

IFFI Anniversary Event

The 15th Anniversary event of the IFFI (Ingredients For Food Innovators) took place on September the 21st. Remon Lanters, Purchasing Manager at Euroma, gave a presentation as one of the keynote speakers. We were happy to have the possibility to inspire people with the story of Koninklijke Euroma BV about sustainable sourcing!



Onion

Spain / France

Spain is nearby the end of the crop and need to cover elsewhere to fulfill their contracts. France has completed their yellow onion crop, which initially started late July but due to heavy rains they had to stop for a period of time. The white onion crop is coming to its end. In general there is a lot of competition from French fries potatoes and cereals. By the heat waves in May and June irrigation was needed. This was not foreseen in an earlier stage.



China

Due to the historically silk route Gansu province is producing nearly 90% of the white onions. The harvest started already in the lower altitudes, but two weeks later as normal. Although the yield seems to be a little less than 2022, the total output looks to be around 43kMt (35kMt in 2022). The biggest planting area looks to be the Minle county (approx. 90% of the total planting area). China faces dry weather from March till August which has impact on the maturity of the onion. It looks a little bit to early what price consequence will be. On one hand we see a decrease in energy costs, on the other hand the fresh onion prices has increased.



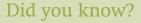
Pepper

Since the beginning of 2023 pepper prices have steadily risen, one of the main reasons for this has been active buying from China after being absent in the market for a while. Currently prices have somewhat stabilized, however there are reports of an expected slightly lower crop output for the next year in Vietnam, this fuels speculation and adds some more upwards pressure on the prices. The overall movement of price is in line with the fundamentals in the pepper market, prices are recovering from it's 10-year lows several years ago. This has driven farmers partly to cultivating alternate crops, such as coffee. Coffee is, in terms of price, more stable and therefor less of a liability for the farmer, it can be grown on the same fields as the pepper or used as a parallel crop.

Brazil, as a big pepper producer, is expected to have a lower overall output in 2023. Especially the biggest production state Espirito Santo has seen a firm decline. For 2024 it's expected that the crop will recover to it's level of 2022, but this is still uncertain.

Indonesia keeps going down in terms of pepper production and becomes less of a relevant player in the market to watch.

On the longer term prices are expected to rise, however the market remains somewhat unpredictable.



Our purchase department recently visited suppliers in Vietnam. We are fully conscious of the complexity and risks within our supply chain. Thanks to the intensive collaboration with our suppliers, we can guarantee quality, integrity, food safety and flexibility.





Let's get in touch

We share with you this information to the best of our knowledge. As you know, herbs and spices are a product of nature and therefore subjected to weather conditions and world trade conditions. Our Market Update is based on our current view on the market.

Please consult your Euroma Herbs & Spices Account Manager for more information!

