



DATE: October 14, 2021
TO: Our Valued Customers and Brokers
FROM: Barbara Powell - Vice President of Foodservice
RE: November 15, 2021 Price List

To Our Valued Customers and Brokers:

Mount Franklin Foods always works diligently to manage our costs so that we can delay price increases for as long as possible. Through investment and strategic planning, we have managed to absorb significant increases over the last couple of years. Upward increases in commodity costs, labor and supply chain inputs, and of course the challenges with freight, both in costs and availability have made it necessary to make changes. Please find our new price list effective November 15, 2021. Below we are citing the market trends on the major nut meat categories:

Almonds: The objective estimate for the 2021 almond crop was released in July at 2.8 billion pounds. This is on the lower end of expectations, down 13% from the subjective estimate of 3.2 billion pounds and 10% lower than the 2020 crop of 3.12 billion pounds. Drought conditions in California continue to be a concern and prices continue to firm up.

Pecans: New crops are estimated to be less than the previous year. The state of Louisiana was hit by the hurricane and as Georgia had a bumper crop last year, this year's crop is expected to be smaller. This is coupled with strong consumption both domestically and abroad. Chinese buyers are coming back into the market now that the trade war has ended.

Pine Nuts and Pepitas: Imports from China. Cost increases are being driven by high tariffs and astronomical freight costs.

Walnuts: In late August, the USDA released the crop estimate for California Walnuts with a stunning 670,000-ton projection. This is substantially lower than the 723,000-ton subjective estimate from the walnut handlers and a massive reduction from last season's 785,000-ton crop. Widespread freezing temperatures early in the year resulted in frost damage to orchards across the state. The ongoing drought exacerbated the problem. The harvest is now underway in California. There has been a lot of concern over the heat and lack of water and its impact on the crop quality. With continued strong demand and lower crop estimates, prices continue to rise.

Sunflower Kernels: USA sunflower crop projection is close to 40% down versus last year, rather than the 30% decrease originally estimated. In addition, the heat and drought conditions through the growing regions are making everyone very nervous. Domestic sunflower market is expected to be tight for the long term. The Bulgarian crop plantings and growing conditions



have been good with minimal losses. Demand is extremely high, especially from buyers in the US, as the bad news continues here. However, freight is a factor in Bulgaria since processors are seeing increases of \$1600-\$2500 per container for July/August shipments. Shipping companies are not honoring existing shipping contracts. Shipping costs are going up considerably, in many cases doubling.

If you have any questions or need any further information, please reach out to me or your Regional Sales Manager.

Thank you for your ongoing support. We appreciate your business.

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