

Tomato Market Turbulence



As the crop of the three main tomato processing countries, being China, Italy and United States, moves forward, the information released since the beginning of the year starts to be confirmed, indicating that 2008 crop will be

marked by dryness and high prices.

According to California Tomato Growers Association, the U.S. crop 2008 is estimated at 10.5 million tonnes of fruit, 13% lower than the previous year. It is important to mention that California State, responsible for more than 95% of U.S. production of industrial tomatoes, faces the second consecutive year in lack of water for irrigation.

About Chinese crop, the English publication *FoodNews* of August 29, 2008 indicates that there is a fierce competition among companies for raw material, which has increased the price of the fruit. Also, according to the publication, on the first week of September 2008, some Chinese processors indicated price for pulp HB, 28/30 brix, around US\$ 1200.00 / ton FOB, so that the majority of them is not undertaking deals with quantities exceeding 200 to 300 tons and future shipments.

Finally, according to the sources *Tomatoland.com* and the *FoodNews* of June 13, 2008 and July 25, 2008, the Italian crop, as well as the crop of other EU countries, will be lower than last years due to the decrease of agricultural subsidies, although the demand in those countries shows no signs of weakening. It is also important to mention that the Italian season has suffered several weather problems and market sources indicate a shortage of at least 10%, putting the crop at around 4.3 million tonnes of fruit to be processed.

FCOJ: Yellow light turned on

Market is giving signals of movement with the latest weather news from Florida.

The hurricane season started. Results of flooding could be worse than prior released and according to *The Ultimate Citrus* of September 8, 2008, "hurricane Ike may target Florida's orange groves and present the first real threat of the season to the 2008-09 crop that is already thought to be 12% smaller than last year, analysts said".

Now the yellow light is turned on.



KEEP YOUR EYES OPENED:

ACEROLA: Crop started

Acerola crop just started in our processing area and we are in position to offer it for immediate shipment. Keep in mind our idea of contracting now in order to avoid bustle demand from February/March due to end-season period what means lack of product until October of 2009. We wait for your contact.

Mango: Ready to firm deals

For us it's time to talk about mango.

Brazilian new crop is scheduled to start by October with the production of Tommy Atkins and Keith varieties that usually starts in October and finishes by December with shipments starting in November. In January, the production of Palmer variety starts, and goes until March with shipments starting in February. The idea is that the shipments do not pass beyond March, 2009 and surely to start shipping as soon as the season starts.

As seen, this year the Keith variety will be also packed in order to grant the receipt of the Tommy and Palmer.

It is also good to mention that problems with Indian supply, high demand for Brazilian varieties and exchange rate not ideal for exports are making the market very nervous.

From our side we are ready to answer the requests from our clients with the best conditions of the market.



New supplier of olive oil



Recently, it was concluded between Atlantica Foods and the Argentinean Company Sol Frut S.A, which belongs to Phronesis Group, a commercial agreement to develop the sales of olive oil "private label" in Brazil. In the plant, located in San Juan, only extra virgin olive oil is produced, in that region the group has over 1,100 hectares of olive trees planted, out of a total of 5.000 hectares already planned.

The extra-virgin olive oil is a natural product extracted from ripped olives and it is ideal as a complementary ingredient for a healthy and tasty food.

According to the Brazilian Association of Olive Oil Growers, Importers and Traders, Brazil is one of the ten countries that mostly consume olive oil worldwide with the domestic consumption around 32.000 tonnes and with a huge potential for growth.

Sugar



As a priority to attend the needs of each customer and always aiming to provide a differentiated and high-quality service, Atlantica Foods started operating on "DDU" basis in which the sugar is delivered to a warehouse on the final destination indicated by the customer. At the beginning, this service will be done in European countries, but there is the intention to extend it to other destinations, therefore we're also ready to offer it to customers interested in this kind of delivery.

About the market, it is important to consider that the trend of high prices is confirmed due to the prospect of global deficit about four million tonnes. However, this information hasn't changed yet the commodity's prices, which was expected by some in short-term; therefore the decline in oil prices and the valuation of US Dollars against other currencies have been singled out as factors to sustain the prices of sugar at lower levels.



Events

Come visit us to know the latest market news about Fruit Juices, Concentrates and Sugar.



■ Between September 23 - 26,
World Food Moscow, Russia.
Be welcome to our stand in the Hall 6
- Pavillion 7.



■ Between October 19 - 23,
Sial Exhibition Paris, France.
We will be also glad to welcome you
there, at our stand L104 - Pavillion 5A.