



Garlic Crop Report

Vinayak Narain

Key Food Ingredients



Overview

- Garlic for Dehydration – Growing Areas (China & USA)
- 2009 Garlic Crop Update (USA & China)
 - Garlic Crop History
 - Current year trends
 - Factors affecting supply and price
- Implications for the future

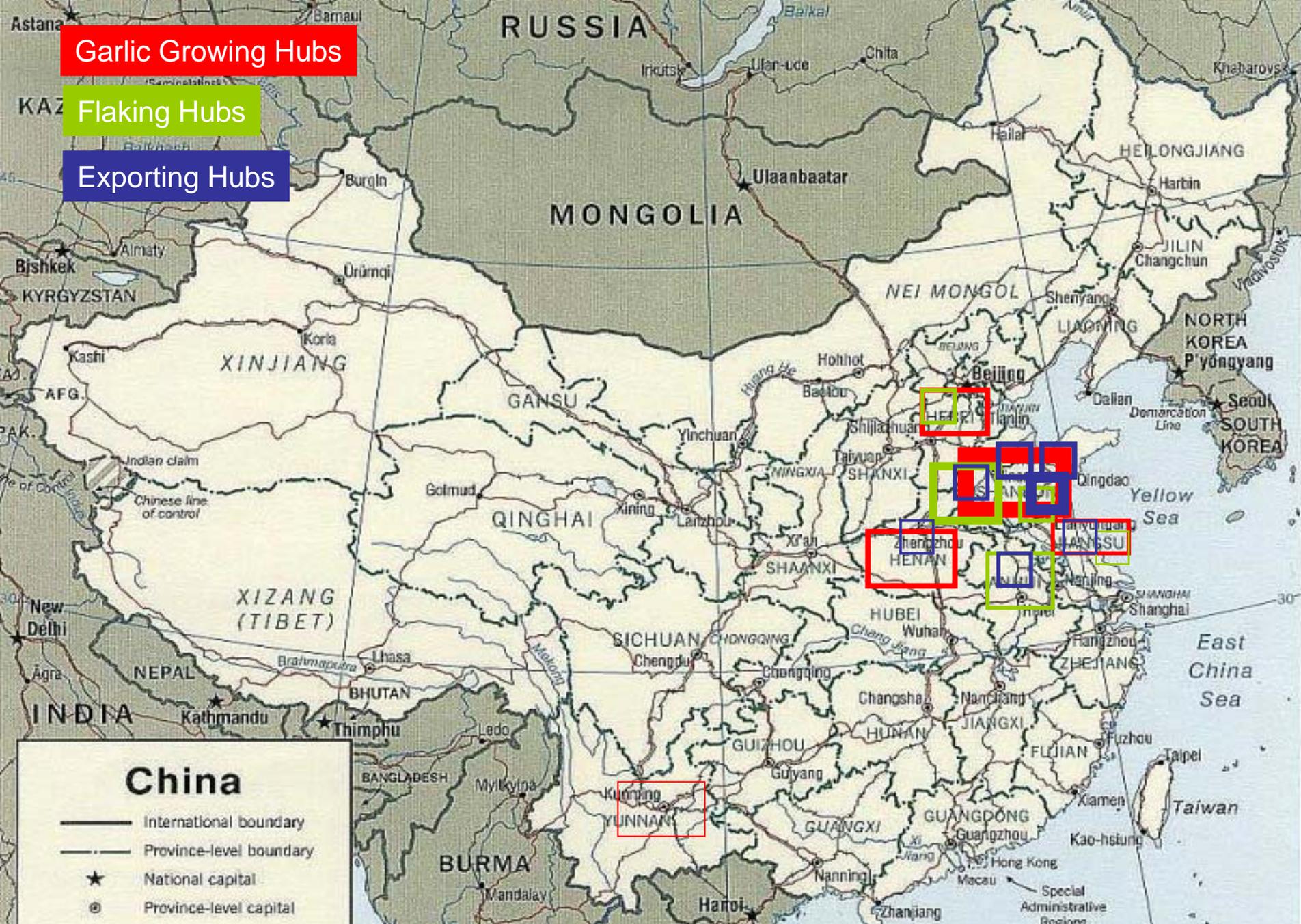
Garlic for Dehydration

Key Growing Areas

Garlic Growing Hubs

Flaking Hubs

Exporting Hubs



USA – Key Garlic Growing Areas

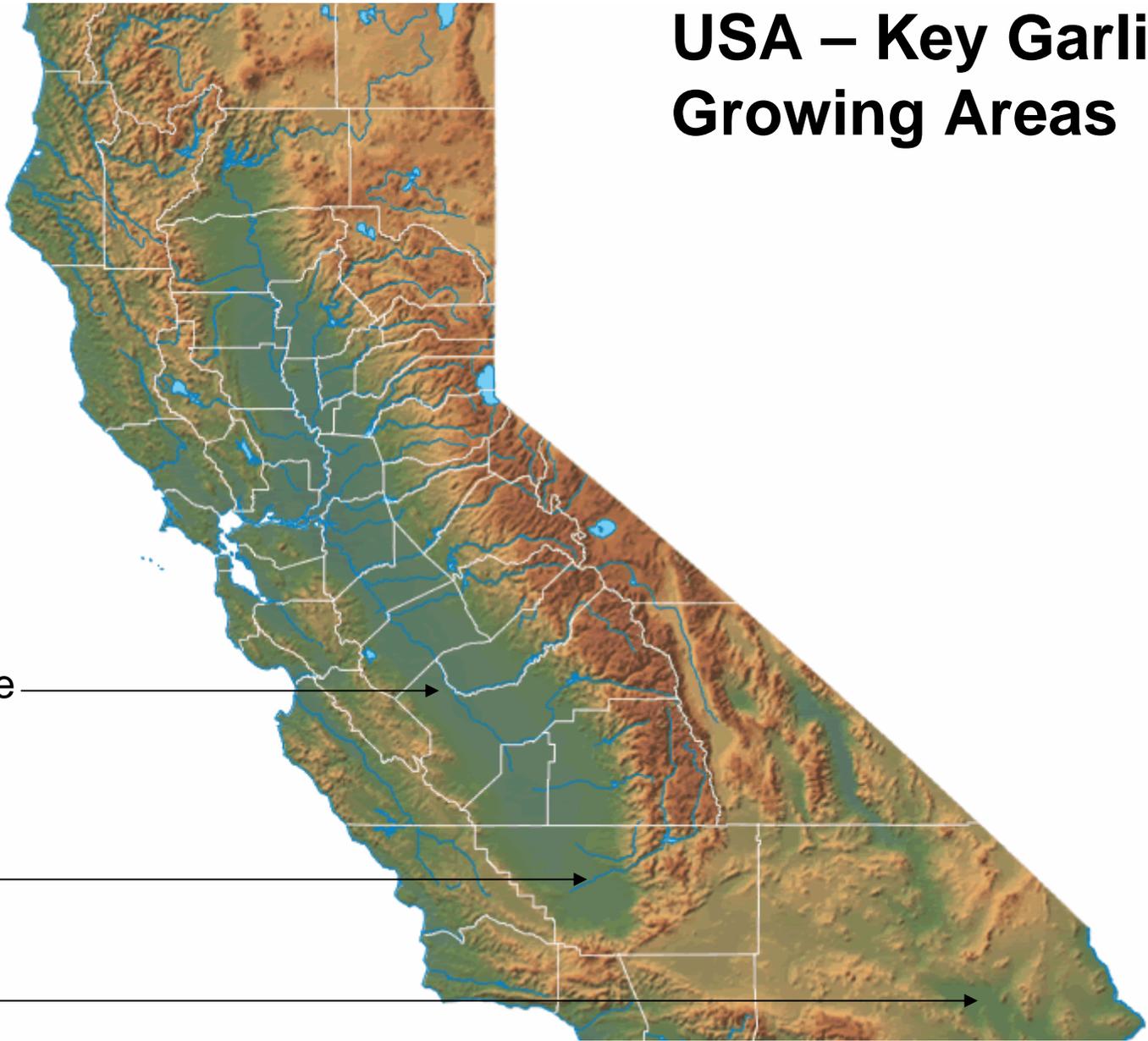
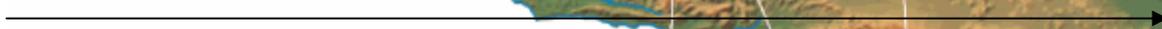
Westside



Kern



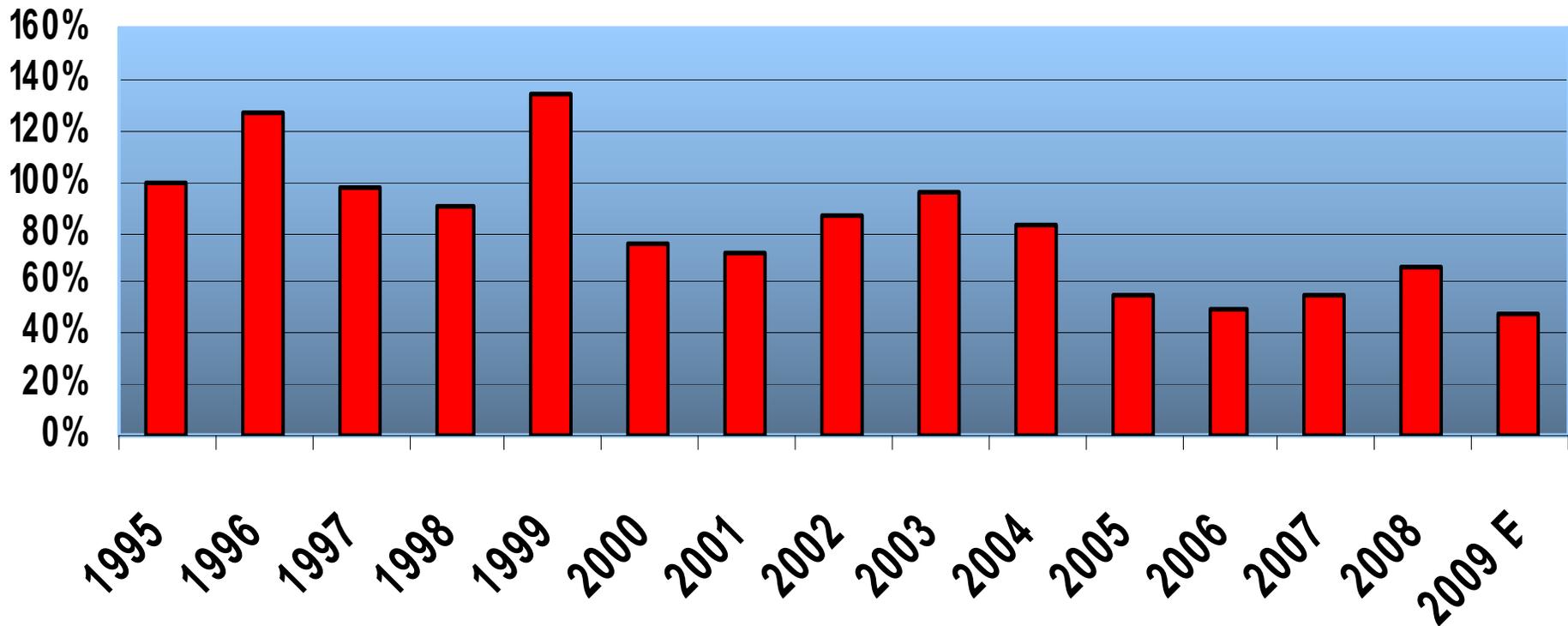
Desert



2009 Garlic Crop Update

US Garlic Crop History

CGODAB Garlic Loads Inspected
(Relative to 1995 as Base year)



2009 USA Crop Update

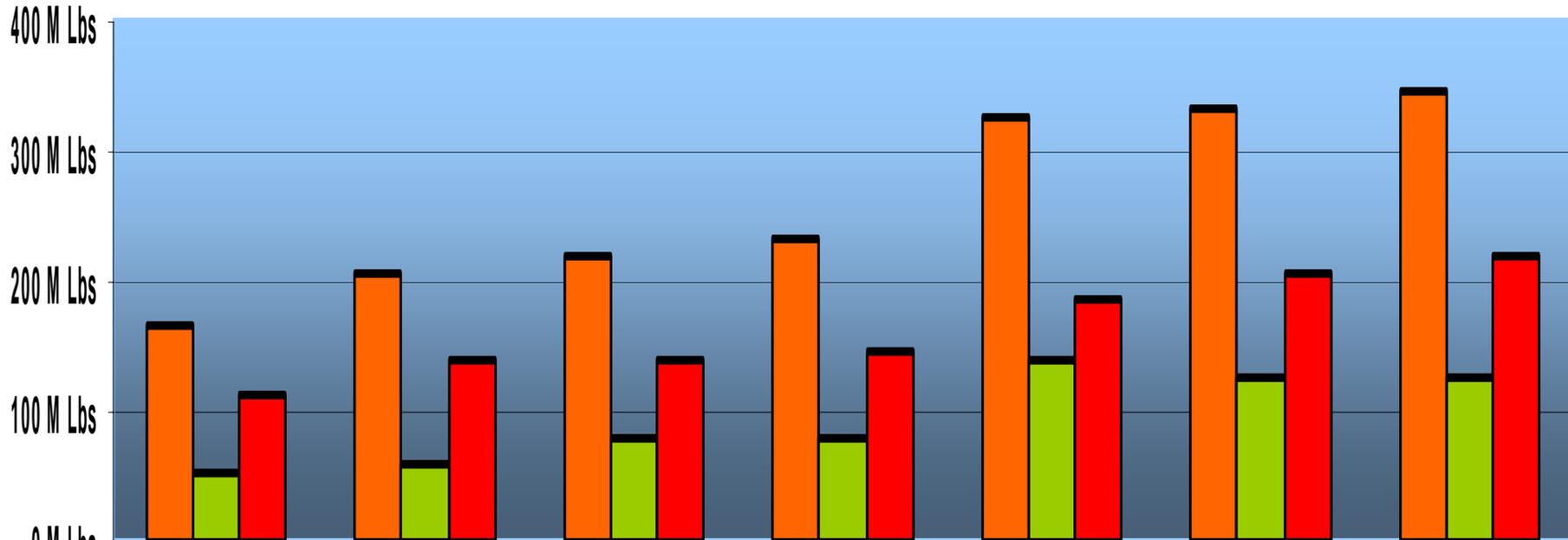
- Planting acreage down 20-25% over 2008
 - Improved carry forward from last year due to high yields
- Plantings on time, crop conditions look fair in most growing areas
- Grower costs continue to see sharp increases due to pressure from competing crops (mainly tomatoes)

2009 USA Garlic Crop

Other Issues Affecting Supply & Price

- Stabilizing energy and transportation costs
- Growing global dehydrated garlic demand @ 4-6% p.a.
- Potential fresh Garlic shortcrop in China

Chinese Dehydrated Garlic Export History



Crop 02-03

Crop 03-04

Crop 04-05

Crop 05-06

Crop 06-07

Crop 07-08

Crop 08-09 (Est.)

Total Exports

167 Mn Lbs

204 Mn Lbs

217 Mn Lbs

232 Mn Lbs

330 Mn Lbs

335 Mn Lbs

350 Mn Lbs

Only US Exports

51 Mn Lbs

63 Mn Lbs

78 Mn Lbs

83 Mn Lbs

142 Mn Lbs

128 Mn Lbs

130 Mn Lbs

Intl Exports

116 Mn Lbs

141 Mn Lbs

139 Mn Lbs

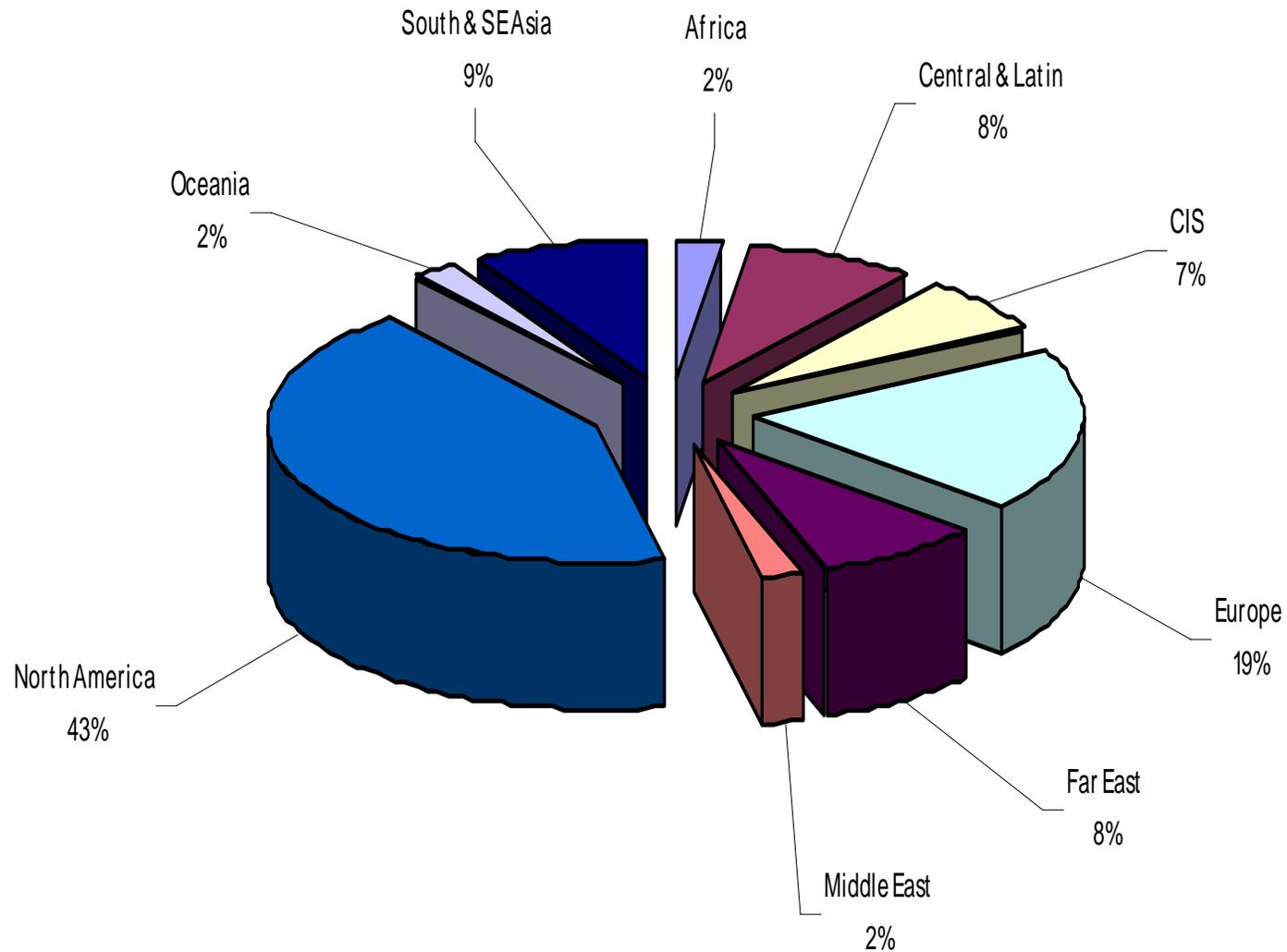
149 Mn Lbs

188 Mn Lbs

207 Mn Lbs

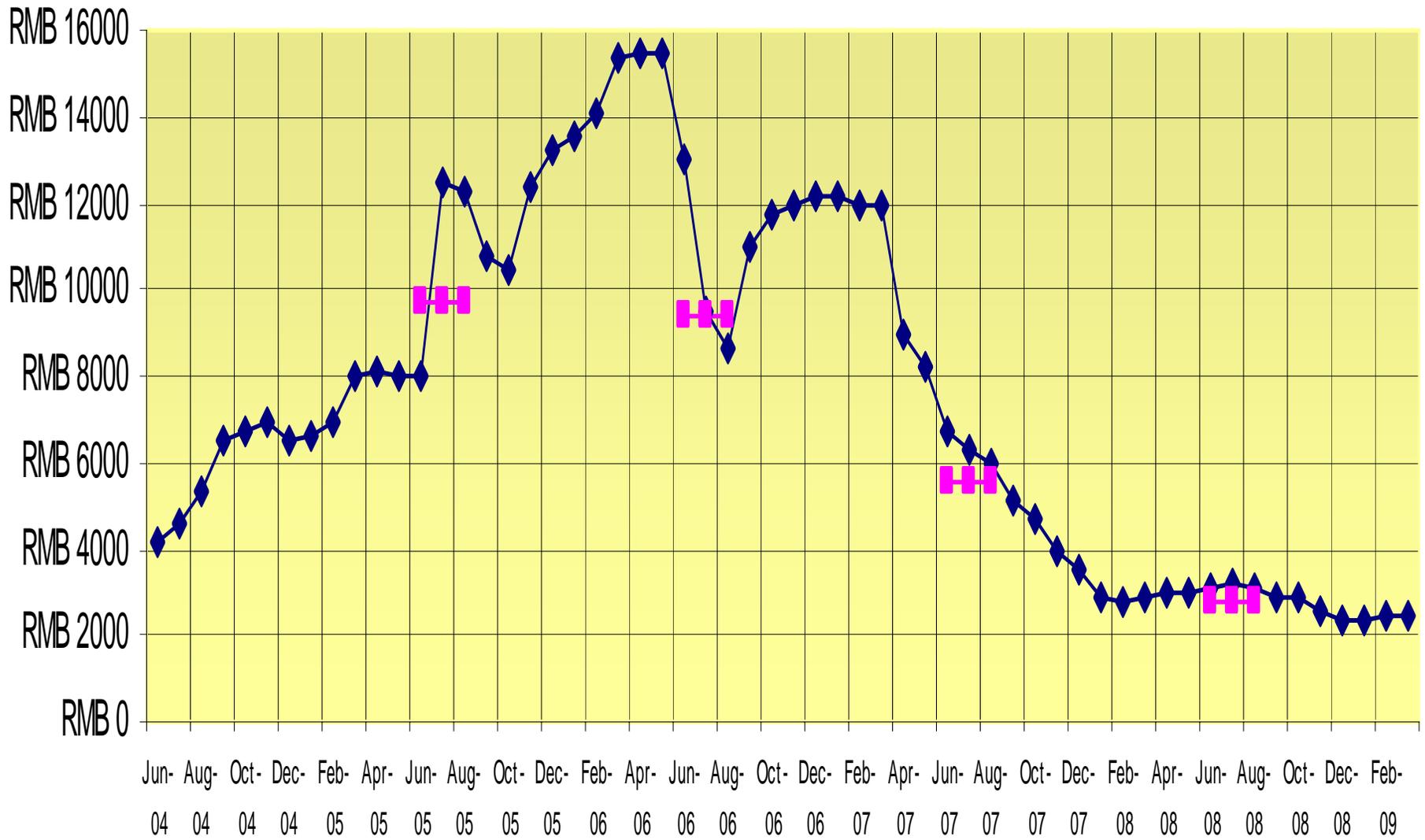
220 Mn Lbs

Dehydrated Garlic Exports from China (Crop 2007-08)



■ Africa ■ Central & Latin ■ CIS ■ Europe ■ Far East ■ Middle East ■ North America ■ Oceania ■ South & SE Asia

4 Year Chinese Garlic Flake Pricing Trend



2009 China Crop Update

- Fresh Garlic plantings down approx. 25-30% over 2008 levels
- '09 fresh garlic futures pricing for July delivery up 300% over previous year
- 30-40% of C/F flake inventory likely to be of poor quality, processed from 'cold storage' fresh garlic
- '09 flake production cost likely to increase by 10-15%
- Flake production likely to reduce sharply if
 - Flake market price is lower than new production cost (09 harvest)
 - Higher packout of fresh garlic

2009 China Garlic Crop

Other Issues Affecting Supply & Price

- Reduced direct and indirect support from Chinese Govt. to garlic farmers
- Increased cost push impact of safety and hygiene improvement measures
- Progressive shift of US garlic buyers to Chinese quality
 - Domestic cost push pressures
 - Increased acceptance of Chinese garlic
 - Increased risk appetite in dealing with low priced suppliers

Garlic Outlook for Next Season (2009-10)

Year	Fresh Garlic Production	%age for Dehydration	Fresh Qty Reqd. for dehydration	C/F stocks As on Aug 31	Flake Production	Total Availability	Exports Sep-Aug	Local Demand Est.	Total Flakes Reqd **
2006 Harvest	4,076 T	18%	734 T	8 T	183 T	192 T	151 T	10 T	175 T
2007 Harvest	4,365 T	23%	1,004 T	17 T	251 T	268 T	154 T	11 T	179 T
2008 Harvest	4,348 T	17%	739 T	89 T	185 T ****	273 T	165 T	12 T	192 T
2009 Harvest	3,000 T			81 T					
Scenario 1	3,000 T	15%	450 T	81 T	113 T	193 T	173 T	13 T	202 T
<i>Carry forward for 09-10</i>				-9 T					
Scenario 2	3,000 T	17%	510 T	81 T	128 T	208 T	173 T	13 T	202 T
<i>Carry forward for 09-10</i>				6 T					
Scenario 3	3,000 T	20%	600 T	81 T	150 T	231 T	173 T	13 T	202 T
<i>Carry forward for 09-10</i>				28 T					

* Assumed

**The outturn of 92% is considered from flakes to finished product

*** Estimated

**** Some part of Cold Storage Garlic may be turned into flakes

Fig. in '000 MT

Implications for the future

- Influence of Chinese Garlic likely to be increasingly pervasive at a global level
- Pipeline stocks in USA and China will keep prices stable in the short term
- Q3 and Q4 2009 could see increasing volatility in pricing and availability

ASTA 2009
Annual Meeting and Trade Show

April 26-29, 2009
Loews Ventana Canyon Resort
Tucson, Arizona



Thank you!

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Key Food Ingredients