



market update

dehydrated vegetables & herbs

July 2024 | dehydrates@nedspice.com

Onions



KEY TAKEAWAYS

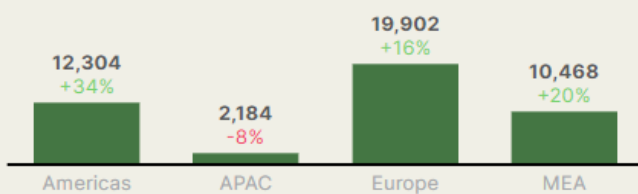
- > In India, the harvest season for white onions has finished. Export demand for dehydrated onions remains firm, supply shows limited growth.
- > Prices for semi-finished dehydrated materials have increased since January 2024 due to strong demand.
- > Ocean freight rates have seen a sharp increase in recent months, with potential for further increases.

PRICE OUTLOOK

- ↑ short term
- medium term
- ↑ long term

SUPPLY DYNAMICS

Indian exports (MT) per destination region (YtD-May)



India

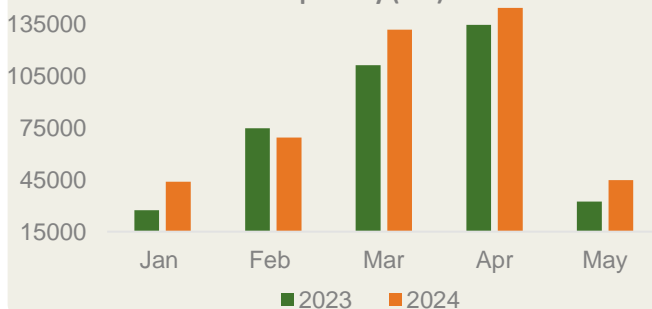
- > The harvest season has concluded with an increased supply of white onions compared to the previous year.
- > Companies initiated dehydration of red onions in anticipation of rising export demand but stopped again as prices for fresh materials doubled.
- > Export of dehydrated onions to Brazil and Germany has increased by 25%, which contributes to an overall increase of 21% compared to previous year.
- > The arrivals of fresh onions in the Mahuva APMC market totaled to around 440KMT.

USA

- > The USA harvested around 90KMT of white onions in 2023, but strong domestic demand has left very little quantity available for export.

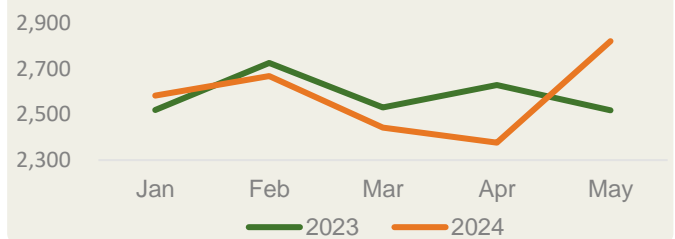
ARRIVALS (MT) AT THE APMC MARKET (MAHUVA)

Arrival quantity (MT)



PRICE TRENDS

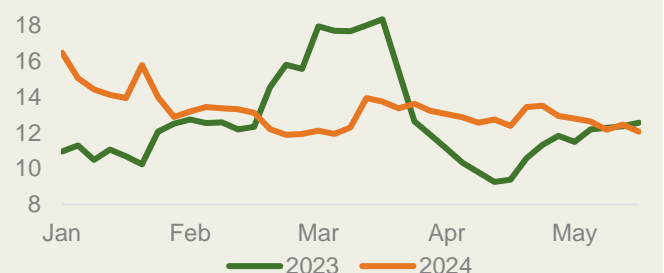
FOB prices (US\$/MT) for Indian Kibbled Onion



- > Since January 2024, prices for semi-finished dehydrated materials have risen by 9%. Further increases are anticipated due to strong demand.
- > Prices for Indian kibbled onion have increased due to increased demand.
- > India had imposed a ban on fresh onion exports during the harvest season, stabilizing prices. This ban has now been lifted, but the government has introduced a 40% export duty and set a minimum export price of \$550 per metric ton to regulate the market and stabilize prices.
- > As of June-24, prices for 40ft containers are approximately \$3000 to Europe and \$4600 to the US, with potential for further increases.

PRICE TRENDS OF FRESH ONION

Average fresh onion price in INR/kg



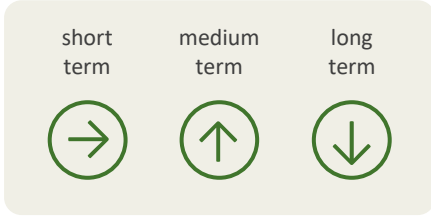


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Garlic



PRICE OUTLOOK



KEY TAKEAWAYS

China

- > In China, the 2024 garlic crop is coming to an end.
- > Due to adverse weather conditions in January and February, the crop size has decreased by 10%.
- > Typically only 3% of the total garlic harvest in China is used for dehydration, but this percentage could be slightly higher this year due to a higher fraction of small bulbs, which aren't favoured in the fresh market.
- > Prices for Chinese garlic flakes have eased somewhat after a sharp increase, still up ~ 10% compared to January 2024.
- > Freight rates are increasing sharply, almost doubling compared to April 2024.

USA

- > Drought conditions in the USA have improved compared to previous years.
- > Stock levels of dehydrated materials are sufficient to meet demand.

India

- > India is the second largest producer of garlic; however, the vast majority is sold as fresh for the domestic and export market.
- > Very little garlic dehydration was done from 2023 crop due to small crop size and high fresh garlic prices. Current exports are predominantly from old inventories.
- > Prices for dehydrated garlic flakes increased by 20% due to demand and shrinking inventories.

PRICE TRENDS



Various



KEY TAKEAWAYS

- > The **Oregano** market faces challenges with PA compliance material, weather impacts on yields, and EU regulatory scrutiny, suggesting a complex and uncertain outlook for 2024.
- > The **Sage** market struggles with low PA compliance, unpredictable yields due to weather, and changes in planting patterns in Turkey. While favorable weather in Albania may boost supply, economic factors like currency fluctuations could affect stability and pricing.
- > Due to strict EU regulations on PA compliance material, Turkish exporters are more inclined on finding outlets in the US, where regulations are less strict for oregano and sage.
- > Economic challenges in Turkey, including high borrowing rates and local inflationary pressures, have led many farmers to cease planting Sage and Anise.
- > **Tomato** prices are expected to drop due to increased supply and lower demand for dehydrated tomatoes, unlike last year's high costs and low production.
- > **Bell peppers** prices are forecasted to increase due to reduced planting areas, an active domestic market, and limited high-quality stock controlled by a few large factories.

PRICE TRENDS

