



SWEET HARVEST FOODS



Second Quarter 2023

MARKET UPDATE

HONEY MARKET UPDATES

- Overall global honey demand has softened compared to previous years. Supply availability remains strong despite restrictions from Vietnam and Ukraine.
- Beekeepers in the southeast US are expecting below-average honey harvest this year due to weather conditions.
- Vietnam honey industry showing signs of severe contraction as exports are down >80% due to anti-dumping duties.

ANTI-DUMPING UPDATE

- Period of Review 1 (POR1) is completed. DOC will begin its review of imports and pricing, with revised AD duty rates published in Jan. 2025.
- POR2 extends from June 2023 to May 2024, with revised duty rates expected to release in Jan. 2026.
- SHF and others in the honey industry have challenged the Critical Circumstances ruling on Vietnam honey. Oral arguments will be heard in July with a ruling expected later in 2023.

EU ADULTERATION STUDY

The European Union "From the Hives" initiative survey identified that 46% of the 320 honey samples collected were considered suspicious for adulteration, or above average levels.

Notable origins include:

- China with 74% (66 out of 89 tested)
- Turkey with 93% (14 out of 15 tested)

KEY TAKE-AWAYS

- Global honey demand is softening.
- Impacts from anti-dumping activity continue to reverberate through the industry.
- Supply and demand conditions are driving prices higher on agave and molasses.

ADDITIONAL MARKET UPDATES

Agave supply is tightening:

- Growth of tequila & mescal spirits is utilizing more of the agave plant supply.
- Climate change contributing to less than ideal growing conditions.

Molasses prices rising:

- Past 6 months have been pretty volatile, strong hedge funds activity increased the commodity market place, including molasses.

Port Conditions:

- West Coast port conditions are starting to experience back-ups due to a worker strike.
- Drought in Central America is affecting container traffic through the Panama canal, potentially reducing capacity.



SHF team celebrates groundbreaking on a new state-of-the-art warehouse in Lakeville, MN.



Sweet, naturally.