



Onions



Key takeaways



Price outlook



- Since our August update prices for Indian dehydrated onions moved up slightly.
- Carry-over stocks from the 2016 crop and 2017 crop are still abundantly available in India so prices are expected to remain steady over the coming period.
- Prices for Egyptian onions standard grade remained at similar levels since our last update, but are expected to move up towards the end of the year.

- Short term:
- Medium term:
- Long term:

Supply dynamics



- The 2016-17 crop of fresh onions in India was almost 18% higher than the previous crop, reaching nearly 20 million MT against 17 million MT for the 2015-16 crop season.
- Availability of dehydrated onions from the 2016-17 Indian crop is still more than sufficient to keep prices low.
- Low prevailing prices are demotivating farmers in India to grow onions this year and some are therefore planting other more remunerative crops like pulses and cotton. For the upcoming winter (Kharif) crop the acreage under cultivation is estimated to be 30% less compared to last year.
- The summer crop (April) in Egypt was ~10% higher than last year and farmers in Egypt, just like in India, are now evaluating whether to plant onions again for the winter crop (Jan-18) or switch to other more lucrative crops like wheat. In the weeks to come we will have more detailed information on the actual planted acreage.

Price trends



- Prices for Indian product moved up slightly since the last release and are expected to remain steady around today's levels for the coming months, as there still is plenty of product available from the last two crops.
- However, the expected reduced planted acreage for next winter crop due to prevailing low fresh onion prices in India is likely to lead to firmer prices during the first half of 2018.
- Prices for Egyptian dehydrated onions showed a similar trend since the last release, at the usual premium to Indian product. Towards the end of the year prices are expected to rise as probably less onions will be planted for the winter crop on account of low export prices and farmers looking for other more remunerative crops.

Indian onions kibbled CIF EBP (US\$/MT)



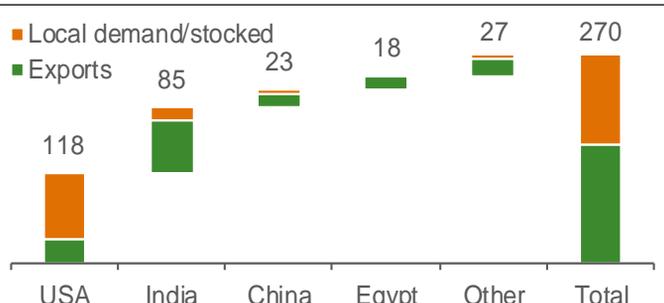
Key quality price levels¹



Production and export by origin (KMT)



Quality	US\$/MT	Change (%)
Onion Kibbled India	1,400	7.7%
Onion Kibbled Egypt	2,300	–
Onion Minced India	1,500	15.4%
Onion Minced Egypt	2,500	4.2%
Onion Powder India	1,050	10.5%
Onion Powder Egypt	1,950	5.4%



Various



Garlic



- After the new crop started in May 2017, Chinese garlic flake prices dramatically decreased from a high of US\$7,500/MT FOB Qingdao in December 2016 to a low of US\$2,600/MT in May 2017.
- Acreage under cultivation in 2017 increased by nearly 20% compared to last crop season and weather conditions during the growing season were reported favorable.
- 2017 fresh garlic crop is estimated at ~6 million MT compared to a normal crop of ~5 million MT.
- Domestic speculators have stepped out from the garlic market completely, resulting in downward price pressure over the past 2 months.
- Consequently, prices dropped by ~16% compared to our last update and flakes prices are currently being quoted at US\$3,100/MT FOB Qingdao. It seems however that the market has bottomed out now and we expect the market to remain steady to firm for the remainder of the year.
- Government environmental restrictions will continue to limit the production of dehydrated garlic flakes in China.
- Availability of allergen free and pure dehydrated garlic will remain an issue in China, hence careful supplier selection in terms of allergens, purity, color, micro values and taste is and will be critical in China as well as other origins.

Chinese garlic flakes FOB Qingdao (US\$/MT)



Various



- The new **red bell pepper** crop that started promising in October resulted in prices for flakes moving down sharply from US\$5,700/MT in June to US\$4,200/MT September end (CIF Rotterdam). However, on account of reports that the Chinese government would impose strict environmental measures on waste water effective as from January 1st 2018, speculators from Shandong who benefitted from garlic last year now entered the red bell pepper market and consequently the market went up to US\$4,800/MT in October (+14%).
- **Green bell pepper** flakes 9x9 mm are still abundantly available and prices are unchanged since our last update at US\$3,500/MT CIF Rotterdam.
- **Carrot flakes** prices eased further and are now being quoted at US\$1,300/MT CIF Rotterdam.
- The Chinese **tomato** crop has finished and turned out to be 15% more than last year. Prices slightly decreased since our last update and are now ruling at US\$3,500/MT end of October (CIF Rotterdam).
- Favorable crop outputs for **leek** in China, Poland and other Eastern European countries this year are keeping prices for leek green/white flakes 9x9 steady at levels of US\$3,500/MT in October (CIF Rotterdam).
- As mentioned in our last update the area under cultivation for **basil** in Egypt increased by ~30% this year. Harvesting finished in October with a normal yield, hence prices further dropped to €2,000/MT in October (CIF Rotterdam).
- Prices for **marjoram** leaves showed a marginal decrease from €2,200/MT in August to €2,100/MT in October CIF Rotterdam.
- Prices for Turkish **oregano** leaves are still ruling at €3,500/MT CIF Rotterdam.

Chinese red bell pepper CIF Rotterdam (US\$/MT)

