



a subsidiary of Vesta A.S

Market Report

May 2025



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ALMONDS

At the recent INC (International Nut and Fruit Congress) in Spain much was discussed about the ongoing firm trend in the almond market. This is fuelled by strong global demand and the increasing impact from both India and China. Shipments in April at 241m lbs created another strong month and the 3rd largest so far this season. As that trend continues the expected squeeze on supply by the time we reach the end of this season will still likely reduce the carry-over to a level that might only just service the transition between crops. That is assuming there are no delays to the next harvest itself.

India reported yet another strong month (+39% on last April) and the Congress discussed the massive change across India. In the past 5 years their escalating interest in healthy eating & snacking, a growing interest and awareness in locally grown and imported “luxury/indulgent” healthy products across social media, alongside an explosion in a multitude of retail options to their consumers have all fuelled this growth.

This makes India now a priority destination for Californian almond exporters with China not far behind now that the tariff war with the U.S. has seen a major recent reset.

Tariffs on goods going into the U.S. have been slashed from 145% to 30%, and those going into China from the U.S. will drop from 125% back to 10%. So while Australia have been very much enjoying a recent sales bonanza with China fully focused on sourcing Australian almonds (with no import duty into China), with the new duty rate, California will look to position itself back into contention at least to recover part of its market share in this key market.



COMMUNITY FOODS COMMENTARY- ALMONDS

The first official (so-called "Subjective") new crop estimate has been announced at 2.8b lbs. This estimate is drawn from a poll of around 500 Californian industry growers and processors.

2.8b is a small increase over the pre-estimate expectations, but still below 3b +, which would give the market some headspace to cover growing demand.

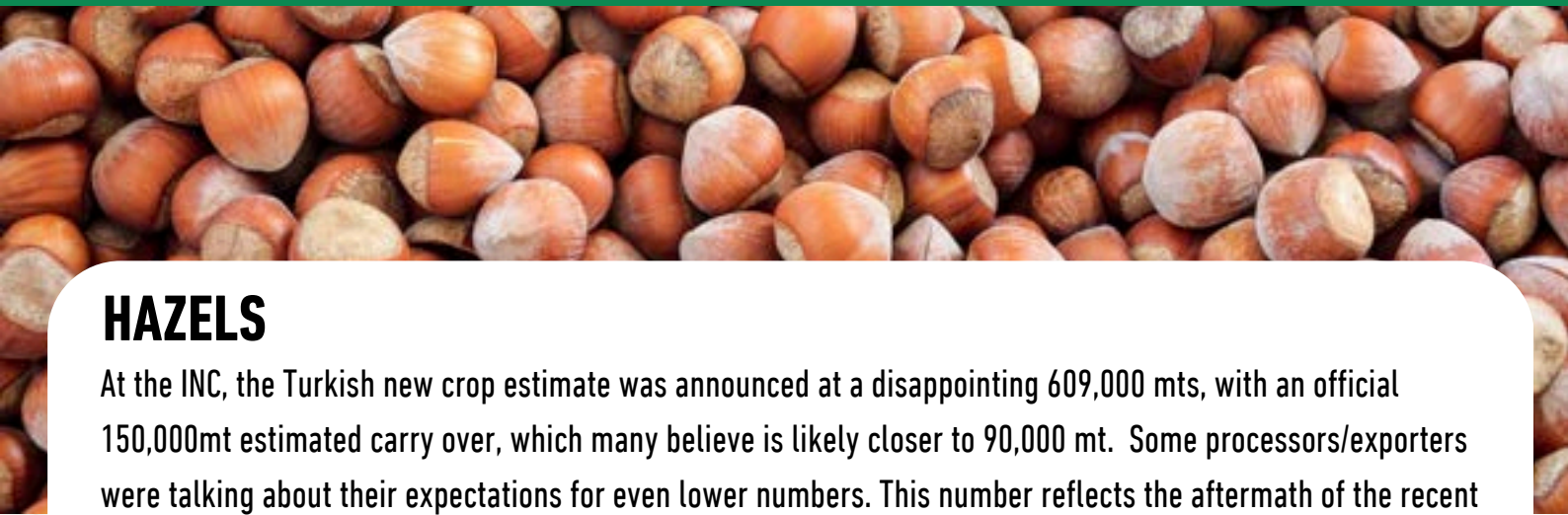
At the Congress, they spoke about the ongoing replacement of older trees in California (and elsewhere) but in California after recent years of lower pricing, there has been a lower appetite to increase the planted acreage itself.

From Australia, they are looking for another 20,000mts annual production to come into play over the next 4 years (present production at 155,000mts +/-).

From Spain, they are hoping for a new 2025 crop over 120,000 mts, which would be a strong performance given the average of 92,000 mts over the previous 7 years.

The Congress also discussed the exponential increases in younger consumer demand and awareness of healthy eating/snacking, as well as the impact of social media on eating habits and the explosion in retailing choices. Set against the global decline in bee colonies and the wider impact of climate change through which the best laid plans can be (and now regularly are being) derailed by the extremes of weather events that are fast becoming the rule more so than the exception.

All of which points towards stable to firm almond pricing at least in the medium term.



HAZELS

At the INC, the Turkish new crop estimate was announced at a disappointing 609,000 mts, with an official 150,000mt estimated carry over, which many believe is likely closer to 90,000 mt. Some processors/exporters were talking about their expectations for even lower numbers. This number reflects the aftermath of the recent country-wide frosts, although with ongoing unstable/cold weather, further nut drops might still come and that is reinforcing the views of those who are calling a lower number.

The firmer market of late has stalled demand to some extent, although season to date, Turkey has seen a 10.5% increase in volume and a 20.2% increase in value over the same period last year. That said, the crop this season at 750,000 mts (inshell) with a 114,000 mt carry in, is big enough to cope with the bad news on new crop being used to squeeze higher prices on current.

At the INC, the forecasts for the next U.S. and Chilean crops were announced at 102,000 mts and 92,000 mts respectively, both of which would be increased production. This is good news for those who look to source from elsewhere, although Turkey still remains the dominant global hazelnut supplier.

COMMUNITY FOODS COMMENTARY

The combined negatives of the frost damage and gloomy new crop estimate has sent pricing higher in recent weeks despite the continued offset of the weaker Lira vs USD. Finance costs in Turkey remain above 60% which is straining liquidity for the exporters as well as reducing their appetite for risk-taking. Buyers are now also taking a very cautious approach to the cover needed for the rest of the current crop with some major buyers covering only parts of their forward demand if and when they have to. Turkey is well aware that high pricing will damage their demand, so we are at a point where neither buyers or sellers want to make their latest move. Again, there is still the uncertainty of what TMO will do going into the new season, although if prices remain high, they won't need to do much to effect higher pricing. What might be more significant is their decision on the volume, value, timing and impact of when they sell off their stocks of current and old crop inshell.

In the meantime, the weather patterns over May and June will also be critical in determining the rates of further nut drop, especially in the higher altitude orchards that were worst affected by the frosts.

WALNUTS

The Walnut presentation at the INC covered crop info for this season and best guesstimates for the 2025 crops later this year. From China, the current crop (inshell) was published at 1.55m mts which was topped up by a 50,000mt carry in.

Expectations for the new crop are for another same-sized crop with a 20,000 mt carry out.

In comparison, the Californian crop this year was a disappointing 543,000 mts (plus an 83,000 mt carry in) vs expectations for new season (weather permitting) at 616,000 mts + a 72,000 mt carry out, so total supply for 2025-26 season should be at 688,000 mts inshell - which is clearly an increase year on year. On this basis, the market is expecting to see pricing on Californian walnuts to ease going into 2026 - not least as a response to a year in which the scale of the Chinese onslaught into the Californian market share has been intense.

At the Congress, the "round table" discussion included the reasons for the Californian "short crop". This came about as a result of the severely hot summer causing heat damage as well as stressed trees, and they referenced the higher pricing providing a better revenue to the growers after successive seasons prior caused financial hardship to the growers, as well as impacting their ability to provide optimal investment in fertilizers when their returns were so poor.

A representative for the Chinese walnut industry told the congress that walnuts are the most common tree nut in China, grown across 21 provinces and over 500,000 hectares. However, their biggest issue is labour where - as in many other key origins - the next generation of workers who would have previously worked in the fields, farms and processing factories are migrating to the cities and to less manual careers, and this is having a profound impact on the resource needed to support this key industry.

COMMUNITY FOODS COMMENTARY – WALNUTS

The U.S. delegation highlighted a positive view of the future for Californian walnuts with an ongoing programme of new tree plantings over their 370,000 acre growing area – and their strategy to join walnuts with the domestic and export healthier eating plans into bakery and snacking as well as looking at different flavours and applications.

And as much as they appreciate the threat to their industry from China, they recognize that their prices into 2026 might need to ease back to narrow the likely differential. But for the rest of this season, we can expect to see stable to firmer pricing.

A representative from India told the congress that despite having its own crop, India is now a net importer of walnuts, which reflects the massive growth in their domestic demand. And from China, they reported that 80% of their domestic crop is consumed domestically, with strong growth in their use and application of walnuts from snacking to bakery (walnut breads), to walnut milk.

The impact of demand from China and India on global supply was both a common and a fairly mind-blowing element to many of these open discussions at the INC.



PECANS

The presentation at the INC outlined the impact of climate change through extremes of droughts and hurricanes in Mexico and the U.S. This has contributed to a 10% decrease in production from these key origins (although they reported a 4% increase in production from the other origins led by South Africa. The biggest regional consumption sits in the U.S., Mexico and China, with the remaining 15% coming from Europe, UK and the Middle East.

USA is still the biggest producer at 192,000mts (inshell) this year, including a 69,000 mt carry in, although the crop itself this year in Mexico was larger at 127,000 vs 123,000 in the U.S., but with only a 2000 mt carry in from the 2023 crop.

South African production is at 38,200 mt (including a 700 mt carry in) and interestingly, China now features on the charts with their own crop this year of 3,500 mts, and a new crop estimate of 8,500 mts (although this won't stop them from also buying the majority of the South African crop on top).

From Mexico this season, their crop exceeded the USA because of the hurricane last year that devastated Georgia, and the impact of which was reported to have permanently reduced that crop in isolation by 25% because heavy rains before the winds loosened the soil and brought down many trees. This is coupled with Mexico experiencing a long-standing water shortage crisis, this now being the 2nd year of drought.

The pecan discussion explained to the congress that pecans are the most expensive tree nut to produce, with the trees taking up to 8 years before they produce a decent yield. Per acre, production is the lowest in comparison with other tree nut crops.

COMMUNITY FOODS COMMENTARY – PECANS

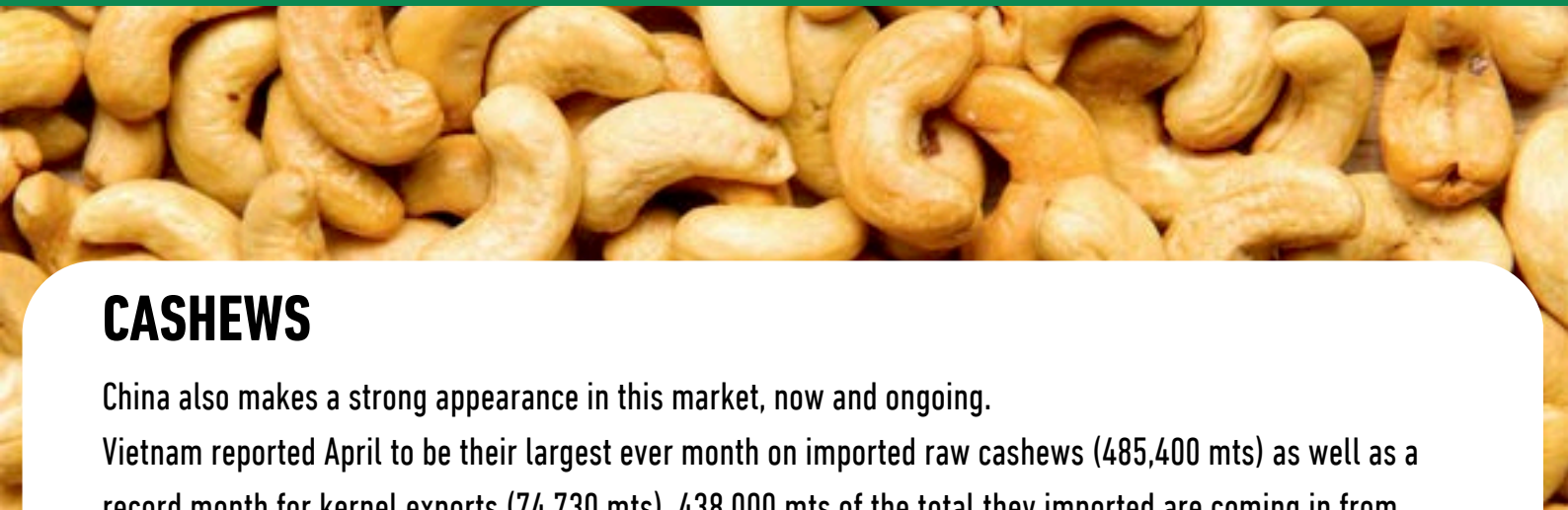
Against challenging supply fundamentals, global demand is, however, strong and the only constraint is the supply itself. Within the U.S., pecans are marketed as a premium, high-quality item, and as with walnuts, there is a strong drive towards broadening the usage and flavour applications within snacking, salads, and bakery.

In Mexico, pecans remain a staple and traditional part of their diet, 75% of their consumers buy pecans each month and this represents 60% of the nut market share. Pecans feature in a similar range of sectors in Mexico including in dairy (yoghurts), desserts, and confectionery.

In China, we were told that 90% of the populations in larger cities are aware of pecans ; 62% have purchased pecans and 21% are frequent buyers.

And across Europe, pecans are now seen as a key healthy ingredient with high fibre ; low carbs ; high as an antioxidant and high in Vitamin E.

We also heard that the Mexican crop this year saw a 10% reduction in the volume of halves in the crop (hence the high pricing and large differential over pieces). And that in the U.S. the government has secured 5m lbs (2268mts) of large pieces for their domestic food aid programme, not least in an attempt to “correct” the perceived surplus of this grade this year.



CASHEWS

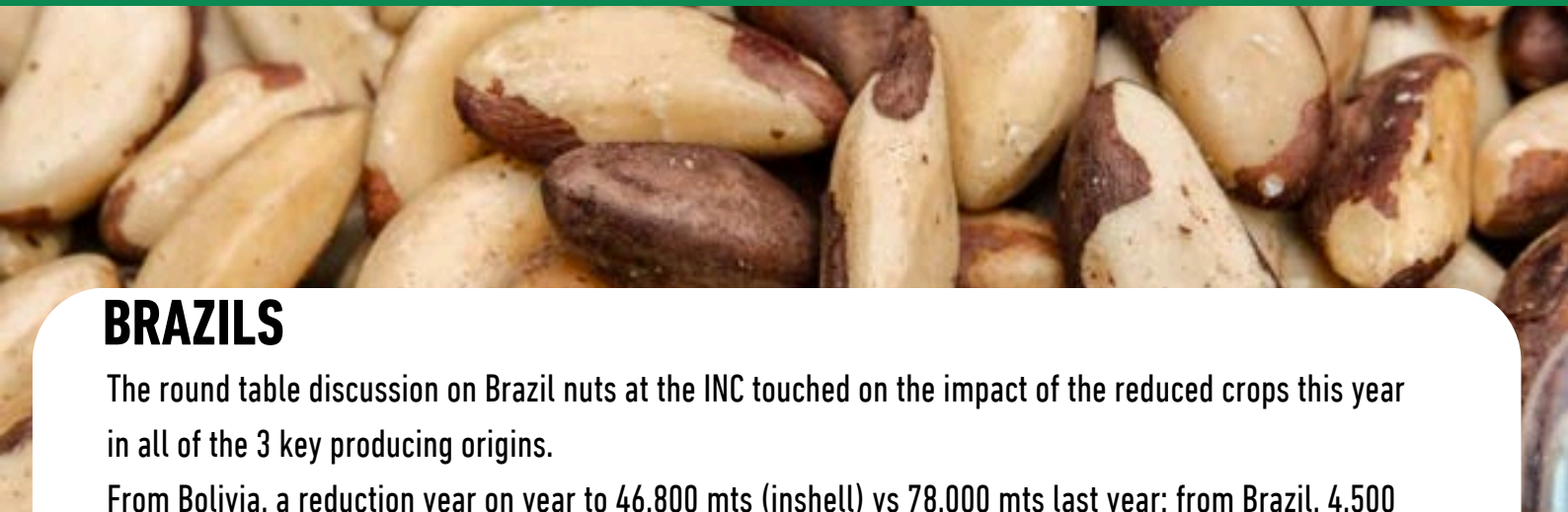
China also makes a strong appearance in this market, now and ongoing.

Vietnam reported April to be their largest ever month on imported raw cashews (485,400 mts) as well as a record month for kernel exports (74,730 mts). 438,000 mts of the total they imported are coming in from Cambodia but within this number, this also includes those purchases negotiated by China directly with Cambodia for inshell to be toll-processed at the Vietnamese cashew factories. This activity is making it harder for the Vietnamese import discussions, as China is willing to pay high prices to secure its demand. Kernel exports from Vietnam to China during April were at 23,000 mts and at 9,000 mts just for the first half of May. This is significant because kernel exports to the USA, which has for many years been the world's largest market, were at 9000 mts and 4000 mts respectively, so this may well be the start of a change at the top of the world cashew order. Up until now the market estimated that the jump in Chinese demand over the past 2 years was linked to cheap cashew nut pricing vs other imported products. But it now looks to be a longer-term changing trend, and as mentioned elsewhere in this report, we can see China (alongside India) evolving before our eyes and with little sign of any reversal of their growing demand for imported products to feed their domestic retail revolution.

COMMUNITY FOODS COMMENTARY

U.S. buyers are still caught in the crossfire of yet unknown trade deals with Vietnam, which will, when known, at least allow for forward price certainty. But international buyers are still looking at the large expected 2025 supply overall from West Africa, which offers both a key line of additional raw nuts into Vietnam, as well as the growing trade in exported kernels from this region. The biggest African crop is from Ivory Coast, and in election year the government there has already advised a minimum purchase price from the processors and exporters to the growers. Whether or not any international easing of pricing would result in the Ivorian government repeating their aggressive pricing strategy from last year of temporarily banning exports remains to be seen.

Assuming they don't feel the need to do this, there is still thought to be a limited downside to pricing over 2025, not least because Vietnam is largely only buying what it knows it needs to sell. This means that it is likely Vietnam still needs to largely cover the second half of its 2025 requirements, meaning that pricing will likely stay stable to firm over the remainder of this year.



BRAZILS

The round table discussion on Brazil nuts at the INC touched on the impact of the reduced crops this year in all of the 3 key producing origins.

From Bolivia, a reduction year on year to 46,800 mts (inshell) vs 78,000 mts last year; from Brazil, 4,500 mts vs 7,500 mts last year, and from Peru, 11,760 mts vs 14,700 mts.

So clearly the decrease in Bolivia has had, and will have the biggest impact on global supply – although the sky-high prices since the start of 2025 will certainly impact likely demand.

The reasons for the decrease in production were firmly placed at the door of climate change impact – less rain, more heat, more fires, and poorer pollination. The dry season in Bolivia was drier and longer than usual, and the lower rainfall has resulted in smaller pods.

Hence this season, we see very few if any, medium-grade brazils, and a disproportionate amount of midget and tiny (and even “super tiny”) grades.

COMMUNITY FOODS COMMENTARY

The discussion did not mention this specifically, but we do understand there have been a series of renegotiated deals with those origin shippers who were compelled to look for a higher price from those deals concluded before the market effectively exploded from February onwards.

Whether or not UK and European Retailers will look to delist brazils in single packs as the year continues remains to be seen. Based on the latest replacement pricing, prices have nearly doubled since the start of 2025. With new crop not likely to be here before May 2026, the squeeze on supply has no logical end in sight until the next crop is in and ready to be shipped late Q1 2026.

It was discussed in Spain that historically a poor crop is typically followed by a bigger, better one. However, the counter to this is that climate change clearly offers little normality.

The Congress also touched on the long-dreaded interest for brazils from China – and that if this does convert to an additional level of demand coming from this giant market, then any stock surplus in a “normal” year in Bolivia would very easily be cleared out by Chinese demand. Clearly anything other than an average to larger annual production, would likely struggle to cover all bases.



PISTACHIOS

Pistachio prices have been firming over the past year and in USD-terms, by 35% amazingly over this period (on kernels) and which comes from a combined decrease in production in the U.S. offset by strong international demand.

At the INC, the round table discussion pointed to the fact that while pistachios are for sure expensive, at the same time, there is growing sense globally that pistachios are a trendy / on-trend product. India is a large and growing target market for California; given India's growing interest in health and protein intake, this has converted pistachios onto the radars of a growing demographic across snacking, bakery, and even into drinks and sports nutrition.

The Congress heard about the impact of the global phenomenon that is Dubai Chocolate. This has driven NPD into a multitude of other products and countries. The Congress interestingly heard that at Dubai airport, of a total of around \$200m spent monthly on gifting/duty free, etc., just in April a whopping \$8m was spent on Dubai Chocolate!

Clearly, Chinese demand for U.S. pistachios has been stifled of late with the tariff retaliations, but as this looks to be resolving itself, we all know how China together with India can combine to be a transformational market reset.

COMMUNITY FOODS COMMENTARY

The Congress heard there is a strong move to support pistachio sales through the perception that pistachios fit a particular niche within the nut sector. They are the only green nut, and with strong nutritional messaging on providing amino acids, being rich in protein, lutein, and antioxidants, they are likely to continue to feature heavily across bakery, snacking, and drinks.

Turkey and Spain are both reporting strong pistachio plantings themselves; 37% of U.S. consumers use pistachios as a regular ingredient (up from 23% in 2023) and with the Chinese representatives talking about China's ambition to import 250,000 mts + (!), this relatively niche product that is fast re-establishing itself as a staple within the category.

COCONUT

Prices continue to firm at origin, albeit with the weaker USD vs Sterling and Euro offering some relief as and when. As previously reported, the ongoing poor production yields across the Philippines, Indonesia, and Sri Lanka continue to prevent the origin mills from being able to quickly catch up on their sales, which means that lead times remain long as the suppliers take longer to secure the required volumes. Shipping lead times are also varying considerably from shipment to shipment as the timings of container movements and the vessels to load them onto are both still getting disrupted by the global irregularities of raw material supply and shipping schedules.

There is still a good chance that the Franklin Baker mills will be reopened this year, but it is not clear if the same teams and standards will be in place from the start to pick up where they left off when closed last year.

COMMUNITY FOODS COMMENTARY

We are not expecting to see any significant price correction over the remainder of 2025 with lead times now running at around 4-5 months from any new order to shipment from origin, we can see the same squeeze on supply spilling into at least Q1 2026.

At some point, pricing will come back down, but logically that can only meaningfully happen when stocks at the various key destinations are back in surplus, and the prospects of that happening anytime soon are slim to virtually impossible.

VINE FRUIT - TURKEY

SULTANAS AND RAISINS

Turkey experienced 2 frosts (on March 22nd and April 10th) across the Manisa region, with the second one clearly causing the most damage. Our parent company in Turkey - Vesta - carried out a survey in the immediate and subsequent aftermath of the second frost which included the key growing regions of Saruhanli, Salihli and Turgutlu areas, of which the worst effected was Saruhanli. Alasehir region was largely unaffected.

In Saruhanli, the initial survey immediately after the second frost saw most vineyards showing severe damage, although within 15-20 days, some recovery of new shoots was observed.

However, the second and third bud phases are unlikely to produce any viable fruit because the vines have already transitioned into the flowering phase. And the majority of first buds that did not see any subsequent recovery look to have completely failed this season.

Based on this, the latest estimations from the field agronomist surveys agree that Saruhanli might have seen around an 80% crop loss.

After the second frost in Salihli and Turgutlu some of the later-developing grape clusters look small with a likely low sugar content (brix) by the time of harvest. So the estimates for the impact of the frost on these 2 areas are now showing a 30-40% loss vs earlier expectations.

There are also reports of early insect activity across Manisa now being detected, which makes it critical that the growers do all they can to protect their crops. Proper plant nutrition and protection are now essential, alongside the hope that the Turkish summer will not bring with it extremes of heat and rain.

COMMUNITY FOODS COMMENTARY – TURKISH SULTANAS AND RAISINS

If there had been some hope pre-the second frost of a new crop in Turkey close or even beyond 300,000 mts supplemented by a 30-40,000 mt carry in from this year, this view has been completely changed by now. At the INC, a figure of 220,000mt for the new crop was discussed, with a downsize to the carry out to 20-30,000 mts. Buyers who need Turkish fruit only are covering their needs and are possibly hedging their bets by buying deeper into current crop.

Cheaper pricing out of both China and South Africa still offers a discount below Turkey for those who can switch. This bad news from Turkey has given both alternative origins an unexpected chance to consolidate their positions beneath Turkish pricing.

Turkey's predictable plans to push to recover market share with cheaper pricing come the new season have been wrong-footed yet again for the 3rd successive year by the weather.

VINE FRUIT

CURRANTS

No real change to the issues we have previously reported in that the reduced crop this season, following extremes of temperature and weather events in Greece last summer, produced a maximum crop of 12,000 mts for this season (vs a “normal” supply of 20,000 mts + in previous years).

By now, some packers are fully sold out, with some varieties no longer even in the hands of the growers. There seems to be little surplus remaining, either in origin or destination, in anything other than small and sporadically available parcels.

COMMUNITY FOODS COMMENTARY

There is little to no realistic chance of any meaningful price correction over the rest of the current crop season (next harvest starting in August) If Greece experiences another extreme hot summer, then another small crop would prevent any price reduction in the foreseeable.



APRICOTS

Our Turkish parent company, Vesta, carried out a field survey on the impact on the developing apricot crop in the weeks following the severe frost on April 12th. This included Malatya and some of the surrounding provinces which have also been increasingly producing apricots over the past 10 years.

Vesta's observations concluded that the damage to Malatya's central area was severe. The concern now is no longer just about the loss to the developing fruit but to the survival of some of the trees themselves. Entire orchards located even at the lower altitudes show complete burn, especially amongst the older trees, which appear to be most heavily affected. The orchards at the higher elevations also experienced some widespread damage, with the only "good news" about those areas being that the trees might well be more resilient to the impact of the frost than those in the lower altitudes.

Outside of Malatya, 30% of the total Turkish harvest now comes from the Elazig/Baskil regions. Vesta reports that some of the orchards in these regions were spared the full impact of this disastrous April frost, but this will not be enough to counteract the devastation in Malatya.

COMMUNITY FOODS COMMENTARY

The frost-damaged trees that show no sign of life need to be uprooted since they will not recover. For those trees that were partially damaged, while the trees might have survived, most of the fruit was killed and will not regenerate. For those trees that have seen some new leaf growth since the frost, the farmers will react with fertilizers and protective fungicides to try to keep the trees alive and avoid fungal infections, which can also follow frost damage.

The first official estimates are concluding that the new crop overall may struggle to exceed 5,000 mts, which, when compared to a "normal" crop of 100,000 mts +/-, is a measure of the severity of this event. This means that, from Turkey at least, supply into the new season will largely come from the carryover from this current crop. How long that will last into 2026 before the next crop can relieve this squeeze to some extent remains to be seen. The impact of the high number of dead trees will need to be factored into the next few years of Turkish apricot production.



CHIA

We are about 2-3 weeks away from learning more about the likely yields of the 2025 crop. but expectations are for an increased new crop production, which is already starting to provide a 10% discount on new crop shipments vs current crop.

That said, the UK market alone is seeing unprecedented increases in usage and application of chia in both retail and bakery.

COMMUNITY FOODS COMMENTARY:

Although the 2024 crop has been assessed to have been larger than expectations for the new crop, the yields last year were poor, and produced a crop of around 65-70,000 mts of Paraguayan chia. Against strong international demand, uncommitted stocks are becoming increasingly hard to find, which could produce a squeeze on supply and pricing until the next crop is in store in the UK and EU by October.

If the next and developing crop delivers a bigger volume with better yields, then we should see prospects for cheaper 2026 pricing emerge over Q4.

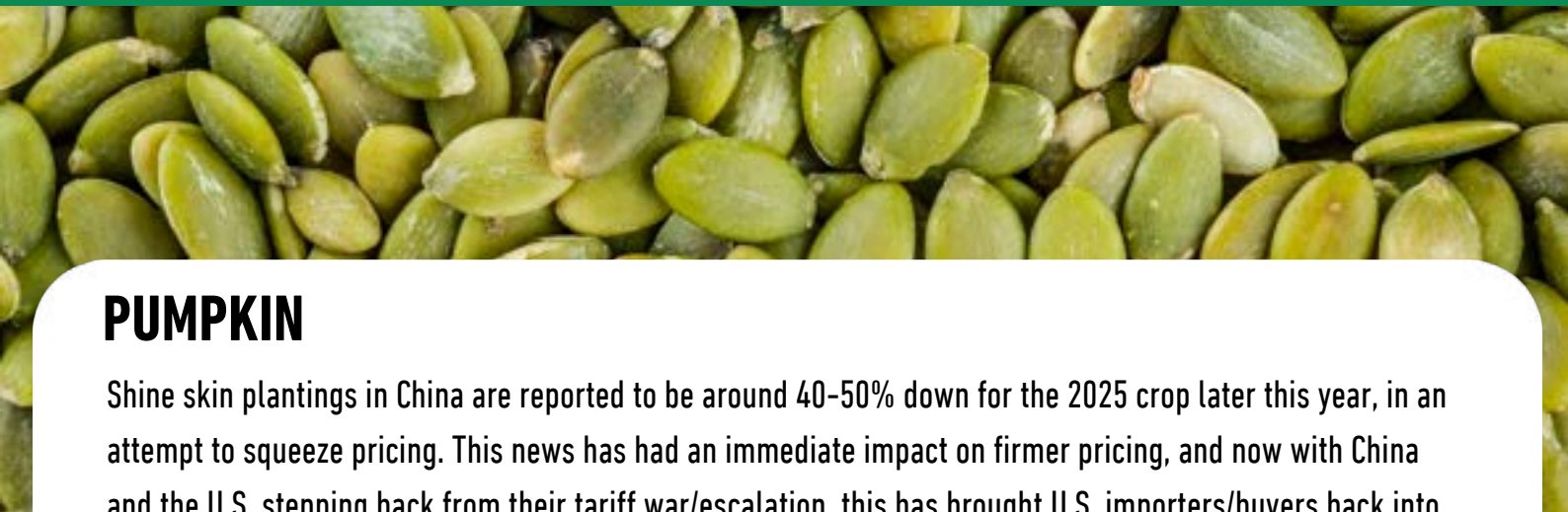
SUNFLOWER

Prospects of cheaper pricing for later this year depend largely on the success of the developing Bulgarian new crop. While we have seen some extreme weather events over Western Europe in recent months, we need a milder summer in comparison with recent years to produce a strong supply to service UK and European demand, as well as the increasing additional volume that China now needs to buy over and above its native crop.

COMMUNITY FOODS COMMENTARY

while Ukraine's sunflower seed crop is largely deployed into the crushers for sunflower oil, clearly the prospects of peace with Russia would result in the long-awaited recovery of Ukraine's agricultural products as well as the end to a catastrophic war with little to no gains for anyone.

Bulgaria is still dominant in servicing the majority of EU kernel demand, and so the weather conditions over there over the next 3 months are critical.



PUMPKIN

Shine skin plantings in China are reported to be around 40-50% down for the 2025 crop later this year, in an attempt to squeeze pricing. This news has had an immediate impact on firmer pricing, and now with China and the U.S. stepping back from their tariff war/escalation, this has brought U.S. importers/buyers back into this market.

GWS plantings are also expected to be reduced, but only by around 20% given that they still want to support their domestic and near-neighbor regional demand.

COMMUNITY FOODS COMMENTARY:

The reduction in new crop supply alongside the increase in current and new crop demand makes it likely that prices will remain firm now throughout 2025. China remains the primary supplier of this important seed, and with their existing monopoly on a manipulated smaller supply, we cannot easily see how pricing can ease back down.

The use and application of pumpkin is only advancing in one direction at the moment, so it is likely only currency could partially offset some of the core pumpkin market strength.



POPPY

There are reports in circulation about plans across Central and Eastern Europe to significantly increase the areas drilled for poppy seed production. This might not be a quick fix, given that this seed is not always that easy to establish quickly, and with increasing chances of extended droughts, this could further delay these best-laid plans.

COMMUNITY FOODS COMMENTARY:

Despite these plans to extend plantings, pricing is stable and will likely stay so for much of the remainder of 2025, albeit with the prospects of stronger supply into 2026. In the short term, we need to see how production goes over this summer in the Czech Republic as the still dominant origin. Temperatures, drought, and summer rains will combine to either improve or hamper 2025 crop prospects.

SESAME

There are reports in circulation about plans across Central and Eastern Europe to significantly increase the areas drilled for poppy seed production. This might not be a quick fix, given that this seed is not always that easy to establish quickly, and with increasing chances of extended droughts, this could further delay these best-laid plans.

COMMUNITY FOODS COMMENTARY:

South Korea recently tendered its sesame volume, and it was won by India. This accounts for about 8,000 mts, which might well see Indian sesame pricing now stabilise. Not least because they are also and additionally importing sesame from Brazil to service their growing Indian domestic demand, albeit the quality of Brazilian sesame is lower grade and not suitable for the UK and EU markets.

