



# hp Schmid in brief

November 2005

## *Greetings to everyone we met at ANUGA 2005.*

It was a pleasure meeting all of you who went to the Anuga trade show in Cologne-Germany (The world's most important trade fair for food and beverages).

Thank you for letting us know of your requirements and giving us the opportunity to provide you with the right products for your needs. Please allow us to summarize the latest market information collected from processors all over the world.

## *The latest market information*

**Sesame Seed** – the big news has been the storms and flooding in Central America, especially in Guatemala. There definitely has been damage but nobody really knows just how much. Estimates range from 25-40% in Guatemala. On the other hand, with all that moisture, there is an increased chance that farmers may plant more acres of the so-called “humidity crop”. It is usually planted at the end of the rainy season. Sesame seed grows best under semi-arid conditions. Under the right conditions (type of soil, sufficient moisture) Sesame can grow just from the moisture in the soil without additional rains. But the humidity crop remains somewhat of a gamble and processors often do not include it in their crop estimates. The damage in Guatemala caused most processors to withdraw from the market. Asking prices for other origins increased.

India will return this week from their Diwali holiday. Recent reports circulating among processors indicate an overall crop reduction of 10-15%. China appears as the occasional buyer from Africa or India. This has set a firmer market undertone in India. We now have to watch whether buyers are willing to maintain demand at the higher levels. Without demand, prices will settle down again.

**Poppy Seed** – Good supplies from the Czech Republic continue to have the most impact on the market. The small U.K. crop is mostly sold out. Australia has been reluctant to offer their new crop due to be harvested in January. It is reported that the Australian crop will be substantially reduced. As long as the Czechs are willing to sell at current levels, the market will remain steady. Once the Czech supplies run low, we could see an up tick.

**Sunflower Kernels** – After last year's disastrous U.S. crop, we are enjoying an excellent 2005 crop: good yields and good quality. Prices have come down substantially. We certainly will not need any Chinese imports this season. China also enjoys a good crop and competes aggressively against U.S. Sunflower kernels in overseas markets.



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## **Trucking Costs**

It's a major cost factor in our industry - the cost of trucking. Whether we like it or not, the cost to ship a \$300 lpod across country is dramatically different from the cost of shipping \$300 of flax seed across country. And whatever the cost of oil, that differential will not change in a hurry.

It's a fact of life that trucking contributes significantly to the total cost of getting product into your warehouse.

For this reason we see it as being a major part of our task to achieve the very best trucking rates (combined of course with competent service!) that we can.

You always have the option of arranging your own trucking. But be assured that if we arrange trucking, we will be trying to achieve the best deal we can for you.

## **Important**

Our Postal address has changed. Please address all mail to 231 Sansome St, Suite 300, San Francisco, CA 94104-2322

For sales call:  
**AnaLucia Melendez**  
**415 765 5925**





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**Caraway Seed** – prices still very attractive but may have hit bottom. There has been some firming recently

**Flax Seed** - good crop, excellent quality in U.S. and Canada. Prices down to levels we did not see during last year's disappointing crop.

**Pumpkin Kernels** – China has a smaller crop of GWS (grown without skin). The spread between GWS and Hulled Shine Skin may narrow. Most of Shine Skin will be shelled. The inshell market will be satisfied from a large crop of Snow White. Prices have been softer but may be close to a bottom

## Dried Fruit and Nuts

**Almonds** – nonpareils are fully harvested and the California variety harvest is almost complete. Sizes are expected to be larger than normal.

**Oregon Hazelnuts** – with a small crop this year (28,000 tons) and little relief from the Turkish crop, pricing on In shell and kernels will be more expensive this season.

**Prunes** – with harvest completed, growers are commanding increased pricing – almost 15 percent higher than last year.

As a result, processor sales are slowing down. Sizes remain large with very little of the smallest sizes being graded out

**Raisins** - select Natural Thompson Seedless Raisins had a better yield than expected. With the largest wineries not purchasing as many fresh grapes this season, more tonnage is now available for raisins. Golden availability remains very small resulting in higher prices than last year

**Pistachios** - even with California's normal crop yield this year, pricing is at an all time high. Less expensive Iranian pistachios have captured most of the European and Far Eastern markets. California growers will have to find ways to market their Pistachios abroad to avoid any large carry-over into the new 2006 crop.

**Pecans** - pricing of In-shell Pecans has dropped with new crop. Shelling stock should also have a lower price when available in November.

**Walnuts** - the large demand for Light Halves and Pieces has increased prices for November and beyond. Combo color pricing remains steady.



**Spices** - a container has just arrived at our Oakland CA warehouse with a shipment of new crop Guatemalan Allspice (Pimento).

We are slightly over-stocked on Decorticated Cardamom Seed from Guatemala. Call us for a special price. After a long decline, Cinnamon prices are moving up again. We carry excellent U.S. processed Ground Cinnamon. Call us for a quote.

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**FLAX**  
**Becoming**  
**more and**  
**more popular**



We have been selling edible flax seeds since the days when most people thought flax was only for paint, i.e. linseed oil. Now Flax seed is recognized as a healthful ingredient commonly used in the Natural Food and Baking Industry. Flax is good for you because it contains high levels of polyunsaturated fats, which are healthful and are a source of omega-3 fatty acids. Whole Flax seeds are good but milled flax is better. Our body achieves better health benefits from milled flax.

Many bakers and manufacturers were reluctant to use milled flax because it was perceived as having a short shelf life. Modern processing procedures have changed all that. Today we can guarantee you a shelf life of up to 12 months. Milled Flax has a texture similar to wheat bran and can **partially** replace flour in bakery goods.

We mostly carry whole brown flax. Golden flax is available on request. Milled Flax is processed to order. Call us if you require more details.

Most items also available as **certified organic**.