



SENSIENT®

NATURAL INGREDIENTS

MARKET REPORT

US/CALIFORNIA-GROWN ONION | GARLIC | PARSLEY

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ONION

US/California-Grown

CY2022's onion harvest wrapped up in November across all western US regions. In spite of ongoing drought conditions and weather-related issues in certain locales, SNI's 2022 crop performed close to expectation, providing satisfactory production volumes for inventory carry to 2023 harvest without interruption to service or supply.

Fall planting for the 2023 crop kicked off on schedule and has been completed in the California desert regions without issue. Despite a barrage of nine atmospheric storms to drop up to 30 inches of rain and heavy snow on some areas of California, SNI's crops have not been negatively impacted to date. Planting will continue in Central and Northern California regions, as well as expanded acreage in Oregon and Washington, and is on track to be completed in Q2.

All fractions of SNI's **California Toasted Onion** are in stock and ready to ship. Market demand for sustainably-grown, farm-to-fork traceable US/California dehydrated onion continues to trend upward as foodservice and away-from home incremental usage builds on already-elevated CPG/at-home consumption.

Inflationary cost pressures across the supply chain and agricultural landscape continue to persist. Fuel and freight costs have eased somewhat, but remain inflated. Rising labor, utility, fertilizer and other input costs continue to increase, driving grower operating expenses significantly higher. Market pricing is likely to reflect these dynamics through 2023, especially for high-demand piece sizes and specialty items.

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GARLIC

California-Grown

Sensient’s 2022 California Garlic crop came in at plan with average yields and good quality, compared to historical averages, despite water management challenges under exceptional drought conditions.

Sensient’s 2023 **conventional and organic** California sowing cycle was completed in November with planted acreage on par with prior year. Impact from heavy rains, as well as ground water absorption, has yet to be determined but growers are cautiously optimistic about overall quality. The harvest is on track to run July through October.

Demand for sustainably grown California garlic continues to grow as more CPG customers require traceability to the farm level, rigorous safety testing and stringent documentation to satisfy consumer requirements for responsibly grown food & beverage ingredients.

Almost 100% of SNI’s garlic growers have instituted regenerative agriculture practices to improve water efficiencies, soil health and reduce GHG emissions.



As with onion, garlic is realizing higher grower operating costs due to inflationary fuel, freight, utilities, labor and energy related expenses. Market pricing will reflect these dynamics in 2023.

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



Parsley California-Grown

Sensient's **conventional** parsley is in the ground and progressing well. The impact of heavy rains, if any, remains undetermined at this time and the traditional nighttime harvest is on track for March. Overall performance and quality are on par with expectation. California parsley, both **conventional and organic**, is in good supply. Flake, granules and powder are in stock and available to ship.

Outlook

- All crops are on track despite heavy rains. Drought conditions, while improved, are not alleviated. Extreme weather events, inflationary labor, fuel, freight and utility rates, compounded by recent geopolitical conflicts, are likely to continue through the remainder of 2023, impacting operating costs.
- Demand for US origin product continues to increase as customers demonstrate a strong preference for full traceability and sustainable sourcing, as well as foresee potential supply chain uncertainties and pricing volatility from Asia.
- Global onion markets are likely to experience widespread inflationary conditions through the end of 2023.
- Supply chain disruptions due to geopolitical conflicts and the pandemic (particularly China) could put further strains on global supply chains.
- Despite volatility and market uncertainties, SNI's production volume is in line to satisfy customer planned agreements, on time and in full.
- California Toasted Onion & California Roasted Garlic are in good supply and available to ship.