



**SENSIENT<sup>®</sup>**

**NATURAL INGREDIENTS**

# **MARKET REPORT**

**US/CALIFORNIA-GROWN ONION | GARLIC | PARSLEY**

**January 2024**

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## ONION

### US/California-Grown

SNI's 2023 **onion** harvest wrapped up in late-November across all western US regions with great success despite triple-digit summer temperatures followed by an unprecedented SoCal tropical storm earlier in the season. Seeder incidence was slightly higher than normal in the desert region, but low for the overall crop, which is Sensient's largest onion crop to date.

Fall planting for the 2024 onion crop kicked off on schedule in the California desert. Onion plantings are thriving in Southern California farms. SNI Field Operations are optimistic as to how the onion crops are maturing. While still early in the growing cycle, plants are healthy, pest- and disease-free with low weed pressure and no evidence of seeders.

As part of its regenerative agriculture initiatives, SNI is working with its grower-partners to increase planting bed width across more acreage, year over year. SNI has also implemented soil health and moisture monitors to maintain close and constant oversight of growing conditions throughout the season for optimum results.

Planting of conventional onion is finishing up now in Central California and soon in Northern California, before continuing north to Oregon and Washington. **California-grown Organic Onion\*** planting was completed in January. Sensient continues to increase its acreage and geographical growing footprint in the western United States, ensuring customers a seamless transition from season to season. Harvest for both **conventional** and **organic onion** will begin in April.

*\*SNI's fully traceable organic onion, meets or exceeds the newly established USDA SOE to reduce fraud in the organic marketplace.*



## **GARLIC** California-Grown

Sensient’s 2023 **organic\*** and **conventional California Garlic** crop came in at plan with average yields compared to historical averages. Sensient’s 2024 **conventional and organic** California sowing cycle was completed in November with planted acreage on par with prior year. Drought conditions have dramatically improved vs. prior year and growers are cautiously optimistic about overall quality. Acreage planted early in the sowing cycle have emerged and the Field Operations Team will soon start to assess the health of the crop via stand counts. The harvest is on track to run July through October.



Demand for sustainably, ethically grown California garlic continues to grow as more food manufacturers 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.

### **California Roasted Garlic**

SNI’s dedicated roasting capacity enables year round supply of **California Roasted Garlic**. All fractions are in good supply.

*\*SNI’s fully traceable **organic garlic**, meets or exceeds the newly established **USDA SOE** to reduce fraud in the organic marketplace.*

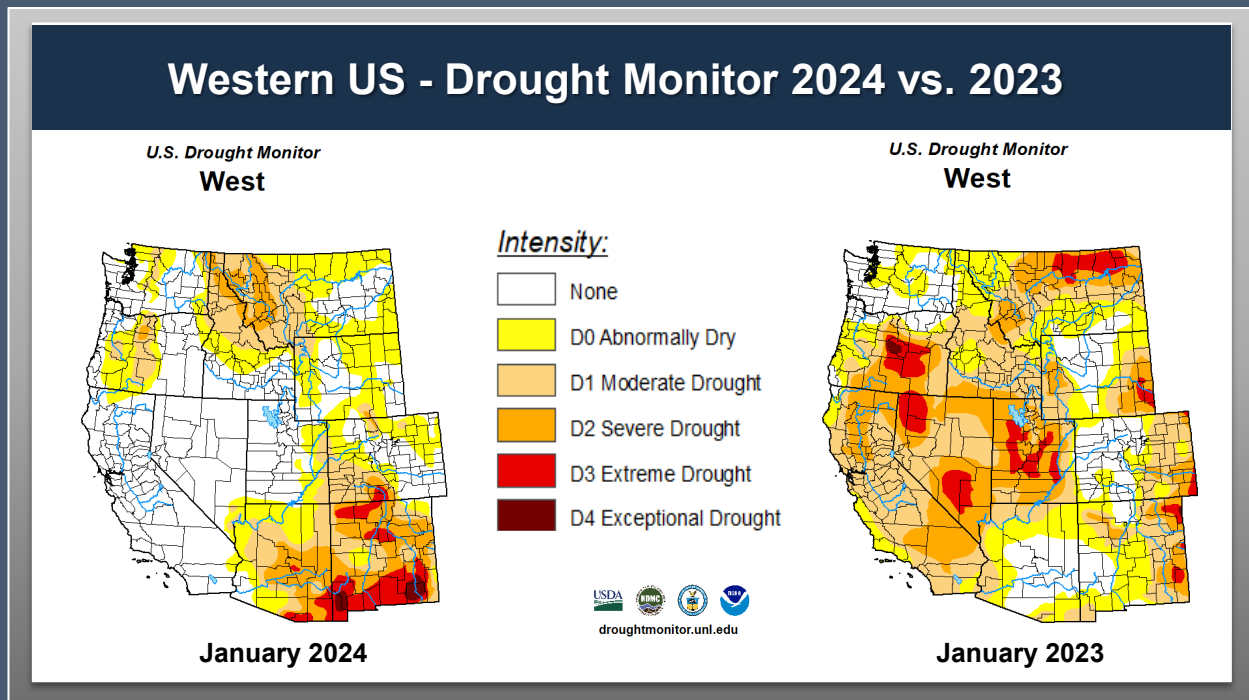




2024 begins w/ California snowpack @ 1/3 of normal average

## California Reservoir Conditions

The current snowpack for California is at its lowest level in a decade, a major turnaround from last year when huge storms ended a three-year drought. However, according to the *Center for Watershed Sciences at UC Davis*, “the reservoirs are in great shape, with almost every reservoir near or well above historical average for this time of year”.



- Drought has expanded in the southern portion of the Intermountain West. As a whole, 37 percent of the region is in a **Moderate to Exceptional Drought** (D1-D4).<sup>1</sup>
- El Niño typically brings wetter winters to the Southern U.S., including New Mexico and Arizona. El Niño is expected to continue for the next several months.<sup>1</sup>
- Groundwater is a vital resource in California and accounts for almost 60 percent of the State's water supply in drought years. Multiple dry and drought years over recent decades have put a strain on California's groundwater resources.<sup>2</sup>

<sup>1</sup>U.S. Drought Monitor, January 2024

<sup>2</sup> State of California, California WATER WATCH, January 31, 2024



## Parsley

### California-Grown

The parsley crop is slightly ahead of schedule with Field Representatives monitoring both weather and soil conditions daily. This season's **conventional** parsley crop is on track for a traditional nighttime harvest in late-February and expected to surpass historical averages.

Stand counts and early crop reports are all positive. Harvesting should run through April. Conventional California parsley is in good supply, with flake, granules and powder in stock and available to ship.

## Outlook

- Grower costs remain elevated driven by rising labor, fuel, freight and energy costs. Grower costs are likely to remain elevated through the remainder of the year.
- Global onion markets could experience widespread inflationary conditions through the end of 2024 due to geopolitical events likely to keep product availability and input costs in a state of flux.
- Onion and garlic prices are expected to remain firm to slightly higher for 2024 especially for customized specifications and BI/color sensitive fractions.
- Irradiation costs continue to rise and are expected to increase up to 10%.
- SNI's onion, garlic and parsley production volumes are in line to satisfy customer planned agreements, on time and in full. With increased acreage and expanded toasting and roasting production capacity installed last year, **Toasted Onion & Roasted Garlic** products are in good supply and readily available.
- SNI Field Representatives, together with grower-partners, are closely monitoring onion and garlic plantings to mitigate any risks due to weather events.