American Spice Trade Association

Onion Crop Report

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FRESH ONION WORLDWIDE

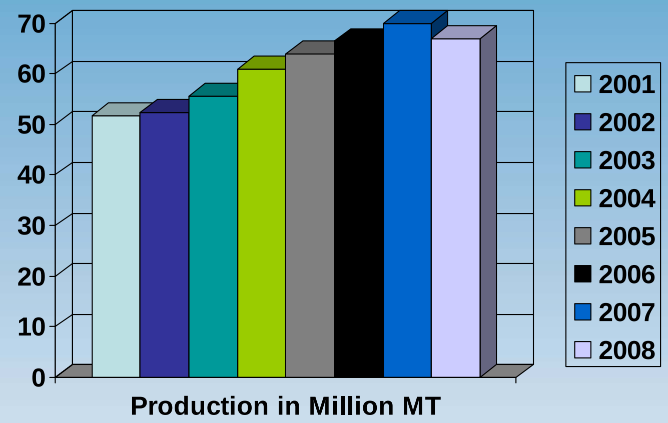
- Total worldwide production approx 70 million mt (FAO).
- Major producers:

Country	Production In Million MT	Share %
China	21.50	31 %
India	9.00	12 %
USA	3.50	5%
Pakistan	2.00	3%
Turkey	2.00	3%
Russia	1.90	2.8%
Egypt	1.75	2.6%
ROW	28.35	40.6%

Figures from United Nations Food And Agriculture Organization (FAO) and approximated.

FRESH ONION WORLDWIDE

- Growth in fresh onion produce worldwide

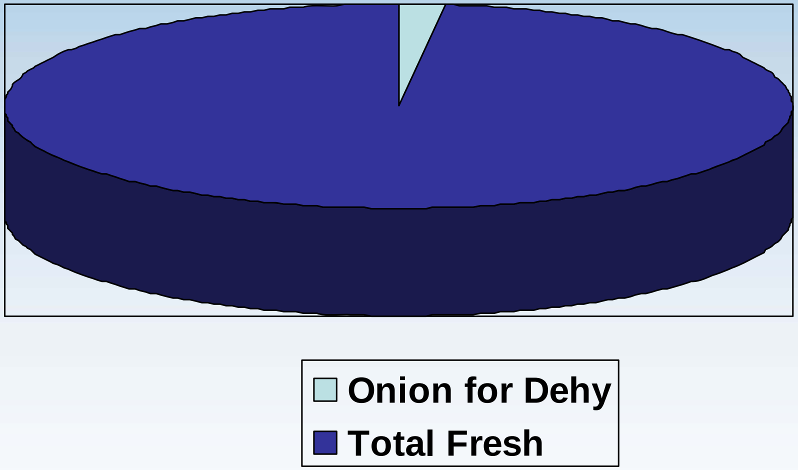


- China’s fresh production has grown by 40% compared to 2001.
- India’s fresh production has grown by 70% compared to 2001.
- USA showed a growth of 5-7% compared to 2001 levels.
- Egypt’s production grew by 175% from 2001 levels.

All figures from United Nations Food And Agriculture Organization (FAO).

DEHYDRATED ONION

- Approx. 1.3 Million MT of Fresh Onion is used in dehydration (<2%).

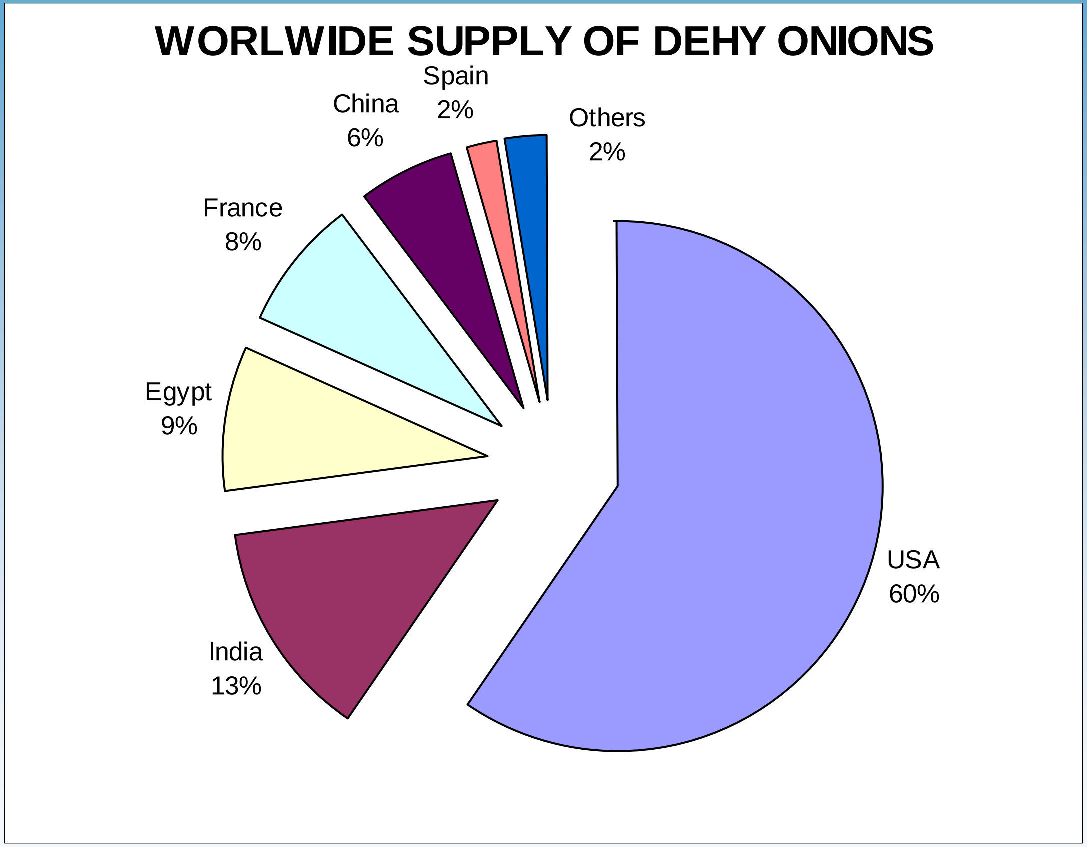


DEHYDRATED ONION

MAJOR PRODUCERS AND MAJOR MARKETS*

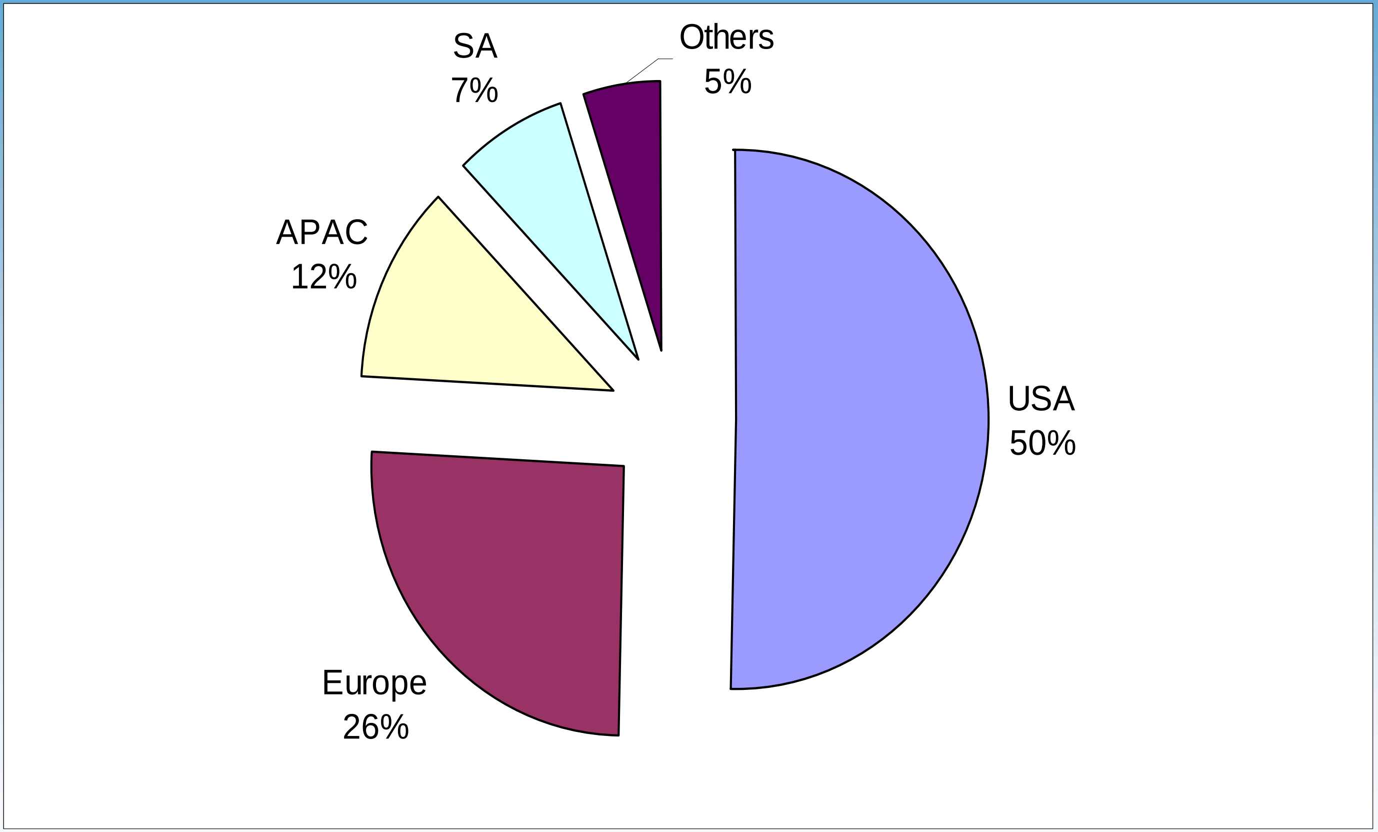
*All figures are estimates

MAJOR PRODUCERS OF DEHY ONIONS*



*All figures are estimates

MAJOR MARKETS OF DEHY ONIONS*



*All figures are estimates

SOURCE: USA

- All production on the West Coast.
- Majority of production in California State
- USA produces approx. 60% world's production.
- Market protected by tariff barriers from other major sources.
- Production season

  California – June to Sept / Oct.

  Oregon – Sept to Feb / Mar
- Dehydrator Onion growing areas in a normal year

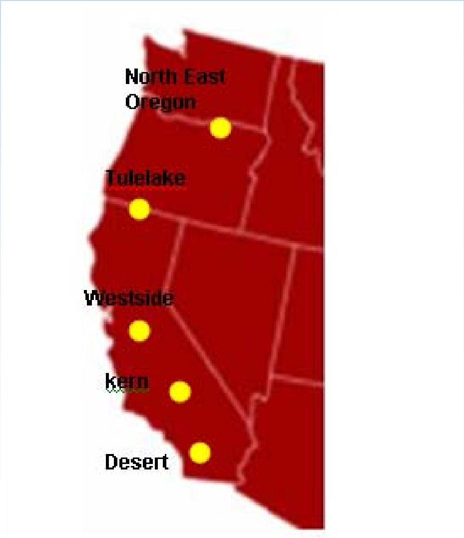
Desert	- 20%
Kern	- 15%
Westside (Early and late)	- 35%
Tulelake	- 15%
North-East Oregon	- 15%

Product attributes:

  High Solid

  Strong flavor

  Low micros



USA CROP AND MARKET SITUATION :

- Exports have been steady (Around 28,000mt / year*).
- Imports have been steady (6,000mt / year*).
- Dehy Onion Crop and Market has seen lot of volatility.

  2007 – Increase in costs, extreme cold weather, industry shortfall reported 12-15%.
  2008 – High costs lead to increase in prices, crop levels normal.
  2009 – Good crop, reduced demand, high inventories, reduction in prices.

- OUTLOOK FOR 2010

  a] High inventory carry-overs from 2009.
  b] Producers have tried to cut back acres due to carry-overs.
  c) Favourable conditions for exports from USA due to currency situation which would help reduce high inventory levels in the USA.
  d) 2010 and 2011 crop sizes are expected to be less than 2009.

*Figures from US Department of Commerce and USITC

SOURCE: INDIA

- World's second largest producer of fresh onions.
- More than 90% of fresh onion are red varieties.
- All Onion Dehydration (mostly white onion varieties) in Gujarat and Maharashtra state.
- India has been a supplier of dehy onions for more than 30 years.
- Production season :

  December to June (3 back to back crops).
- Product attributes:

  Lower Solid

  Creamy white

INDIA CROP AND MARKET SITUATION :

- Small domestic market means large dependency on exports.
- Dehy Onion Crop and Market has seen lot of volatility.

2008 – Crop > 40% short , raw material prices more than doubled.

2009 – Normal crop levels.

2010 – Crop short by more than 20% . Prices high. No shortage felt in the market due to situation in other origins. Season is at its last stage.

- OUTLOOK FOR 2011

a] High raw material prices this year may lead to more farmers and acres under onion.

b) Strengthening rupee and currency outlook may impact exporters.

C) Demand in Indian market is showing good growth and tremendous potentials.

SOURCE: Egypt

- Strong player in Europe.
- Enjoys closer proximity to Europe. 5 day lead time.
- Duty free quota status in EU (for almost 100% of its production).
- Two Seasons
    - Summer crop Apr - August.
    - Winter Crop Dec-January.
- Major supplier of fresh onion to Russia and EU.
- Product attributes:
    - Yellow Onion
    - Lower Solid (16-18)
    - Natural low micro products
- Major market is in Europe.

- 2009 Review:

Normal crop in summer followed by short crop in winter.

High raw material prices in winter crop.

- 2010 OUTLOOK:
    - Current summer crop reported normal
    - Winter crop is also expected to be normal due to more acreage expected under onion.

SOURCE: France

- **Production in North East of France**
- **Production season**
  August to Oct / November
- **Product attributes:**
  - **Lower Solid**
  - **Less availability of White Onion, more yellowish brown.**
  - **Strong in flavor applications and low micro applications.**
- **Major market is in Europe.**

- **2009 Review – Crop was reported to be normal**

- **2010 OUTLOOK - Normal**

SOURCE: CHINA

- Upcoming player in Dehydrated Onion market
- Already a market leader in Dehydrated Garlic.
- Largest producer of fresh onion in the world.
- Mostly low solid varieties.
- Inner Mongolia region a major supplier.
- New capacities are coming up.
- Major obstacles are seed stocks, solids and cost structure for onion.
- Great advantage of leverage on other dehydrated vegetables.
- Good potential for domestic market.
- 2010 summer crop expected to be normal.

TO SUMMARISE

- **Year 2009 saw a normal crop situation worldwide.**
- **Demand appeared to be less due to shift in eating preferences due to recessionary environment.**
- **Inventory carry over have been reported worldwide.**
- **Other currencies have been strengthening against US$.**
- **Producers appear to have been acting to address this situation in 2010.**
- **Major growing origins are expected to have lesser crop size by cutting down acreage.**
- **Demand and supply is expected to be in a balance by end of the year 2010.**

Thank You

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