



SENSIENT®

NATURAL INGREDIENTS

MARKET REPORT

US/CALIFORNIA-GROWN ONION | GARLIC | PARSLEY

June 2023

Tel: 209-667-2777

Email: sni.sales@sensient.com

www.sensientnaturalingredients.com



ONION

US/California-Grown

Onion planting, which began in Fall 2022 in the Southern California desert, finished up in Northwest USA in mid-April 2023, just as the CY2023's onion harvest kicked off in the California desert (Imperial Valley) under blue skies and sunshine. While plantings were subjected to atmospheric rivers, initial harvested loads indicate that the crop weathered the heavy rains and responded well to healthy soil properties, regenerative agriculture practices and favorable California climate conditions. The high-solid, white onions are healthy and show good size for this time of year.

In an effort to satisfy growing demand for US-grown onion and mitigate any risk of a shortfall, SNI's CY2023 planting footprint grew in Southern California and expanded to regions in Oregon and Washington state. Harvest will continue in Southern California through the end of July and migrate to the Central Valley, then up to Northern California, Oregon and Washington for the remainder of the season.

SNI maintains ample inventories of all fractions of onion, including large piece sizes, minced, ground, granulated and powder, through the cutover period with no interruption to supply. We also have **good supply of toasted onion** and certain sizes of **organic onion** available and ready to ship.

Inflationary cost pressures across the supply chain and agricultural landscape continue to persist. Although fuel and utility rates have stabilized, they remain elevated as does labor, freight, fertilizer and other input costs, driving grower operating expenses higher. However, current inventories remain strong as does the outlook for a robust new crop.

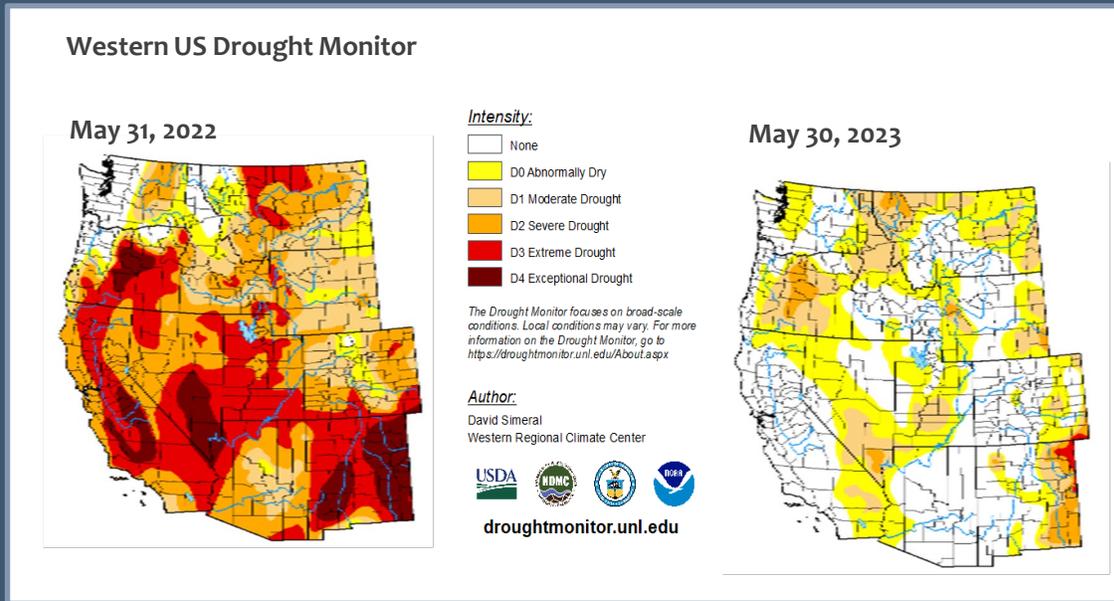
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SoCal refills its largest reservoir for the first time in three years.

US/California-Grown Onion (cont'd)

The rains, though detrimental to cities and suburban areas, alleviated prior year's **Extreme Drought (D3)** and **Exceptional Drought (D4)** intensity classification in the Western United States, according to the U.S. Drought Monitor. "California went from its three driest years to its three wettest weeks on record in January."



Fewer than half of California's reservoir and groundwater stores are higher than 90% capacity and/or historic averages for this time of year, according to CDEC/California Department of Water Resources.



GARLIC

California-Grown

Sensient’s 2023 California sowing cycle for **conventional and organic** garlic was completed in November with planted acreage on par with prior year. SNI Field Operations Managers’ evaluation of the crop in the ground is positive with no anticipated issues from heavy rains earlier in the season. Growers are cautiously optimistic about the overall quality and yield potential due to the amount of surface water brought on by the rains during the growing season.

As with onion, garlic has realized higher grower operating costs due to inflationary labor and energy rates. The harvest is on track to begin early July in California’s Central Valley. Current inventories are in line with agreements ensuring seamless order fulfillment through the cutover period.

California Roasted Garlic is readily available. All fractions are in good supply and ready to ship.

Parsley

California-Grown

The California **organic & conventional** parsley harvest is complete. The traditional nighttime parsley harvest kicked off in March as planned and finished up in May. Despite a barrage of nine atmospheric storms, which dropped up to 30 inches of rain on some growing areas in California, SNI’s parsley yields were just slightly lower than expected. Intermittent Spring rains, while good for crop growth, caused harvest delays. Sensient’s **organic and conventional California** parsley are in good supply. Parsley flake, granules and powder are in stock and available to ship now.



Outlook

- SNI Onion and Garlic has not been negatively impacted by heavy rains earlier in the season and is on track to harvest as planned. Early indicators point to a high-quality robust onion crop.
- SNI's stringent quality controls and comprehensive supply chain traceability meet or exceed the *January 2023-issued Strengthening Organic Enforcement (SOE) Final Rule* issued by **USDA** to **reduce fraud in the organic marketplace**.
- The potential for extreme weather events as well as inflationary pressures on labor, fuel, freight and utility rates, will continue to impact grower costs. These inputs, compounded by ongoing geopolitical conflicts, are likely to continue through the remainder of 2023.
- Despite volatility and foreign market uncertainties, SNI's production volume is in line to satisfy customer planned agreements, on time and in full, with full traceability, transparency of SNI's sustainably-grown onion, garlic and parsley.
- **California Toasted Onion & California Roasted Garlic** are in good supply and available to ship.