



Onions



Key takeaways



Price outlook



- India's onion crop was heavily impacted by excess rainfall during the bulb development and maturation stages. Prices showed a sharp increase in the local market, triggering speculation. To prevent this, the government imposed stock limits. Prices have dropped somewhat, but are still at a high level because crop arrivals remain relatively slow.
- The crop in Egypt is estimated to be lower this season, with the first volumes arriving next month. Prices are higher than Indian prices by c. 7-10%, depending on quality.

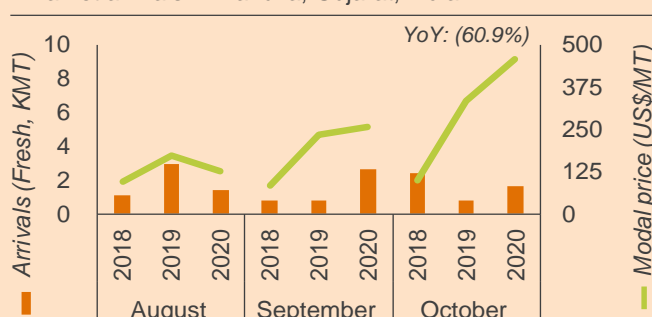
- Short term:
- Medium term:
- Long term:

Supply dynamics



- The main onion growing areas received excess rainfall during the Aug-Sep-20 period, which created considerable damage to the ready-to-harvest Kharif crop. New crop materials are expected to have high moisture content, which likely impacts shelf-life. Heavy rains also created difficulties in maintaining local trading activities. Indian traders have imported some volumes from Iran and Egypt to cover their position in case the local crop arrivals are insufficient.
- Egypt will start its harvest in November. The crop was reported to be impacted by high temperatures during the early crop stage.

Market arrivals in Mahuva, Gujarat, India

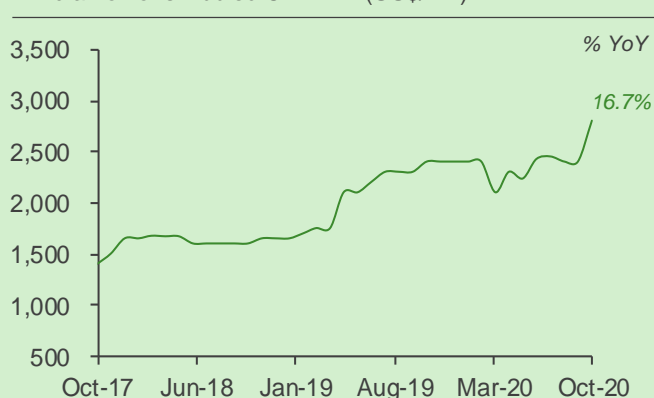


Price trends



- Indian onion prices have moved upward since August, triggering local speculation. Prices increased even more during September due to stocking activities. Following this, the government reintroduced stock limits (maximum of 25MT per wholesaler). As a result, the local market prices have cooled down recently.
- During festive season, local demand is expected to remain good. Also, destination markets will likely book more volumes in the coming period to cover their requirement, as YTD import volumes have dropped c. 19% yoy. Hence, prices are expected to remain firm.
- The increase in Indian market prices drives up prices in other origins as well. Egyptian onions kibbled are being offered at c. US\$ 3,100/MT, c. 10 % higher than Indian quality.

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



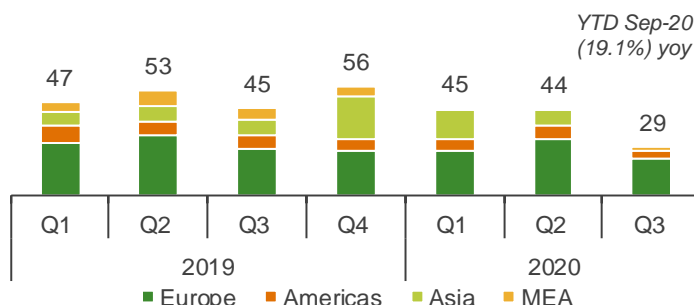
Key quality price levels¹



Import Dh onions per region (KMT)



| Quality | US\$/MT | Change (%) |
|---------------------|---------|------------|
| Onion Kibbled India | 2,800 | 16.7% |
| Onion Kibbled Egypt | 3,100 | 6.9% |
| Onion Minced India | 2,800 | 7.7% |
| Onion Minced Egypt | 3,200 | 6.7% |
| Onion Powder India | 2,400 | 9.1% |
| Onion Powder Egypt | 2,600 | 8.3% |





Various

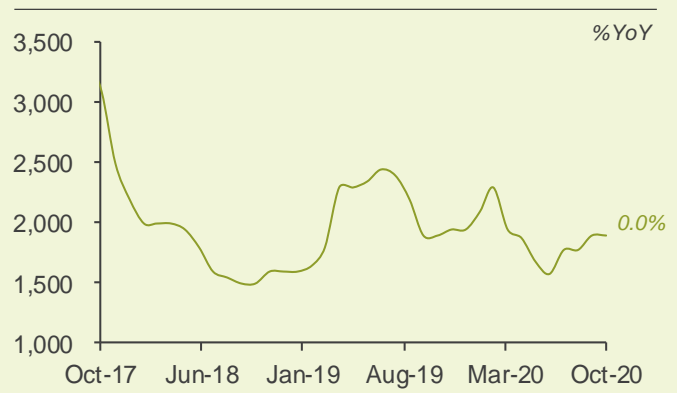


Garlic



- China's production is estimated to be c. 20-30% higher this year. The harvest finished in July and farmers are preparing their land for coming season.
- Although the flaking season started right after the harvest, the activities were slow due to high temperatures and humidity. Fortunately, more materials have arrived since Sep-20 which will further support selling activities for the coming period.
- The price low during June triggered speculative demand from local traders. Also, with the recovery in export activities, prices increased to c. US\$ 1,900/MT which is similar to last year's level.
- With this price level, local traders are still hesitant to release their stocks, except materials from old stocks. Some are expecting prices to increase. Nevertheless, considering current stock levels at origins, further pressure on prices can be expected.
- For the YTD Sep-20 period, China exported c. 125KMT dehydrated garlic, of which c. 38% went to the US. During the first two months, January and February, there is no record of export volumes as the country imposed a lockdown to prevent the spread of Covid-19. Trading activities have been recovering quickly during the April-June period, total shipped volumes are comparable to the same period last year.

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



Various



- **Red bell pepper** 9x9 mm prices went up by c. 5% over the past month since the current crop season was reported to be not as good as expected. The market is offering c. US\$ 4,650/MT CIF Rotterdam. As the market is being active with buying activities, prices are expected to remain firm on the account of ongoing buying activities.
- Prices for **green bell pepper** flakes 9x9 mm are following the same trend, the market was up by c. 5-7% compared to last month, to US\$ 3,600/MT CIF Rotterdam.
- The market for **carrot** flakes showed a slight increase due to slow supply. Local Chinese exporters are offering c. US\$ 1,700/MT for 10x10x2mm.
- Starting from Aug-20, prices of **tomato** flakes 9x9 mm steadily dropped by c. 5-10%, reaching a low level today of c. US\$3,400/MT. Prices are expected to remain firm over the coming period.
- Prices for Turkish **oregano** leaves 2-4 mm are expected to be steady to firm this period. The market is especially looking for high quality with Pyrrolizidine alkaloids (PA) guarantees. Prices are at US\$ 3,680/MT CIF Rotterdam PA guaranteed.
- Availability of **sage** in Turkey remains limited due to quality issues on PA and heavy metals. Prices are currently being quoted at US\$ 4,700/MT CIF Rotterdam.

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

