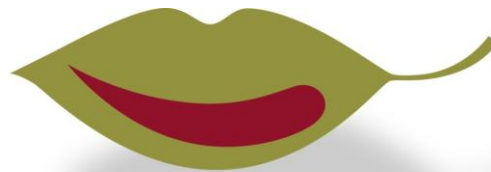




2017 Chinese Garlic Crop Report

Geraldine ZHU

2017.04.23



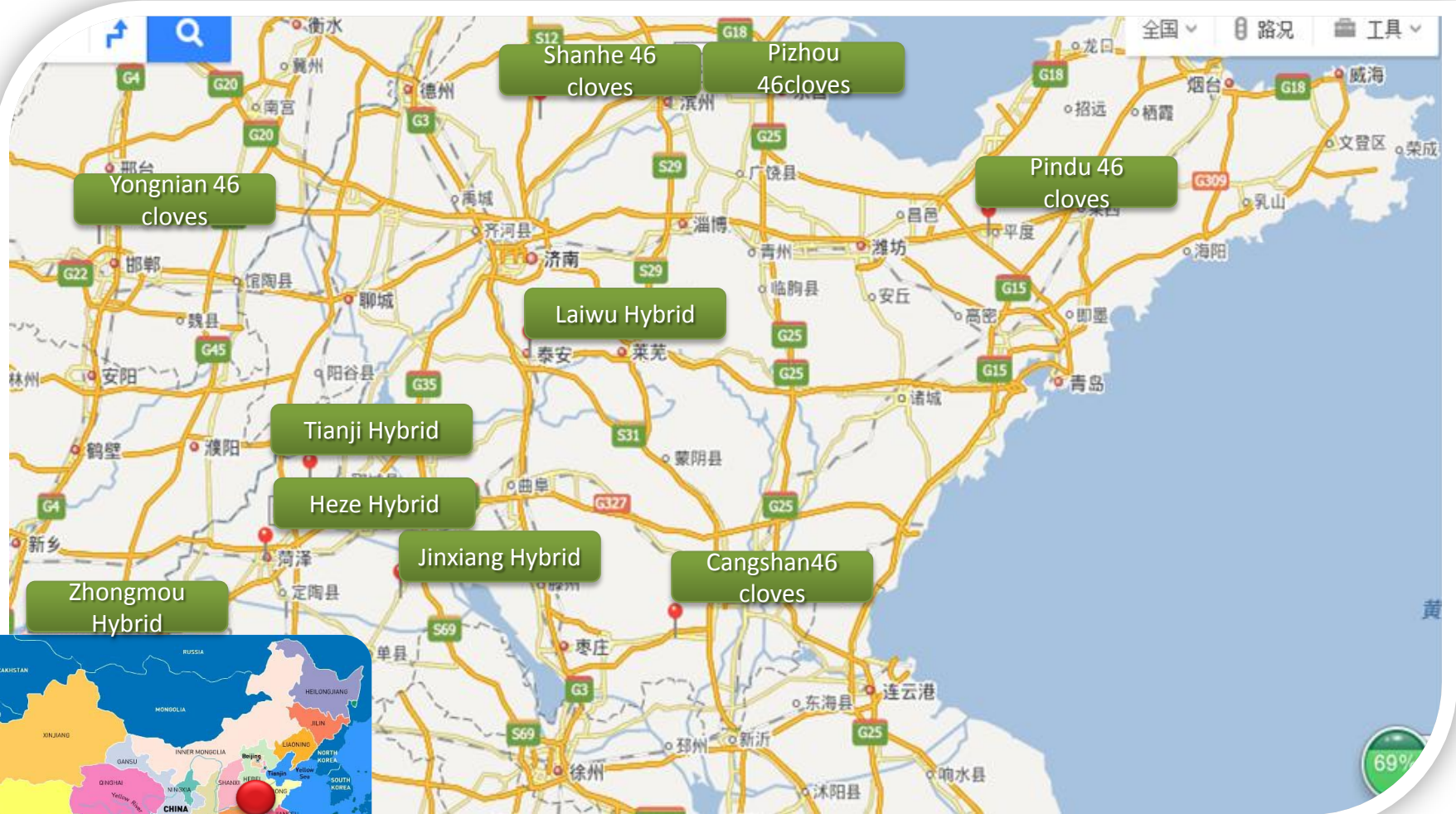
China Spice Services

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



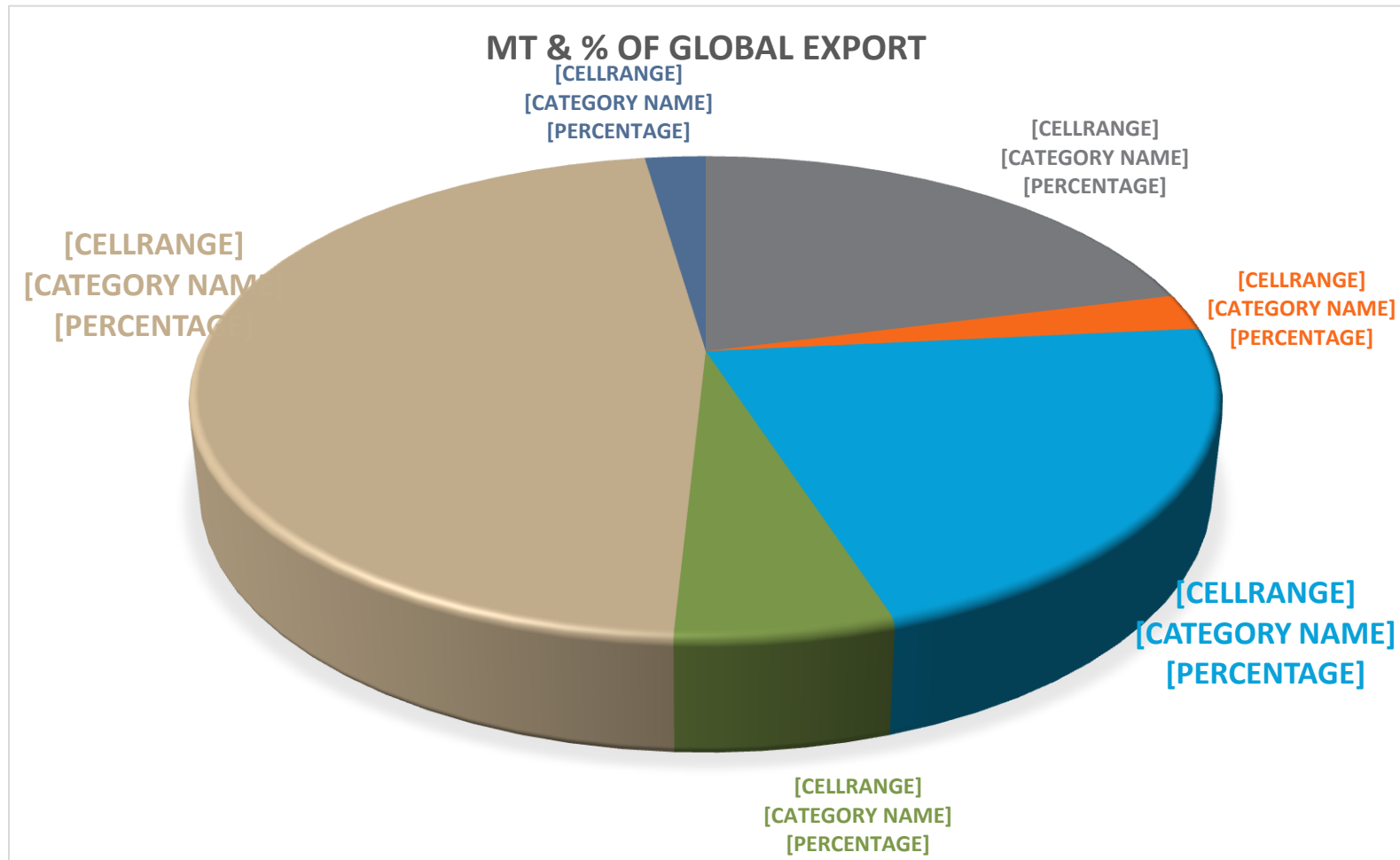
4/6 cloves
garlic



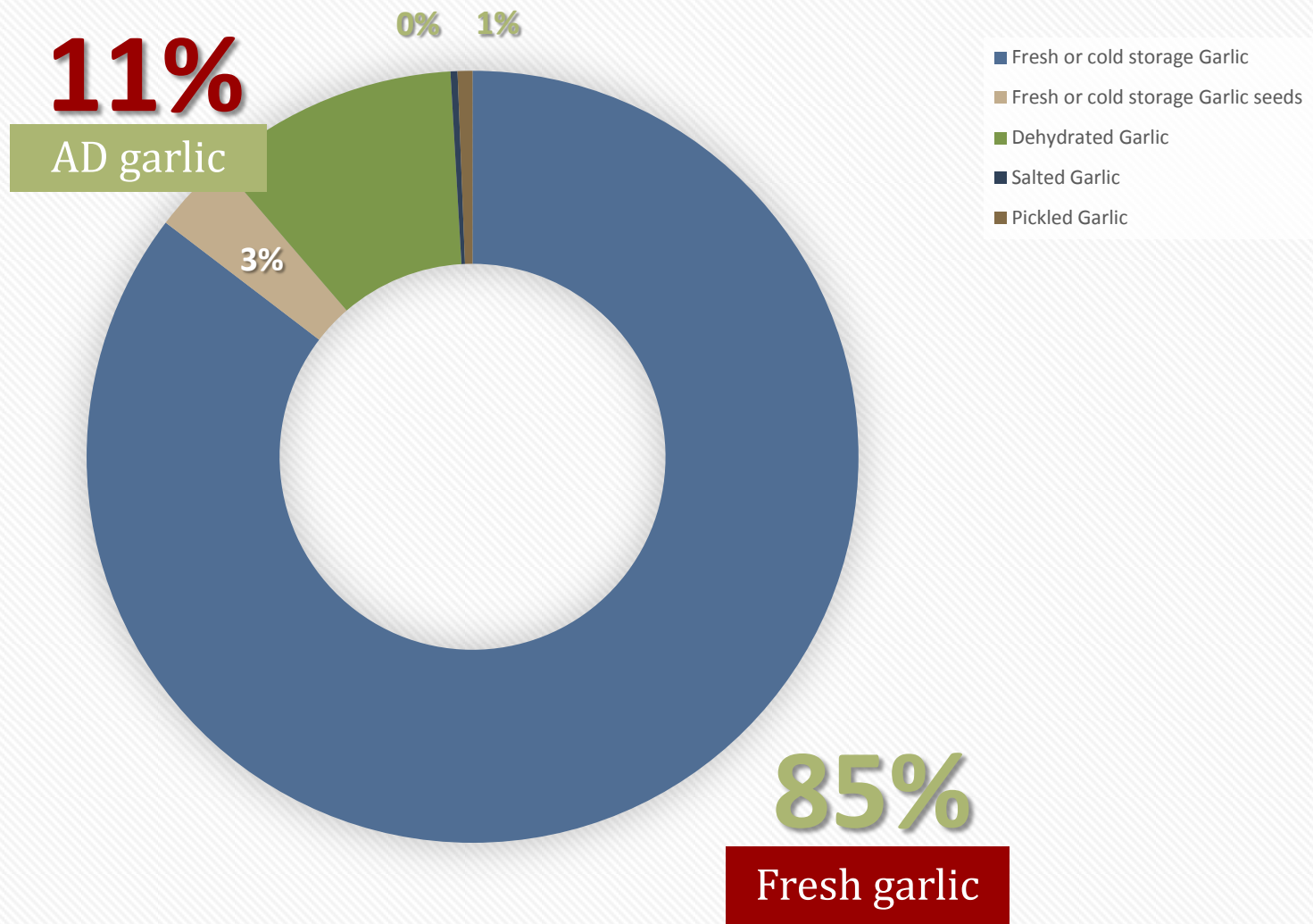
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AD garlic Export Countries 2016



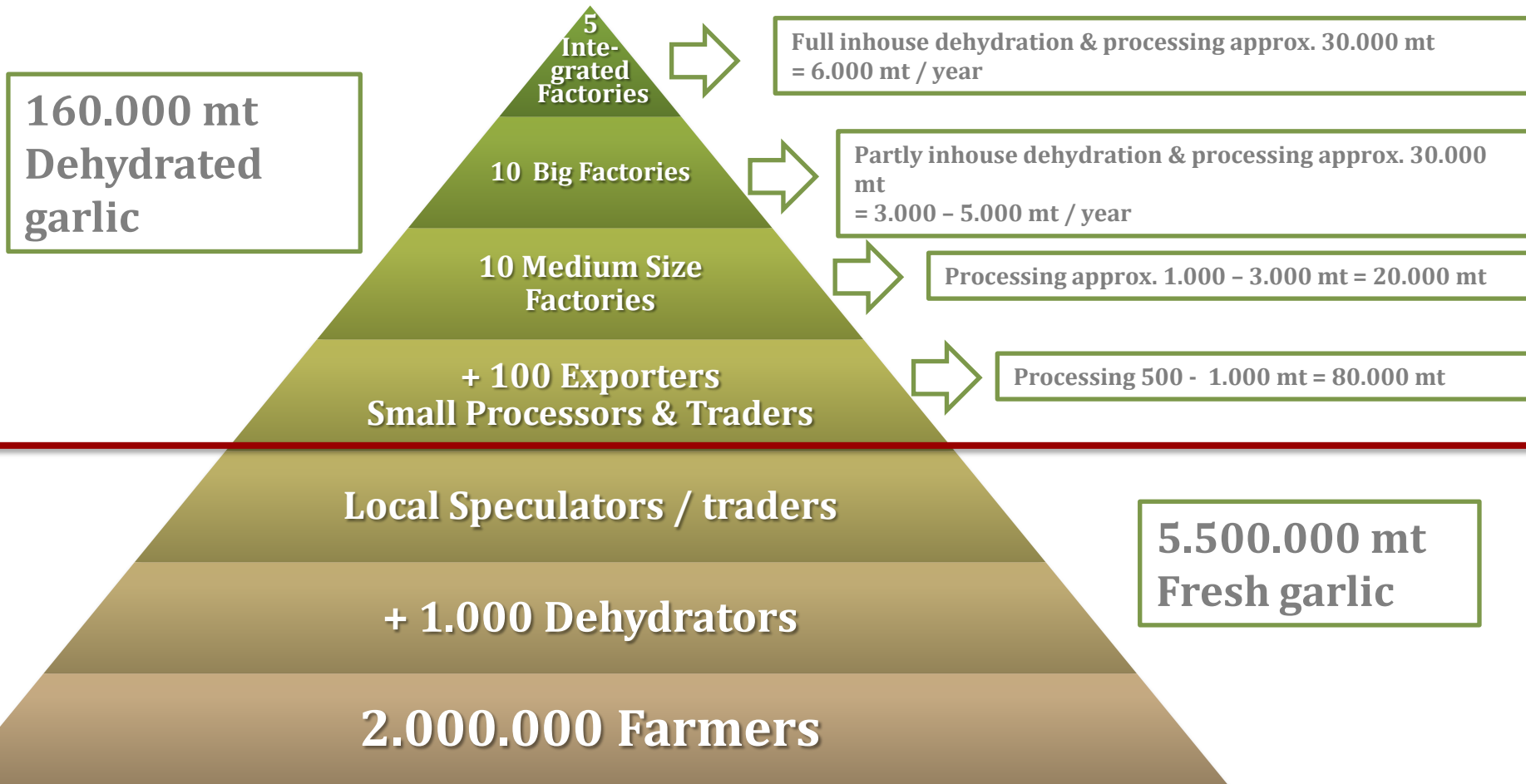
2016 Exported Chinese Garlic Form



Content

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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

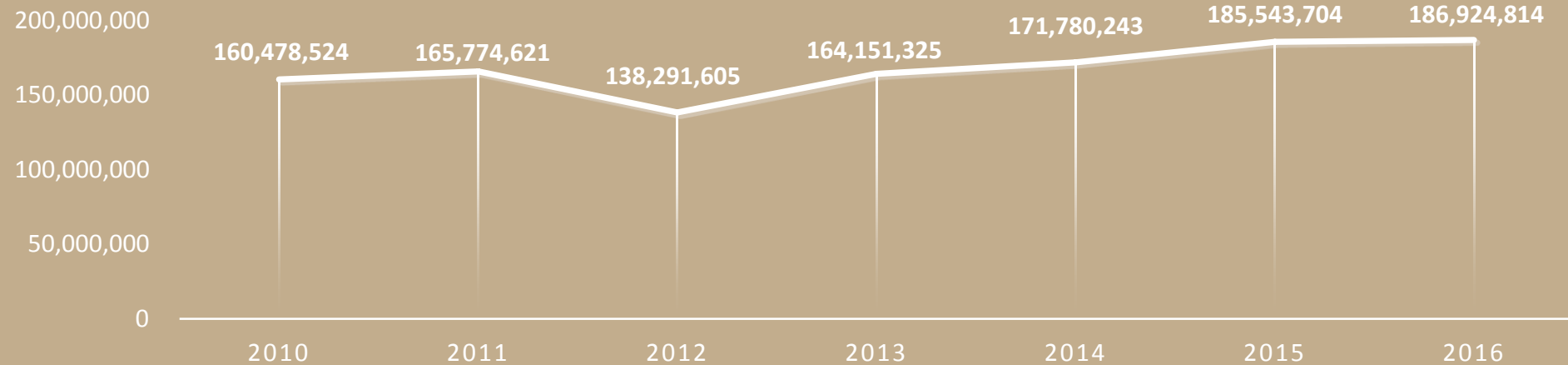




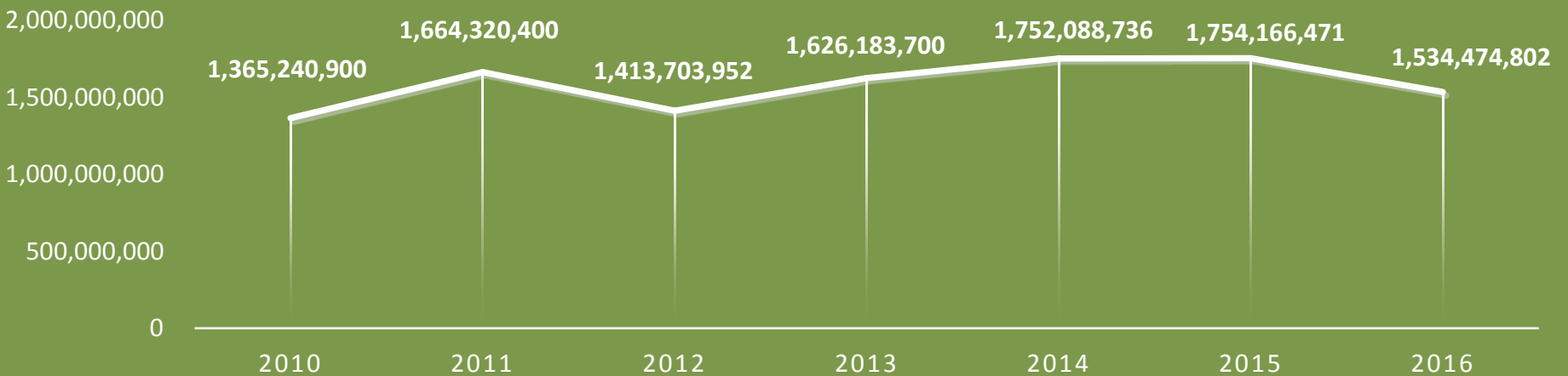
Content

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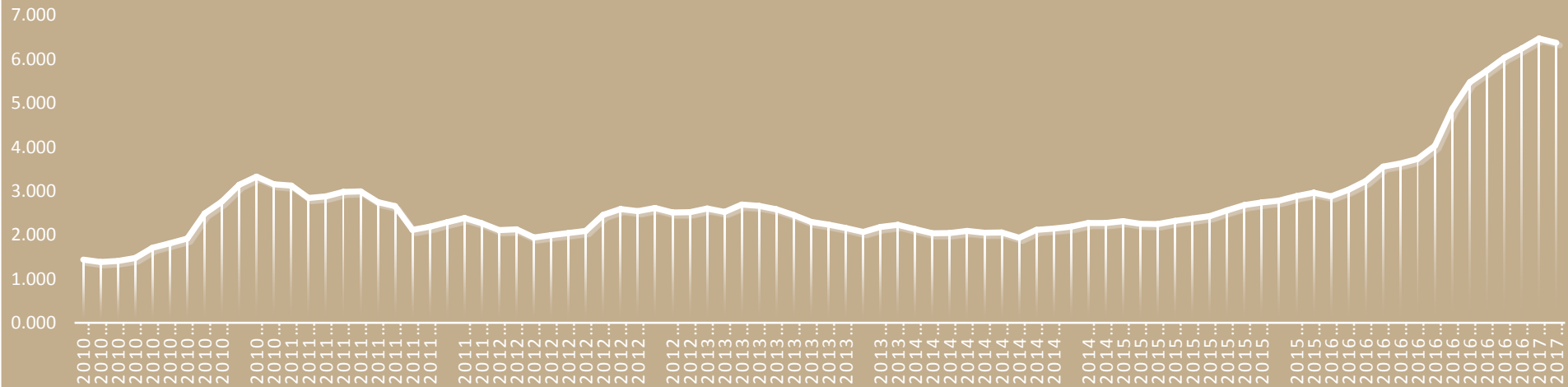
DEHYDRATED GARLIC EXPORT VOLUME 2010 - 2016 (CHINA)



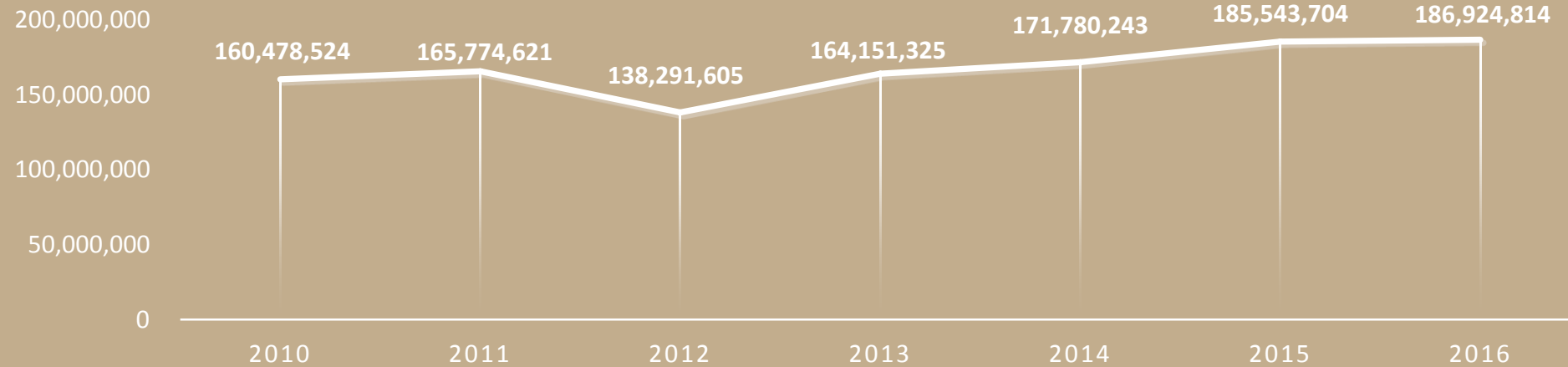
FRESH GARLIC EXPORT VOLUME 2010 - 2016 (CHINA)



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

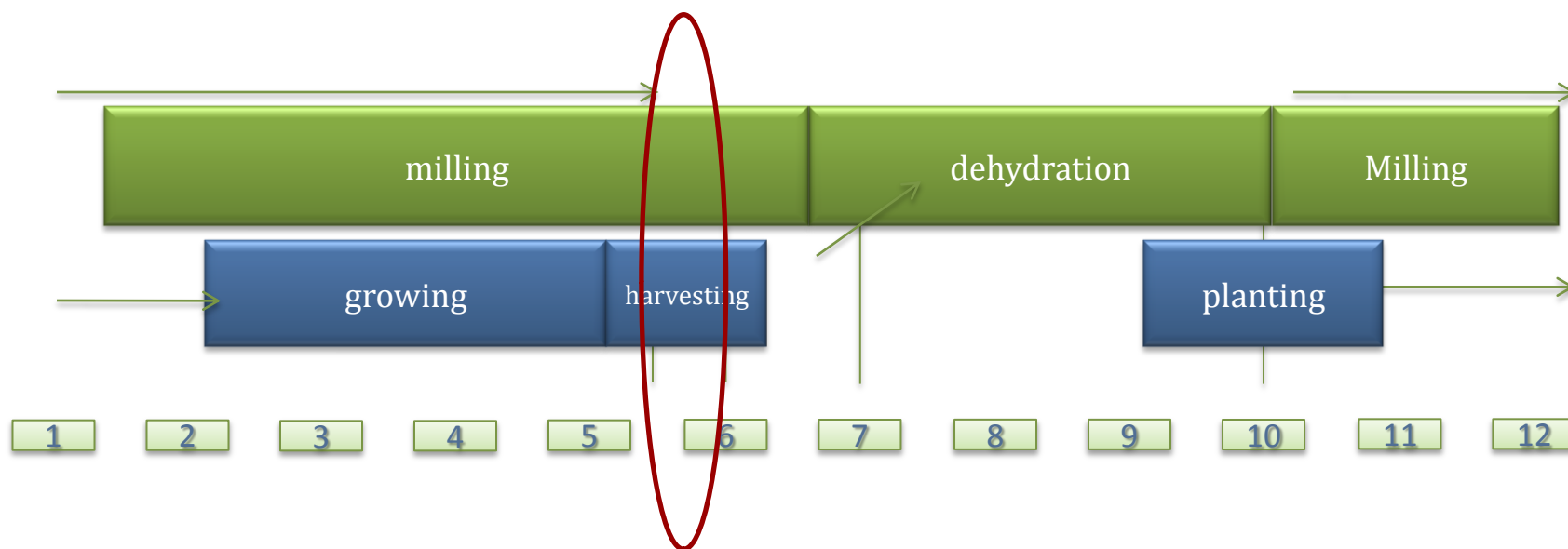
- Pizhou(Jiangsu province):
 - 20% planting increase

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 circle?

- 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

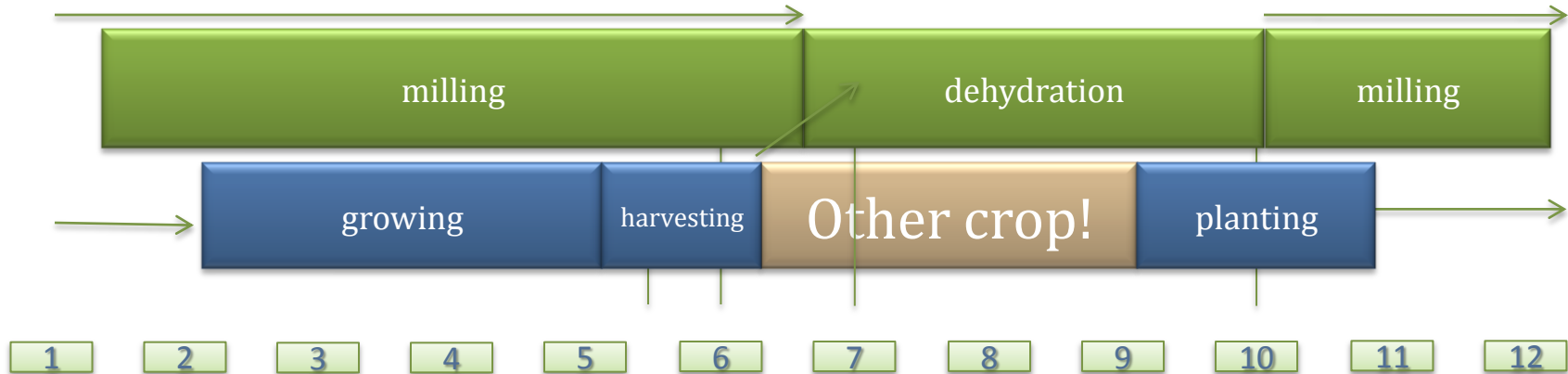
Other factors

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

Other factors

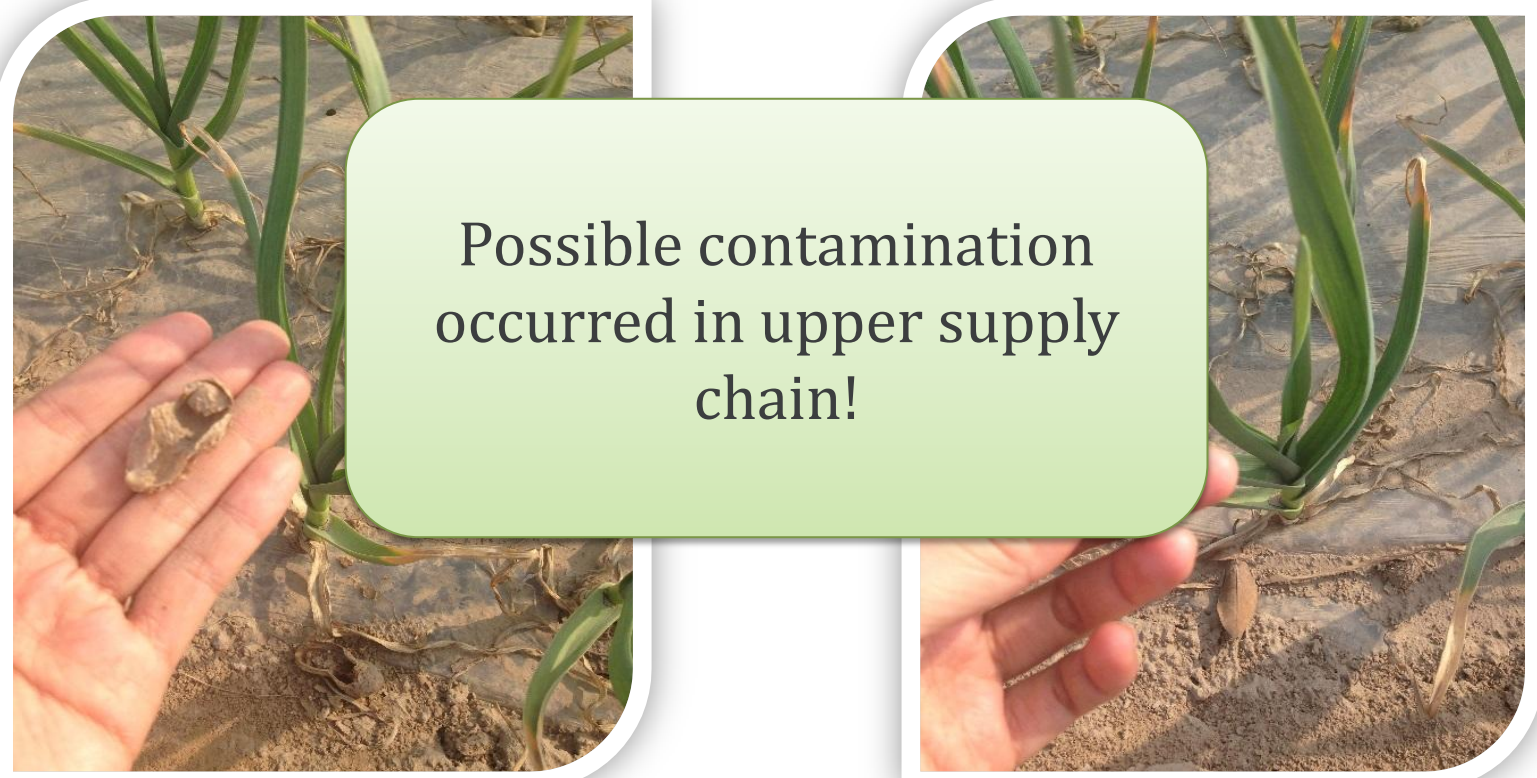
Peanut Allergen

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



Other factors

Peanut Allergen



Possible contamination
occurred in upper supply
chain!

Root Cause:
Supply Chain

Soil Testing



Root Cause: Supply Chain

Soil Testing

Contaminated
soil testing
report

eurofins | WEJ Contaminants

Eurofins WEJ Contaminants GmbH
Neuländer Kamp 1
D-21079 Hamburg
GERMANY

Tel: +49 40 49294 2222
Fax: +49 40 49294 2000

Eurofins WEJ Contaminants - Neuländer Kamp 1 - D-21079 Hamburg
European Spice Services - ESS
Kleine Dvensstratz 75
attn. Ms. Leen Lanckmans
9140 Temse
BELGIEN

Person in charge Mr M. Krück - 2904
Client support Mr M. Krück - 2904

Report date 13.04.2016
Page 1/1

Analytical report: AR-16-JC-050557-01

Non
Contaminated
soil testing
report

eurofins | WEJ Contaminants

Eurofins WEJ Contaminants GmbH
Neuländer Kamp 1
D-21079 Hamburg
GERMANY

Tel: +49 40 49294 2222
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Page 1/1

Analytical report: AR-16-JC-050558-01

TEST RESULTS

Molecularbiological Analysis

JJ610 Detection of peanut

Method: Neogen Test-Combination 902048Q, PV 01194, ELISA

Subcontracted to a Eurofins laboratory accredited for this test.

Peanut >18 ppm

Molecularbiological Analysis

JJ610 Detection of peanut

Method: Neogen Test-Combination 902048Q, PV 01194, ELISA

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Peanut >18 ppm

Result +/- expanded measurement uncertainty (95%, k=2)

Signature *M. Krück*

Analytical Service Manager (Michael Krück)

The results of analysis are only valid if the stated service conditions are fully met. In case of non-compliance, the results are not valid. Eurofins WEJ Contaminants GmbH - Neuländer Kamp 1 - D-21079 Hamburg. Name of customer and place of analysis in Hamburg: European Spice Services - ESS, Kleine Dvensstratz 75, 9140 Temse, Belgium. Date of analysis: 13.04.2016. Analyst: Mr. M. Krück. Report number: AR-16-JC-050557-01. Version: 1.0. For details, please refer to the Eurofins WEJ Contaminants GmbH website: www.eurofins.de/wej-contaminants. All rights reserved.

TEST RESULTS

Molecularbiological Analysis

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Peanut <1 * ppm

Molecularbiological Analysis

JJ610 Detection of peanut

Method: Neogen Test-Combination 902048Q, PV 01194, ELISA

Subcontracted to a Eurofins laboratory accredited for this test.

Peanut <1 * ppm

* = Below indicated quantification level

Result +/- expanded measurement uncertainty (95%, k=2)

Signature *M. Krück*

Analytical Service Manager (Michael Krück)

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Root Cause:
Supply Chain

Fresh Garlic Testing

Contaminated
fresh garlic




Non
Contaminated
fresh garlic



Fresh Garlic Testing

Non
Contaminated
fresh garlic
testing report

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Eurofins WEJ Contaminants GmbH
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D-21079 Hamburg
GERMANY

Tel: +49 40 49294 2222
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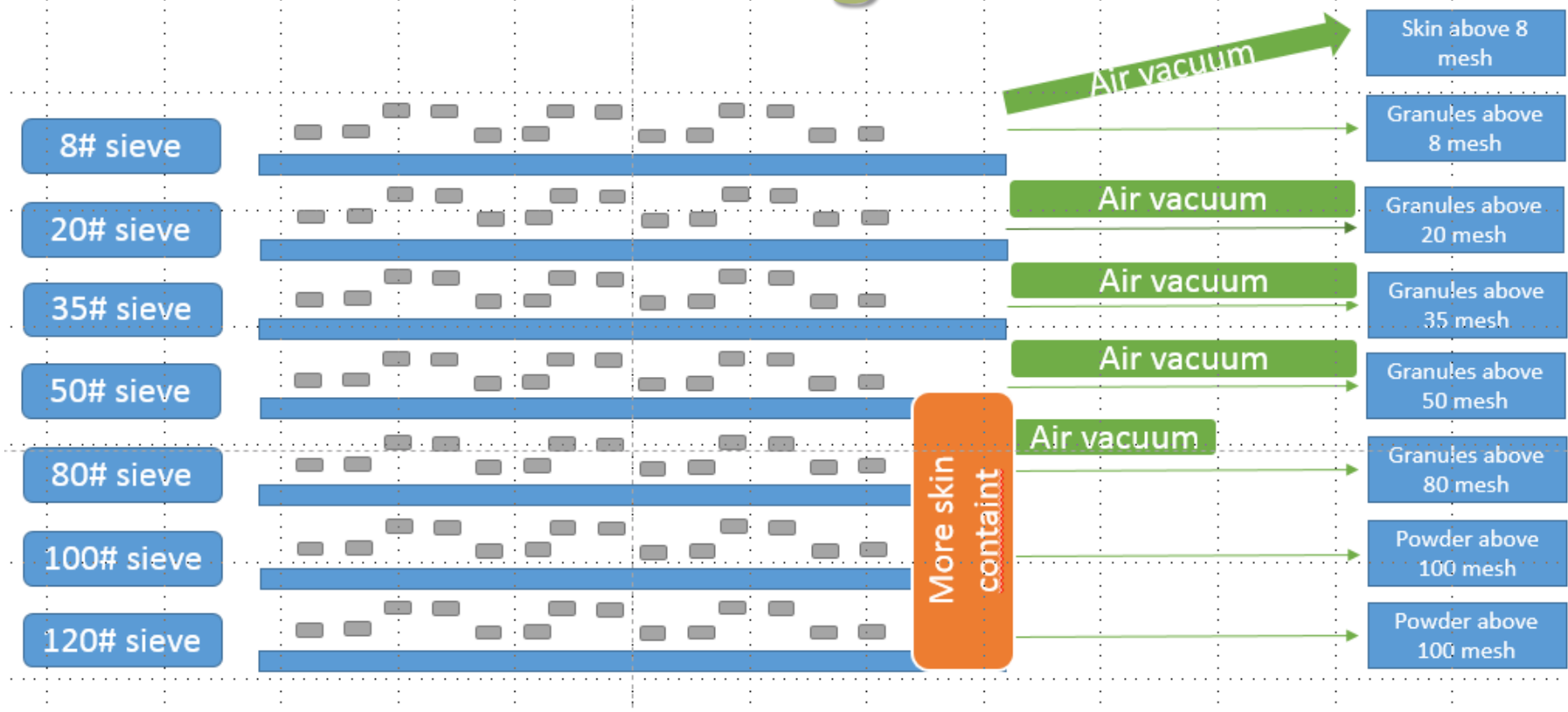
Peanut	<1	* ppm
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[illegible]

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



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<http://www.spices.be>