



# market update

## dehydrated vegetables & herbs

November 2022 | dehydrates@nedspice.com



### Onions

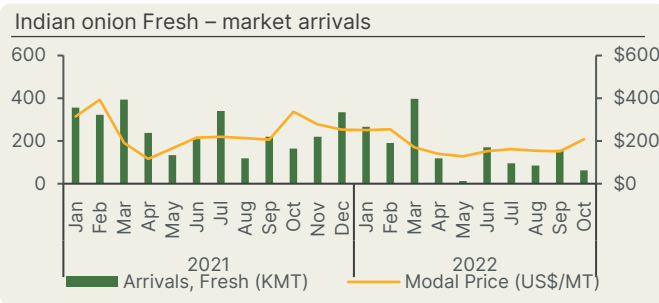
#### KEY TAKEAWAYS

- > New crop materials in India will start arriving from January 2023, the crop size is expected to be comparable to last season.
- > Exports of Indian dehydrated onion (YtD-Aug) went up 5%, further strengthening the countries position as largest exporter.
- > The onion harvest in the USA started in April and has now finished, the last volumes have been harvested in the northernmost growing areas.

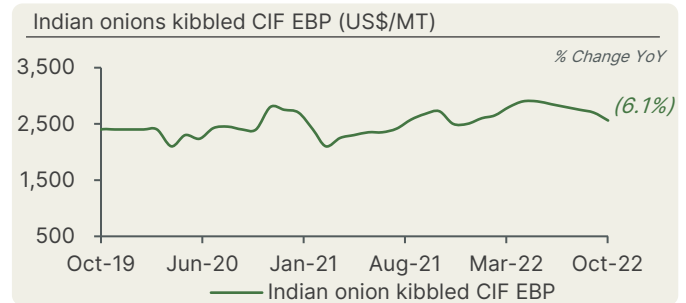
#### PRICE OUTLOOK

- ↑ short term
- medium term
- long term

#### SUPPLY DYNAMICS



#### PRICE TRENDS



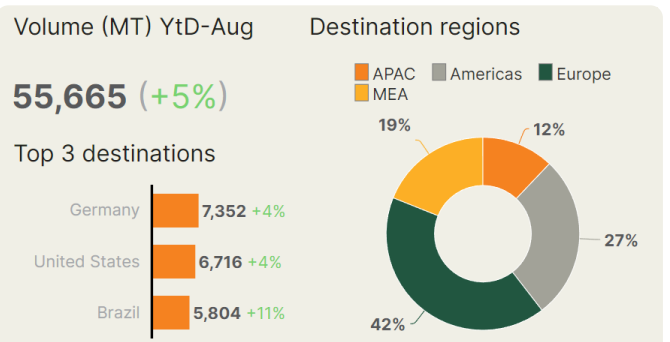
- > In India, dehydration plants have stopped processing onions until the first significant new crop arrivals in Jan. Peak arrivals are expected in the Mar-Apr harvest period.
- > Prices for fresh onion have been trending up in India, as only limited volumes of good quality materials from the summer crop are still being offered, and the new Kharif crop was delayed until mid-Nov due to excess rain.
- > Total export volumes in India are up 5% vs last year, and up by ~20% vs the same period in 2020.
- > The onion harvest in the USA started in April and the last volumes have been harvested in the northernmost growing areas. The total crop size is estimated to be close to the pre-season expectations.
- > While the local currency in India depreciated considerably against the USD in September, energy prices were stable. Ocean freight rates to Europe and America decreased significantly compared to the peak in Sep-21, now ~50% lower.
- > However, short supply of good quality fresh onions drove up local prices in India. Taking into account the lower freight rates and currency depreciation, prices of Indian onion at destinations stayed relatively stable.
- > Inflation has been extremely high in many origins, including the United States. Prices for US dehydrated onions increased, in particular for the specialty grades.

#### KEY QUALITY PRICE LEVELS <sup>1</sup>

Quality	US\$/MT	Change %
Onion Kibbled India	2,560	(5.2%)
Onion Minced India	3,350	3.1%
Onion Powder India	2,290	(8.4%)

1) Standard grade product CIF EBP. The percentage change represents the change versus last month. Source: Nedspice research, NHRDF, price data as per 25-Nov-22.

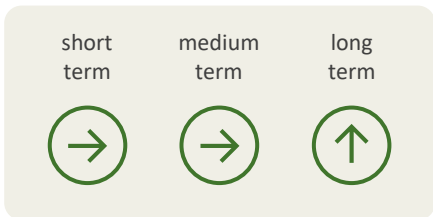
#### INDIA WHITE ONION EXPORT YTD AUG-22 (KMT)



**Garlic**



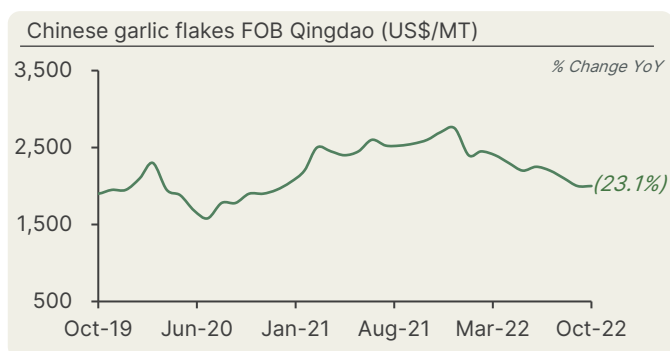
**PRICE OUTLOOK**



**KEY TAKEAWAYS**

- > The Chinese garlic harvest and dehydration process has finished this year. The new crop planting started since October. Overall production is lower than last year, mainly due to acreage decrease in producing areas. Still, the output is enough to cover the demand. The dehydrated garlic flakes volume is 80 KMT while carry-over is ~300 KMT. The garlic flake FOB price is stable at US\$ 2000/ MT, dropping 21,6% YoY.
- > In 2022, China has exported 226 KMT dehydrated garlic, accounting for 87% globally. Most volumes were shipped to North America (43%) and Europe (24%).
- > From June to August, heat waves in many provinces and municipalities of China led to power cuts by the government and some disruption in manufacturing and exporting. The impact carried on till October.
- > The Chinese Renminbi has been depreciating against the USD since April, from 6.3 CNY to 7.2 CNY in November. The ocean freight rate From China to European ports has dropped ~ 70%, from US\$ 8,000/ 20ft in January to US\$ 2500/ 20ft in October.
- > In India, the carry-over volume is 42 KMT. Currently, all dehydrators are processing garlic since the fresh garlic prices are low and the availability is good. In 2022, India exported 20 KMT dehydrated garlic to mainly Southeast Asia (45%) while Europe accounts for 12% and North America 4%. The demand for Indian garlic and the volume of production is also growing.

**PRICE TRENDS**



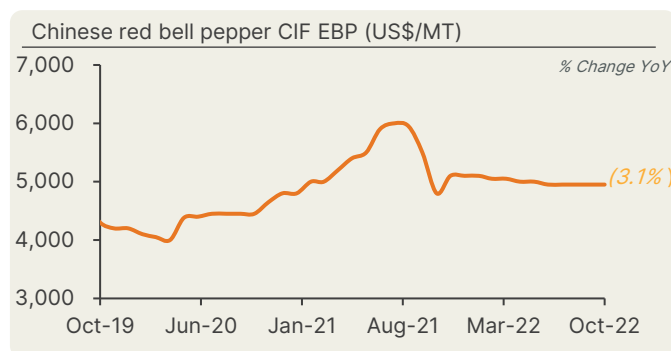
**Various**



**KEY TAKEAWAYS**

- > Last year, weather conditions allowed for an extension of the growing season of **red bell pepper**, which resulted in a larger total volume than usual. As prices dropped, farmers switched to alternative crops for the next growing season. Prices have been steady in recent months, with the price of Chinese **red bell pepper flakes 9x9 mm** currently at levels of US\$ 4,800/MT CIF Rotterdam. Prices for **green bell pepper (flakes 9x9 mm)** are firm at US\$ 4,500/MT CIF, with limited availability.
- > Prices for **Chinese tomato flakes** remain steady at US\$ 4,900/MT CFR Rotterdam, c. 14% higher than the same period last year.
- > Raw material supply for **carrot flakes** is still limited as improved seed quality has made a larger percentage of the carrot harvest suitable for the fresh market. There is very limited material on offer for the dehydration market.
- > **Poland parsley** (leaves 2-4 mm HT) DDP price is ~ US\$ 6,500/ MT.
- > **Turkey oregano and sage**, which is harvested from July to august, was delayed by 1 month due to low temperature. Though the yield is higher as the result of growing conditions, availability of EU compliant materials is down by one-third vs the last crop. Oregano (leaves 2-4 mm) prices are expected to firm this period. Inflation is still rampant in Turkey, and the Lira has lost 40% of it's value since last year.
- > **Turkey's laurel harvest** is on-going and is will end in December. The harvest is expected to be a month late, as many immature leaves were present. As sales to Russia are banned, we could see a surplus of availability for other markets. There is shortage of boxed quality due to low grade baled export volumes.

**PRICE TRENDS**



Source: Nedspice research, NHRDF, price data as per 24-Nov-22.