



Onions



Key takeaways

- Market prices increased somewhat during the past 2 months due to less product availability. Farmers are not interested to expand their growing areas at current price levels.
- Carry-over stocks in India are getting depleted quickly as the number of factories operating at the moment is lower. Current stocks are likely sufficient until end of the year only. Hence, prices are expected to be firmer.
- The prices of Egyptian quality are also expected to increase somewhat in the months to come.



Price outlook



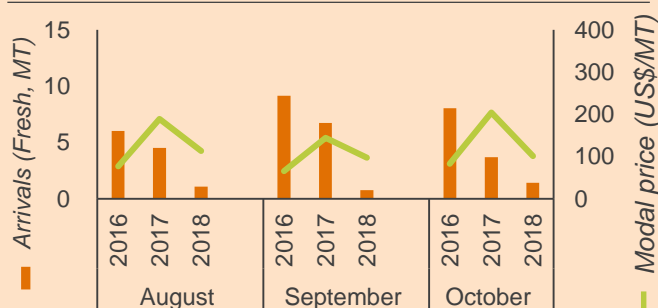
- Short term:
- Medium term:
- Long term:

Supply dynamics



- The total stock of dried onion in India is estimated at c.10 KMT by the end of October. The previous 2 record crops led to the highest exports of c. 70 KMT from India during the past 5 years. There is no impact so far from the floods in South-West India during August that hit parts of the producing areas in Karnataka.
- The harvest of 2017/18 crop in Egypt finished in mid-July. The crop size of yellow and white onions is slightly smaller compared to the previous crop season, which amounted to c. 16 KMT. The quality of white onions was again very high, with relatively low micro levels.

Market arrivals in Mahuva, Gujarat, India

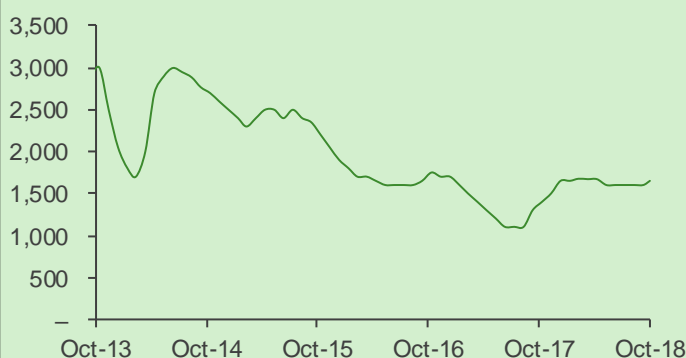


Price trends



- Indian dried onion prices are expected to stay firm in the next few months due to the depletion of stock levels. Also the number of operating factories is lower and the winter crop plantings are reduced due to a less attractive prices.
- The price for Indian onion kibbled grade A firmed by 3% during the past 2 months and is now being quoted at US\$ 1,650/MT CIF Rotterdam.
- Egyptian kibbled onion grade A is now being quoted at US\$ 2,250/MT CIF Rotterdam. Also here, farmers are likely to reduce planting areas in the upcoming winter crop. Hence, prices are expected to firm.

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

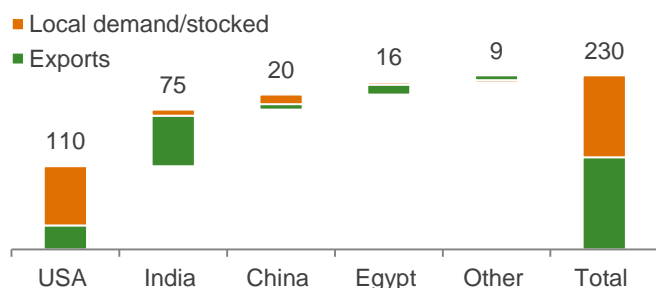


Key quality price levels¹



Quality	US\$/MT	Change (%)
Onion Kibbled India	1,650	3%
Onion Kibbled Egypt	2,250	2%
Onion Minced India	1,750	3%
Onion Minced Egypt	2,300	2%
Onion Powder India	1,450	4%
Onion Powder Egypt	1,950	3%

Production and export by origin (KMT)



Various

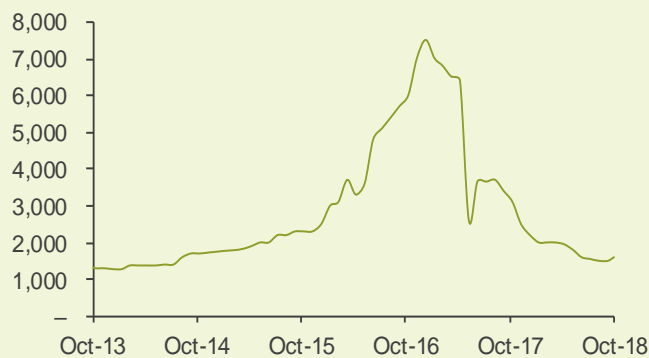


Garlic



- After some weeks of flat prices, the market for Chinese garlic became active again in October. Dehydrated garlic flake prices are firmer and are now being quoted at c. US\$ 1,600/MT FOB Qingdao, up US\$ 100/MT from our last update.
- The flaking season finished this month and farmers have already started to plant fresh garlic bulbs in some of the main growing areas.
- Due to the historically high prices in 2016, Chinese farmers planted a record acreage, resulting in a record crop in 2017 of c. 9 MMT and c. 8 MMT in 2018.
- Exports of dehydrated garlic for the 2017/18 season are expected to increase by c. 20% compared to the previous season.
- The prevailing low garlic prices during 2018 will likely result in a decrease of planted areas this season. Preliminary reports showed a possible reduction of at least 20%. Therefore, the market for Chinese garlic is expected to stay firm in the months to come.
- In terms of quality, the market is more focusing on US origin garlic versus Chinese garlic due to the continuous peanut allergen risks in China.

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



Various



- The Chinese **red bell pepper** crop started in August. However, unusual heavy rains during harvesting in Inner Mongolia resulted floods in many outside drying yards. Hence, the crop is estimated to be at least 30% less than last year and the quality is reportedly poor. Prices went up by c. 35%, from US\$ 5,000/MT to US\$ 6,800/MT CFR Rotterdam only in a few weeks.
- Prices for **Green bell pepper** flakes 9x9 mm firmed too, surging from US\$4,100/MT to US\$ 5,700/MT CFR Rotterdam since Aug-18.
- Prices for Chinese **tomato flakes** increased by c. 18%, to US\$ 4,600/MT CFR Rotterdam since our last update. This year, the crop was much smaller than usual due to the strict government regulations on environment protection.
- Prices for green and white **leek** flakes remained fairly stable and are now being quoted at US\$ 4,000/MT EBP (from Eastern Europe) and US\$ 4,100/MT EBP (from Egypt).
- The **oregano** production in Turkey was better than expected in the earlier report. Pure oregano leaves are now being offered at c. € 3,200/MT CIF Rotterdam.
- **Sage** prices went down from € 4,900/MT to € 4,400/MT CIF Rotterdam.
- As a result of a long lasting and serious drought in Eastern Europe, the summer crops of dehydrates and herbs are reported to be 20 - 30% lower. Prices for **parsley, carrot, celery, red beet, dill**, etc. will likely remain firm.

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

