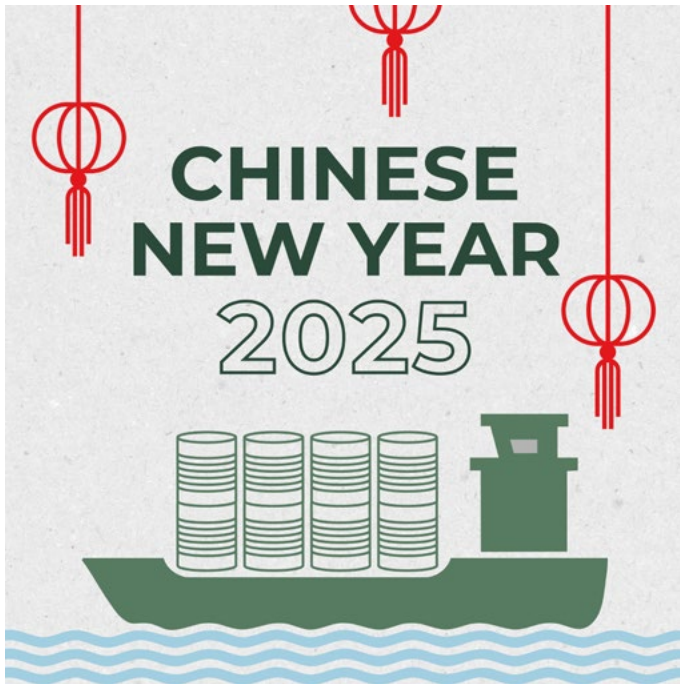
The Steinberg family and the employees of the „s Münchner Herz“ foundation have their hearts in the right place. In the districts of Perlach, Laim, Milbertshofen and Hadern, spaces have been created that as a contact point for **socially disadvantaged people** serve. Whether it's a clothes room, music or dance lessons, a bicycle workshop or a communal breakfast - **community is actively lived here**. Our Managing Director Thomas Schneidawind visited the „Perlach Herz“ and presented a donation that we received as part of our Christmas campaign have collected. Together, customers, suppliers, partners and many people close to us played almost **25,000 cans** on a digital slot machine. With a virtual value of 0.20 euros per can, this results in **a sum of 5,000 euros**. For this we say: THANK YOU! In the future, „s Münchner Herz“ and Paul M. Müller will continue to work closely together.



Our photo shows (from left): Günter, Silja and Margot Steinberg with Thomas Schneidawind.



Outlook



Chinese New Year on January 29

Next week, on **January 29** finds the **most important traditional holiday in China** takes place: **Chinese New Year**. This year, it marks the transition from the year of the dragon to the year of the snake, which symbolizes introspection, transformation and growth. During the festivities and nationwide vacations from January 28 to February 3, traditionally hardly anything goes on at the processors and in the ports - we at Paul M. Müller are prepared for this and **wish everyone celebrating the Chinese New Year happy holidays.**

Save the date: BioFach, GulFood, Internorga and PLMA

The trade fair year is off to a fast start: the Green Week in Berlin is currently in full swing and offers the opportunity to visit over 1,400 exhibitors until Sunday, January 26. But that's just the beginning! **More, important trade fairs are coming up:** For example, the **BioFach** in Nuremberg (11.-14.2.2025), the **GulFood** in Dubai (17.-21.2.25), the **Internorga** in Hamburg (14.-18.3.2025) and the **PLMA** in Amsterdam (20.-21.5.2025). With our industry-relevant trade fair calendar you are always up to date.

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.



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