

2012 Garlic Crop Report

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Overview

1. Production and Demand:

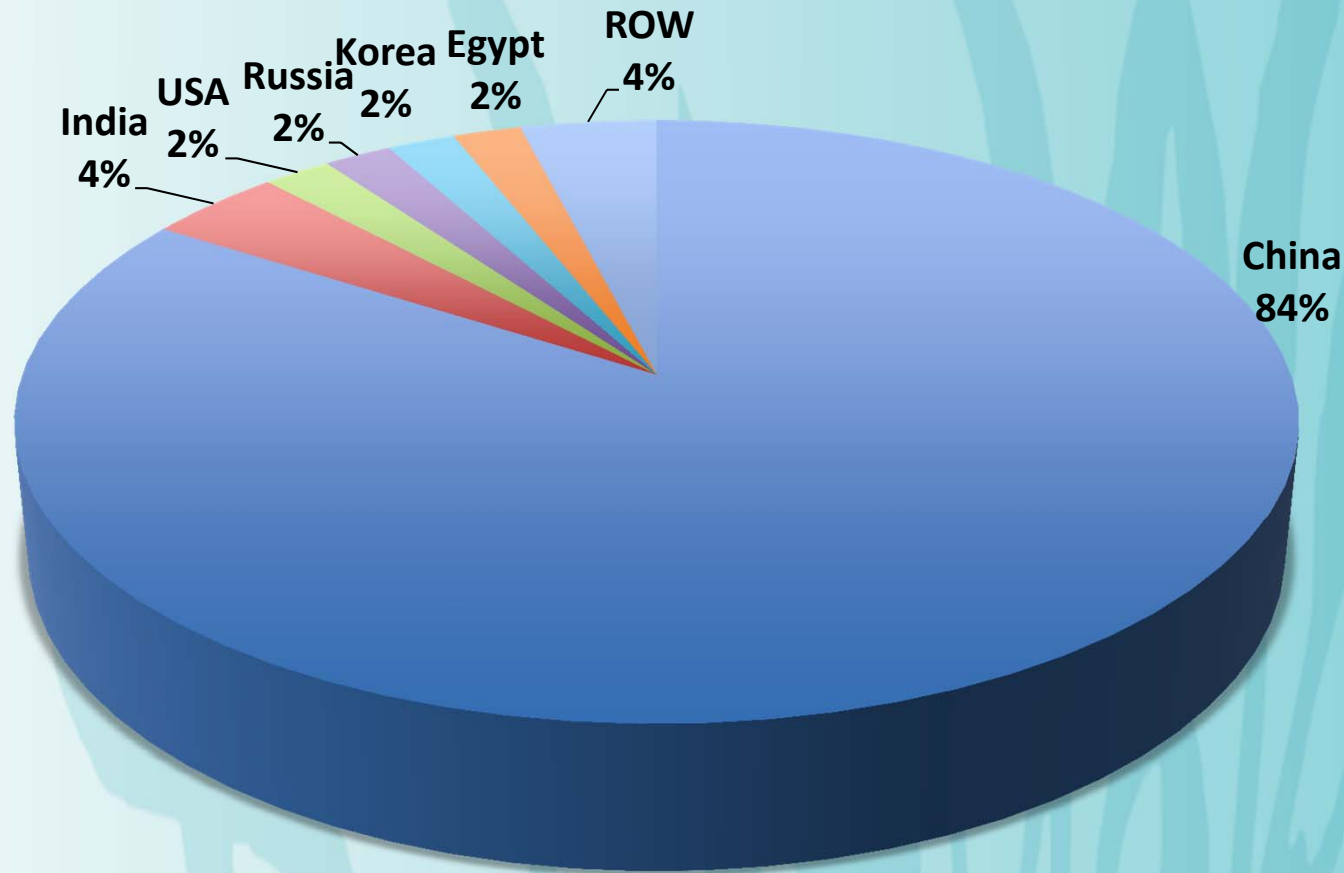
- Worldwide
- US
- China

2. Food Safety and Traceability: China focus

3. Market trend: 2012 crop



Global Fresh Garlic Growing - Countries



Estimated Data (FAO)
Total: about 8.0 million MT

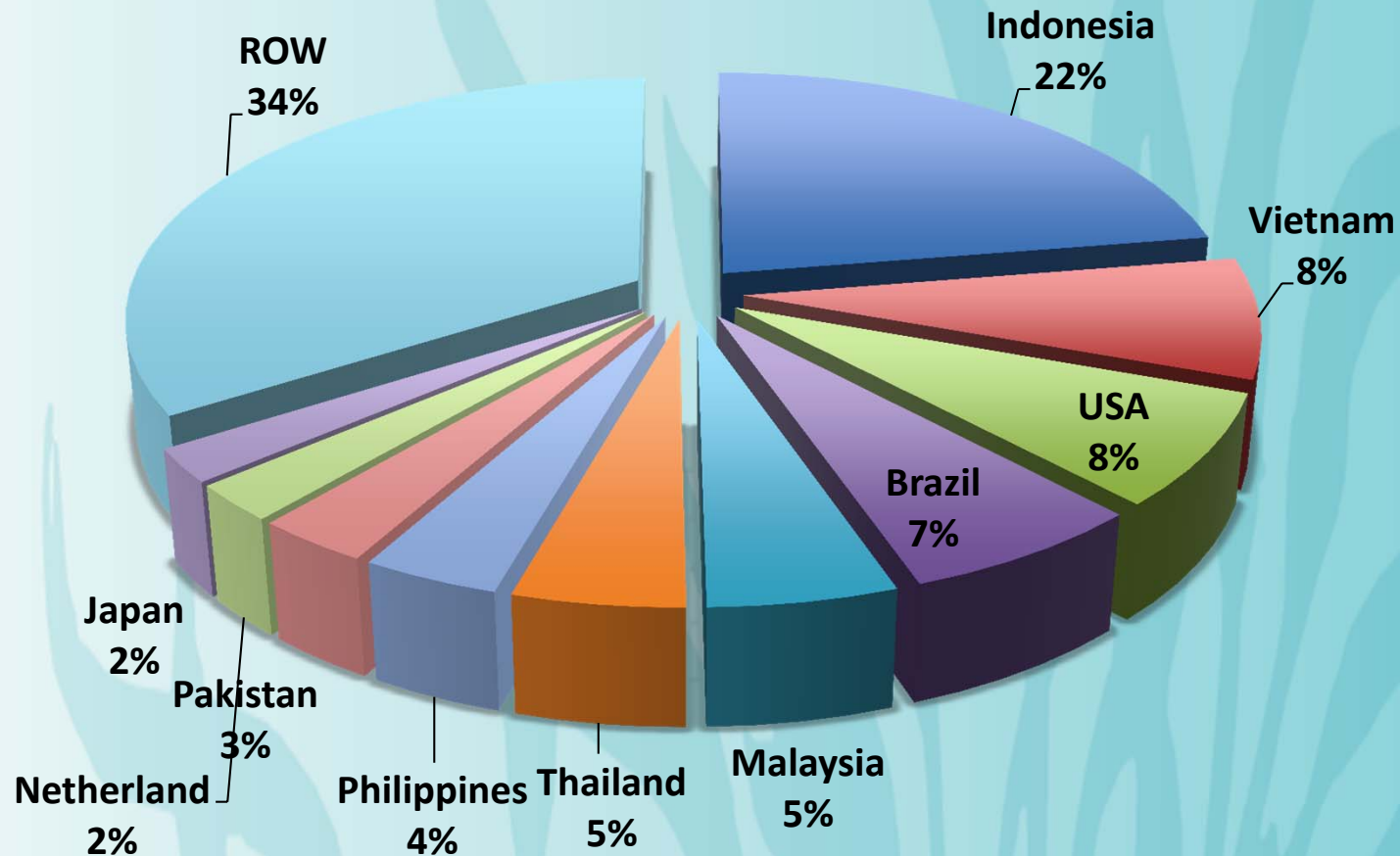
California Garlic-2012

- **Acres: 17,731 (Estimate)**
- **91% of total US production**
- **95% Fresno, Kern Kings Counties**
- **Usage:**
 - **65%: Dehydration**
 - **15%: Seed**
 - **20%: Fresh market**

Data Source: 2012 California garlic and onion symposium

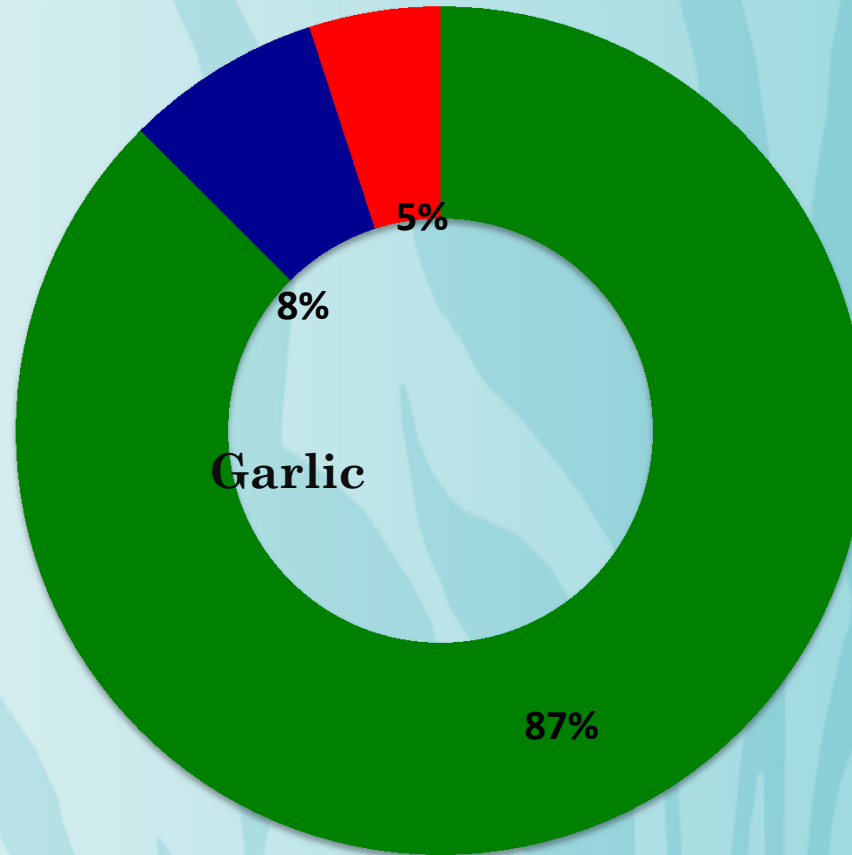


China Fresh Garlic Export - Countries



China Customs Data (2010)
Total: 1.5 million MT

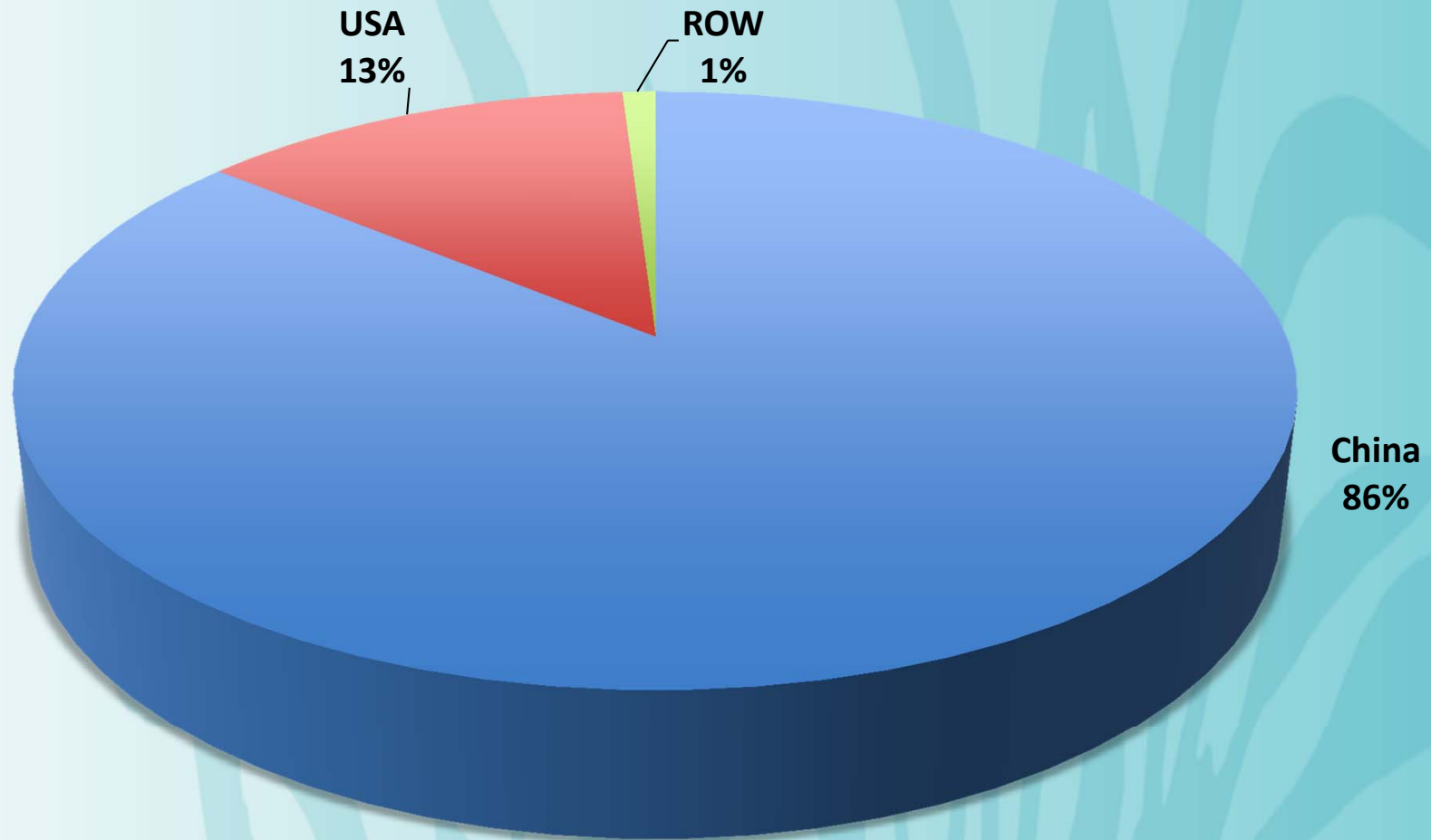
Global Fresh Garlic Usage



■ Fresh Market ■ Dehydration ■ Seeds

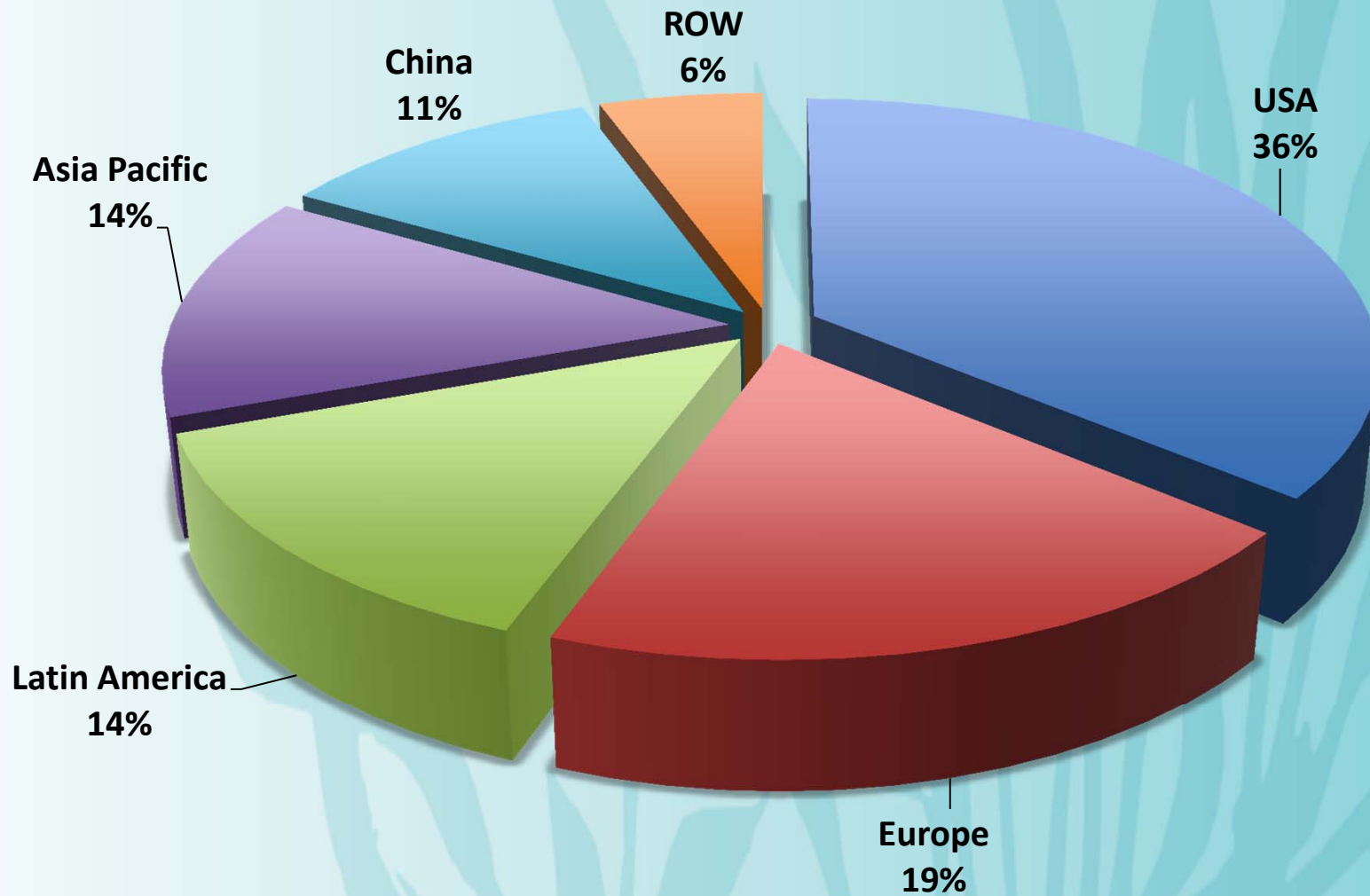
Global Dehy Garlic Supply – Countries

Estimate: 400,000,000 lbs

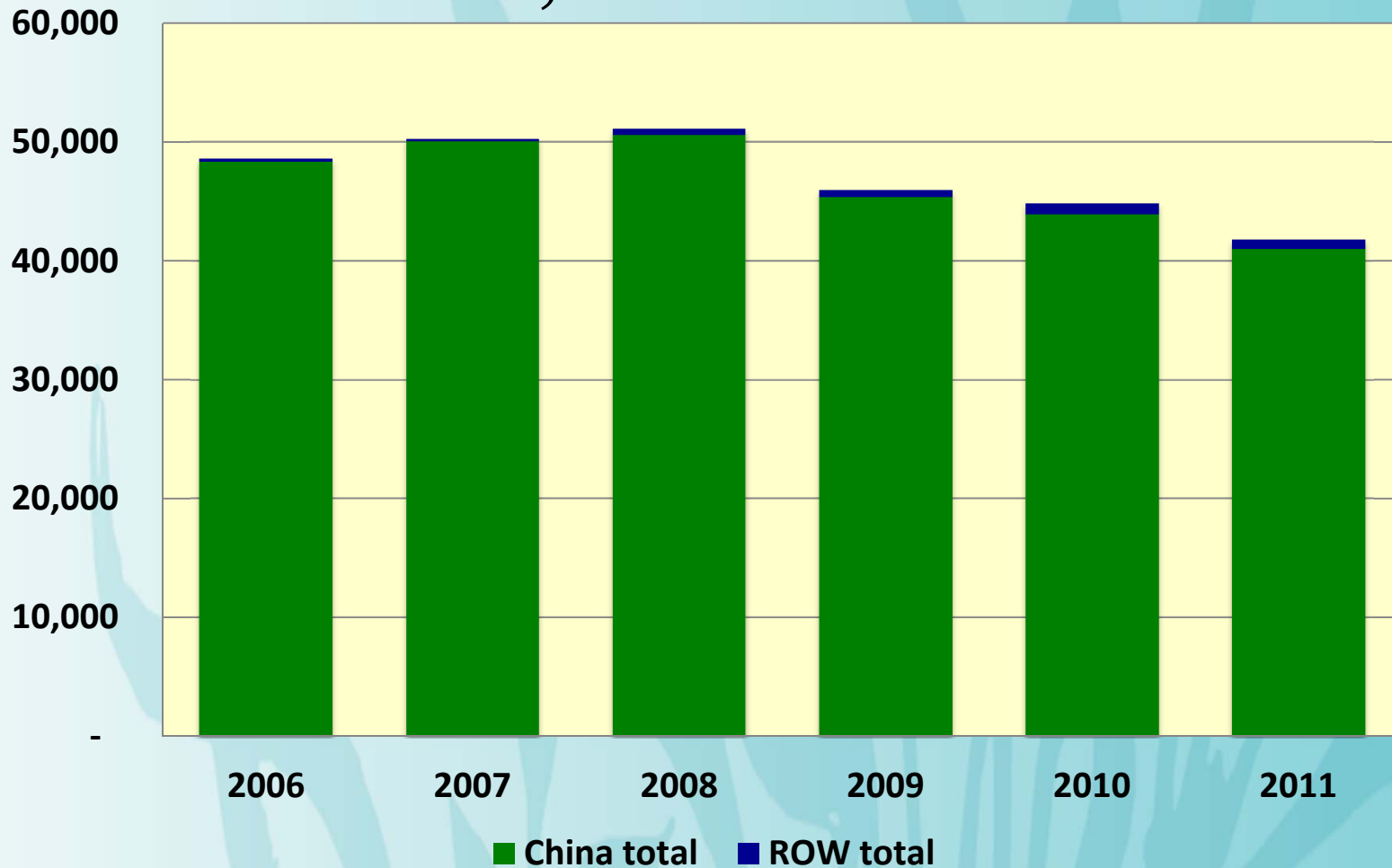


Global Dehy Garlic Demand – Regions

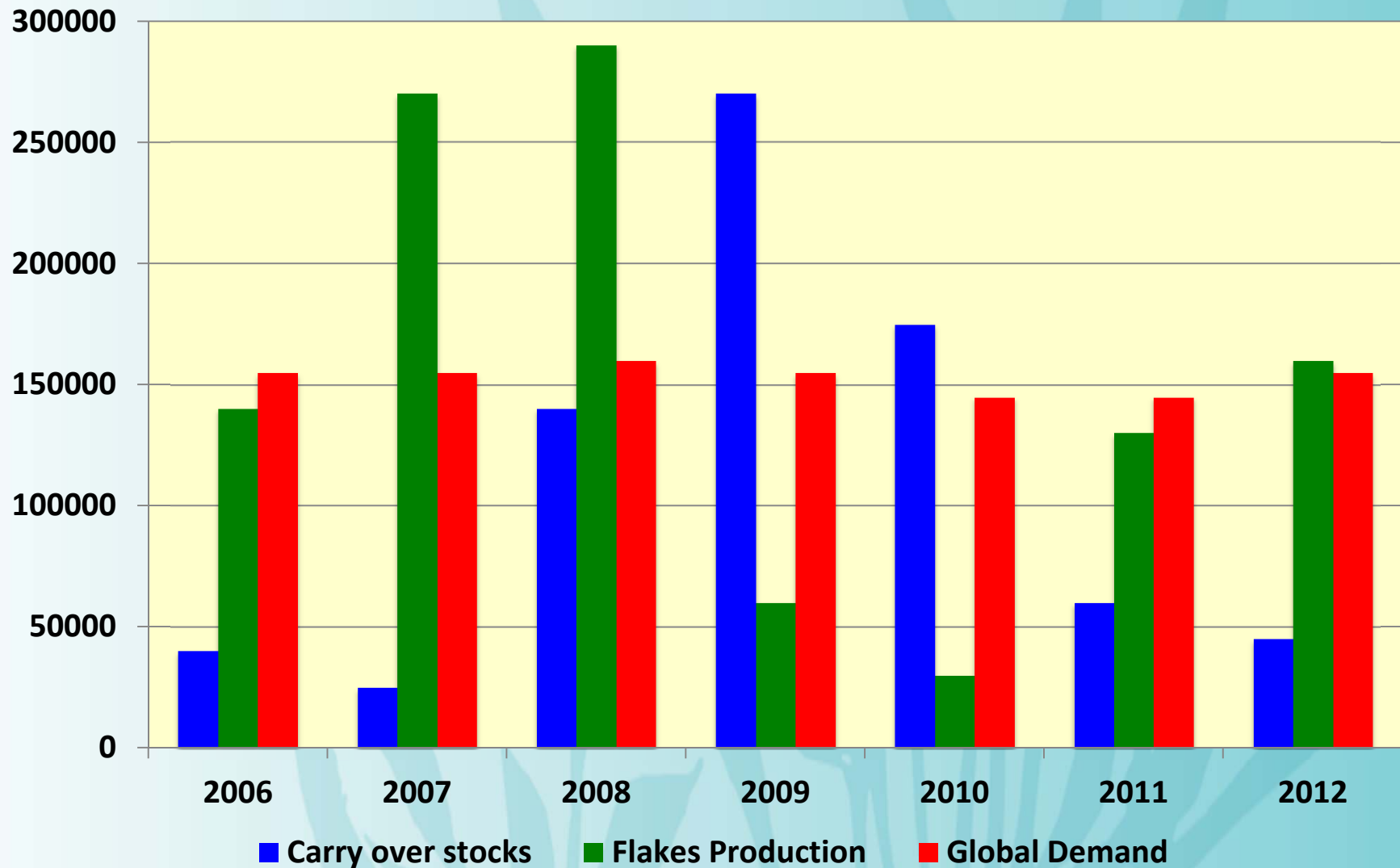
Estimate: 400,000,000 lbs



US Dehydrated Garlic Import (MT) 2006-2011, USDA Data



China Garlic Dehydration

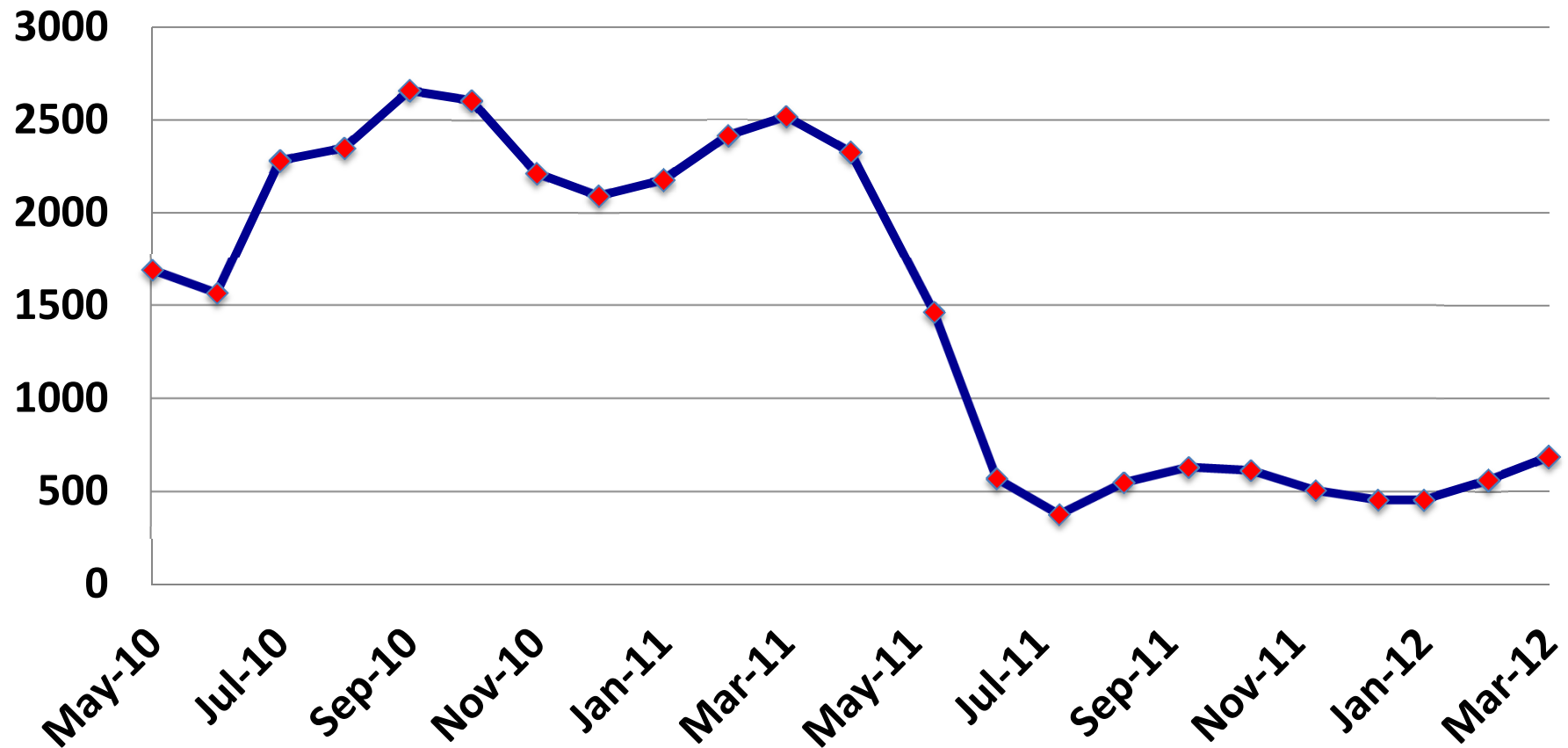


China garlic production map

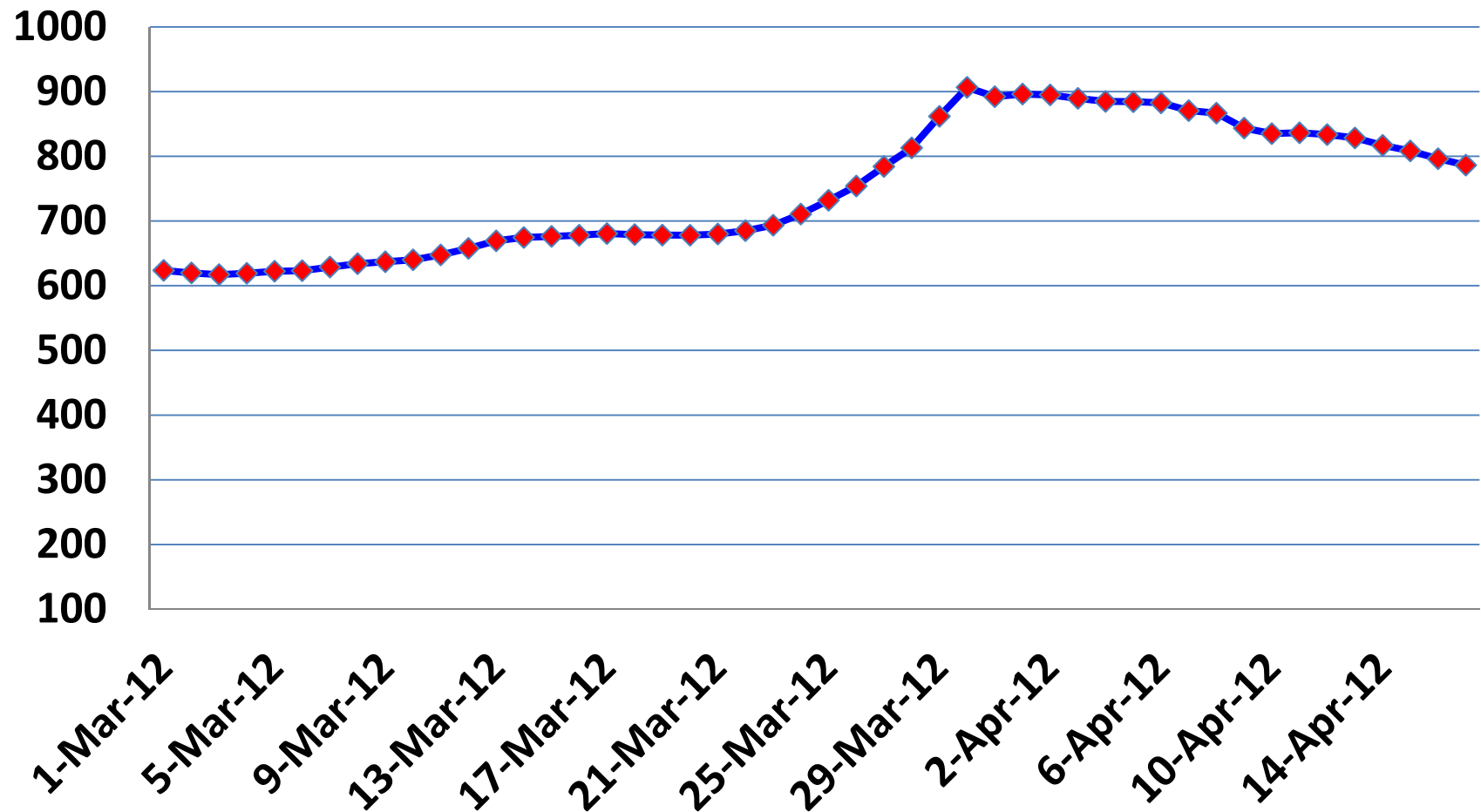


China Fresh Garlic Price Index

--Monthly



China Fresh Garlic Price Index -Daily (March and April, 2012)



Chinese garlic market: -dramatic change frequently?

I. Production:

1. Average production: 6 million MT
2. Small crop and balance pool (compare with other major crop). Demand:
 - 4 million MT for Chinese market
 - 1.5 million MT for export
 - 500,000 MT as seed cloves
 - 600,000 MT for dehydration

Comments: 500,000 MT change will make about 10% change for garlic market



**Chinese garlic market:
-dramatic change frequently?**

**II. Small crop, less information to the
market**

**II. Speculations:
- on fresh garlic
- on garlic flakes**



Overview: Food Safety and Traceability, China focus



The Challenge of Food Safety and Traceability in China:

- 1. Small Agriculture scale: 0.5-1.0 acre per family farm**
- 2. Small Dehydration scale**
- 3. Lower loyalty on farming contract**



Requirements from Customers:

1. Price driven by email, fax or phone call promotion
2. QC requirements?



Challenges for Global Customers



Basic Info about garlic dehydration industry in China:

- **>400 garlic product exporters**
- **>500 garlic dehydrators**



Suggested Questions to ask Suppliers from China:

I: Is the factory or exporter a manufacture?

- 1 Registration license**
- 2 Certificates: HACCP, GMP, ISO, Kosher, Halal**
- 3 Plant/Facility Photos**



II: Is the factory a good manufacture?

Agriculture:

GAP certificate

Photos

Plan

Documents



Garlic Field with fruit trees

-Small family farm style



Garlic Field with fruit trees

-Small family farm style



Garlic Field

-Large scale, contracted farming



Importance:

-Large scale, contracted garlic farming

- Good Agriculture Practice (GAP)
- Vertically Integrated agriculture
- Traceability
 - One container garlic products (40,000 lbs): from about 8 acres or 8-16 family farms
- Balanced production cost



II: Is the factory a good manufacture?

Processing:

BRC Auditing

GMA-Safe auditing

Sedex Auditing

Photos

Documents



2012 China Garlic Crop



Current crop photo (April 18, 2012)



Current crop photo (April 18, 2012)



The 2012 dehydrated garlic from China:

- Major factors

- 1. VAT: VAT cancellation**
- 2. Almost no carryover inventory from previous years' production**
- 3. China Inflation**
- 4. Chinese currency appreciation**
- 5. Acres: less (10-15%) acres than 2011**
- 6. Yield per acre: still early to forecast, feel close to normal**



The 2012 dehydrated garlic from China: - Forecast

- 1. Price: The price will be about(10-30%?) higher than 2011 contract season**
- 2. Better quality (color, taste and texture)**



Questions?



Thank you

