



American International Foods, Inc.



## AIFI Winter Newsletter

Where we strive to provide you with top-notch industry news and updates from around the Globe with a focus on how they affect you and your company.

### How AIFI Can Help You Beat Price Volatility

Price volatility can be destructive for any company not properly prepared. American International Foods, Inc. has experience supplying over 2,500 ingredients to food and beverage manufacturers. This gives AIFI the knowledge and tools to develop specialized solutions to help their customers combat price volatility.

#### Egg Market Skyrockets



Recent volatility has caused egg prices to increase by 120%. As a result of the bird flu in 2015, many facilities were forced to get rid of egg

laying hens. Supplies of eggs were decimated. In some cases, prices of egg derivatives quadrupled. Manufacturers without contracts or alternative ingredients were forced to pay the higher costs to obtain the eggs they needed.

#### Foreign Demand for Guar Gum

Guar Gum, commonly used for baking and a thickening agent, witnessed a sudden increase in demand when oil

and gas companies started using the material for fracking explorations. Gas and oil companies started purchasing large



amounts at a time, which took a huge cut out of the supply available. This in turn caused the price of guar gum to sky rocket and caused a substitution effect that forced a lot of food manufactures to find another solution.

#### Poor Garlic Crops

The price of garlic is becoming increasingly volatile due to poor crop conditions in China, which is responsible for producing roughly two-thirds of the world's garlic supply. The province of Shandong (China's main garlic producing province) has been experiencing poor weather and soil conditions. These conditions have affected the garlic crops in the past and could continue in the future. The price of garlic is becoming more and more volatile as a result of suppliers speculating on the harvest conditions.

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## Solutions

How you plan and react to these events is the key to combating price volatility. There are 4 typical reactions to these instances:

### **Recommended:**

#### **1. Contact your AIFI representative**

Your AIFI rep can help you prepare for any of these scenarios before it's too late. A well-structured plan in place beforehand will give you the upper hand when prices/supply changes drastically enabling you to continue your business without major losses.

#### **2. Find an Alternative Ingredient**

Finding an alternative ingredient (that will perform as well or better) is a great back-up plan to have. Your AIFI representative can help you find an alternative ingredient that can replace one that is currently high in price or low in supply. Knowing you have an alternative ingredient to fall back on is a great tool to avoid losing time, profits and customers.

### **Not Recommended:**

#### **3. Increase Price on your Product**

In order to combat a price rise in ingredients, some companies will chose to raise the price of their products; but this in turn can have negative results. Raising your price can lead to the lowering of your market share as well as inviting unwanted competition.

#### **4. Continue Buying at Market Price**

Continuing to buy ingredients (as the price increases) will raise your costs and in turn lower your profits. Instead of losing market share you run the risk of losing capital and profits.

### **How American International Foods, Inc. Can Help You:**

#### **Powerful Solutions:**

Our passion, experience and knowledge of industry trends and cutting edge market information enables our team to offer the best pricing and product information possible, providing you the support to grow your business and profits.

#### **Peace of Mind:**

American International Foods takes pride in making the process of finding and ordering ingredients less stressful for our customers. With consistent communication, accessibility to over 2,500 ingredients, and reliable delivery operations, AIFI creates an easy solution for all of your ingredient needs. Give us a call today to see how we can show you the same benefits we are currently showing our customers. **866.944.2434**

#### **Sources:**

- <http://www.foodprocessing.com>
- <http://www.usda.gov>



***See our complete list of ingredients***

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# New AIFI Ingredients

## All AIFI ingredients include:

- Full documents vetted for quality and safety
- World class pricing

- **Tomato Paste** (many varieties)
- **Beta Alanine**

- Contact your AIFI Sales Rep for details -

## Why AIFI

### Our Promise

We strive to create value for each customer we serve by meeting their unique needs and providing solutions to help them solve problems and meet their objectives. We are committed to being experts in the Food Ingredient Business on a global level. We vow to put this knowledge and leverage to work for our customers by being the source for new ingredients, information and trends in the food industry.

### Our Team

We are committed to running a customer-focused and innovative operation to ensure our ability to be a high-value partner and a low cost supplier. Above all we are dedicated to running an organization that fosters respect, fairness and the pursuit of happiness for our employees, our clients and our partners worldwide.

### Our Advantage

We source the most competitive and highest quality ingredients worldwide to ensure our ability to be a low cost supplier to your industry. Our distribution and trucking network is designed to deliver your products accurately and on a time. Our representatives are passionate and knowledgeable professionals who are eager to serve you and help you. We hustle behind the scenes to ensure smooth and consistent order fulfillment, which helps you focus on more important things. We pride ourselves on timely, open, honest communication with clients.

## Improving Your Position

### Sucralose

We have secured ample inventory to meet the needs of the United States market. Call us to see how we can help you stabilize your supply and pricing volatility on this challenging item.

## Know the Market

Sign up for our weekly market reports to stay updated on what's happening in the market:

- Eggs
- Dairy
- Wheat



## See our complete list of ingredients

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