

ROEPEER



Newsletter February 2010

Preface

There is continuous consolidation in the sector of raw material suppliers. Furthermore we are pleased to inform you that, with beginning 01.01.2010, we have taken over all business activities of company "*HanseProducts Gutschke e.K.*".



During the past 20 years Mr. Gutschke has concentrated on the trade with Shellac and Licorice as well as with some other natural products. From now on Mr. Gutschke will be supporting the Roeper team as our employee. We are very confident that this will enable us to support and advise you even better in the future concerning licorice and Shellac. You can reach Mr. Gutschke as follows:

Phone: +49-40-734103-26 Fax: +49-40-734103-826

Email: MGutschke@Roeper.de



Our product line of scent resins and resins as well as of Tannic Acid and balsams will now be handled by Mr. Benjamin Neumann, who has successfully finished his apprenticeship some time ago. You can reach Mr. Neumann as follows:

Phone: +49-40-734103-93 Fax: +49-40-734103-893

Email: BNeumann@Roeper.de

We are confident that these innovations will enable us to meet the market's challenge even more successfully.

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Travelogue

Frequent travelling has always been part of our company's tradition and philosophy. We strongly believe that regular and personal contact with our suppliers and on-site information in the countries of origin is essential to ensure high quality standards of products and service alike. In December 2009, our sales manager Joern Herrmann and Kai Endler, QA-manager, visited suppliers in Peru and Brazil.

In Peru (Lima and Arequipa) they visited our key suppliers for Carmine to hold rotational audits. Mr. Herrmann and Mr. Endler were able to obtain a first-hand and on-site impression of the difficult cultivation situation of cactuses for the production of Cochineal. Many farmers have replaced the cactuses – due to the long period of low prices for Cochineal and Carmine – by other agricultural products (such as artichokes or avocados). Since prices for Carmine have exploded (December 2009 / January 2010 – as reported) manufacturers now face severe scarcity of raw Cochineal. New plantations for cactuses are under progress, but an increase of Cochineal production will only be seen in approx. 12 – 18 months. Please have a look at our corresponding market report!



Mr. Herrmann showing a Carnauba Palm

In North-Eastern Brazil Mr. Herrmann and Mr. Endler visited major Carnauba palm growing areas. At the time of their visit crop had nearly been finished. Unfortunately this yield is 25 – 30 % below expectations – as a consequence prices are rather high. Our contract supplier of many years – company Pontes Ltda – was successfully audited during the visit. Without a doubt it can be stated that Pontes has lead the way for quality standards.



Aloe Vera plantation

In January 2010 our product manager Bjoern Stamer and our QA employee Anja Quast travelled through China for 11 days – they had a travel route of 6000 km, which they covered by bus, train, plane and car. They visited 5 provinces and had to cope with temperature differences of as much as -13 °C to + 30 °C. During their trip they visited and audited 7 suppliers – it was indeed a very successful, but also exhausting trip....



Sorting of Chilis

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Market Reports

Gelling Agents, Emulsifiers and Stabilizers

Agar Agar

The supply situation for Agar Agar remains stable. Prices for Chinese material will be increasing slightly due to the pressure on energy and water costs. The formerly strong Euro now fails to act as price stabilizer and balancing element. There is also sufficient Agar available from the Mediterranean area – however prices for this material traditionally tend to be higher than for Chinese material.

Carrageenan

During the past months we saw a steady increase of prices in all countries of origin, which was generally justified with lower yields. During the last quarter of 2009 there was practically no demand from producers, consequently seaweed fishers did not bring in any fresh seaweed. However now that the market is recovering and consumers are buying again, seaweed is scarce. We do not expect this situation to change before March 2010 – prices will continue to go up. We recommend to our customers to cover their demand soon.

contact: Jürgen Spieth, Phone.: +49 40 73 41 03 – 22, Email: jspieth@roeper.de

Alginate

During the past few weeks demand for alginate has clearly increased. Furthermore the raw material has become scarce, which gives prices a further upward tendency. As purchase of the raw seaweed is difficult at the moment production falls behind and many suppliers have very long delivery times right now.

In this kind of market situation a long-term buying strategy is what we recommend to our customers in order to ensure punctual deliveries. Fortunately we are able to offer high-quality alginates manufactured by our contract supplier of many years from China. For detailed information please do not hesitate to contact our sales manager Roy Melcher.

Pectin

During the past months our new product line of pectin was very successfully established in the market. Meanwhile we have over 20 different grades available for prompt delivery from our Hamburg warehouse. We offer even first class grades at competitive prices. Our sales manager Roy Melcher and our food technologist Mr. Focke will be happy to give further information and application support. They look forward to hearing from you!

contact: Roy Melcher Phone: +49 40 73 41 03 – 32 Email: rmelcher@roeper.de

contact: Helmut Focke Phone: +49- 40- 734103-0 Cell +49-174-1668410 Email: hfocke@roeper.de

Gum Arabic

All qualities are available and price level is stable. So all in all we have a very pleasant market situation. Also news on the next crop in Africa is rather positive. As soon as the crop has been completely finished we will give a detailed report!

Contact: Bjoern Stamer, Phone: +49 40 73 41 03 -23 E-Mail: bstamer@roeper.de



Guar Gum

Recently, prices showed an upward trend. However during the past few days prices decreased again. Low demand seems to be the reason for this development. At the same time the US Dollar became stronger than the Euro, which nearly balances the present price advantage. All in all we recommend to our customers to cover on short-term basis.

Konjac

Due to an ongoing raw material scarcity, prices for Konjac are increasing. Therefore we recommend to our customers to cover for half-year or year-round contracts as soon as possible.

contact: Jennifer Augustin, Phone: +49 40 73 41 03 – 28, Email: jaugustin@roeper.de (see Inside Roeper)

Xanthan

At the moment prices for Xanthan show a slight downward tendency. The price advantage, however, is almost balanced by the stronger US Dollar. For detailed information and advice on demand planning please do not hesitate to contact our sales manager Mrs. Ute Dreyer!

contact: Ute Dreyer, Phone: +49 40 73 41 03 – 21, Email: udreyer@roeper.de

Waxes

Beeswax

We are pleased about the fact that we can offer our customers a wide variety of beeswaxes from different origins (China, Africa, New Zealand, Australia, Spain). Supply situation is very smooth at the moment. Last year beeswax sales remained unchanged, some business sectors were even able to achieve growth. Prices show a firm to slightly upward tendency.

Carnaubawax

Due to the worldwide economic crisis Carnaubawax exports from Brazil crashed by as much as 35 – 40 % during the first quarter of 2009. As a consequence prices also experienced a sharp fall. Since the third quarter of 2009 there has been a clear recovery of the market. Furthermore there is news on a poor yield of the 2009 / 2010 crop. Both factors have led to firm and recently relatively high prices. Call-off contracts concluded with us in due time have once again proven to be very advantageous.

Candelillawax

Supply situation can be considered satisfactory, prices have a slightly downward tendency. Please note that this product has been put under protection and can only be imported with a CITES certificate. For larger quantities please schedule a delivery time of 2 months!

contact: Jörn Herrmann, Phone: +49 40 73 41 03 – 14, Email: jherrmann@roeper.de

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Essential Oils

Peppermint Oil / Menthol nat. crystals

Generally speaking it can be stated that – for the time of the year – the market is too calm. However from India we get news on an increase of the Peppermint Arvensis prices. This has already given Menthol prices (in USD) an upward push. However, high prices have not yet been fully accepted on the market. China currently offers low quantities, however at definitely attractive prices.

Camphor, synthetic

The raw material for the production of Camphor, turpentine oil, is still very scarce, which causes production bottlenecks, long delivery times and price increases (up to 15 % until today). We expect prices to remain firm with a clear further upward tendency and recommend to all customers to allow for long-term stocking.

Camphor, natural

Although China has slightly decreased prices, the p/kg quote is still at EUR 13,- to 15,-. Consequently many consumers have replaced this product by synthetic Camphor. Just recently the Chinese government has put the trees that provide Camphor under protection, which will surely have influence on the market development.

Eucalyptus Oil

Market is vivid and prices instable. For a long time prices remained at a low level, but now Chinese manufacturers have increased quotes substantially. Quotations of above USD 10,- have already been traded.

contact: Joern Herrmann, Phone: +49 40 73 41 03 – 14, Email: jherrmann@roeper.de

Psyllium

Prices for premium Psyllium qualities remain high. Drought-like weather prevailed in many parts of India, which had unfavorable effects on Psyllium plants, who are very dependent on irrigation. So availability of premium qualities is not so good, while demand – also for many new applications - remains vivid. Psyllium enjoys great popularity in the nutraceuticals and health care industry worldwide. New and larger areas are now cultivated with Psyllium by Indian farmers, but the positive effects of this development will only be felt on the long-term. Until the new crop in April / May 2010 we expect prices to remain firm.

contact: Joern Herrmann, Phone: +49 40 73 41 03 – 14, Email: jherrmann@roeper.de

Oleoresins

Right now there is great scarcity of colour Chilis, which is due to reduced cultivation of this product during the past years. As a consequence we saw price increases for Paprika extract of as much as 25 % within one month. From suppliers there is congruent expectation of a further price increase for paprika products during the next months. The situation is similar in India. We recommend to all customers to cover their demand until the third quarter of 2010 as soon as possible!

contact: Bjoern Stamer, Phone: +49 40 73 41 03 – 23, Email: bstamer@roeper.de

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Colouring Materials

Cochineal / Carmine

Prices have now reached a new peak since 1997 / 1998 and due to the scarcity of the raw material Cochineal we expect further drastic price increases. Those customers who followed our advice to cover their demand in November / December 2009 now find themselves in a very favorable position. Right now there are only daily notations for Cochineal and Carmine. We will of course keep you updated with market reports!

contact: Jörn Herrmann, Phone: +49 40 73 41 03 – 14, Email: jherrmann@roeper.de

Resins

Gum Olibanum / Gum Myrrh

In our last market report we already informed our customers about the most critical market situation. Meanwhile the situation has yet become more dramatic. Material from the countries of origin is still very scarce and very expensive, which is again due to a poor yield of the past crop. Within the next couple of months we expect to receive limited quantities and therefore kindly ask our customers to communicate their requirements in due time.

Our sales manager Mr. Neumann will travel to Ethiopia as soon as the new crop has been completed to get a first-hand picture of the situation. Mr. Neumann will give a detailed market report right after his return.

Gum Benzoe

We will not be able to offer nor to supply Siam Benzoe Type A, B and C before the new crop has been brought in (March / April 2010). The prices for this crop have not yet been determined as the result of the crop remains to be seen. However a severe price increase is generally expected.

Tannic Acid

Our contract supplier has introduced a price increase of 5 % valid from 01.1.2010. We will of course do our utmost not to fully pass on this price increase to our customers.

contact: Benjamin Neumann, Phone: +49 40 73 41 03 – 93, Email: bneumann@roeper.de

Licorice

A sufficient quantity of all qualities is available and we do not expect any delivery problems right now. Prices for material from all origins remain at a similar level as at the end of last year. We will of course keep you updated on any exceptional developments on the market!

Contact: Michael Gutschke, Phone: +49 40 73 41 03 – 26, Email: mgutschke@roeper.de

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Shellac

Already at the end of last year the present price development became evident. It is a fact that the Katki-crop (winter crop) has had a bad yield – we reported about this in our last Newsletter dated November 2009.

Now prices for Shellac have reached a new peak and the market is very firm. Speculators are now taking advantage for the situation and push prices further upwards. We will watch the market very closely and will give a new market report as soon as necessary.

The result of the Bysakhi-crop (spring crop) is a very important indicator for the further price development of this year, so news is very much anticipated. Right now it is too early to judge on yield and quality. However in March / April 2010 we expect to have detailed information on the crop in hand. First quantities of seedlac of the Bysakhi-crop shall be available on the market in April / May 2010.

contact: Michael Gutschke, Phone: +49 40 73 41 03 – 26, Email: mgutschke@roeper.de

Inside Roeper

Our product manager Mrs. Jennifer Augustin (formerly Mrs. Lohmann) will go on maternity leave on February 19th 2010. She is planning to take a parental leave of two years. The Roeper team wishes Mrs. Augustin and her family all the best for the exciting time that lies ahead! The new product manager for Konjac will be Mr. Spieth and the new product manager for Guar Gum, Locust Bean Gum and Tara Gum will be Mr. Melcher!

Exhibition Review FIE 2009



Food Ingredients Europe 2009 took place at the exhibition centre in Frankfurt a. Main /Germany mid of November 2009. Roeper had a very large stand in Frankfurt, which was themed “**Come and experience with us the sense of nature in a modern world**”. This exhibition was one of the most successful ones in the company’s history, both concerning quantity and quality of the visitors. Our new exhibition and stand concept was very much appreciated by customers and suppliers. Many visitors followed our “escape route from high prices” and gathered information about our newly introduced product line of **pectins**.

Please visit us on the following exhibitions:

SALIMA International Food Fair in Brno/Czech Republik, March 2nd to 5th 2010, Stand 094, Hall P

FIC Food Ingredients China, Shanghai, March 23rd to 25th 2010, Stand 1A100

In-Cosmetics Paris/France, April 13th to 15th 2010, Stand E130

FICEE Food Ingredients Central & Eastern Europe Warsaw/Poland, May 25th to May 27th 2010, Stand B12