



American Spice Trade Association

Paprika Crop Report

Pepe Sabater
Managing Director
Ramon Sabater, S.A.U.



Ramón Sabater
paprika, spices & herbs

2010 Annual Meeting and Exhibits
Naples, Florida



American Spice Trade Association



**2010 Annual Meeting and Exhibits
Naples, Florida**

Crop Overview

GLOBAL PAPRIKA PRODUCTION PROYECTED TO BE LOWER BY 15 %

DEMAND STILL WEAK WITH SOME SIGNS OF RECOVERY

PERU AGAIN THE KEY: FARMERS RELUCTANT TO PLANT

US: GOOD CARRYOVERS FROM 2009 BUT NEW CROP TO BE SIGNIFICANT SHORTER IN ACRES

CHINA. OLEORESIN FACTORIES TO HOARD PAPRIKA PODS

Crop Growing Areas 2009



Crop Growing Areas 2009

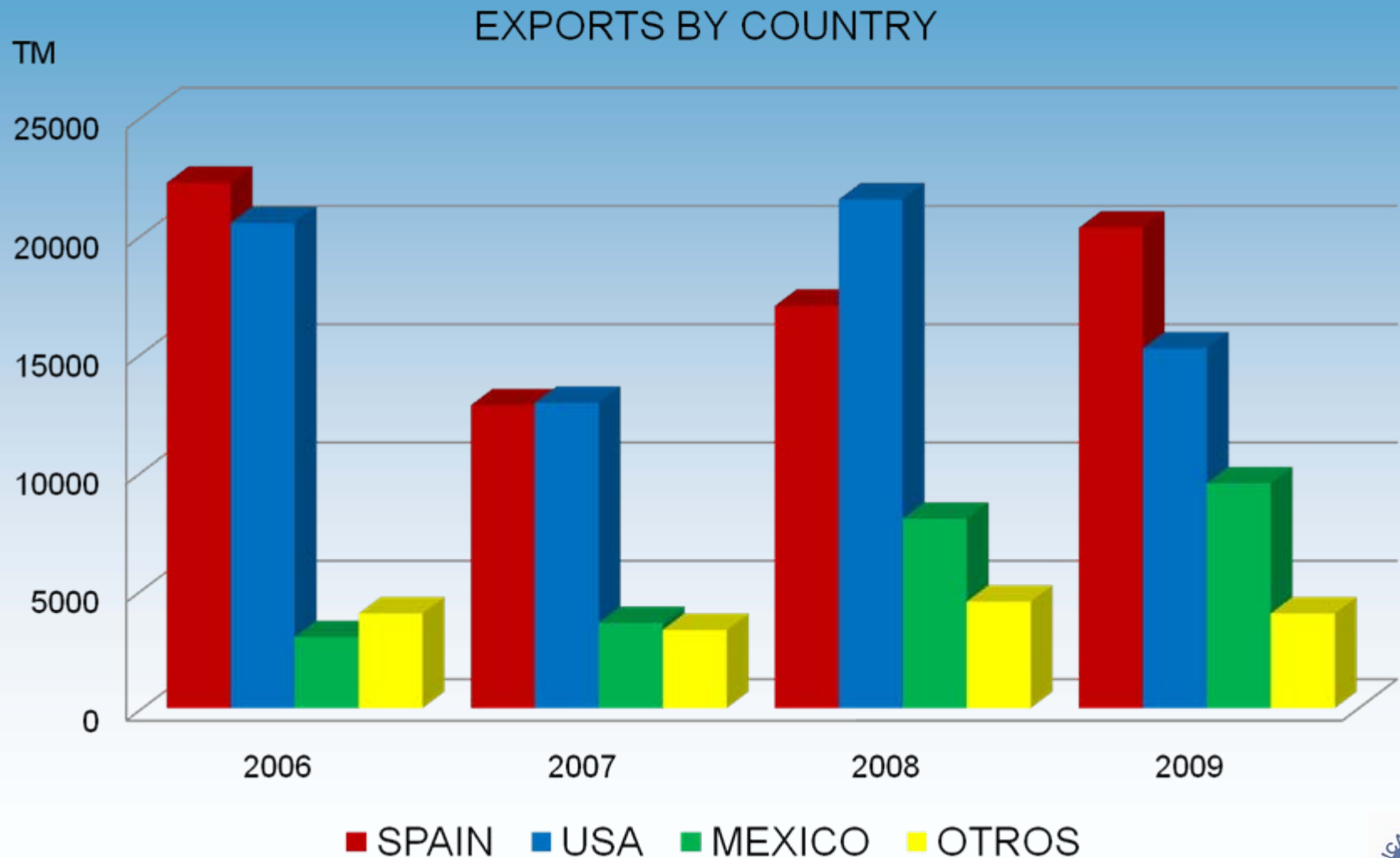
Traditional

- USA
- Spain
- Hungary
- Serbia
- Morocco

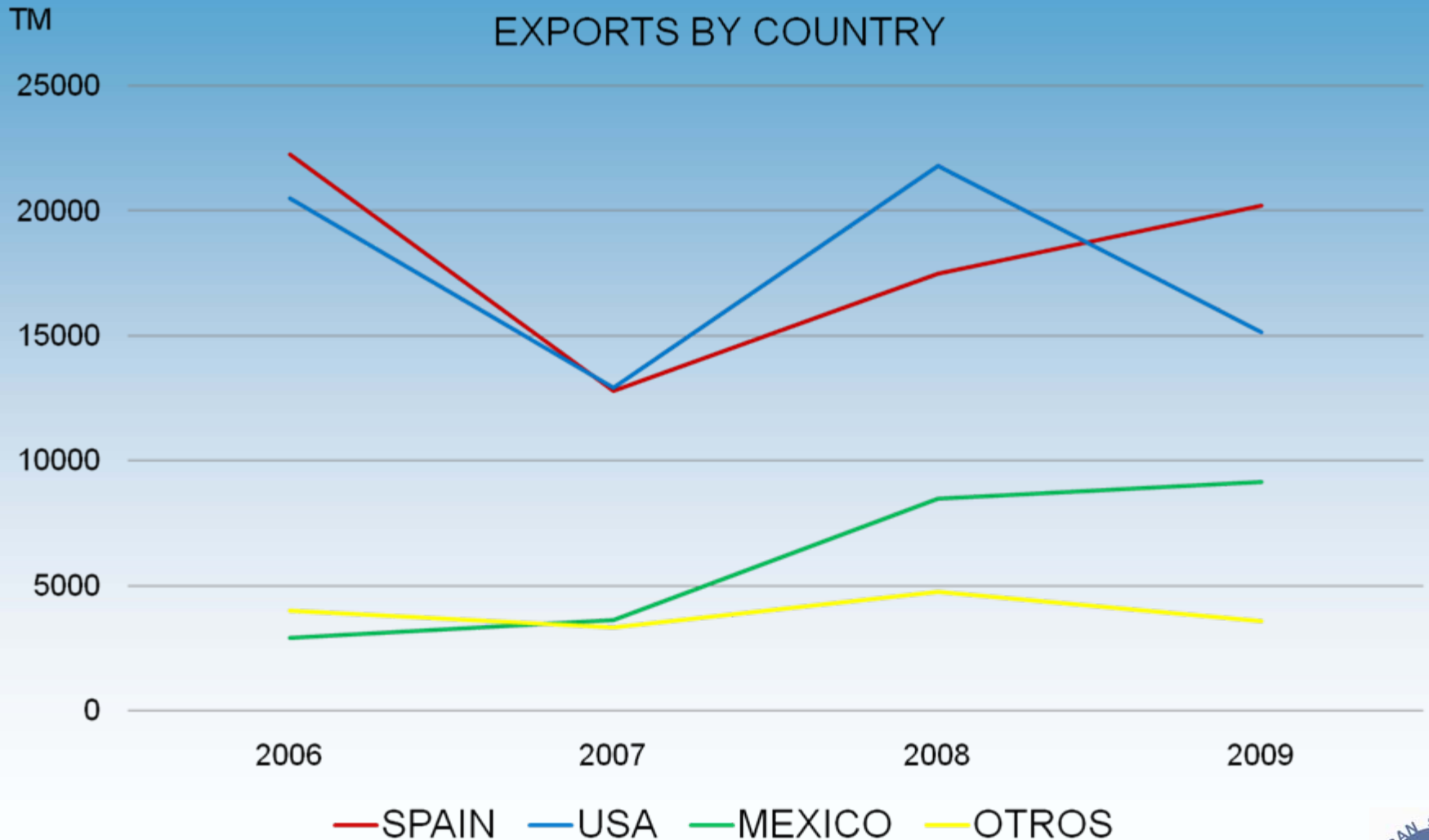
New Upcoming Regions

- Peru
- Brasil
- Chile
- China
- Israel
- South Africa
- Zimbabwe
- Malawi
- Zambia
- Mozambique

Crop Market Segments: Peru

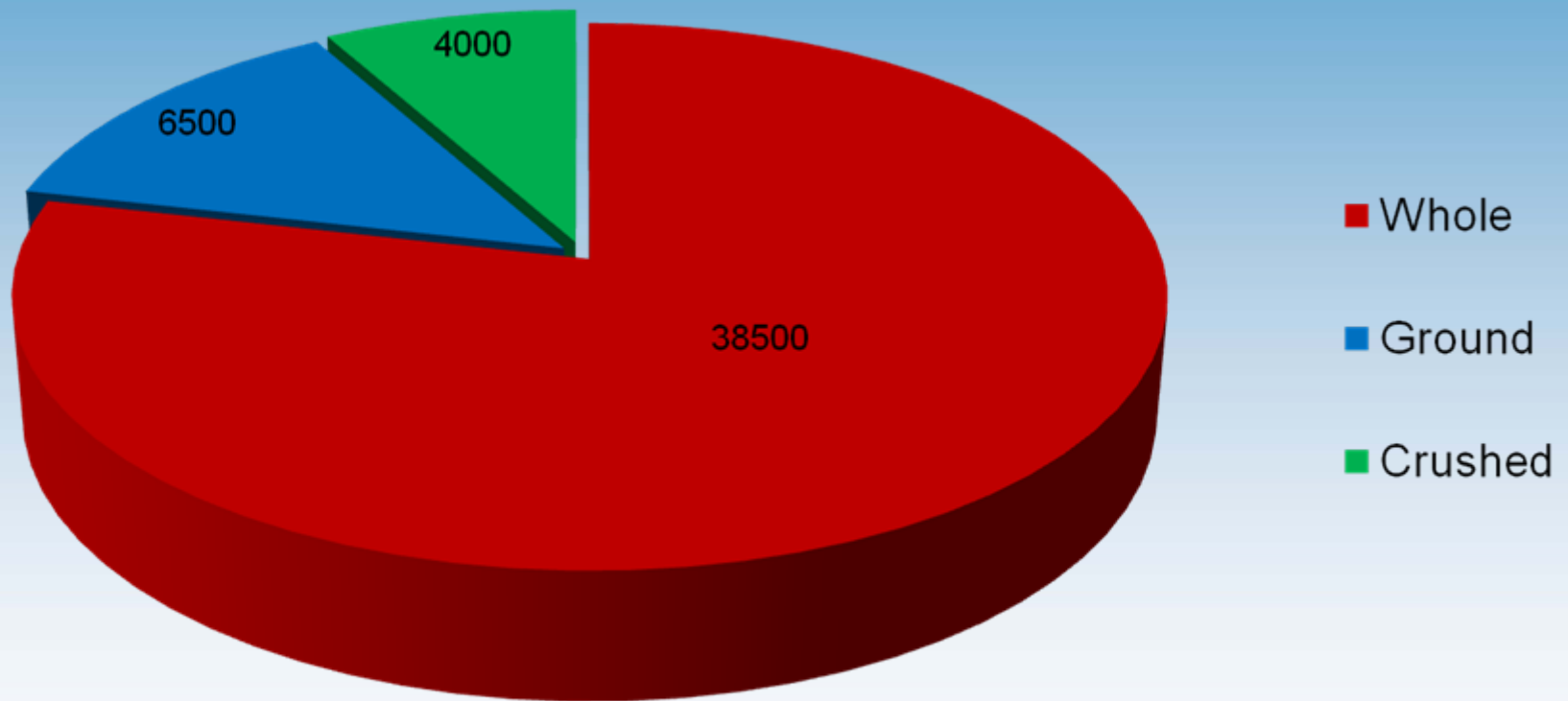


Crop Market Segments: Peru



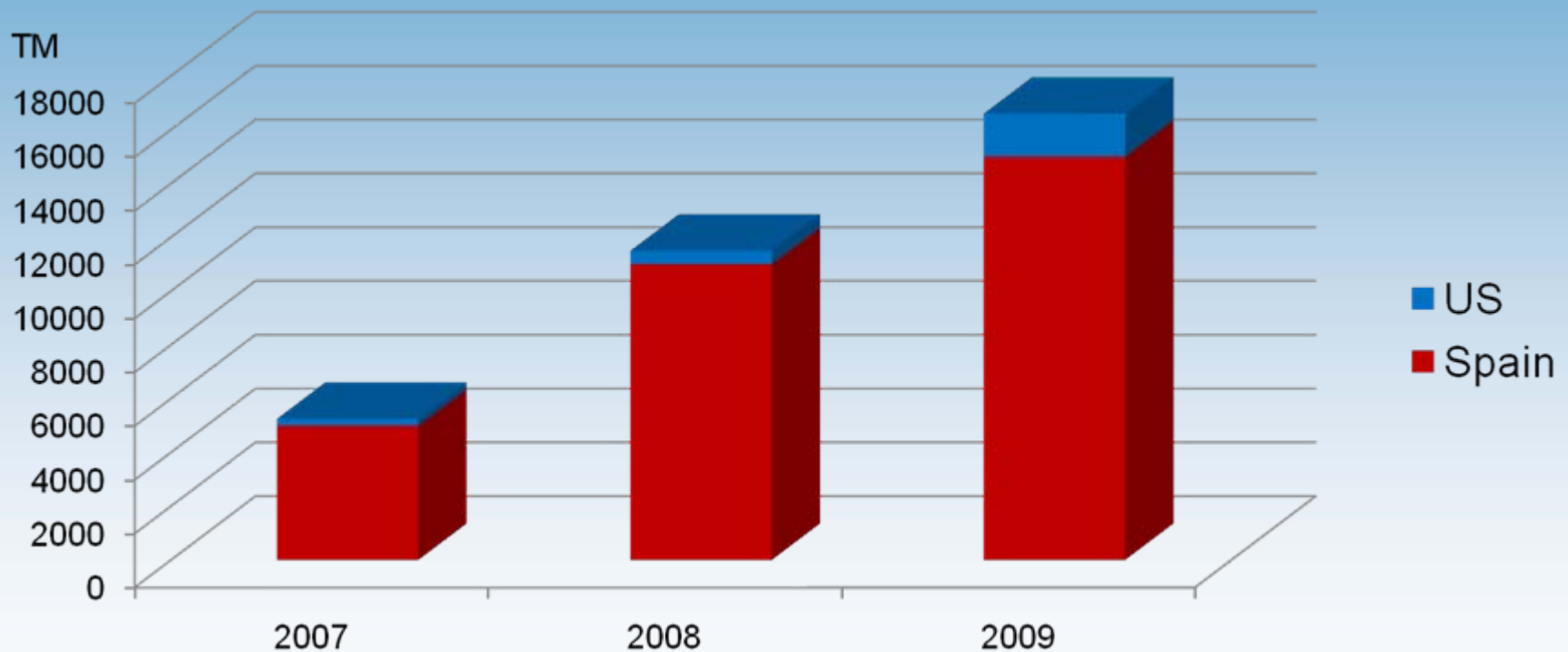
Crop Market Segments: Peru

EXPORTS BY TYPE 2009 (TM)



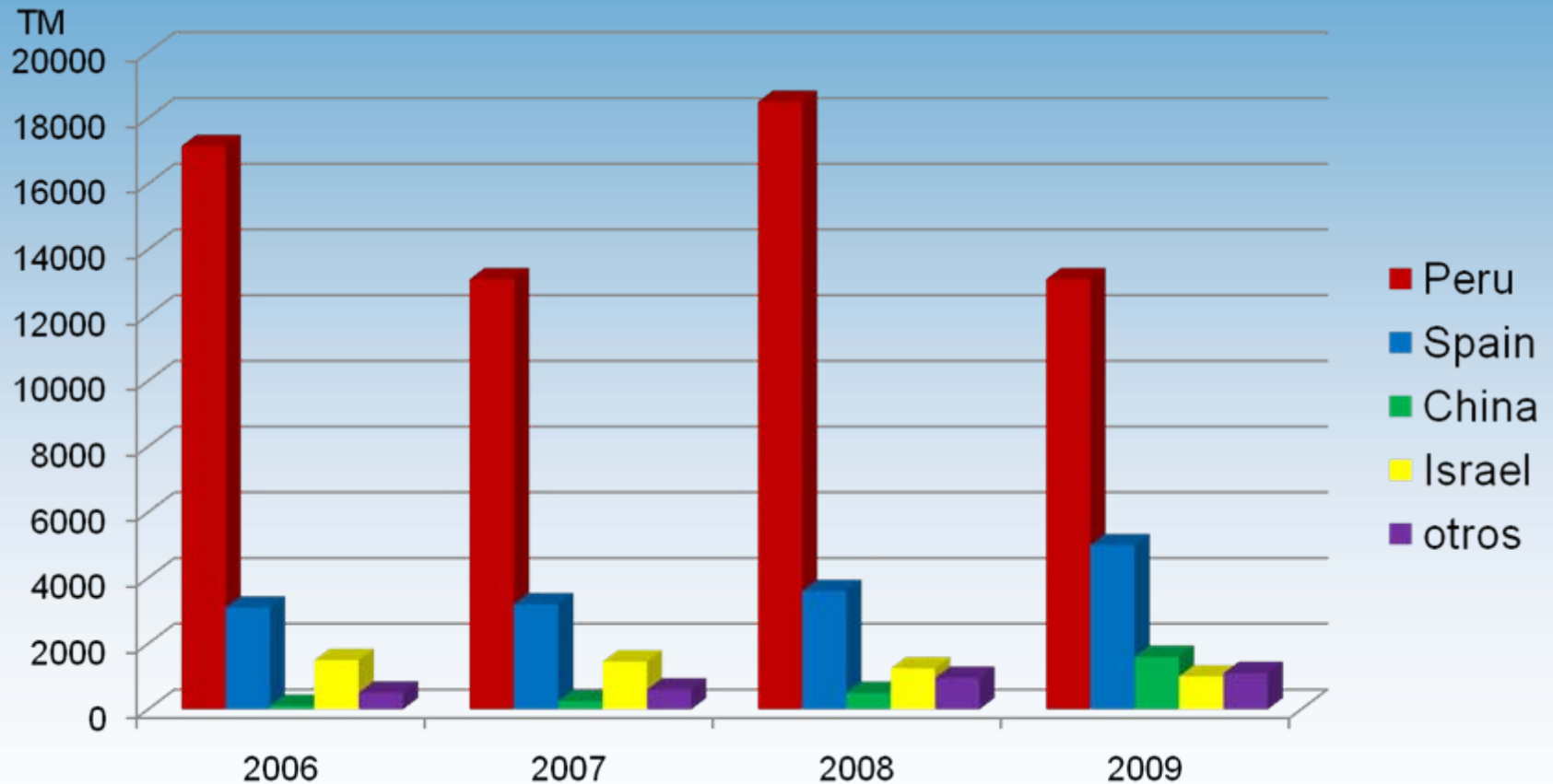
Crop Market Segments: China

EXPORTS BY COUNTRY



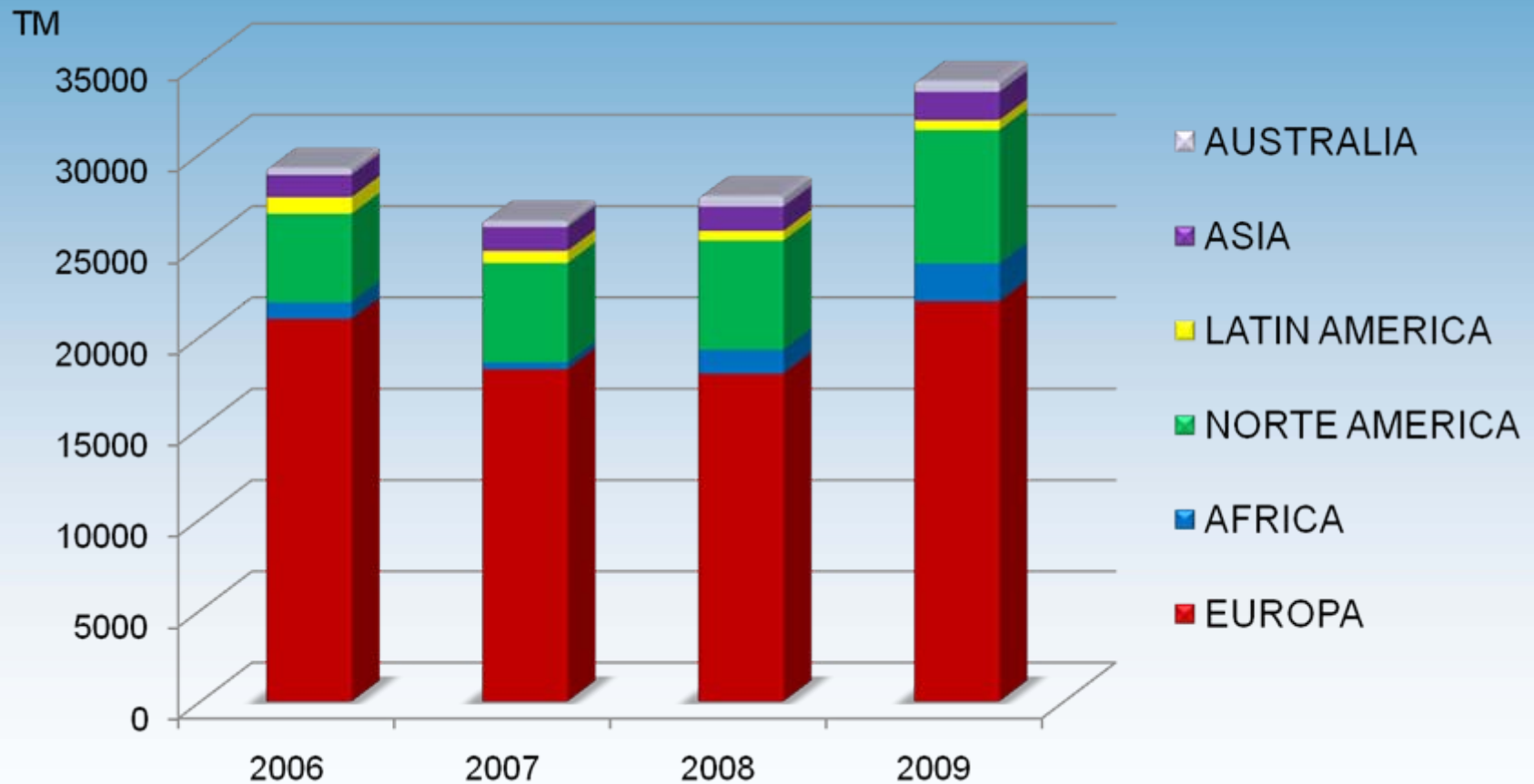
Crop Market Segments: US

IMPORTS BY COUNTRY

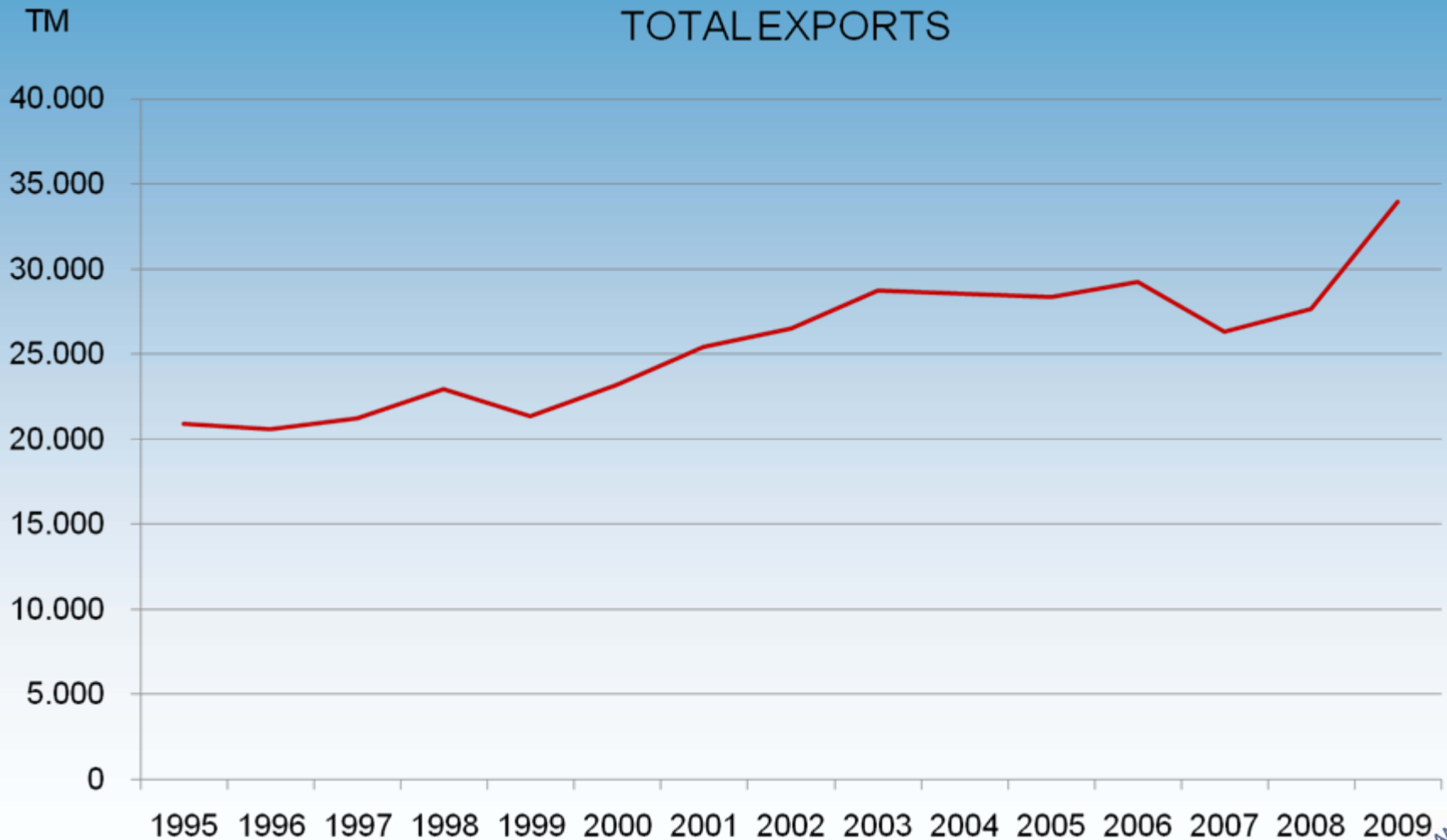


Crop Market Segments: Spain

EXPORTS BY COUNTRY



Crop Market Segments: Spain



Issues Impacting Supply

ALTERNATIVE CROPS

A PLANT DISEASE NOTICED IN CERTAIN AREAS IN PERU

CLIMATE CHANGE / GLOBAL WARMING ALREADY
AFFECTING CROPS WITH LOWER YIELD

FARM LABOR SHORTAGE

Issues Impacting Supply

POLITICAL ISSUES IN AFRICA TO MAKE DIFFICULT A REGULAR SUPPLY

CREDIT RESTRICTIONS

EU: AFLATOXIN, PESTICIDES AND NEW OTA REGULATION

Issues Impacting Price

INCREASE IN COSTS: WATER, FERTILIZER, LABOUR,
AND FREIGHT

US EXCHANGE RATE

LACK OF AVAILABILITY FOR LOW COLOUR PODS

NEW OTA REGULATION IN EU

Issues Impacting Price: Peru

FERTILIZER +10 %	DUE TO OIL & ENERGY PRICES
LABOR + 25 %	DUE TO THE GROWTH OF AGRICULTUREACTIVITY
SEEDS +10%	SEED'S LEADING SUPPLIER TO INCREASE PRICES
EXCHANGE RATE +4 %	LOCAL CURRENCY EXCHANGE RATE AGAINST THE USD WEAKER BY 4%

Food Safety/Quality

TYPICAL CONTAMINANTS IN PAPRIKA AT FARM LEVEL

CHEMICAL

- OCHRATOXIN A
- AFLATOXINS
- HEAVY METALS
- ADVENTITIOUS CONTAMINATION WITH SUDAN TYPE DYES AT LEVEL OF TRACES

PHYSICAL

- FOREIGN MATTER. Stones, metals, magnetic dust, plastics, wood, tools, etc.
- HIGH MOISTURE. Product spoilage, moulds growth and possible mycotoxins occurrence
- PRESENCE OF PESTS

Food Safety/Quality

POSSIBLE ADULTERANTS IN PAPRIKA

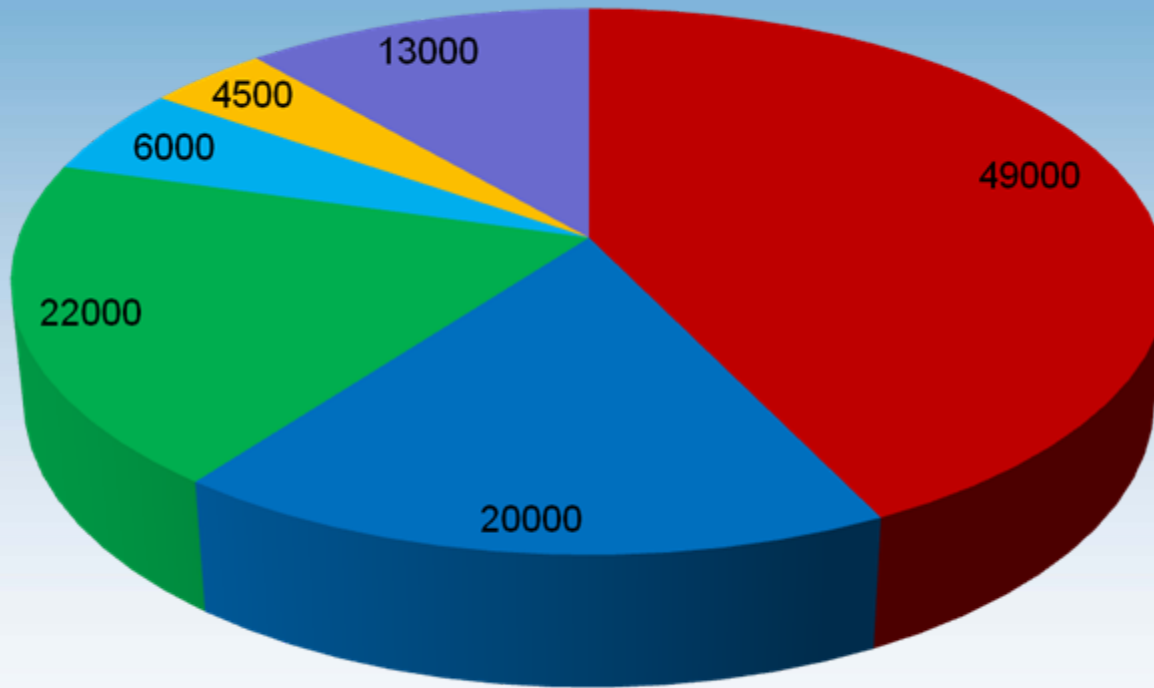
USE ANNATO SEEDS (BIXIN) FOR INCREASING THE ASTA COLOUR

BLEND WITH OTHER VEGETABLE MATERIAL: tomato skin, etc.

USE OF SPENT / DEFATTED SPICE

Crop Size 2009

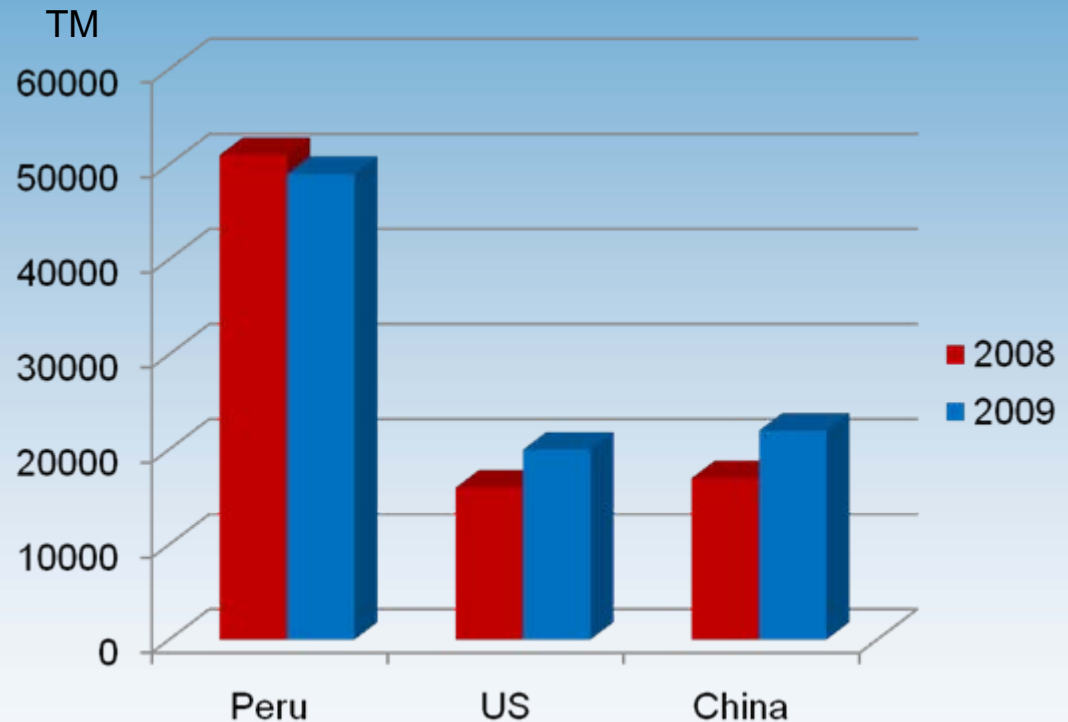
TM



■ Peru ■ US ■ China ■ Spain ■ Southern Africa ■ Others

Crop Size 2009

TM	2008	2009
Peru	51.000	49.000
USA	16.000	20.000
China	17.000	22.000
Spain	5.500	6.000
Southern Africa	4.500	4.500
Others	11.000	13.000
	105.000	114.500



Limited Growth Factors

FOOD REGULATIONS / QUALITY ISSUES

ALTERNATIVE GROWING

NEW PRODUCING COUNTRIES

CHANGE IN RAINFALL AMOUNT AND PATTERNS

VERY LIMITED COMSUMPTION OF SWEET VARIETIES IN
MAJOR PRODUCING COUNTRIES

CREDIT RESTRICTIONS



American Spice Trade Association

Thank you

2010 Annual Meeting and Exhibits
Naples, Florida



Ramón Sabater
paprika, spices & herbs