



market update dehydrated vegetables & herbs

December 2024 | dehydrates@nedspice.com

Onions



KEY TAKEAWAYS

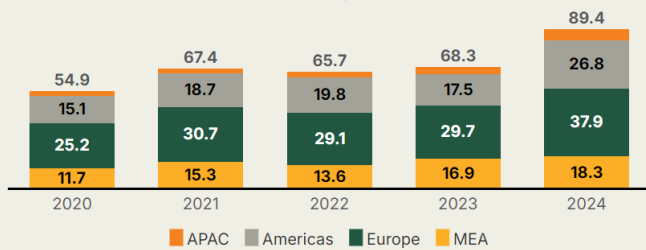
- > In India, onion planting is anticipated to grow this season, driven by rising demand and favorable market conditions.
- > India has exported around 89 KMT of dehydrated onions from Jan to Oct 2024, marking a 31% increase compared to same period last year.
- > Despite China's record-high onion harvest and expanded production capacity, strong domestic and international demand continues to prevent any surplus, keeping prices firm and making China the world's second-largest onion exporter.

PRICE OUTLOOK

- ↑ short term
- medium term
- long term

SUPPLY DYNAMICS

India export quantity (KMT) | YtD - Oct



India

- > The expansion of onion cultivation in the rabi season (planting Oct-Nov), combined with favorable rainfall, suggests a significant increase in onion supply, likely leading to more stable prices and enhanced market opportunities.

China

- > China's expanded crop production and increased processing capacity have made it the second-largest onion exporter globally. A good crop is offset by increased demand for local processing, keeping prices in check.

US

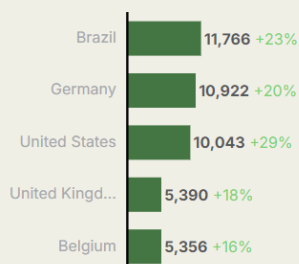
- > The U.S. onion harvest is complete, with slightly lower yields, rising costs, and strong domestic demand, with tight specialty supplies keeping prices elevated as imports decrease.

Egypt

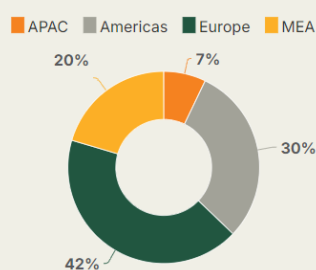
- > Competitive 2024-2025 onion prices are expected, despite rising costs and summer harvest losses, supported by increased winter planting and supplier-owned farms.

EXPORT DESTINATIONS YTD-OCT

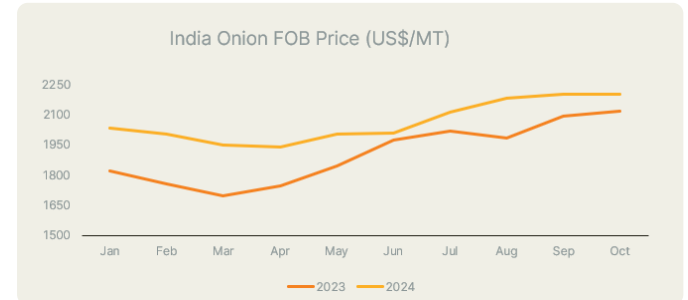
Top 5 destinations



Destination regions



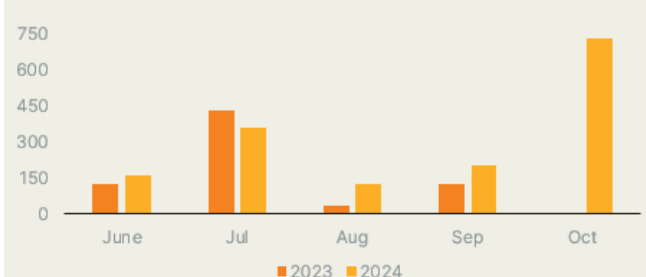
PRICE TRENDS



- > Fresh onion prices are expected to stay firm due to strong demand from the dehydrated onion sector, despite the anticipated increase in production.
- > Current stocks of semi-finished dehydrated onions are lower comparing to previous year, which is contributing to upward pressure on prices.
- > The shift from cotton to onion farming may stabilize prices long-term but could cause short-term fluctuations as the market adjusts to the increased supply.
- > Ocean freight rates are currently stable; however, geopolitical issues, such as the Middle East crisis, could disrupt supply chains.

RAINFALL

Rainfall (mm) in Gujarat during monsoon





Garlic

KEY TAKEAWAYS

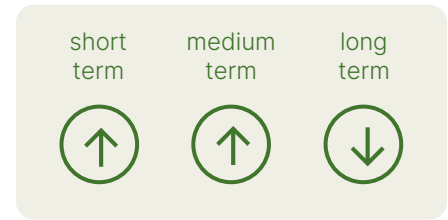
China

- > YtD-Oct, Chinese exports of dehydrated garlic were 197KMT, a 15% increase YoY. Volume growth was strongest to the U.S.A. (+25%) and Europe (+24%).
- > For the full year 2024, China is likely to reach ~240KMT exports, the largest yearly volume on record.
- > With steadily reducing carry-over stock over the last six years, prices stayed high leading into the 2024 harvest season, which finished in June. This was exacerbated by speculative market activity.
- > Anticipated increases in sea freight rates could further influence global garlic pricing, and expected tariff increases into the US could trigger demand for early shipping from China.

India

- > Heavy rains have negatively impacted the quality and overall supply of fresh garlic, pushing prices higher.
- > Due to high production costs, related mostly to the fresh garlic price, no large-scale garlic dehydration took place in India in 2024.
- > The market is relying on last year's stock, which should last until the next harvest. Prices are expected to remain firm for mid to long term, but there is uncertainty surrounding the price of next season's fresh garlic.

PRICE OUTLOOK



GARLIC EXPORTS CHINA



Various



KEY TAKEAWAYS

- > **Oregano** in the previous season, only 20-25% of the oregano crop met PA limits, but this year, the situation has improved with around 35% of the crop being EU compliant. Throughout the season, it was easier to find compliant batches.
- > **Sage** in the previous year saw a large harvest due to market encouragement, but disappointing sales left many farmers unable to sell their crops, driving prices down. This season, many farmers have shifted to other crops like tobacco, resulting in a smaller sage harvest.
- > **Tomato** prices are below production costs due to rise in production and oversupply, with speculators potentially entering the market.
- > **Bell peppers** prices are forecasted to increase sharply once the current limited inventories are exhausted.

PRICE TRENDS

