

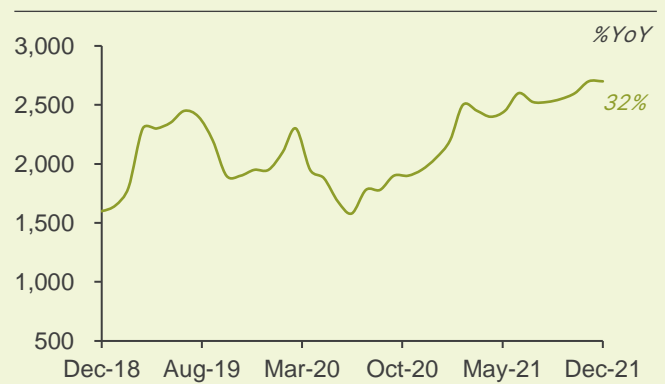


Garlic



- The total 2021 garlic harvest in China is estimated to be 20% less than last year, on account of adverse weather conditions during the main growing season, especially in the Province of Shandong. Consequently, garlic flake prices are up 32% compared to Jan 2021.
- Local traders that are trying to profit from the small crop this year bought some significant stocks for speculative purposes, which added to the already tight market.
- Ocean freight rates from China to Europe increased again during Q4, driven by increased demand during the holiday periods. With global container shipping congested, and Chinese new year approaching, maritime freight rates are unlikely to fall very soon.
- The combined effects of the reduced Chinese crop, local speculative buying and the higher ocean freight rates led to a firm market during most of 2021, with garlic powder Grade A quoted at US\$ 3200/MT CIF Rotterdam in November. At the end of Dec-21 the market eased somewhat to US\$ 3000/MT CIF Rotterdam, due to lack of overseas demand.
- The planted acreage for the 2022 crop is reportedly 10-15% less versus last crop. Unusual rains at the time of planting forced the Chinese garlic farmers to delay the planting of their garlic bulbs. Concerns that the new crop could therefore be delayed and consequently will be even smaller than in 2021 will most likely lead to a steady to firmer market during Q1-'22.

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 than pre-Covid. Rising energy prices in China will also result in higher production costs. China's zero-covid policy drives an increasing number of local lock-downs as the country battles with the highly contagious Omicron variant. As in previous waves, this could cause logistical issues when hitting main port cities.
- The market for **red bell pepper flakes 9x9 mm** partially recovered from a sharp decrease during Aug-Oct, with offers at around US\$ 5,100/MT CIF Rotterdam, still nearly \$1000 less than in Aug-21. The main reason for the price drop earlier this year was the favourable crop outcome in China.
- The drought during April and May this year in Turkey resulted in an overall crop reduction of 25-30% for oregano, sage, rosemary, thyme and other herbs.

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



Prices for **oregano leaves 2-4 mm** increased by 30%, from USD 4,700/MT in August to USD 6100/MT CIF Rotterdam at the end of December. The new legislation on Pyrrolizidine alkaloids (PA) will come into effect on July 1st 2022: The maximum allowed levels will be set at 1000 PPB for oregano, lovage and marjoram. For most other herbs, the limit will be established at 400 PPB.

- The availability of parsley is limited this year since the harvest in Eastern Europe was some 30-40% lower than last season, due to extremely cold and rainy weather during the spring and summer. This abnormal weather has resulted in just three cuts, as opposed to the four cuts in a typical season. Prices for flat **parsley leaves 2-4 mm HT** are quoted at US\$ 5,900/MT, up c. 20% since the beginning of 2021.