

Spices Market Update

June 2023




Chiles

United States

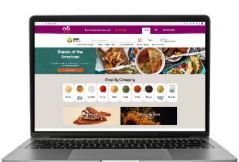
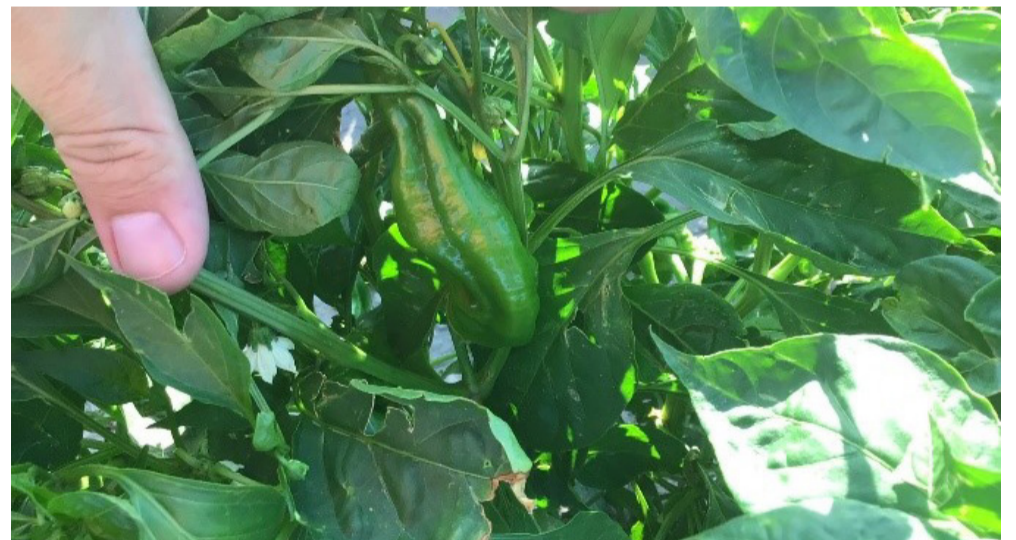
Paprika/Red Chiles: Many fields are currently in the fruiting stage and have developed multiple fruits. Despite a slightly cooler spring and a slow start to the season, the crops are catching up. High-day temperatures and cooler nights have helped the crop stabilize well. There have been sporadic incidents of hailstorms and crop damage; however, the outlook remains favorable for this crop. Forecasts for very high temperatures and intermittent rainfall continue, which the industry is monitoring closely. Harvest is expected to start in September and continue to the end of the year.

Green Chiles/ Jalapeño: The spring crop season has wrapped up after a difficult season. Early cooler temperatures in the season delayed fruit growth and maturity, but the growth process fast-tracked in June. The harvest was completed by the end of June. The Spring jalapeño crop ended well with a good harvest and processing season. As we transition into the main pack season, the transplant acres of green chile are holding strong, and harvest starts in the first week of July. The direct seeded acres are delayed due to the cooler spring, and we expect harvest to start picking up from the end of July or early August. There has been some minor impact on acres from weather-related issues.

China and other origins

Paprika: In China, the impact of snow in the main paprika-growing region of Xinjiang impacts crop availability in the new season and pricing sentiment. The new crop is expected to be lower and possibly delayed. This has created strong market sentiments in an overall short market, with prices moving up for paprika and paprika seeds (used for blending).

Peru continues to have limited crop availability, higher pricing, and continued uncertainty related to the political situation impacting crop availability and quality. Limited availability of products from African origins and lower crop in Israel and Spain are expected to impact conventional and organic paprika availability and pricing.



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Organic

The organic crop is experiencing similar growing conditions to the conventional crop and is progressing well. The crop is in the fruit stage with good growing conditions except for scattered issues related to hailstorms which have resulted in the loss of acres.

Mexico

Green Chiles: Unlike the previous two years, the northern Mexico region forecasts normal crop conditions and favorable weather for a good crop.

Seed to Shelf – ofi Chiles

This is the story of **ofi** chiles. With seed to factory management in the American Southwest and farmer relationships in India and Mexico, we can offer our customers a broad range of chiles in a variety of formats.

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Onion & Garlic

Onion

US planting has finished for the 2023 crop across all regions. An extremely wet season coupled with cool spring temperatures in the Imperial Valley (CA.) caused a moderate delay to the May harvest by approximately two weeks. Due to continued rain, the planting window in parts of the San Joaquin Valley and Westside was shortened, leading some growers to opt out of planting since the fields could not be prepared in time.

As the weather warms up and the snow begins to melt, there is continued concern about potential flooding in various regions in California, particularly the Central Valley. The impact will be known towards the end of summer. Despite this, the onion crop is progressing close to planned levels as of date. Most reservoirs in California are currently at or above historical levels for this time of year, a significant improvement over the past two years, and is expected to provide some relief in terms of water allocation to growers in the Central Valley the following season.

Garlic

Similar to that of onion, the US garlic harvest is slightly delayed. The increased chilling hours experience in California this past winter could improve yields, and more will be known once the crop is harvested. Chinese garlic crop acreage is lower compared to the prior season due to excess inventory from last year coupled with COVID challenges. This, coupled with lower yields at the time of harvest, has further lowered yields.

Demand for US garlic, especially piece size fractions and extra-low micro powders, continue to strengthen as more manufacturers are concerned about supply chain resiliency and rising geopolitical tensions.



Vietnam Spices

Pepper

Production was high in Vietnam. However, there are concerns regarding Indonesia and Brazil's crops. Prices in Vietnam peaked in the middle of May. By the end of May, the exported quantity from Vietnam was higher than in 2022. Chinese buying increased substantially, while the Middle East increased slightly. Buying from the United States and Europe saw a drop.

Cassia

Vietnam cassia spring harvest is finished, and prices fell due to a steady supply of dried sticks without rising demand. Meanwhile, in the Indonesian market, KBKC is popular.

Nutmeg

Rainy weather in Sulawesi led to more fruit falling, increasing BWP amounts in the May and June crops. Limited supply and strong demand for nutmeg SS and ABCD led to sellers offering mixed types, avoiding too much BWP stock. Nutmeg shriveled (US Standard), and BWP prices stayed stable.

Ginger

The harvest season is completed for ginger in Nigeria.



Chilli

The harvest is completed across the regions. Overall production is estimated to be higher compared to last year. Prices are expected to remain flat to bearish in the coming weeks. Dry Chilli export has increased from January 2023 to May 2023. Due to delays from the monsoon season, new crop sowing has not started. Cold storages are filled up to 85% of their total capacity.

Turmeric

Harvesting is completed in all regions. Marathwada being the highest crop-producing area, had unseasonal rains during post-harvest activities. Prices were stable till the middle of April, whereas current prices are higher. Low sowing progression has been reported from the early sowing areas due to low prices. Delayed rainfall and further weather conditions will be monitored and considered for crop surveys to be conducted. There was good availability of IPM Material during this season. Also, there is good local demand for the export of FAQ Material.

Cumin

80% of the current year's harvest has arrived in the market yards. Arrivals have decreased in May as compared to last year. The availability of EU-compliant cumin is limited this year due to higher sprayings and low production. Prices increased in June due to lower-than-expected rainfall in 2023 (El Nino Impact). Overall exports are higher than last year. Cumin prices are expected to increase in the short term.

Coriander

Coriander markets hit a three-year low last month due to record-high production. Around 70% of the crop has arrived in the market yards. Farmers have started preparing land for other crops like corn, soybean, pulses, groundnut, etc., which led to an increase in arrivals last month. Demand from both export and domestic counters is firm. The availability of EU-compliant coriander is expected to decrease in June. Coriander prices are expected to remain stable at current levels.