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September 2024 Market Update

www.ambrosia-foods.com/marketupdate

Maraschino Cherry Crop Winds Down

The Rainier, Imperial Wichita, and Prunus Avium varieties of cherries used to make Maraschino cherries have been harvested in the Pacific Northwest of the United States and Europe. Crop yields are comparable to last year, so supply will remain secure and pricing will be stable.

Farro Crop Delayed

Due to weather instability in the growing region of Tuscany, Italy, the Farro crop has been slow to mature. Demand in the Asian market has increased, leading to diminished supply. More updates are expected in September and October after the crop is harvested.

Arborio Rice Crop Faces Challenges

Heavy rains have hampered the Arborio rice crop grown in the Pavia area of Northern Italy. The crop is expected to be harvested in October, which is later than normal. We will keep you posted as the harvest takes place.

Chipotle Peppers

The market for Chipotle Peppers is firm. High temperatures and heavy rainfall throughout the growing regions of Mexico have adversely affected the fields, delaying the harvest. Production delays are anticipated as suppliers await the receipt of raw materials. The total impact to the harvest is not yet known but packing is slow which hampers our supply.

Baby Corn

In Southeast Asia, severe weather extremes, ranging from drought conditions to excessive rainfall, have affected the growth and yield of Baby Corn crops. Vietnam's total corn production for the 2024/2025 market year has decreased about 5% compared to the five-year average. We anticipate the market to remain firm into 2025.



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Pineapple

It has been a challenging year for canned pineapple. Droughts and oppressive heat severely hindered the pineapple harvests globally in 2023/2024. As production was low with little carryover, we forecast the market trend to continue to remain firm throughout the first half of 2025.

Peruvian Peppers and Artichokes Harvest Starts

The pepper and artichoke harvest in Peru has commenced and is shipping out in limited quantities. Early indications point to a normal crop, but final yields will be determined over the next few months. Due to market shortages there is pent up demand for both products so speak with your SFI Sales rep to plan for our arrivals.

Ocean Freight Rates Remain Unstable

Ocean freight carriers have continued to increase freight rates. The Golden Week holiday in China, which falls during the first week of October, has caused a surge in demand for shipping as manufacturers try to move product out before factory closures. In addition, threats of labor strikes in Canada and the East and Gulf Coasts of the US have put more strain on the supply chain. The future of the market remains unstable due to geopolitical tensions, climate change, and further Houthi attacks in the Red Sea. Additionally, the shipping lines have decreased their capacity, justifying higher rates.

Historically, ocean freight rates from Asia to the USA (East Coast) were around \$3,000/container. They are now north of \$8,000. Rates had dipped a bit under \$8,000 then bounced back up. Freight to USA West Coast is historically \$1,000 less than the East Coast. As there are about 1,000 cases of 6/10 cases in a container, ocean freight has gone from about \$3.00/case to \$8.00+/case to the East Coast. **Ocean freight instability is the most impactful contributing factor to the unprecedented price increases in 2024, and it will continue to be a huge issue for imported foods, most of which are no longer produced in the USA.**

Climate change is another huge factor in the global supply chain of all food products.