



SLEAFORD
QUALITY FOODS

Market Report

August 2024



Herbs

Bay Leaves

Availability in the market is tight. Turkey has exported a high proportion of product to China resulting in shortages in Europe and subsequently higher prices. New crop is expected in mid-September, however prices are not expected to fall.



Chives

Market is currently stable. Demand has been static hence supply has been consistent with demand.

Dill

Indian origin, compliant quality product is limited and in short supply leading to upward pressure on prices.

Oregano

Unfavourable weather has stunted plant growth hence we are expecting an overall decrease in crop size from Turkey this summer. Unsurprisingly this and the requirement for PA compliant material is impacting on price which are expected to increase in the coming weeks and months.



Herbs

Parsley

Growing conditions have been favourable with the first cut expected before the end of July. Yield is expected to be positive, however additional rain is needed to ensure this. Prices remain firm due to zero carry over from 2023 crop ie all product harvested will immediately be consumed!



Rosemary

The market is currently firm but prices are forecast to be increase due to limited supply. This year's harvest started at the beginning of June but we are expecting around 25-30% lower yield than last year with a 30% reduction in collection permits due to availability and drought conditions. Demand is strong in the culinary market.



Thyme

There has been a severe drought in the growing areas with minimal rainfall in the Spring months. No crop carry over from previous combined with forecasts of a smaller crop is expected to lead to shortages in the market and subsequently higher prices.

Herbs

Sage

Unfavourable weather and the need for excessive weed control have resulted in farmers switching to alternative crops as sage was unattractive and not financially viable. Manufacturing costs have also increased with the number of tests required to ensure PA compliance continuing to rise. All these factors combined have culminated in lower yields and increased prices.



Basil

New crop has been harvested, pricing is stable. We continue to test pre shipments to ensure both products allergen free.

Tarragon

Availability of French product is in short supply leading to firm pricing.

Mint

New crop has been harvested, pricing is stable. We continue to test pre shipments to ensure both products allergen free



Spices

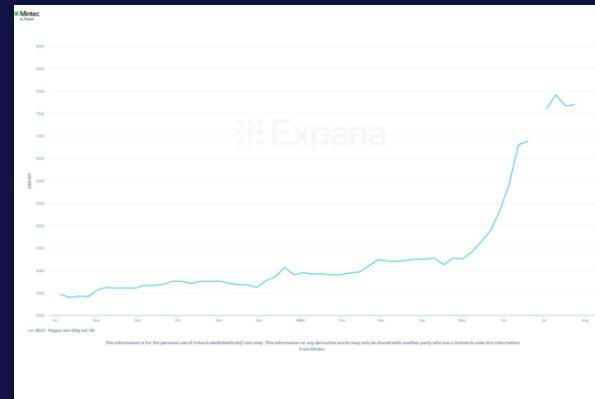
Pepper

The market is very volatile; the last quarter witnessed prices increase by 85%.

Year on year increases are at a staggering 122%. We are seeing daily fluctuations, however prices remains significantly high and forecasts so not indicate any significant decreases due to the fact current demand is far outstripping supply.

The new crop in Vietnam is expected in January 2025 and although too early to be precise, the yield is forecast to be lower than this year's yield. World pepper consumption way out strips supply due in part to farmers not maintaining the vines. The average pepper vine has gone past its maturity hence are returning less yield each year.

Minimal new vine planting has taken place because farmers felt they weren't getting a good enough return. It takes at least three years to get a good yield hence prices are expected to continue to be firm into 2025.



Graph shows prices have increase 125% YOY

Spices

Black Onion Seeds

The requirement for high quality, high specifications product have resulted in a firm market

Whole Green Cardamon

The market is buoyant with limited supply from Guatemala as a result of Indian origin crop being unsuitable for EU consumption. Global demand remains strong putting additional pressure on supply and pressure on prices.

Chilli's

The market has been challenging with high pricing and little availability for IPM/EU compliant material keeping prices firm.

With pressure on farmers to see a successful harvest they are using significant amounts of pesticide spray to keep this under control. Typically, they would spray around 15 times but this has increased to 40.

Crop size & yield has been positive but pressure on the market remains.



Cloves

Current market is stable, however high ocean freight costs have resulted in raw material prices remaining firm.

Spices

Cinnamon Sticks

Sri Lankan product quality & consistency is excellent and availability is good hence prices remain firm for steam sterilised sticks remain firm.



Cassia

Current market is stable, however high ocean freight costs have resulted in raw material prices remaining firm.

Coriander

The crop has been reasonable with a favourable yield against the previous year hence prices are stable. Colour of crop is golden which is has been well received by farmers.

Cumin

2023 was difficult with high prices and little to no availability for PA/EU compliant material. Indian planting acreage in 2024 was around 24% higher as farmers switched to cumin due to higher price returns. The 2024 crop produced a higher yield but only 50-55% of the crop is PA approved hence compliance has ensured prices have only seen a marginal decrease.



Spices

Garlic

Yield from the new crop has been positive, however typically only around 3% of harvested crop is used for the dehydration market. We have been seeing increased pricing since early July on the back of speculators manipulating prices in the market and the increase in ocean freight costs.

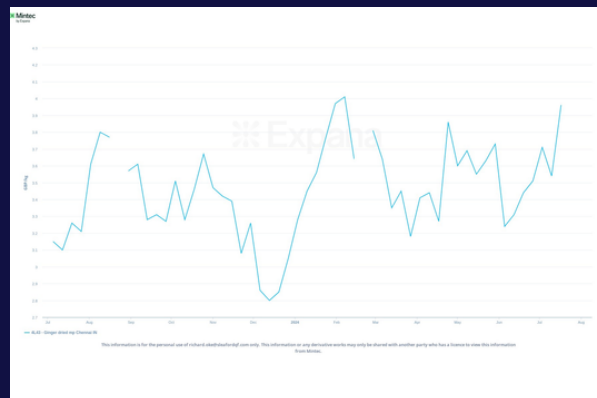


Ginger

Difficult market conditions have seen prices steadily increase due to high demand, limited supply and a significant shortage of available crop. The low yield in India is one of the reasons for the shortages.

Additionally there has been a significant drop in the import of Nigerian Crop into India for processing as it has been effected by a fungal disease wiping out around 70% of the crop.

Price are up by around 15% year on year and expected to continue upwards as the next crop is not now due until February 2025. Supply is therefore far short of demand.



Graph shows prices have increase 25% YOY

Spices

Nutmeg

The market & supply is stable, high ocean freight costs are keeping prices firm.



Paprika

Paprika is made from bell or sweet type peppers imported from China & Peru before being produced in Spain. Pods are crushed, ground & blended to right ensure the best colour & heat levels. The main factor affecting prices is the current high costs of ocean freight meaning prices are currently firm.

Pink Peppercorns

Pink peppercorn are a fruit which measure around 3mm in diameter and are largely found in the pepper trees of Brazil. Current market & prices are stable.

Sumac

There is a shortage of availability created by illegal dye contamination in the market hence additional costs have been incurred to ensure compliant material.



Spices

Turmeric

Severe shortage within the Indian market due to farmers switching to more lucrative priced crops has led to significant increases in material cost. This is likely to continue into 2025.

Vanilla Pods

Harvesting takes place between May & July. We have been able to secure premium quality product at existing price.

Salt

Salt's relationship to flavour is multidimensional: It has its own taste, both balancing and enhancing the flavour of other ingredients within a multitude of SQF customer blends and recipes.

The major salt input cost is energy which has fallen steadily in recent months leading to price reductions. Further decreases are expected in the coming months on the back of the energy market.



Seeds

Poppy Seeds

The market is stable with the impending harvest taking place in September; the hot weather is causing some challenges and uncertainty on likely yields.



Pumpkin Seeds

Weather has been favourable hence yields are looking good. Harvesting will commence later this month but prices are expected to remain stable.

Crispy Fried Onion

The main factors affecting costs are the price of onion, palm Oil & energy.

Palm Oil prices have steadily increased over the past 24 months, but have now stabilised.

Onion variety used in crispy fried onion originates from Poland; prices have increased over the past twelve months largely because farmers have chosen to grow wheat rather than onion putting pressure on supply.

The upcoming September crop, harvested in October will be key in determining prices going forward.

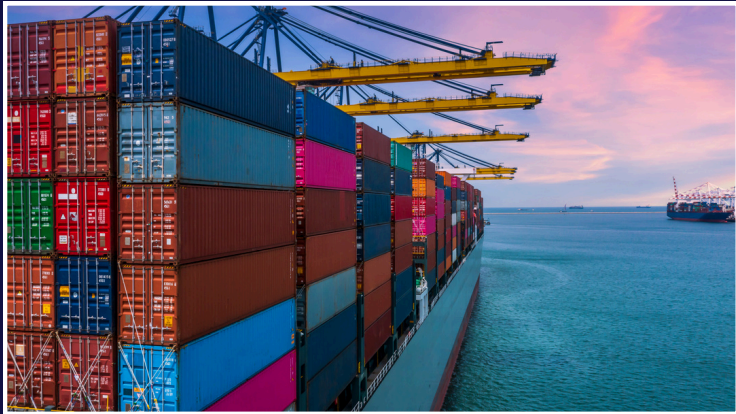


Freight

Significant increases in the cost of freight continue to impact multiple products. The continuing conflicts in the Middle East means containers are being routed around South Africa adding between 2 to 4 weeks to the sailing time and higher prices.

Prices began increasing in May this year. Shipping rates from India increased 15%; from China 35% & from Vietnam 60%.

The future remains uncertain, however we are hopeful for some stability towards the end of the years possible reduction in October time



The information provided in this report has been gathered from third party sources and statements made are not therefore necessarily the views of Sleaford Quality Foods.