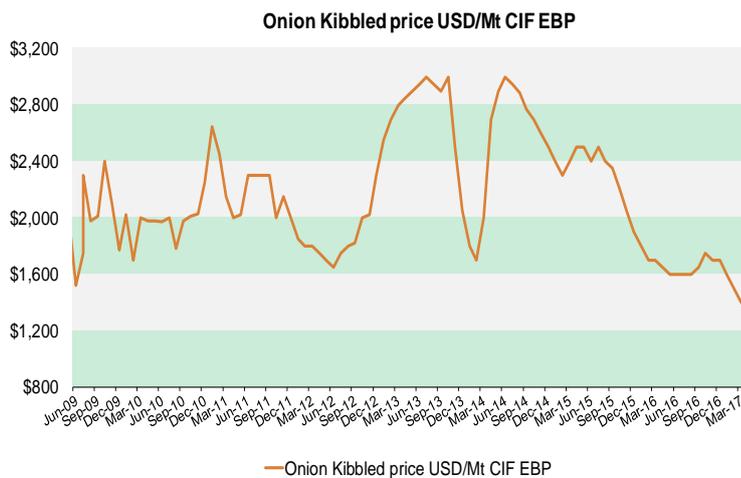


Market Update April 2017 Dehydrated Vegetables & Herbs

Onion

Egypt



The 2017 Egyptian winter crop for fresh onions is nearly finished and reportedly 15 – 20% higher compared to last year. The quality of the crop was said to be excellent. Due to the devaluation of the Egyptian pound local prices for fresh onions almost tripled compared to last year, but exports of fresh onions to the traditional Middle Eastern countries were still at the same levels as in other years as these buyers are used to the typical flavor of Egyptian onions.

As most of the Egyptian winter crop was exported as fresh onions the availability of dehydrated onions was very scarce and consequently prices for onion kibbled increased to USD 2900 – USD 3000 per

mton CFR EBP in March 2017 making Egyptian dehydrated onions uncompetitive compared to Indian onion kibbled, which is currently being offered at USD 1400 per mton CFR EBP.

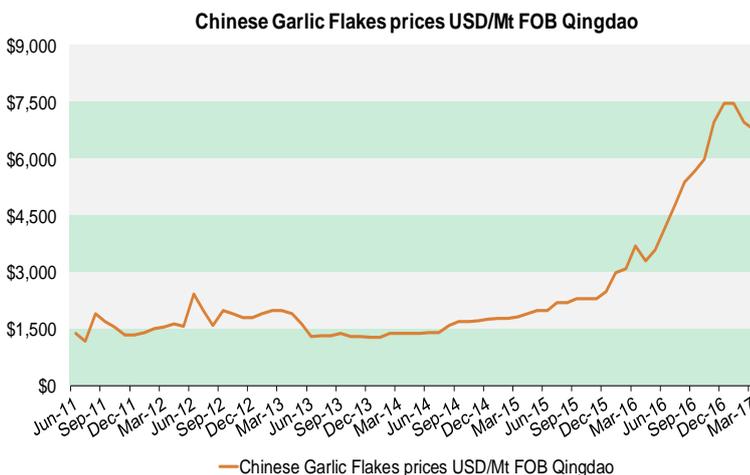
The 2017 Egyptian summer crop is looking promising as the planted acreage is substantially higher than last year. Provided normal crop conditions throughout the growing season prices for dehydrated Egyptian onions are likely to decrease as from June/July 2017 onwards.

India

The Indian winter (Kharif) crop is currently being harvested and the overall crop size is looking normal. The total fresh Indian onion production is expected to be only 5-10% lower than last year when India produced a bumper crop. As the carryover stocks from the summer (Rabi) crop are still large we expect that the supply from India will be more than sufficient to cover the world demand for the remainder of 2017.

Indian onion kibbled standard quality is currently being offered at levels of around USD 1300 per mton CFR EBP which is a very attractive level to cover buyer's requirements.

Garlic



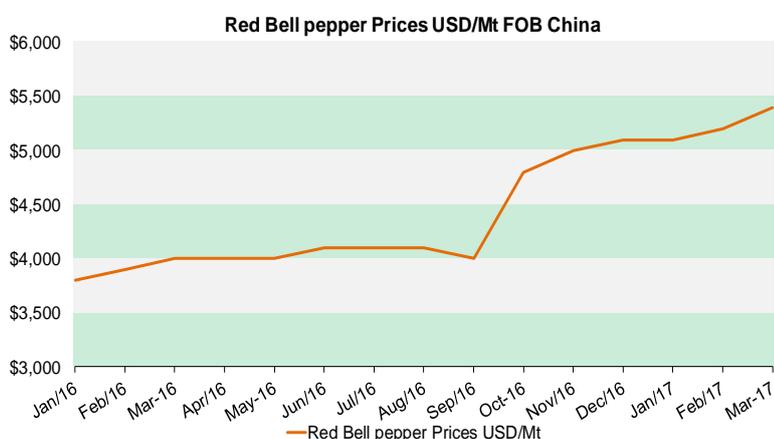
Since our last market update prices for Chinese dehydrated garlic remained firm during January–February 2017, but lowered slightly after Chinese New Year. On account of reports that the 2017 Chinese garlic crop was expected to be larger by about 15-20% due to an increase in planted acreage the market for garlic flakes dropped by approx. 10% from USD 7500 in December 2016 to USD 6750 per mton in April 2017. The market for garlic powder and granules however did not follow the declining price trend of flakes, as the total availability of flakes estimated at 70,000 mtons was still not enough to cover the usual demand and export demand of garlic is around 95,000–100,000 mtons for the first half of 2017.

To cover this deficit of flakes more fresh garlic is needed which, considering the current low cold storage stocks, will result in prices remaining at current levels for powder and granules until the new crop will start in June 2017. Another factor that is keeping prices for Chinese garlic firm is the fact that speculators (both private and corporate) that started buying fresh garlic at the end of 2015 before prices increased sharply, are still interested in investing their money in garlic.

Quality wise the market for Chinese garlic is still confronted with the risk of peanut and gluten contamination as in many growing areas peanuts and wheat are being cultivated next to garlic and in some cases even as an intercrop with garlic. Obviously this further adds to the shortage of garlic powder free from allergens. As a consequence of the above, buyers have been looking for alternative and cheaper material from other garlic producing countries, mainly from India. Although the color of Indian garlic powder is slightly darker than Chinese garlic powder this origin could be very well used in industrial blends rather than in retail jars. Unfortunately Indian garlic powder is facing the same problem as Chinese garlic powder as far as allergens are concerned.

We expect that garlic prices will remain at current levels at least until July 2017 and then prices might decrease slightly provided the new crop develops as normal. Provided speculators remain interested to buy fresh garlic we expect that prices will remain firm during the second half of 2017 as most buyers are not sufficiently covered for this period and the market is almost empty.

Bell Pepper/Carrots/Leek



As we mentioned in our last market report the red bell pepper crop in Inner Mongolia, the main growing area in China, was very poor. Prices continued to increase since then and red bell pepper flakes 9x9 mm are now being offered at USD 5400 per mton CIF Rotterdam. Green bell pepper flakes 9x9 mm are currently quoted at USD 3500 per mton.

The carrot crop is now in full swing in China and is looking favorable so far. Prices already started to ease to USD 1700 per mton CIF Rotterdam.

Leek remains very short this year in China as well as in Poland and flakes green/white 9x9 mm are currently being offered at USD 4800 per mton CIF Rotterdam. Present stocks are very minimal at the moment and the new crop will not start until October 2017.

Mediterranean Herbs

Prices for basil leaves continued to firm from Euro 2300 to Euro 3000 per mton CIF Rotterdam mainly due to a substantially reduced cultivated acreage in Egypt.

Marjoram prices dropped sharply from Euro 3100 per mton in December 2016 to Euro 2200 per mton CIF Rotterdam as farmers in Egypt were motivated to plant a larger acreage on account of high prices prevailing last year.

Prices for Turkish oregano leaves remained firm the past few months as the demand for non-adulterated material is growing. Today oregano leaves are being sold at Euro 3300 CIF Rotterdam.

Thyme leaves prices came down from Euro 4250 in December 2016 to Euro 3800 today, sage leaves prices are a bit lower now at Euro 3500 and Rosemary is unchanged at Euro 3600 per mton CIF Rotterdam.

Parsley, Tarragon, Dill & Chervil

It is too early to have a clear picture of the upcoming crops for parsley, tarragon, dill and chervil in France, Germany and Poland as the harvesting season is yet to begin in June/July.

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