

January 12th, 2020

Incoterms 2020, Almonds, & More



Incoterms 2020

Happy New Year to all, I hope everyone's 2020 is off to a great start. As we mark the beginning of a new decade, we also start the year with updated Incoterms, Incoterms 2020, which took effect on January 1, 2020. These internationally agreed upon commercial terms for shipping still include 11 terms, with 5 key changes.

The International Chamber of Commerce (ICC) first standardized Incoterms as a means to encourage trade after the first world war in 1936. Today, Incoterms 2020 were decided on by the usual representatives of the US and Europe, with the inclusion this decade of terms introduced by China and Australia. The terms for 2020 include; for any mode of transport: EXW, FCA, CPT, CIP, DPU, DAP, DDP, and for ocean / waterway transport; FAS, FOB, CFR, CIF.

To learn more about the changes and updates to Incoterms 2020, read [this post](#).

Almonds

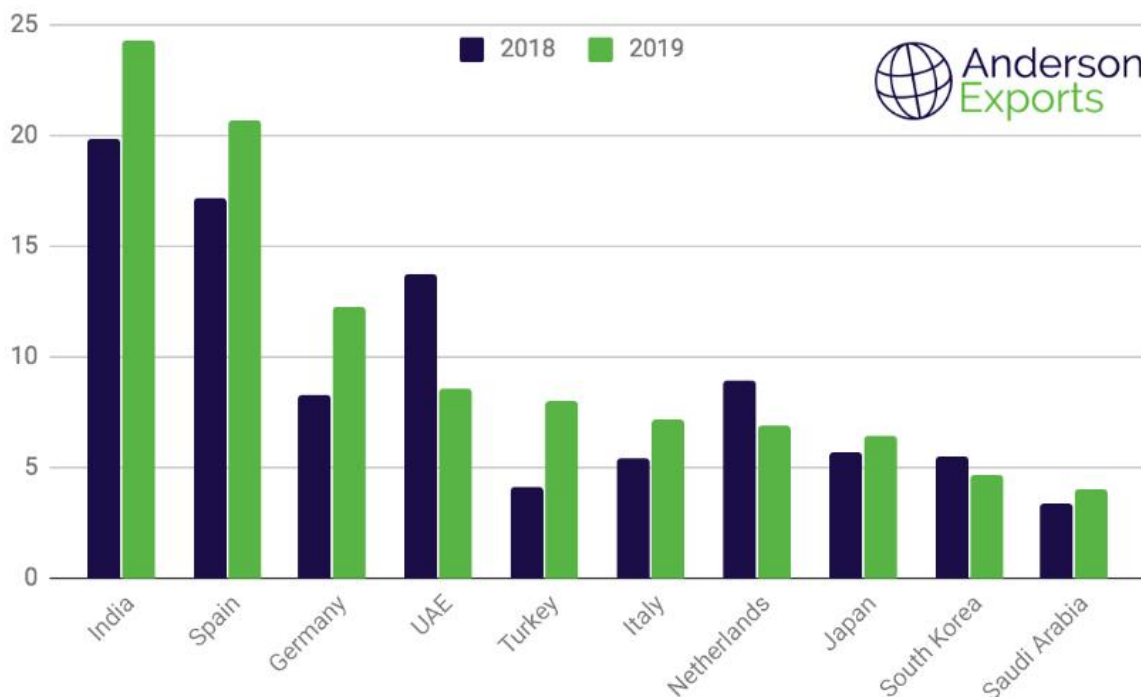
The December 2019 Almond Board of California December Position Report was released on January 10, 2020. The report shows export shipments for California Almonds fell between November and December, down from two record breaking shipment months in October and November of 2019. Year to Date total export shipments rose 7% to 754 million pounds in 2019, up from YTD shipments of 705 million pounds in December 2018.

The top 3 global destinations for December 2019 were India, Spain, and Germany. China / Hong Kong's shipments were down considerably vs. this time last year, a decrease of almost 10 million pounds. Spain continues to be the United States' primary destination for shelled almonds, while India was the world's top In-shell almond destination in December.

Almonds Cont'd

U.S. Almond Exports - Top 10 Destinations

Total Export Shipments (MM Lbs.) - December



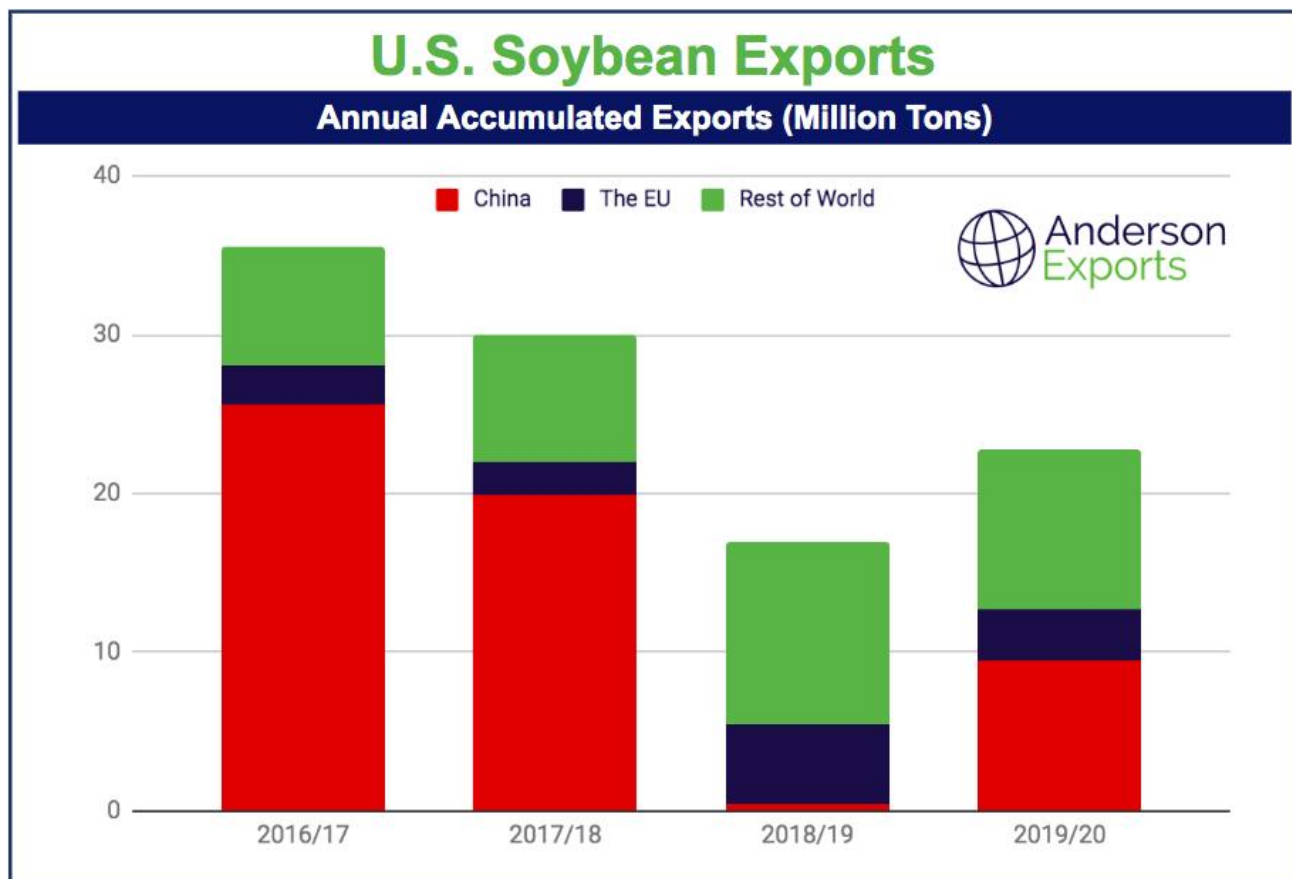
Almond prices have remained strong as after record breaking California Almond export shipments in both October and November 2019. As we approach Chinese New Year at the end of January 2020, expect almond prices to remain stable with more offers likely available as the market digests the most recent position report.

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.

Soybeans

The upcoming Phase One trade deal between the US and China is likely to bring much needed relief to US soybean exporters. The ongoing trade war between the world's largest economies has caused a critical decline in exports from the US to China, reaching the lowest levels during the 2018 / 2019 marketing year.

Soybeans Cont'd



US Soybean exports to China in the 2019 / 2020 marketing year have increased over this time last year, even amid reports of damage to US crops from heavy flooding and other environmental factors. I expect these environmental factors combined with looser restrictions on shipments to China will continue to strengthen US soybean export prices.

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

Poultry

At the end of November 2019 China lifted its ban on U.S. poultry imports. Due to the outbreak of African Swine Fever and its devastating effects on China's protein supply, China has resumed importing US chicken and turkey products after a 4 year moratorium. The decision could mean some USD \$1 billion in annual shipments of chicken feet alone to the PRC, with another USD \$1.2 billion in other poultry products, according to a U.S. National Chicken Council Statement.

Poultry Cont'd

The upcoming Phase One trade deal between the US and China is likely to aid in increasing poultry exports in addition to China's increased demand due to African Swine Fever. In the first nine months of 2019 alone, China's imports of chicken surged almost 50%, a value of USD \$1.3 billion for global exporters. China's increase in demand for poultry products is likely to continue to strengthen chicken prices worldwide.

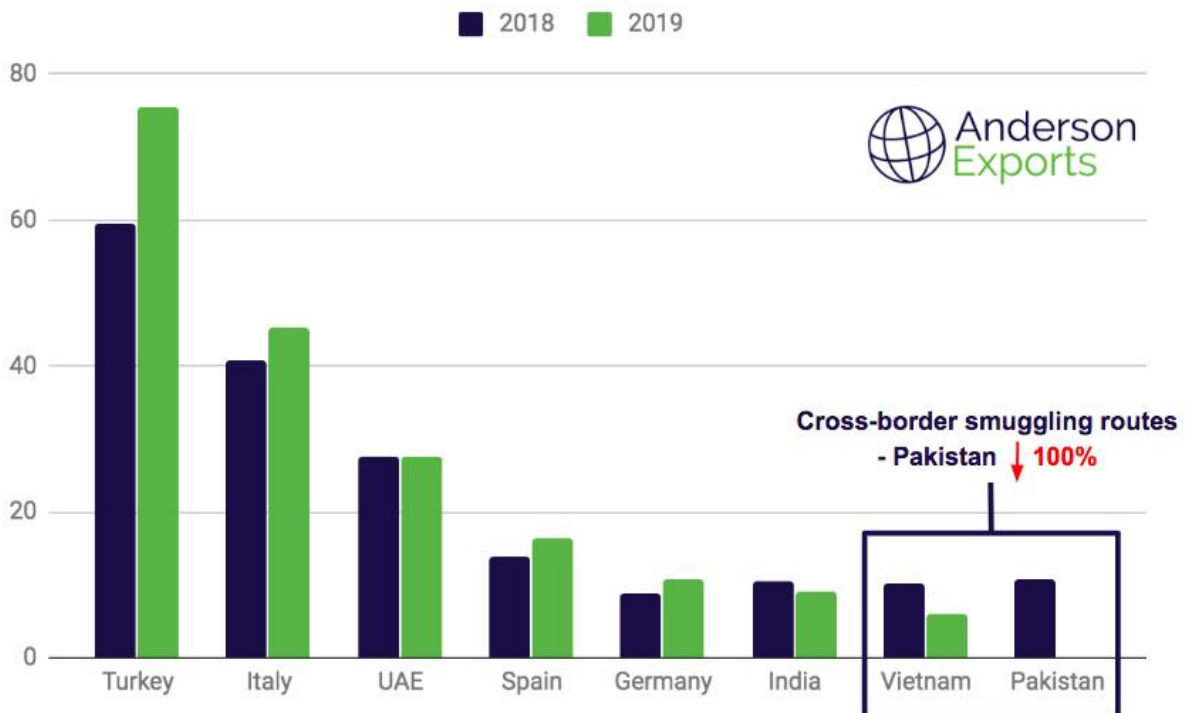
We supply all major pork and poultry products from SIF certified factories approved by the Chinese AQSIQ. We supply Chicken Feet, Paws, Middle-Joint Wings, in addition to pork products.

Walnuts

Year-to-Date export shipments between September 1 - December 31 fell almost 3% between 2018 and 2019. Export shipments fell 29% year-on-year between December 2018 and December 2019. Turkey had a large increase in year-on-year shipments with Italy and the UAE rounding out the top 3 export markets for California walnuts in the 2019/2020 marketing year so far.

U.S. In-Shell Walnut Exports - Top Destinations

In-Shell Export Shipments (MM Lbs.) - Sept. 1 - Dec. 31



Walnuts Cont'd

Quite remarkably, Pakistan's YTD shipments were down 100% to zero against last year's record shipments for Pakistan of 10,804,474 pounds. Last year's shipments to PAK were likely the result of increased tariffs on California walnuts in India, making the PAK corridor into the Indian subcontinent ripe for smugglers avoiding these tariffs. Similarly, Vietnam, a common cross-border smuggling route into China saw a similar decrease in export shipments this year over last. It's hard to say why Pakistan's shipments went to zero and Vietnam's shipments fell by half; perhaps the Indian and Chinese governments have since cracked down on these traditional cross-border routes.

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).

Raisins

California raisin prices have stabilized entering 2020 with prices rising slightly over their openings earlier this past fall. High demand for both Jumbo and Select size fancy Golden raisins has led to tight supply, with many seller's fully committed at this time.

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.

Cranberries

Availability of Whole Sweetened Dried Cranberries (SDCs) has been tight. High demand in combination with a short cranberry crop this year is serving to drive up prices for both Sliced and Whole SDC. Many packers are not even offering long term contracts, choosing instead to wait and offer only spot / prompt shipment business.

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Cranberries Cont'd

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.

Pistachios

Global demand remains high for California pistachios, keeping pricing stable and export shipments strong. As we enter the Lunar New Year for much of Asia we expect demand to taper off in the coming weeks, picking back up after the first week in February.

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.

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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