

# March 14<sup>th</sup>, 2020

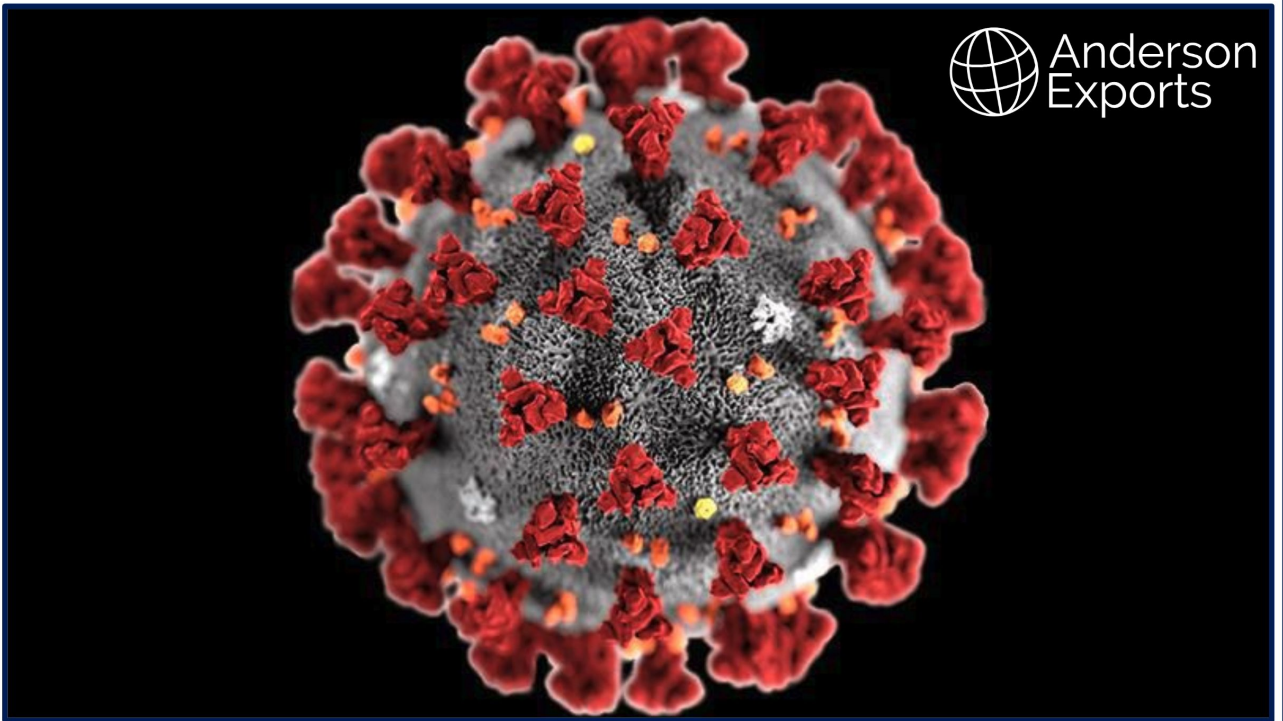
*Coronavirus, Almond Record, & More*

## Coronavirus & Disruptions to Global Supply Chains

The spread of the 2019 novel Coronavirus disease, COVID-19, has become an inescapable fact of life across the globe. Many national governments have moved to cordon off entire cities and even regions in attempts to stymie the spread of this outbreak. At this stage, governments, businesses, and citizens are on reactionary footing; having lost the initiative for proactive measures once past the “community spread” (when the virus passes between individuals with no known connection to a local ‘patient zero’) stage of the contagion.

### COVID-19

#### 2019 Novel Coronavirus



The disruptive effects from the spread of this novel disease can be seen in the world’s stock markets, air travel, and large gatherings / events being cancelled from Milan to Miami.

Despite the inevitable disruptions that will occur in the coming months to supply chains, businesses, and consumer behavior we can already see China, Hong Kong, Taiwan, South Korea and Singapore reporting their new cases leveling off or decreasing. This is good news as it shows that with the proper interventions, the spread of this novel virus can be slowed significantly within months, or even weeks.

### Coronavirus & Disruptions to Global Supply Chains Cont'd

A great resource for reliable and up-to-date information is the [John Hopkins Center for Health Security website](#).

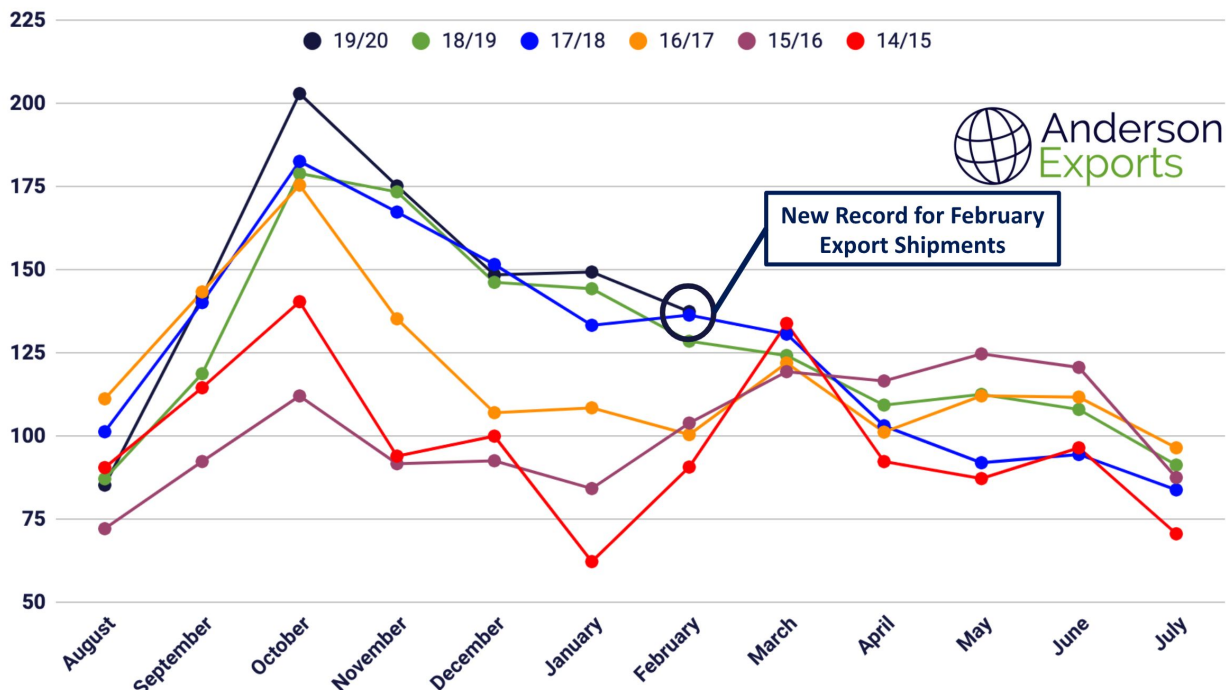
Expect major producers to come out with their own versions of COVID-19 Food Safety Standards & Practices to assure buyers their products are handled safely. I further expect disruptions to transport supply chains on a regional basis as each major vessel charter company and each importing country grapples with the challenges of containment.

### Almonds

The Almond Board of California position report for February 2020 was released this past week and incredibly, export shipments of California almonds continue their bull run with another monthly all time record, marking record monthly shipments in 4 of the last 5 months; with 137.42 million pounds shipped in February. February 2020's record just beat out Feb. of 17/18's previous record of 136.38 million pounds.

## Monthly California Almond Export Shipments

Exports By Marketing Year (MM lbs.)





### Almonds Cont'd

California almonds have been progressing through the bloom period nicely. It has been reported that although bloom was a little slow to start this year, California's central valley almond ranchers saw their trees go from 20% to 80% bloom in just 3 days. Further, the great weather has created ideal conditions for bee flight / pollination and some think the bloom may finish earlier this year than last year. All signs are encouraging for a good crop.

California almonds have continued to see strong global demand in the face of trade war related headwinds. It remains to be seen the breadth and depth of effects from the Coronavirus on California's international tree-nut markets and only the Almond Board Position Reports and time will tell the effects on demand.

Our most popular almond varieties are Nonpareil, Independence, Butte/Padre, and Carmel types with the most popular grades of Supreme, Extra, Standard 5%, and more.

### Walnuts

The Walnut Board of California shipment report was released recently for February 2020. Year-to-date In-shell export Shipments were down almost -18% year-on-year. YTD In-shell export shipments were down in February for all regions but Central & South America (+254.91%) and Europe (+2.97%). Specifically, Italy (+1.25%), Spain (+4.09%), and Germany (+19.48%) all increased their imports in 2020 over YTD shipments at this time in 2019.

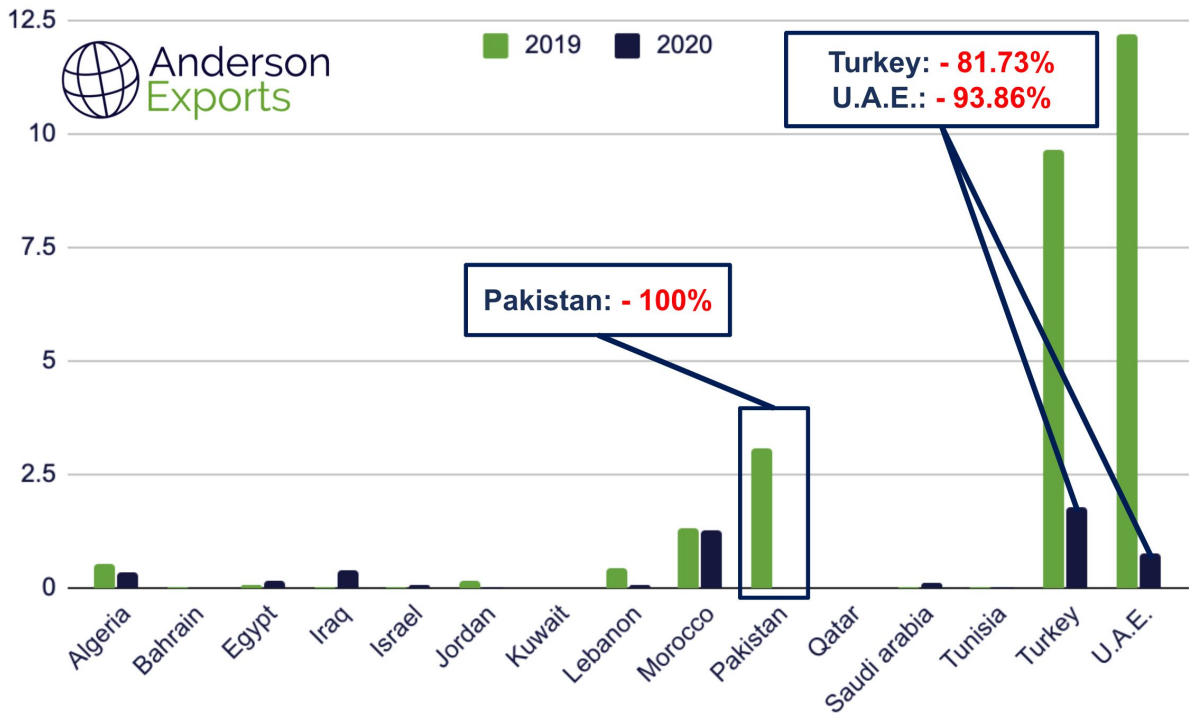
YTD shipments to Pakistan are down an incredible -99.72% (traditional smuggling route for India), while other countries in the Middle East / African region such as Turkey (-3.93%), the UAE (-39.65%), Morocco (-39.26%) and Lebanon (-80.61%) were also down year-over-year.

The monthly differences in shipments between February 2019 and February 2020 were even more drastic. The U.A.E. was down some -93.86% with other countries in the region such as Turkey (-81.73%), Lebanon (-80.05%), and Pakistan (-100%) all down significantly.

### Walnuts Cont'd

## California Walnut Exports to Mid. East / Africa

### In-Shell Exports in February (MM lbs.)



With Turkey and the UAE two of California's top export destinations for In-shell walnuts we are seeing a big reversal from just one year ago. It is likely that artificially high confidence in California's in-shell prices early in the harvest was buoyed by last year's record shipments. Although, it is hard to know for sure what causes such large market fluctuations as prices year-over-year are the result of a complex set of inputs ranging from currency differences, to uncertain political risks, international sanctions, and other unexpected events.

Chile's 2020 walnut crop is expected to fall short of the size of 2019's crop. Some are reporting a decrease of somewhere between 100,000 - 120,000 tons. Much of this smaller crop is likely due to an extended drought. The drought is likely to not only affect the size of the crop, but also the quality of the nut sets. We are seeing high prices being offered for Chile walnuts as compared to California.

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## Walnuts Cont'd

We work with the best California walnut packers to supply our customers with Jumbo and Jumbo / Large (J/L) in-shell Chandler, Howard, Hartley, Vina, Tulare, Serr and other varieties. We also provide bleached in-shell walnuts in addition to California shelled product including Chandler and non-Chandler Light Halves & Pieces (LHP) 20%, 40%, 80% and higher based on customer requirements. We also supply Combo Halves and Pieces (CHP) and Light Sorted Pieces (LSP).

## Pistachios

Global pistachio demand continues to grow while supply has essentially remained steady. Largely supply remains steady due to resting trees off cycle of each other with the USA and Turkey resting on the same annual cycle, while Iran, a major competitor to the US, has an annual resting cycle opposite the US and Turkey. This allows a more steady supply year-on-year, although global demand continues to outpace essentially flat global supply. As a result, pistachio processors in California have seen prices continue to increase. Even though a record crop is expected in California this year, global supply will still remain about even vs last year. This will keep prices firm for the foreseeable future.

We supply raw in-shell pistachios and raw pistachio kernels of all sizes, grades and styles. We also supply roasted Extra No. 1 pistachios and welcome your inquiries.

## Soybeans

American soybean growers are entering a critical time to help determine their future plantings as current prices will inform growers who routinely choose between planting soybeans or planting corn. At this time, some are reporting many growers may choose corn over soybeans due to projected demand, price, and based on ratios between the prices for the most recent harvest against futures contracts.

We supply GMO and Non-GMO Soybeans and Soybean Meal of all sizes, grades and styles.

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## Raisins

California Raisin sales have been steady with inventories returning to normal levels and global demand remaining strong. As with other commodities, it remains to be seen what the long-term effects of the coronavirus pandemic will be.

We supply all major bulk California raisins including dried-on-the-vine (DOV) and tray-dried Natural Thompson Seedless Selects, Selma Petes, Flames, Goldens, and other varieties in Jumbo, Select, and Midget sizes and welcome your inquiries. We also supply Selma Pete DOV Double-Run Supreme raisins to Japan and elsewhere which are processed twice to achieve exceptionally low stem and capstem counts. We offer multiple packaging options including custom boxes with client branding, supplier branded boxes, and blank unbranded boxes.

## Pecans

China is traditionally the largest market for American pecans but the combination of the US-China Trade War and the most recent virus related disruptions have affected this status. Pecan growers have seen a decrease in sales as a result and have relied on strong domestic shipments. Expect the situation in China to remain uncertain as even though a Phase One trade deal was negotiated, the current pandemic is likely to change consumer behaviors.

We supply Fancy Junior Mammoth Halves (FJMH), Fancy Mammoth Halves, Fancy Pieces, and other sizes / types for all major U.S. pecan varieties.

## Sunflower

Prices for US sunflower have increased since the start of the harvest despite major markets experiencing the spread of the novel coronavirus. A smaller than expected crop in the US has continued to push pricing upwards. Long-term contracts may be subject to customer, destination port, and shipment schedule.

We supply In-shell sunflower as well as hulled sunflower kernel available in premium and industrial grades for all major sizes. Packaging options include 10 KG, 25 lb, and 50 lb bags.

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## Cranberries

US and Canadian cranberries have also seen prices increasing in recent months. The smaller than expected crop in the US in addition to sustained global demand have helped to buoy prices for Sliced Sweetened Dried Cranberries (SDCs) with Whole SDC products becoming harder to find due to these shortages. Long-term contracts made now could help ease the increases expected in pricing through 2021.

We supply Conventional and Organic Whole or Sliced Sweetened Dried Cranberries (SDCs) packed in bulk cases as well as Organic Apple Juice Sweetened varieties. We also work with quarter inch diced and other diced cranberry products available as per client requirement. In addition, we supply 50 Brix and 65 Brix cranberry concentrate shipped in bulk 55 gallon drums.

## Poultry & Pork

China is now importing live chickens from the US due to feed shortages caused by coronavirus related supply chain disruption. As a result, millions of young birds will likely be killed.

This action follows the mass slaughter of pigs in China due to the recent African Swine Fever outbreak in the past year which is likely to only worsen the protein shortage in China which has sparked inflation and led to soaring meat prices.

China's AQSIQ certified list of approved meat manufacturers has risen to 850 plants in 18 countries. You can explore the [full list HERE](#).

We supply all major pork and poultry products from SIF certified factories approved by the Chinese AQSIQ. We supply Chicken Feet, Paws, Middle-Joint Wings, in addition to pork products.

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## About

Anderson Exports is a bulk ingredients sourcing agency specializing in supplying the best ingredients from California and South Africa. Our newsletter delivers actionable market intelligence to inform our clients' purchasing decisions.

## Products

### Dried Fruits



**Raisins**



**Cranberries**



**Blueberries ... And more**

**Prunes  
Apricots  
Cherries**

### Nuts



**Walnuts**



**Almonds**



**Pecans**

**... And more**

**Cashews  
Hazelnuts  
Pistachios**

### Seeds & Pulses



**Sunflower**



**Red Beans**



**Lentils**

**... And more**

**Popcorn  
White Beans  
Pumpkin Seeds**

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