

Spices Market Update

October 2022




Chiles

US

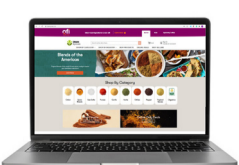
Paprika/Red Chiles: The Red Chile harvest in Southwest US (West Texas, New Mexico, Arizona) commenced during the second week of September. The Chile crop went through a very difficult growing season with cooler weather in the initial part, intermittent hailstorms, and severe rains during the month of August and September.

Disease pressure also continues to impact the crop. Despite these severe conditions, the crop is holding out pretty well with the total yield expected to be around 20-25% lower than planned. The harvest is now expected to continue till the end of the year.

Outside of the crop damages from weather events, the crop is yielding well. The organic crops in the region have also been impacted by weather events and hailstorm damage. However, there are sufficient acres planted to have product available for this season.



Green Chiles: Despite difficult weather conditions, the US crop of green chile has held strong as it gets into the final phase of harvest. The green chile harvest will conclude in October. The crop quality and yields have been good. We are looking forward to the following months for cooler temperatures and no interruptions from seasonal weather patterns.



Shop our eCommerce Portal

Browse our products, request a sample, and quickly place orders.

Mexico

Red Chiles: Northern regions of Mexico have experienced a rough weather season leading to unseasonal rains, heavy flooding, and hailstorms impacting the crops in the region significantly.

This has led to high crop damage. Chile crops from the region will be short and all processors expect low levels of the incoming crop from the fields. All varieties of chiles grown in the regions have been impacted.

Jalapenos: The crop from Mexico has also mirrored the green chile crop in the US and has escaped the challenges in Mexico.



China

Paprika: The crop is expected to be normal in the Xinjiang region in China. However, hotter weather in the months of May and June led to a reduction in crop yield. A marginal increase in planted acres will compensate for the yield reduction. The Uyghur Forced Labor act was implemented on June 21, 2022, and CBP (customs and border protection) have indicated importers to ensure the actual origin of their imports. Paprika crop grown in other provinces in China is slowly expanding. Increasing domestic consumption and demand for Oleoresin will determine the market pricing for paprika for the 2022 crop as harvest began at the end of September.



ofi's Sustainability Newsletter

Meaningful, measured impacts delivered straight to your inbox.



Spotlight
on Chiles





Q Future outlook

- We expect the non-Xinjiang grown paprika and North America-grown paprika and Chilies to be short as we get closer to 2023 as demand continues to be strong.
- Pricing on paprika-based products will continue to be strong due to strong demand and limited supply.



Onion & Garlic

Onion

US plantings have finished for the 2022 crop across all regions. Harvest is nearly 90% completed across all regions (CA, AZ., OR.). Demand for US onion continues to remain strong and is expected to strengthen through at least Q2 of next year. Low bac and extra low bac powders and chopped onion demand remains extremely high and is expected to continue for the remainder of 2022 and

Garlic

The US 2022 crop harvest is nearly completed. Yields are projected to be at planned levels. Demand for extra low micro, granulated and minced garlic remains strong. Similar to US onion, inflationary

Garlic Segment on EARTH with John Holden

EARTH with John Holden takes viewers around the globe to showcase an inspiring array of companies with eco-friendly initiatives, or those that are enhancing the lives of Earth's inhabitants through health, business, and various other advanced technologies and solutions.

In this episode, John visits California's San Joaquin Valley, a major agricultural destination for garlic production. Learn more about how ofi works with local farmers to grow these tasty bulbs as well as the sustainability practices and innovation helping meet consumer trends.



Vietnam Spices

Pepper

Harvest in Vietnam and Cambodia is now finished. The harvest season continues in Indonesia and Brazil. The black pepper crop in Indonesia is lower than last year, hence the slightly higher prices when compared to other origins.

There is very little selling in Vietnam and Cambodia, but the prices are stable. Brazil's selling activity is stable, and the prices have bottomed and stabilized in the past few weeks.

throughout 2023. Inflationary cost pressures across the supply chain and agricultural landscape continue to persist. The 2022 US onion crop is forecasted to end at planned levels, providing continuity of supply and stable pricing for contracted demand. Buyers are advised to begin booking volumes for next year to secure supply.

cost pressures are expected to remain across the supply chain and agriculture sector. Buyers are advised to begin booking volumes for next year to secure supply.

ofi Garlic featured on



WATCH NOW



Cassia & Nutmeg

Cassia: Northern Vietnam Autumn harvest has started. Farmers are harvesting younger trees as it is easier to peel the bark than from older trees. Older trees will be harvested soon as well. The start of the harvest seems to be slower than usual. Indonesian farmers continue to harvest, and stocks are available. Prices are stable in both origins.

Nutmeg: The quality of nutmeg harvested this year is one of the poorest in recent years with issues of getting qualified material. Prices are stable in origin although good material is difficult to get.