

MARCH 2020

The paprika and low heat chili crops faced many challenges in 2019. From the weather issues in the US to a short crop in China with very low traditional paprika. As a result, the pipeline of high-quality product is minimal in key growing origins as well as markets in the US and Europe.

The red pepper market conditions in India have also been less than ideal. Normally harvest begins in February, but as a result of delayed planting and weather related issues, the harvest did not start until early March. On Tuesday, March 24th, 2020, Prime Minister Narendra Modi called for a 21-day national lockdown of India's 36 states and territories. Farmers are now struggling to complete their harvest and transport their crops to cold storage before the color and quality of the red pepper deteriorates. An estimated 50% of the crop remains in the field.

United States

Planting for the 2020 crop has begun in New Mexico, West Texas and Arizona. Our team has completed about 30% - 40% of the planting and should be finished in the next couple weeks. Harvest is scheduled to begin in mid-September and should wrap up by the end of the year.

Organic paprika and chili planting in the US is progressing well and is close to completion. Olam Spices manages the largest organic paprika and chili operations in the world. We are currently working on increasing the acreage of our organic crops to support the growing demand for US grown, organic paprika and chilies.

As always, US paprika and chilies remain the most reliable and traceable source of products in the world. US paprika has minimum issues with toxins, such as aflatoxin and ochratoxin, pesticides and our growers do not use banned chemicals like chlormequat.

China

The 2019 crop availability is very limited. Paprika markets have remained closed since January, due to COVID-19. Product movement from the growing region in Xinjiang to the processing region in Shandong is limited as a result of inter-province transport availability.

It is being reported that the government is arranging seed to be distributed to the nurseries in Xinjiang to start the planting operations. However, labor movement and availability will determine the overall planting for the 2020 crop. Reports also indicate a preference for farmers to grow the slightly hotter hybrid variety over traditional sweet paprika.

Peru

As Southern Peru begins harvest in the next few months, the farmers are still grappling with the challenge of meeting the new Chlorpyrifos limits put in place by the EU. Unseasonal and heavy rainfall in the Arequipa region over the last month could also create issues for meeting the aflatoxin and ochratoxin levels.

Other Origins

Other origins are not in a position to impact the situation dramatically. With COVID-19 prevailing in most growing and processing regions, while planting is supposed to happen, it is important to

Read our latest market reports and blogs



Onion and Garlic Market Report — Feb 2020

The US CY20 onion planting is ~90% complete and planted acreage is likely to be similar to the last season. Precipitation has tapered off over the past few weeks; however, overall winter weather conditions have been favorable.

Feedback

[Read more](#)



Special Chilies Update — Feb 2020

As your trusted supplier, we would like to provide you with an update on recent developments in China, v

monitor the progress in all origins.

respect to the coronavirus (2019-nCoV) outbreak and its potential impact on the paprika and chili marketplace.

FUTURE OUTLOOK

- Availability of US origin paprika and chili is very limited and will continue to be so until the end of 2020. Coverage of your requirement for 2020 is strongly recommended
- Supply chain disruptions from key origins and processing locations are impacting the availability of all varieties in destination markets. Availability will continue to be tight
- We are seeing a strong demand for US grown organic paprika and chili peppers and expect to increase acreage as more shift continues to happen towards organic
- Planting in all key origins in the next couple months will be an indicator of the availability of raw material for 2021
- With farmer contracts completed and planting wrapping up in the next couple weeks, we will start discussions on customer requirements through 2021

[Read more](#)

**Stay up-to-date with
all the industry
insights**

**Subscribe to our market
reports today!**

Explore our Chilies



Chili Powder Medium

Starting at: \$1.48/lb

Availability: In Stock

Ships In: 10 Business Days

[View Details](#)



Chili Pepper Dark Mild

Starting at: \$1.78/lb

Availability: In Stock

Ships In: 15 Business Days

[View Details](#)

Feedback

