



Spices Market Update

Q1 2025

Dried Onion

United States

Supply Update

- **Reduced Acreage:** CY25 planted acreage is down 12-15% due to carry-in inventories, stable demand, and increased carrying costs.
- **Planting Progress:** Approximately 85% complete, with Southern and Central California finished. Northern California, Oregon, and Washington planting to conclude by the end of April. The California harvest is projected to begin in May.
- **Favorable Weather:** California weather conditions, including timely rains and adequate chilling hours, are currently favorable. Reservoir levels and snowpack are sufficient for stable water allocations.
- **Acreage Availability:** Increased availability of row crop acreage from reductions in other crops has helped onion processors secure sufficient acreage.

Cost Pressures

- **Inflationary Environment:** Growers face rising costs for labor (3.6% increase), energy and utilities (2-3% increase).
- **Stable Fuel, Freight and Packaging Costs:** Fuel, freight, and packaging costs have stabilized.
- **Increased Irradiation Costs:** Irradiation costs have increased 5% year-over-year with extended lead times.

Demand Update

- Stable demand from Retail/CPG and Foodservice sectors.
- Robust demand for piece fractions.
- Stable imports from China and India due to quality scrutiny, volatile freight, and uncertain import duties.

Forward Outlook

- **Potential Supply Constraints:** Tighter supplies expected for piece fractions, specialties, toasted onions, T/W blends, and customized SKUs.
- **Adequate Availability:** Powder and granulated availability expected to meet normal demand.
- **Pricing:** Overall pricing likely to mirror last year's levels. Piece fractions and specialties may see inflation due to supply tightness. Non-piece fractions are likely to remain stable, with SKU-specific exceptions.

Forward Cover Recommendation

- **Secure Forward Cover:** Secure forward coverage early, especially for piece fractions, specialties, toasted onions, T/W blends, and customized SKUs.
- **Diversify Sourcing:** Diversify sourcing to mitigate risks associated with potential import disruptions and "reciprocal tariffs".



Dried Garlic

United States

Supply Update

- **Reduced Acreage:** 2025 acreage down 10-15% due to poor seed crop harvest in 2024.
- **Inventory Levels:** Current inventories are sufficient for regular domestic demand but at higher prices.
- **Rising Costs:** Similar to onions, garlic growers face rising labor and input costs.

Demand Update

- Stable demand in 2024, with potential for growth in 2025 due to higher landed prices of Chinese garlic (increased import duties and freight).

Forward Outlook

- **Potential Supply Constraints:** Tighter supplies anticipated for minced and BI-controlled granulated garlic.
- **Adequate Availability:** Powder, ground, and other non-restricted granulated garlic availability expected to be adequate.
- **Pricing:** Minced and BI-controlled granulated garlic prices likely to remain elevated. Other forms likely to remain stable, with SKU-specific exceptions (ELB/color, BI-sensitive).

Forward Cover Recommendation

- **Monitor Market Closely:** Closely monitor market developments, especially for minced and BI-controlled granulated garlic.
- **Secure Forward Cover:** Secure forward coverage early for minced and BI-controlled granulated garlic.





China

2024 fresh garlic export volume increased 16% compared to 2023. Total fresh garlic carry over to 2025 crop is the lowest it's been in the last 5 years. Total planting acreage for the 2025 crop is 5-7% higher than the 2024 crop. This is much lower than market expectations.

2024 garlic flakes crop production was approximately half of total demand so the total stock of garlic flakes keeps reducing. 2024 garlic flakes export volume was 16% higher than 2023. Weather conditions in March/April will affect pricing in the coming months.



Chiles

Green Chile/ Jalapeño:

Winter season went well as weather conditions were favorable for farming. The start to the summer crop has been a little unfavorable with spring winds that are stronger than normal.

The winter crop has had a good season out of the Sonora. Crop quality was good, yields were strong, and there were no delivery issues. No shortfalls in inventory.

First direct seed plantings for summer crop are in the ground. Seedlings are growing in the greenhouse and should be put in the ground by mid-April. There are some concerns about the spring winds which are stronger than normal. We will watch how things go and will update as necessary.

Strong demand growth continues across green chiles and jalapenos in Q1 2025. Contracting for next season is almost complete with the first planting for the Main Pack started. Prices seem stable at this point subject to tariff uncertainty.

Red Chiles:

All contracting completed for the next planting season. Field prep and pre-plant fertilization are ongoing. Focus on potential EU tariffs impacting Spanish supply of Paprika. Additionally, a 20% duty on China Paprika is already starting to impact supply. Retail demand is stable currently.

Vietnam Spices

Pepper:

Entering the peak harvest with close to 30% of the crop already harvested. Arrivals are still slow from the farmers who are in no real need of cash after a successful coffee season. Trading activity has started in Cambodia with harvest coming to the market however in limited quantities. Other origins like Brazil and Indonesia are currently in their off season.

Despite flush starting in Vietnam, we are yet to observe any selling pressure in the market. The prices continue to remain stable. Traders are carrying lower stocks as farmers continue to hold back expecting a higher price realization.

As of Feb 2025, Vietnam exported 27.2k MT (vs 30.8k LY) of pepper of all kinds, of which black pepper reached 22.2k MT and white pepper reached 5k MT. After 5 consecutive months of lower exports compared to last year, the exports in Feb 2025 were higher than Feb 2024

Cassia (Vietnam):

Entering the Low VO Cassia season in Vietnam. Peak harvest is expected by mid-April. Cold and rainy weather conditions prevail making it tough for harvesting.

Nutmeg (Indonesia):

The market is currently very stable. Despite heavy rains, a certain quantity of raw materials is still being traded at stable prices. Arrivals are expected to speed up in April when the dry season begins (potentially lasting from April to August). Now, we are approaching Ramadan season in Indonesia.



Indian Spices

Chili:

Harvest going on across all regions with almost 40% of the produce being moved out of fields. Labor shortage in some regions causing delay in harvest. Due to high Black Thrips infestation at around 45- 50% in Andhra Pradesh, farmers have started spraying the pesticides heavily.

New crop market arrivals are good but superior grades availability is low. Guntur and Byadagi market prices are stable. Slight decrease seen in prices for Teja and S4. Export market was slow last week. China and Bangladesh buyers are continuously buying high heat variety Teja.

IPM crop prices are 8-10% higher than Mandi material as IPM compliant material availability is low. For annual coverage, now is the best time to contract when arrivals are at peak as further reduction will be unexpected or very little, especially for compliant IPM material.



Turmeric:

Turmeric leaf cutting completed in most of the regions, digging and boiling activities ongoing across regions. Rains observed in the growing region of Tamil Nadu. As of now no damage to the crop is reported. Early harvested Turmeric is under drying (less than 5%). Good yields reported in all the harvested regions so far.

Nizamabad and Sangli market arrivals are steady. Farmers protesting in Nizamabad for falling prices. Given current low carry forward stocks and low availability of good quality stocks, the prices may remain stable for some time.

IPM crop prices are around 5% higher than conventional prices. For annual requirements, recommended to cover now as further correction will be very limited and any speculators activity may push prices a little up, safer to cover now.



Cumin:

Cumin crop is in the seed maturity stage. Late sown crop is at flowering stage. Growth impacted in the late sown crop by temperatures and aphids & blights in 15-20% of the fields. Expected to impact yields by >30%.

New crop arrivals from Gujarat have started in Mandis. Quality and yield from Gujarat is expected to be similar to last year but expected to decrease from Rajasthan. Demand is currently stable but prices have moved in a narrow range and are expected to decrease in the coming weeks due to new crop arrival pressure.

IPM compliant crop availability is low and thus prices are 30% higher compared to Mandi material. New crop arrivals will put pressure on prices making the market move in a narrow range and down in the short term. IPM compliant material is recommended to cover now for 2025 requirements. For Mandi material, can wait till end of Mar / early Apr for annual coverage.



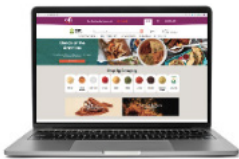
Coriander:

Coriander crop is in the seed maturity stage. Gujarat crop yields are expected to be better due to favorable weather conditions. Sowing acreage has decreased by 25% in Rajasthan and Madhya Pradesh.

Demand from both domestic and export markets is stable. Most of the arrivals in the market are of low grades and Masala companies are waiting for new crops to arrive in March.

Differentials for premium grades are expected to increase. IPM compliant material availability is tight and thus keeping the prices stable. Traders feel markets will be range bound the whole season.

Short term outlook is stable to bullish, demand to pick up with new crop arrivals. Recommended to cover now for H1 requirements, and in April for annual requirements.



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