



## Valued Customer,

Price Changes as of February 2024. We have outlined for you some of the major factors that have resulted in both price increases and decreases for 2024. Let your sales representative know if you have any questions or concerns.

## SWEETS

**Raw Material Costs:** Ingredients such as gelatin, sugar, and starches have experienced price hikes, affecting the overall production expenses for candy manufacturers. Sugar increased upwards of 50% from 2023.

**Supply Chain Disruptions:** Natural disasters, transportation challenges, and the ongoing global situation have resulted in delays and increased costs in the transportation of essential ingredients.

**Labor Costs:** Fluctuations in labor costs have also played a role in the increased prices as minimum wages increase and demand for skilled labor have also contributed to higher production costs for manufacturers.

**Consumer Demand:** The demand for candy has seen a notable increase, both domestically and internationally. Higher demand causes manufacturers to balance costs against the need to meet consumer expectations and maintain product quality.

## SNACKS MADE WITH MEXICAN SUGAR

Prices in Mexico were over 50% versus year ago.

**Domestic Production:** Drought and other weather events impacted sugarcane yields, leading to a significant drop in production (as much as 15.5% compared to 2022-2023).

**Fertilizer Costs:** Like many countries, Mexico faced significantly higher fertilizer prices, increasing production costs for farmers.

**Increased US Imports:** To address domestic shortages, Mexico ramped up sugar imports from the US, further impacting North American supply and influencing prices.

**Government Intervention:** The Mexican government implemented measures to regulate domestic sugar prices and ensure supply, including temporary exemptions from import tariffs.

## NUTS

**Sunflower:** Sunflower kernel prices are down due to a combination of factors. Primarily, bumper harvests in major producing regions have resulted in a significant increase in available supply. Coupled with already high inventories, supply significantly outpaces current demand and sellers are adjusting prices downward to encourage purchases.

**Macadamias:** Macadamia prices are trading at multi-year lows. Kenya was the main culprit for these low prices. With more new trees being planted they became major players, competing significantly with South Africa, Australia, and other origins, forcing them all to lower prices.

If we have lead time requirements on file for your account, then these price changes will go into effect on the first order date after that lead time has expired. Your account manager will coordinate those dates with you. If we have no price change policy on file for your account then **these price changes will be effective on orders after March 11, 2024.**

Due to supply and capacity constraints, we cannot honor any incremental product orders over and above your normal ordering patterns on items that are set to increase in cost. Floor stock protection is not something that we are able to provide at this point.

The appropriate paperwork is attached to this letter of notification.

Please contact [customer.service@lehivalley.com](mailto:customer.service@lehivalley.com) or your sales representative with any questions or concerns.

*Brady Freeman*

President Lehi Valley Trading Company

Great Taste. Better People.

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