

MARKET REPORT

MARCH 2020

www.sleafordqf.com
+44 (0) 01529 305000
enquiries@sleafordqf.com



HERBS, SPICES & SEASONINGS

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Oregano

The market was slow in the run up to Christmas, however demand is now on the increase. Prices are at the same levels as at the beginning of the season and are expected to remain stable until this year's available crop ends. Higher quality material is being traded faster. There are still some challenges affecting the market contributing towards a slow tendency for Oregano this year.

Sage

Demand has increased in recent weeks leading to a firm market with limited stock. In comparison with last year, sage prices are higher by around 10-12%. Crop size is similar to last year's – around 900-1,000 tons. The wild herbs collection market supply is becoming more difficult because the younger generation are not choosing to work in the farms.

Bay Leaves

The cutting season started in September 2019 and fresh leaves cutting still continues. Prices are at the same level with last year.

Aniseed

The Turkish market is similar to Cumin seed with around 600-750 MT of raw material remaining. The main challenge continues to be finding highest quality EU guaranteed material. Syrian prices increased last month because of lower availability of high quality stocks. Carry over stock is quickly diminishing so prices are expected to stay firm.

Cumin Seed

In Turkey, this years expected crop is around 7,000 MT with around 700-800 MT of material now left in the local market. EU quality, guaranteed material has lower availability. Syrian market prices remain firm with increased demand. The new crop will arrive in May - prices might increase until new crop arrivals. There is not much quantity left in Syria and carry over stock has also been extinguished. Demand from Turkey and Europe continues to increase, so higher price levels will likely prevail for the next four months until the new crop period.



Fennel Seed

Crop colour and quality are good with average crop size. Buyers should be careful because there is less pesticide guaranteed material availability in comparison to last year. In Egypt there are good levels of material so the market is currently stable. Prices are not expected to increase until the next crop in May.

Coriander Seed

The market for Syrian sourced product is flat with limited activity in the market. Prices are at reasonable levels due to an increase of Eastern European Coriander prices

Rosemary

The Moroccan market is active with strong sales in the latter part of 2019. High levels of demand had some effect on price levels. High consumption post this busy period created a balance in the market and also stability of prices. Inventory levels have lowered, however demand remains strong on the side of the culinary industry. The severe drought of the last two months will have an impact on tenders for collection permit restrictions.

Thyme

Unusually dry weather conditions are hitting Morocco hard and are having a negative impact on the crop, availability is therefore very low. This year's crop is short with a smaller harvest. Additionally there is an absence of carry-over stock from 2019 so as a result, prices are increasing and expected to be the same during coming months.

Basil

The market is currently stable with good availability at least until June/July. Celery-free products prices are higher and availability is less.

Marjoram

There is a current crop shortage leading to an increase in prices. The new crop is due in March/April so we await further information until this time.

Pepper

The new crop in Vietnam is under way and lasts through to April. The Tét, Vietnamese New Year celebrations are now at an end, but buyers have been very cautious and prices remain flat. Traditionally, we see lots of activity in the market about now as buyers and speculators start contracts, with China the leading player, however the corona virus means this is not the case this year. Now might be the time to take advantage as prices will likely increase when China returns to the table.

Demand remains strong so although the new crop will be less this harvest, there is still some carry over from last season.

There is less berry count this season than normal which means that there will be reduced yield, but farmers are reluctant to drop prices.

Cardamom

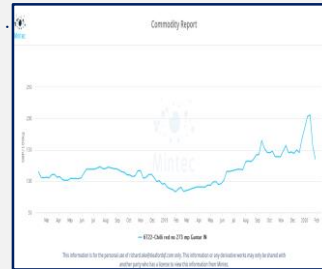
Demand for cardamom has dramatically increased due to a shortage of stock from Guatemala origin. New crop arrivals were delayed by bad weather and this has dramatically affected both availability and price.



Chilli

Unseasonal rainfall was reported in the chilli growing regions which has had an impact on quality and the new crop supply. New crop entering the market is reported to be lower quality. High quality material has now started arriving, but more rainfall will mean delays and cause prices to increase.

Damage due to recent heavy rainfall means the crop has been delayed and nothing is now expected until March. As a result, prices are expected to increase.



Turmeric

Arrivals are now in full flow, though the quality of the fresh material is poor with high moisture content. Peak arrivals are expected this month. In recent days prices have increased by around 10% following implementation of the Minimum Support Price by the state government, who are sourcing through co-operative societies. Forecasts suggest the market will be bullish in the coming days.

Ginger

Harvesting is underway but has been delayed by one month. The harvest is expected to last until the end of March. Heavy rains mean production is expected to be lower by 10% and pipelines are all empty. The high price of fresh ginger means farmers prefer to sell their crop as fresh rather than dry. Overall, dried Ginger prices are likely to be stable at the prevailing higher levels.

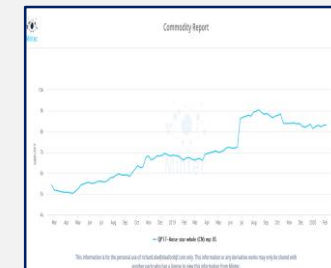


Cumin

The worldwide shortage is well documented. Poor crop/quality of Syrian and Turkish product remains problematic, so Indian cumin is being sought, however this too is in short supply with the locust plague adding more pressure. Prices are therefore increasing

Whole Star Anise

There is a current shortage in the market for conforming material leading to increased prices.





DEHYDRATED VEGETABLES

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Bell Peppers

Sources suggest red bell pepper crop quality is slightly higher than last year, however a proportion of product in the market has been produced with added sugar. Around 10% of the peppers in Inner Mongolia are produced by adding sugar to the production line. The amount of added sugar could reach up to 35% based on weight of the fresh raw material. This product is sold to the domestic market, to traders and processors in the south and the west areas of China and is not generally exported. Prices for red bell peppers are generally lower than last year currently but there is uncertainty as to if this will continue. Green bell pepper prices are static and consistent with recent months so appear to be stable. The other factors affecting prices are the fluctuating exchange rates and current tariff war between China and the US.



Carrots

Producers in Poland are facing some challenging conditions so are reluctant to offer new crop prices for large quantities with estimates that prices have increased by around 6%, however the quality and sustainability of Polish products remains high.

Leek

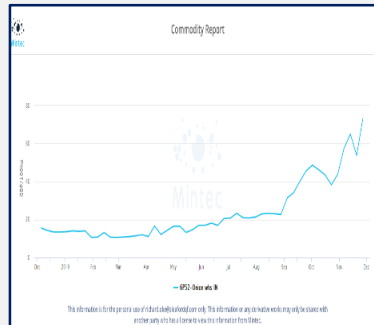
Egyptian leek prices have increased slightly (around 2%) in recent weeks, however they are expected to be flat going forward. This will be the first time for many years that we will likely experience stable leek prices.

Tomatoes

Prices for tomatoes are more competitive than last year but this has mostly been offset by exchange rates with a stronger US\$. They are expected to remain stable for the short term.

Onion

Severe weather conditions resulted in last year's Indian crop being short by between 35-40%. Stocks sold out in late Autumn, so deliveries were challenging in the final months of 2019 as fresh raw material was very scarce. The new Indian onion season was expected to be harvested in December but has been delayed because of adverse weather so production is now expected in late February/early March. Processors have lost critical production time (Dec 19 – Feb 20) which will not be recouped meaning markets will remain critically short in terms of supplies.



Following two years of oversupply the market was short in the 2018-2019 onion season. Lack of rainfall and adverse weather conditions resulted in 35-40% crop shortage in the key growing areas. Additionally, inadequate storage facilities resulted in crop losses and cash losses for marginal farmers. Jain farmers suffered lower yields so had to be compensated for their losses. The Indian market is currently facing several challenges as a result of crop delays and shortages. Fresh market produce from the early winter harvest (November 19) was mostly washed out due to extended monsoons.

Raw material prices have been falling but are still two or three times the normal rate. Dehydrated onion prices are not fully reflecting the increase in raw material prices because processors are being forced to respond to competitive origins, however substantial price increases are inevitable.

2020 raw material priced crop was initially highly priced but is now starting to drop, however prices are still fluctuating in bands that are two or three times higher compared to last season's average.

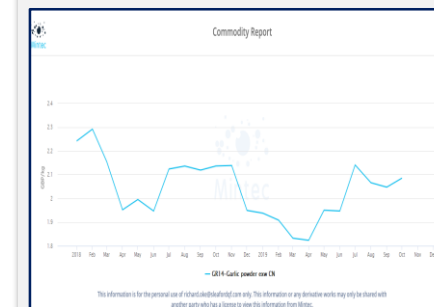
The Indian onion market situation remains unclear. Raw material availability continues to vary, and market prices are still high.

Garlic

2019 prices remained high. Current crop yield is between 20%-30% down against the previous year due to less area for cultivation, however this is somewhat compensated by high carryover stock.

Sleaford Quality Foods only use premium grade product, so product quality is monitored closely. The 2019 harvest is complete, and we are now in the new planting season. As a result of unseasonably warm weather, a large portion of seedlings have been dying meaning prices for next season remain uncertain.

Exchange rates and the ongoing China-US tariff war continue to impact on Chinese garlic. Some lower quality product has dropped in price but acquiring highest quality product will remain the main challenge this season



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Marrowfat Peas

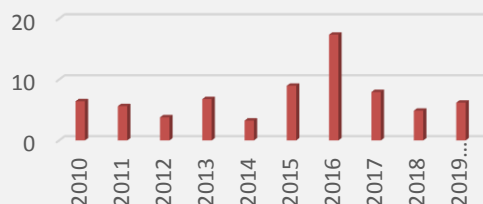
The planting area of Marrowfat Peas is expected to increase by approximately 10% due to the rise in price, which has committed some farmers back into the crop.

Some key changes in 2020 will make peas even harder to grow. This is likely to have an impact on the price and crop area due to the risk taken on by the farmer.

1. Banning of Thiram Seed Treatment.
2. Banning of Reglone desiccant
3. Drilling of peas treated with WAKIL XL will only be permitted to be planted by farmers after 1st April each year.

The crop size is still smaller than the average crop size required to supply the entire market and therefore keeps pressures on pricing.

Estimated UK Marrowfat Area (1000 Ha)



Good quality and good yield have been off shot by low stocks, below average production and the challenges for growing peas in 2020 due to agrochemical restrictions and prices are pretty much set for the next 10 months.

The next update is due in April 2020



Red Split Lentils

Strong demand has seen prices increase since October. There is some expectation that prices might ease dependent on the Indian crop harvest outcome. It will depend on Canadian planting for the 2020 crop, but higher prices are envisaged during the 2021 season.

Dark Speckled Lentils

Overall supplies remain good which is keeping prices steady. We are expecting an acreage cut for the 2020 crop, forcing prices upwards into 2021.

Green Lentils

Like red, prices have been firming, especially for Grade 1 material as there was only a limited amount produced this year. Prices are expected to increase slowly in 2020, however if India need to buy then prices could quickly increase.

Chickpeas

Prices remain steady. Expectations are that there will be a drop-in acreage for 2020 crops globally which will likely see prices increase during the second half of 2020. This might be earlier dependent on demand from India.

Quinoa

The UK market is currently stable, we await more detailed information. The Bolivian market has firmed a little as a result of political issues.

Red Kidney beans

The market is expected to be difficult throughout 2020. The North America crop size and quality is still unknown – USA tariff duty is expected to continue through to the end of the year further impacting prices.



SEEDS

A collage of various seeds including almonds, sunflower seeds, and flaxseeds. The seeds are arranged in a way that they appear to be spilling out of a white bowl on the right side of the image. The background is a light blue gradient.

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Pumpkin Seeds

The market has seen a strong reaction with the realization that although the recent harvest quality is good, the quantity is not. Furthermore, the improved quality, coupled with strong demand for lower grades from USA to neutralize the tariff increases, has led to a shortage of the 'A' grades firming these prices more and narrowing the spread.

We're seeing a situation with strong 'spot' demand and delayed shipments which is leading to a squeeze of availability.

Linseed

The market firmed around 15% in the latter part of 2019 due to lack of availability, mainly weather driven, but there were also production problems at some processors, however these issues should be resolved as we go into March & April.

Availability of Golden linseed has been more problematic.



Sunflower Seeds

Over committed suppliers are delaying shipment; global demand is rising. Stock remains tight so prices are up by around 10% or more.

Sesame Seeds

Crops in India and Africa are helping to soften prices. Strong domestic demand for hulled seed in India is keeping the market stronger than perhaps numbers dictate but is forecast to weaken in coming months. Central America is harvesting, and good crops are expected. Prices will follow the international market generally. There is strong demand for Central American at present from global buyers and Japan. Whether Sudan will continue to export is of some concern as they have recently banned the export of peanuts, and due to the conflict, the port is heavily congested.

Poppy Seeds

With strong East European demand, and limited supplies of stock, prices are expected to remain on the firm side. Australia is starting to harvest, but volumes from this region will be relatively small and will not arrive in the EU until April.

Seeds - General

In summary there is a lot of volatility right now, primarily due to crop performance, increased demand and uncertain weather. Currency is also playing its part. Supply is tightening and prices are firming.