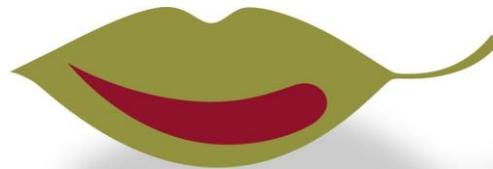




# 2017 Chinese Garlic Crop Report

Geraldine ZHU

2017.04.23



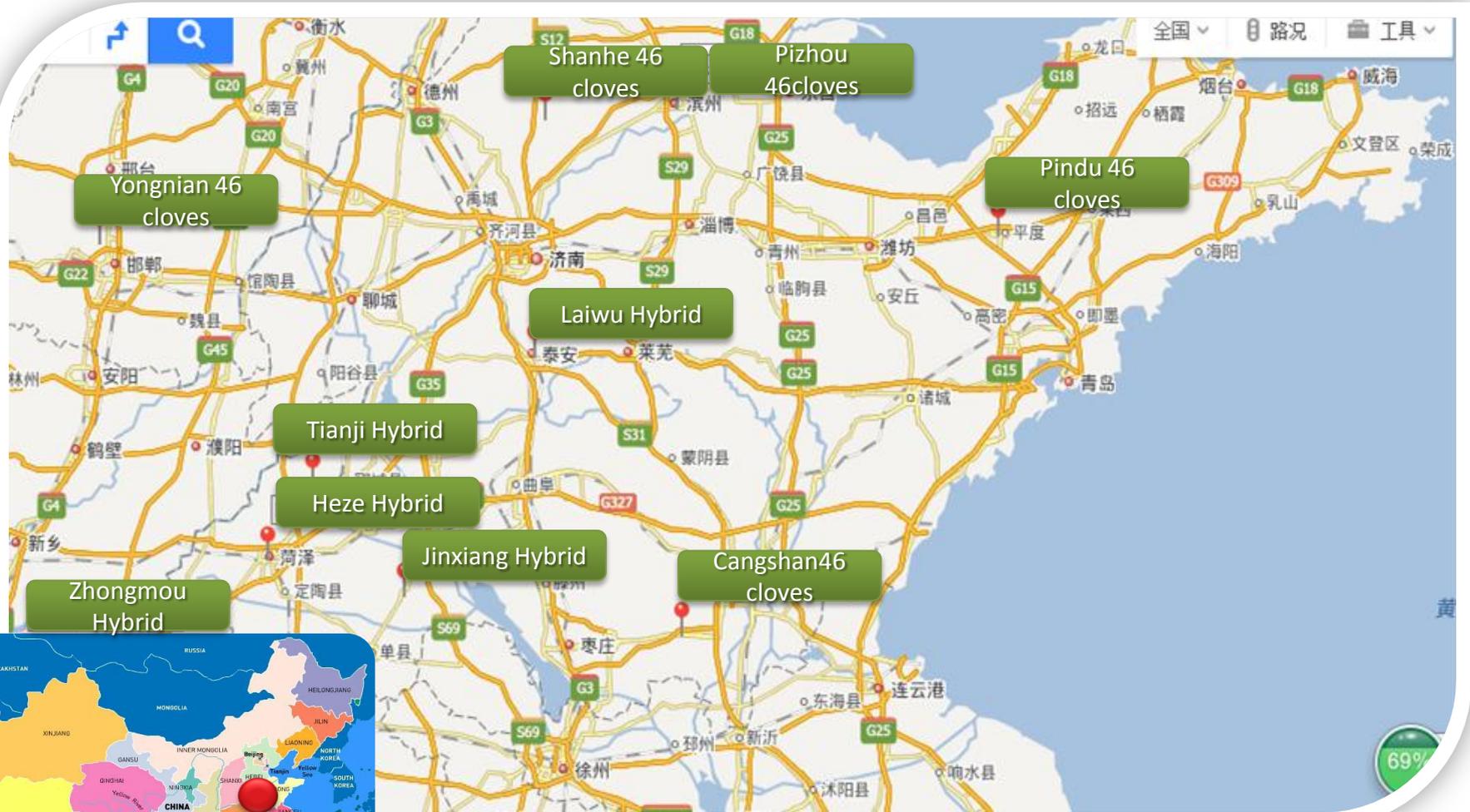
**China Spice Services**

food safe AD & FD vegetables and spices from source country

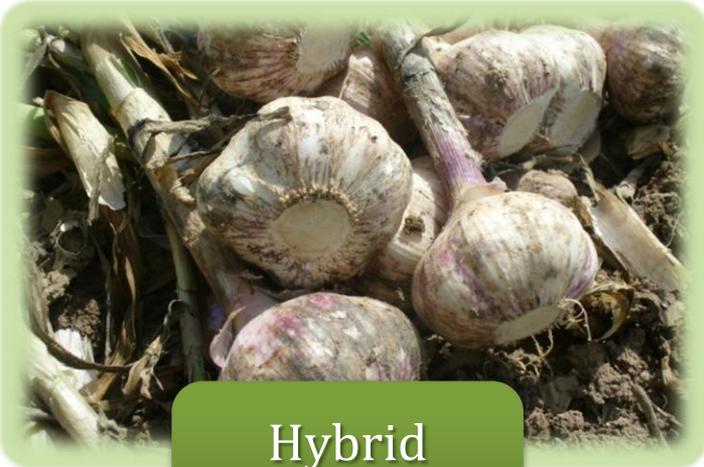
# Content

- Chinese export garlic main variety & origin
  - 2016 Chinese Garlic Export Status
  - Chinese AD garlic supply chain
- AD garlic export quantity & price evaluation in the last 7 years
  - New crop situation
- Other factors which influence the market

# Main Origin & Variety



# Main Origin & Variety



Hybrid  
garlic



4/6 cloves  
garlic

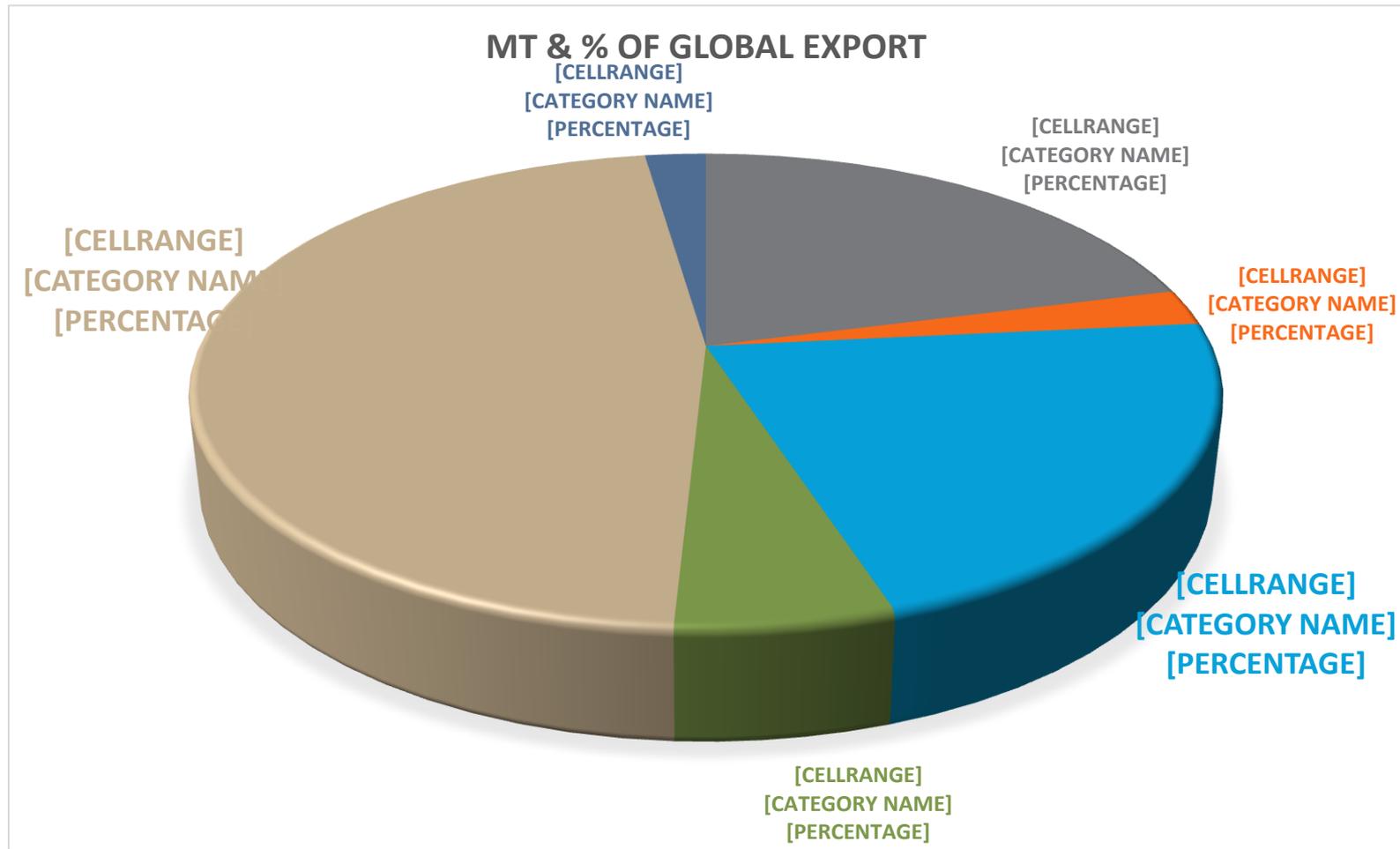


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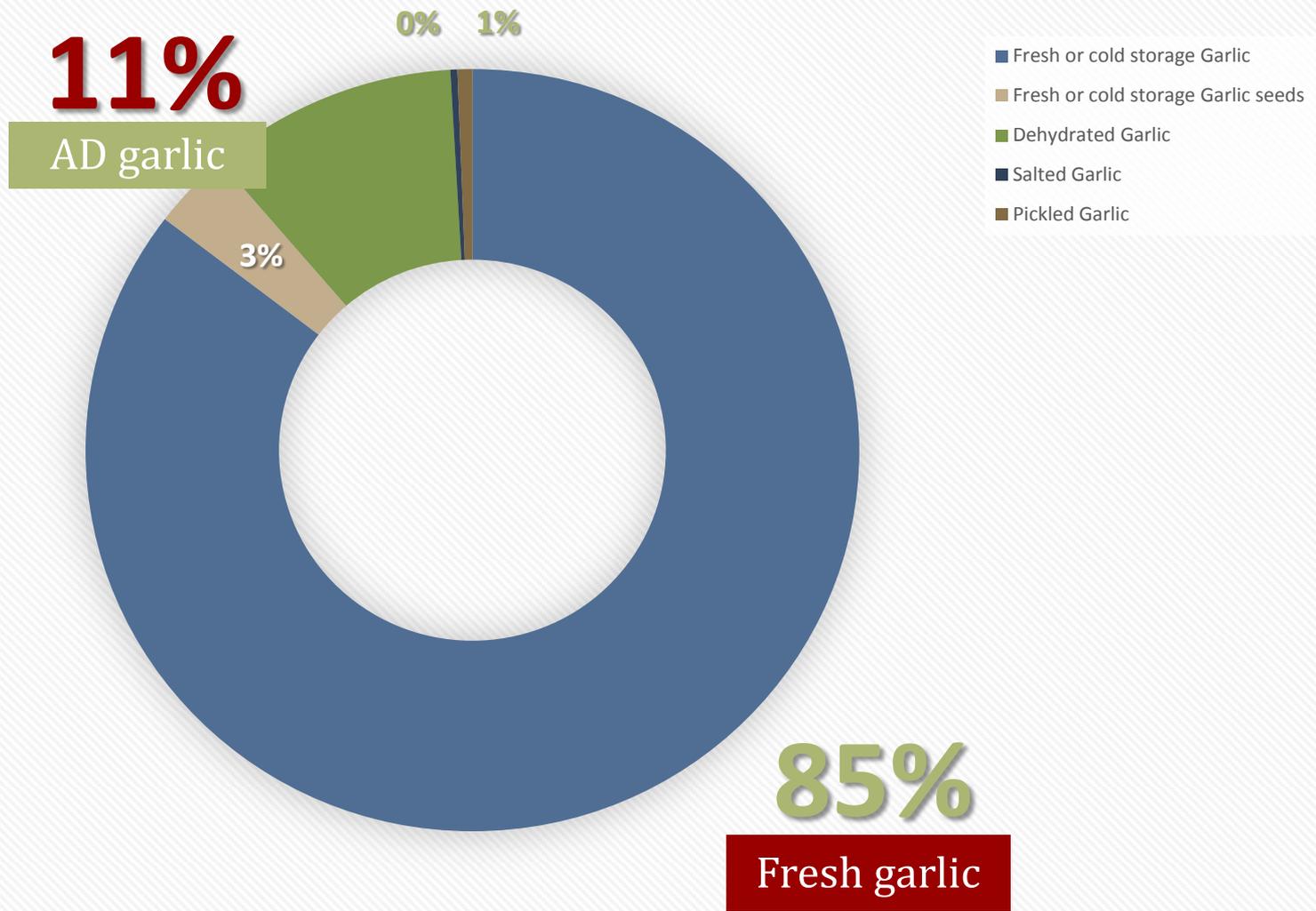
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# AD garlic Export Countries 2016



# 2016 Exported Chinese Garlic Form

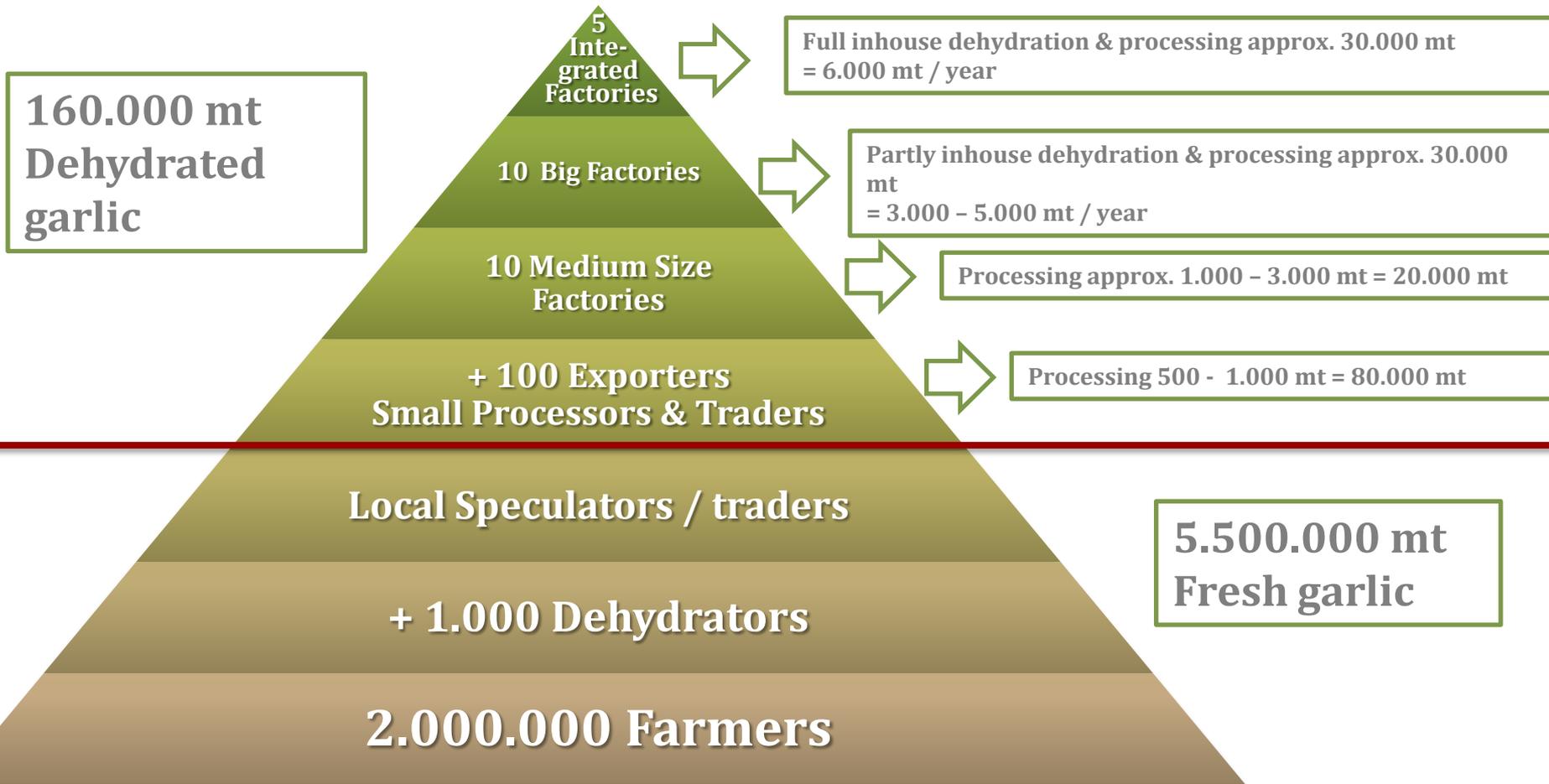


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# Chinese AD garlic supply chain



# Chinese AD garlic supply chain



# Chinese AD garlic supply chain



Today still over 50% of the AD garlic is processed  
traditional factories



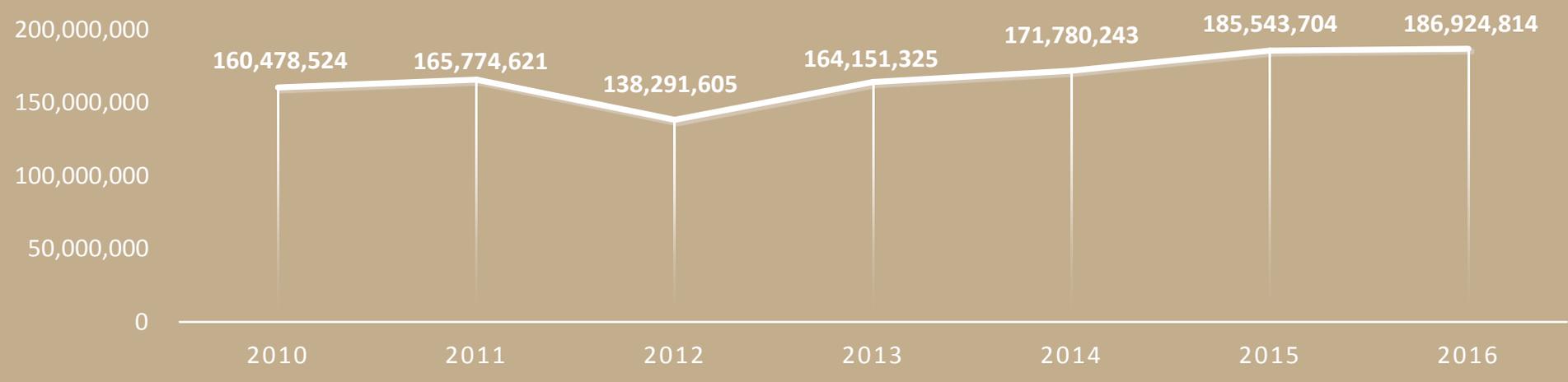


# Content

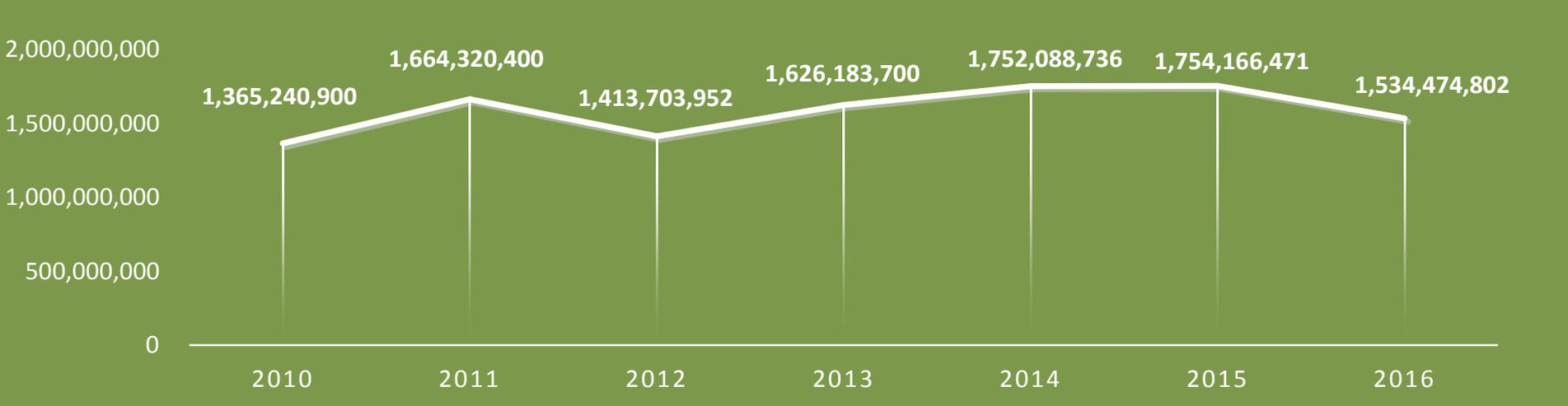
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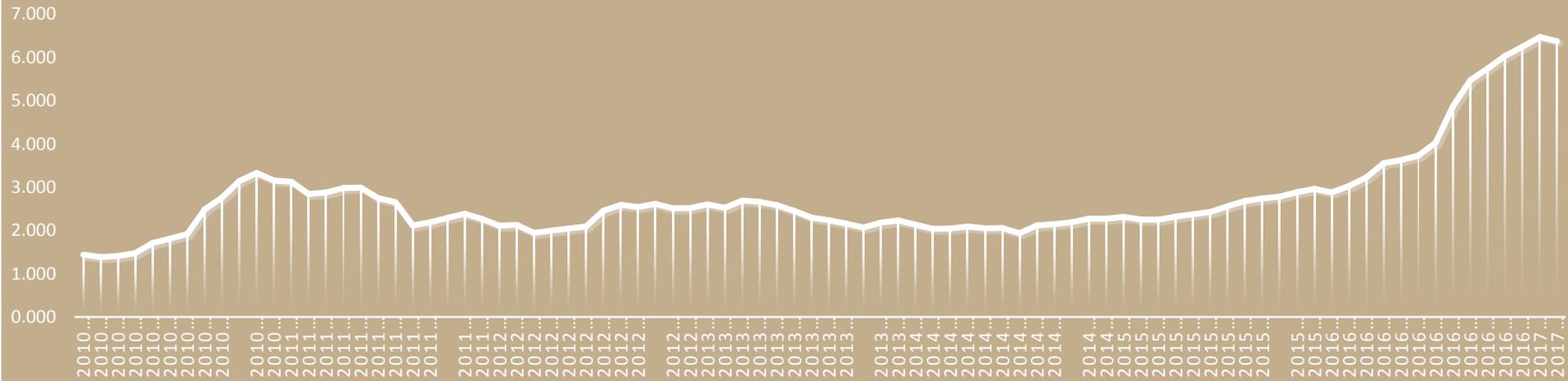
# DEHYDRATED GARLIC EXPORT VOLUME 2010 - 2016 (CHINA)



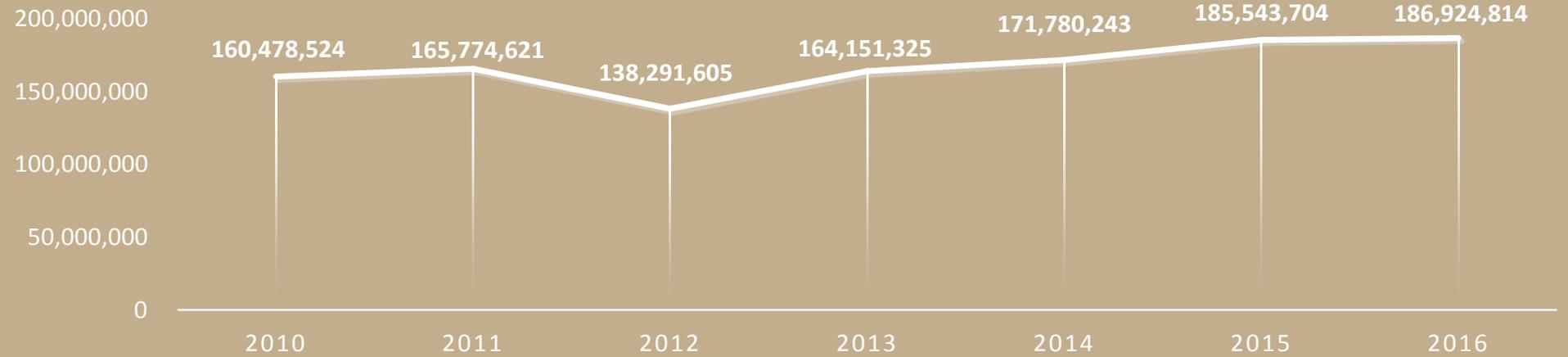
# FRESH GARLIC EXPORT VOLUME 2010 - 2016 (CHINA)



## DEHYDRATED GARLIC MONTHLY EXPORT PRICE (USD/KG) 2010-2017.2



## DEHYDRATED GARLIC EXPORT VOLUME 2010 - 2016 (CHINA)



- 
- What resulted historical highest price in 2016 for AD garlic?
    - Crop decrease
    - Huge financial pressure
    - Speculation
    - Water pollution control
    - Decreased number of dehydration factory

# Content

- Chinese export garlic main variety & origin
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# Crop 2017 situation

- Planting acreage:
  - overall 20% plus than last year.
- Good growing pattern in spring time
- Estimated carry over stock:
  - 3,000 -5000 Mt AD garlic flakes with low quality
  - 200,000 MT fresh garlic in cold storage

# Crop 2017 situation

- Jinxiang, Shandong province:
  - 15% planting increase
  - Fresh garlic grows healthily and strong

# Crop 2017 situation

- Zhongmou, Qixian ( Henan province)
- Hybrid garlic (90%): 25% planting increase

# Crop 2017 situation

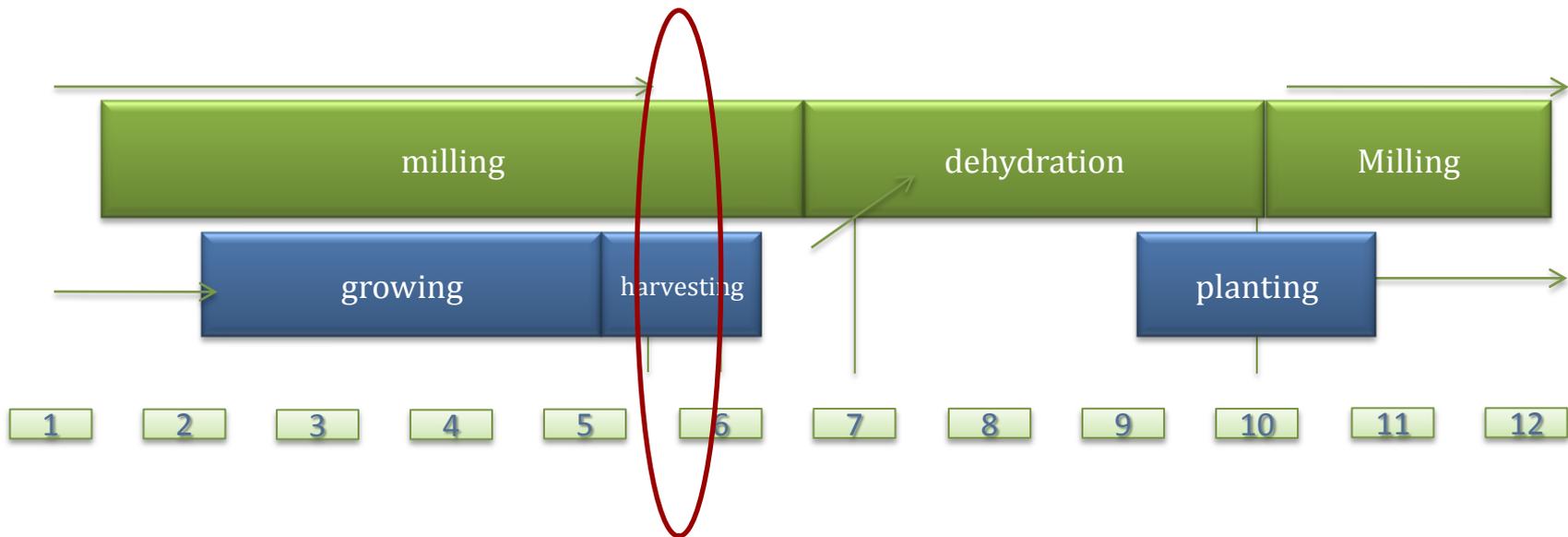
- Pizhou( Jiangsu province):
  - 20% planting increase

# Crop 2017 situation

- Yunnan Province:
- 15% planting increase

# Crop Cycle & Production Flow

- Garlic seeds are planted in October.
- Garlic harvest end of May/beginning of June.
- Dehydration July till September .
- Milling from September till June.



# Content

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# Other factors

- Speculation

Frost in December  
caused bullish run by  
end of 2015

Increased dehydration  
capacity

Flexible banking system

Increased cold storage  
capacity

# Other factors

## Environmental Protection Awareness

Due to the environmental control by government, dehydration factories in Jinxing only started mass production by end of July in 2016, with more than 4 weeks delay!

# Other factors

## Enviromental protection awareness



- New factories were built with water treatment system without exception.
- Jinxiang Government took action to build central water treatment system.
- Central water treatment station in Anhui is setting up for this & next year.



# Other factors

## Product life cycle?

- Year 1998 -2001 0.5 – 0.7 RMB/500g. July crop 2001 highest at 1.7 RMB/500g
- Year 2002 - 2006 1-1.2 RMB/500g. July crop 2006 highest at 3.8 RMB/500g
- Year 2006 to 2010 1.2 – 1.4 RMB/500g. July crop 2010 highest at 6.3 RMB/500g
- Year 2011 to 2016 2.4 – 2.6 RMB/500g. July crop 2016 highest at 6.8 RMB/500g

\* 500g = 1.102 lb



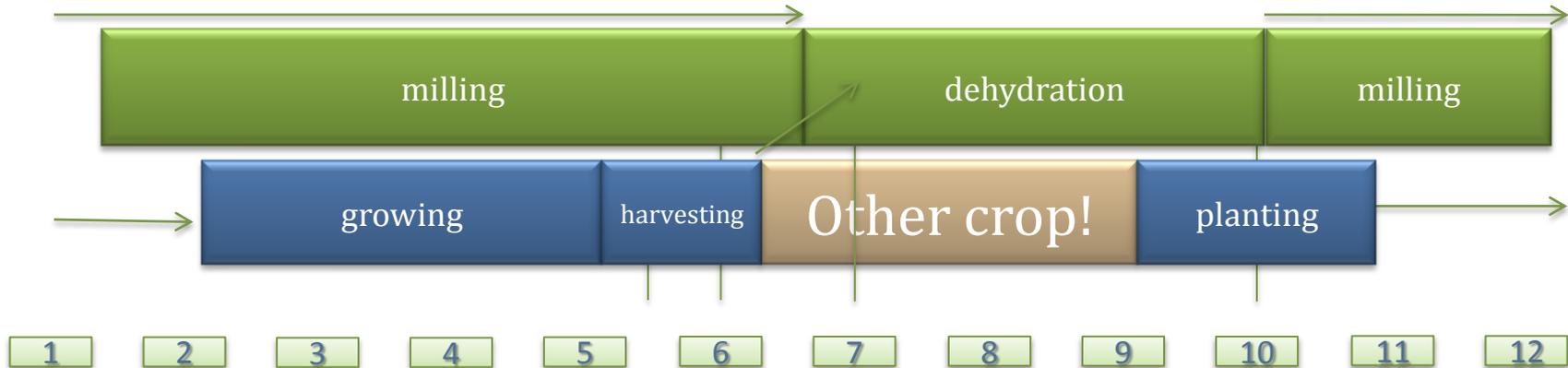
# Other factors

- Increasing labor cost
- Currency exchange
- Decreasing number of factories
- Increasing dehydration capacity & upgraded automatic production line

# Other factors

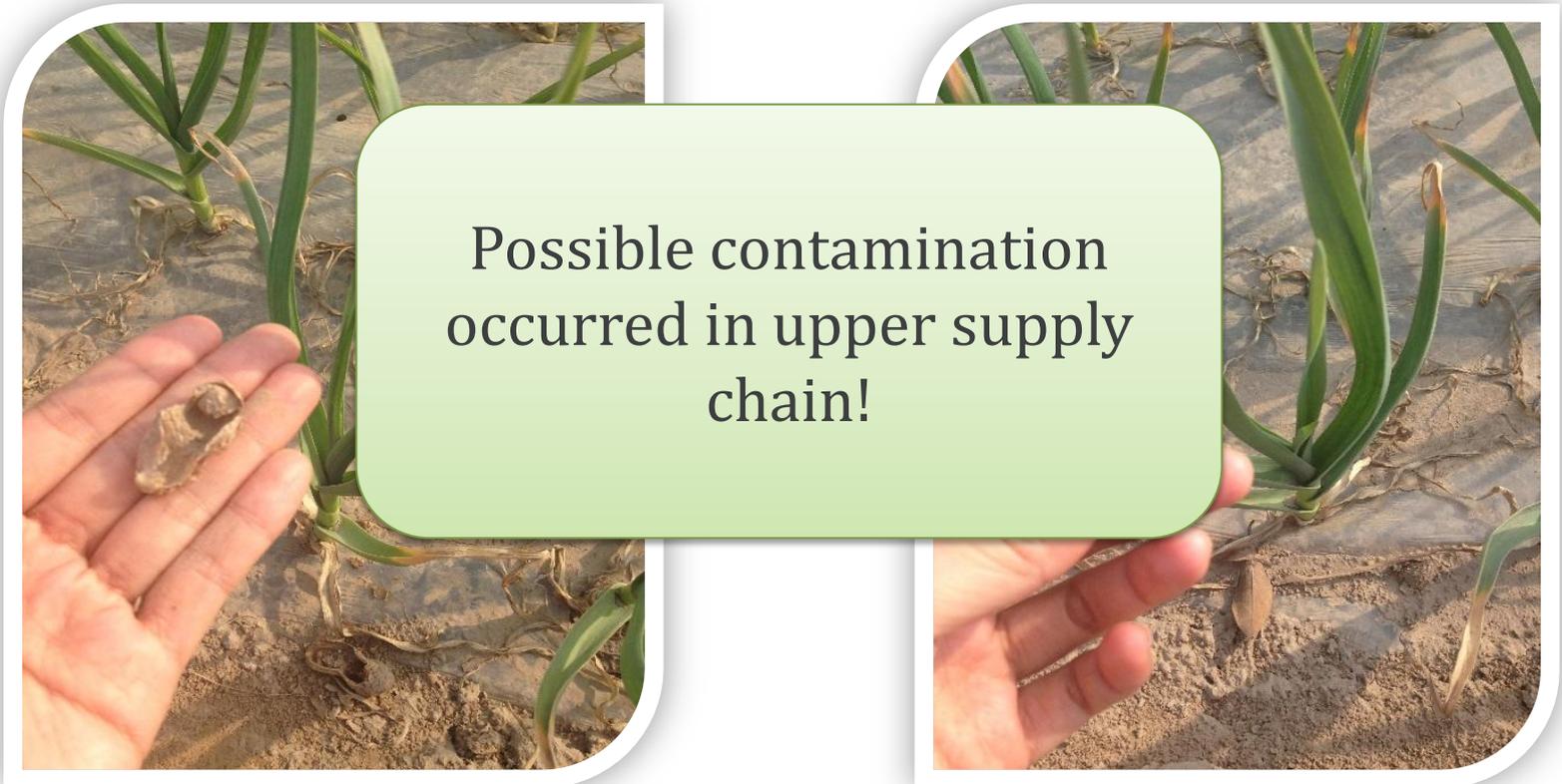
## Peanut Allergen

- Bigger number of farmers, smaller farms
- Other crop: Corn / Cotton / Chili / Peanut



# Other factors

## Peanut Allergen

The image consists of two photographs of hands holding peanut shells in a field, with a central text box. The left photograph shows a hand holding a peanut shell with a dark spot, while the right photograph shows a hand holding a peanut shell with a lighter spot. The central text box is light green with rounded corners and contains the text: "Possible contamination occurred in upper supply chain!".

Possible contamination  
occurred in upper supply  
chain!

Root Cause:  
Supply Chain

# Soil Testing





Root Cause:  
Supply Chain

# Fresh Garlic Testing



Contaminated  
fresh garlic



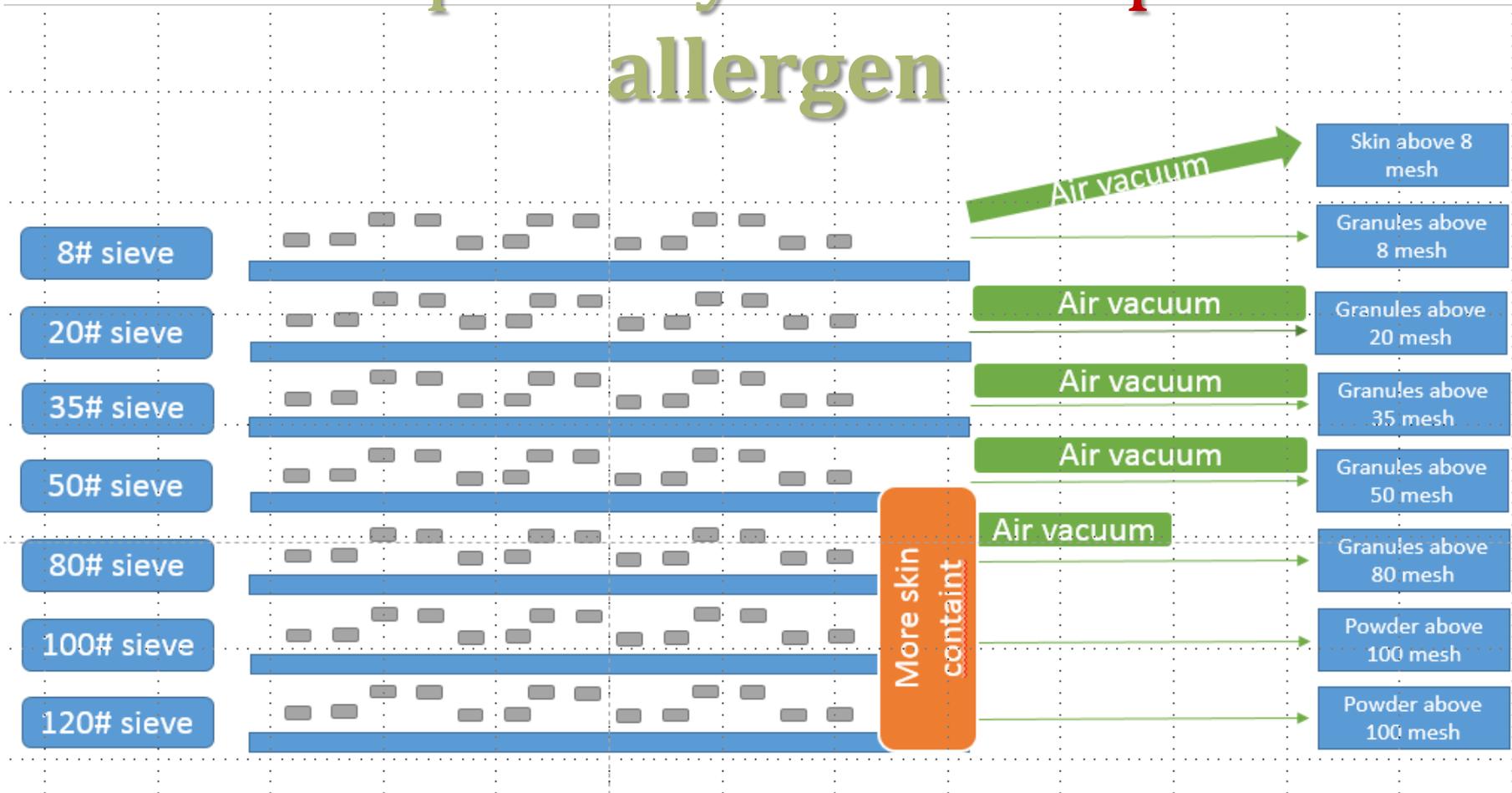
Non  
Contaminated  
fresh garlic



# What possibly contains peanut allergen



# What possibly contains peanut allergen



# Questions?



# Thank you



## Key Account

Ryan WANG / Geraldine ZHU



## Contact Details

Ryan@spices.be / Geraldine@spices.be



## Home page

<http://www.spices.be>