

Chin's Import - Report

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LINCHEN ANNOUNCES NEW PETE BOTTLE

With two price increases for glass bottles in the past 18 months, Linchen has been forced to increase their prices by approximately 8%, on their line of domestically produced

Michiu Rice Wine. While its signature green glass bottle has been popular for

many years, they have opted to begin offering the product

now in a more cost effective & recyclable PETE clear plastic bottle. The new PETE bottle not only offers a savings of \$1.50/case over the glass bottle, it will be less cumbersome worrying about glass breakage throughout kitchen areas in the future. While the products are exactly the same, the PETE pack will contain "red" Chinese characters, instead of "green".



COMMODITIES TO REFLECT CHANGES IN 2010

Long Grain Rice prices advanced twice this past month, settling out with January pricing up about \$1.50 @ 50 lb bag, for USA southern origin. A drought in India & typhoons in the Philippines have challenged world supplies of rice, which is affecting current domestic pricing.

While our bulk 50# prices on **sesame seeds** have not reflected any increases, our 6/5 lb product will be rising by approximately \$0.20/lb this month.

Additionally, **W-3 cashews** are also reflecting a \$0.20/lb increase, as the market firms up, after the holiday season. Spot prices on **blanched split & slivered almonds** are up \$0.50/lb at the moment, reflecting increased exports of product to China. Sources indicate that prices should hold firm through February, However, once Spring hits, almond experts will be closely evaluating the almond bloom prematurely before harvest which takes place in August.

Be also prepared for hefty increases on Chinese products such as, **dried black mushrooms, dried red chili peppers, dried minced garlic,** as well as **peanuts.** Some view China's increases to be related to the recent H1N1 virus, however the correlation does not seem to make much sense. It is expected that higher prices will last through the Chinese New Year (Year of the Tiger – 2/14/10).

Sugar prices have continued to be strong, reflecting low world sugar stock levels. 28 year high pricing. While the current market is unpredictable, further price increase may be imminent, to avoid any disruption of supplies.

On the brighter side, new **cornstarch** contracts appear to be highly competitive. While Corn Products Inc. appears to be only softening prices by about \$0.65/bag (50 lbs), we are receiving even more competitive prices from Cargill, which could bring prices down about \$2.50 instead. Since 2010 contracts are still under negotiations, expect to see some relief shortly.

KOTTERI MIRIN

Kikkoman
Kotteri Mirin is

a sweet rice wine for cooking, which adds a mild sweetness and glaze to any



grilled, broiled, baked or sautéed foods. Since the sugar in Kotteri Mirin is already dissolved, it blends quite easily with other ingredients. It's in stock, and available in an easy to pour 5 gallon bag-in-box.

Ponzu Citrus Seasoned Dressing is a product with many applications. Use it as a dipping sauce for pot stickers or egg rolls, or as a salad dressing over lettuce.



RESIN SUPPLIERS DRIVING INSTABILITY ON PACKAGING

It is going to be a very interesting couple of months shortly, as major plastics manufactures were quick to announce pending price increases for Q1 of 2010. **Genpak** has announced a 2/15/10 8% increase, affecting foam hinged trays, plastic cups, and meat trays. Following suit, **CKF** has set a 3/1/10 date to reflect an 8% increase on their entire line of Styrofoam products. **Fabri-Kal** was quick to follow suit, announcing a February increase affecting their line of portion cups/lids.

While **WY Industries** has announced a 2/1/10 8% increase on their complete injection molded line of products. The polypropylene (PP) market has been strong for the past several months, however it's become unbearable for manufacturers to continue to bear the burden of higher raw material prices. As we still have adequate supplies of product at the current price levels, it's our suggestion that now is a great time to book product.

LKK REFLECTS 2010 PRICING

Keep in mind that new LKK prices that were announced several months ago, have been reflected in our current pricing. While the entire line was not affected, please pay attention to specifics outlined in our monthly pricing.