



Onions



Key takeaways

- The Indian onion market is quiet, with no harvests taking place currently. Stocks at origin are expected to be sufficient to fulfill the demand over the coming months.
- The recent Egyptian crop was good, on account of favourable weather and increased acreage. Prices have been stable, as the ample supply was offset by increasing labour and freight costs.
- The US is nearing the end of the harvest of dehydrator onions, with yields and quality at an average level. Nonetheless, prices are expected to increase, on account of higher costs.

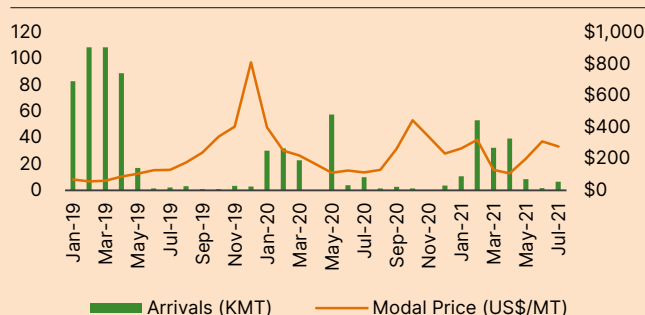
Price outlook

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

Supply dynamics

- There are no harvesting activities in India currently. The government built a record onion reserve of 200 KMT, which can be released to keep domestic onion prices stable when needed during the off-season, starting in September.
- The acreage of the winter crop in Egypt has increased, the new harvest will start in November. Favourable weather conditions so far drive expectations of a 10-15% crop increase, with good quality.
- The overall crop size and quality in the US is at a normal level, although there are large differences between regions, with some heavily impacted by droughts and heat spells. Prices are expected to increase on account of higher costs for harvesting, producing and freight.

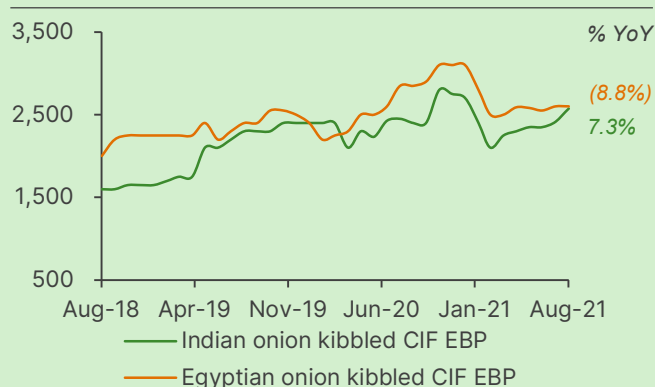
Fresh onion market, Mahuva, Gujarat, India



Price trends

- Indian prices are firm, although dehydration activities are back to normal after Covid restrictions were largely lifted. The government reserve is expected to dampen price increases until new fresh harvests (from Oct-21) arrive.
- Egyptian onion prices are steady, although supply is ample. Labour costs increases, as well as record freight rates, prevented a price drop. However, prices are expected to soften towards the end of the year, as expansion of the planted acreages is reported.
- Exports from the US are affected by logistical difficulties, all ultimately resulting from port congestion. Further exacerbated by a disappointing crop size last year, these disruptions are reflected in the prices, which are expected to increase some 15%, depending on quality characteristics.

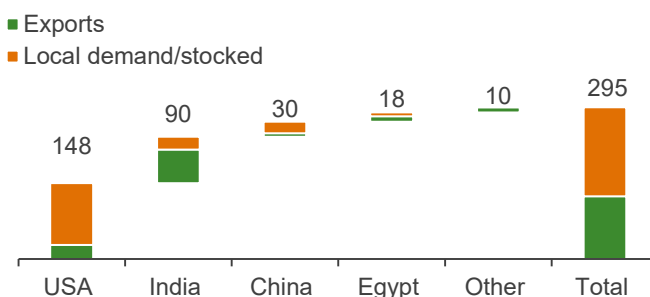
Indian onions kibbled CIF EBP (US\$/MT)



Key quality price levels¹

Quality	US\$/MT	Change (%)
Onion Kibbled India	2,575	6.6%
Onion Kibbled Egypt	2,600	-
Onion Minced India	2,625	1.9%
Onion Minced Egypt	2,900	-
Onion Powder India	2,200	4.8%
Onion Powder Egypt	2,400	-

Production and export by origin (KMT)





Various

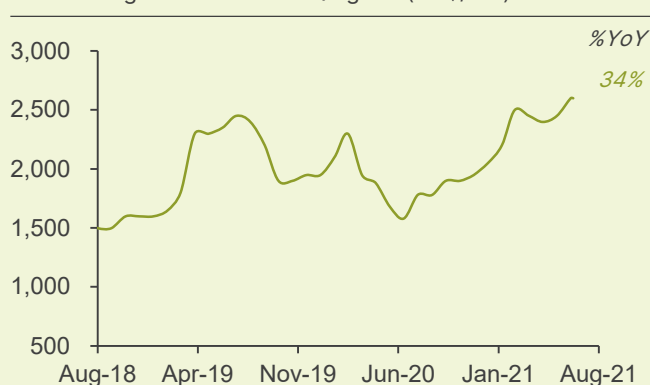


Garlic



- Harvesting of the 2021 Chinese garlic crop finished in June. The production in the main garlic growing area (Shandong) was 20% less compared to the previous crop season. Other producing provinces showed a slightly better yield, partly compensating the smaller Shandong crop.
- The overall 2021 garlic production is ~15% less versus last year. Further exacerbated by speculative buying from local traders, garlic flake prices went up by 25% compared to the beginning of 2021.
- Ocean freight rates from China to Europe further increased, resulting in a firm market in Aug-21 with Garlic powder Grade A being quoted at US\$ 3,200/MT CIF EBP.
- With global container shipping suffering from congestion issues, local disruptions like the recent closure of one of the terminals at China's Ningbo port have even larger impacts than they would normally have. As a result, ocean freight prices are not expected to ease soon. Hence, garlic prices are likely to remain firm during Q3 and maybe well into Q4, at least until the planted acreage figures for the new crop will become available in October.

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



Various



- The market for dehydrates is still being influenced by the extremely high ocean freight rates from China, which are almost ten times higher YoY. The recent temporary closure of a terminal at Ningbo port has caused even more congestion in the region.
- The market for **red bell pepper flakes 9x9 mm** slightly decreased month over month, but is still up c. 34% versus last year at US\$ 5,950/MT. Prices for **green bell pepper flakes 9x9 mm** are firming up at c. US\$ 4,250/MT CIF Rotterdam.
- Prices for oregano, sage, rosemary, thyme are up on account of higher freight rates and a dry spell in Turkey during Apr-May. Prices for **oregano** (leaves 2-4 mm) went up c. 5% versus last month, now quoted at US\$ 4,500/MT CIF Rotterdam.
- The supply of parsley is tight this year, as the crop in Eastern Europe is estimated to be 30-40% less on the account of unusual cold and wet weather during spring and summer. This will most likely result in only two or three cuts, instead of the four cuts in a normal season. Prices for **parsley** (leaves flat 2-4 mm HT) are now quoted at US\$ 5,900/MT, increasing ~20% since the beginning of 2021. A recent fire that has been reported at one of Europe's main parsley dehydration facilities might also affect availability in the short to medium term.

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

