

Garlic acreage down in Spain due to drought

The garlic acreage in Castile-La Mancha and the rest of Spain has declined due to the impact of drought. This is one of the main conclusions reached by the National Garlic Board after a meeting in the town of Las Pedroñeras, Cuenca. The drought is especially affecting two autonomous regions: Castile-La Mancha and Andalusia, which also expect significant reductions in the supply of water for irrigation due to the lack of rainfall and low water reserves.

The representatives of the garlic sector from Andalusia, Madrid, Castile-Leon, Extremadura and Castile-La Mancha who attended the meeting also carried out an assessment of the situation in both the internal and external market and reported how much garlic is currently in storage.

According to the president of the National Garlic Board, Julio Bacete, the bad start of the current campaign, marked by bad weather and falling prices, comes after two consecutive campaigns with good results. But now, for no apparent reason, the sector has succumbed to the downward pressure of the market. Despite the very low stocks and fair market supply since the spring, fears have been raised by warnings of a likely increase in the supply from China accompanied by price drops, with the consequent global repercussions this would have.

Because of this, many of the new producers who had chosen to cultivate garlic due to the favourable conditions for the crop, but who didn't have adequate storage infrastructure, desperately tried to sell their productions at any price without there being any good reason for it, causing irreparable damage.

For the sector, this irregular start of the campaign has fortunately been corrected in the following months. At present, the warehouse prices of handled garlic are not at the same level as last season, since they have dropped by between 15-20%, but their current levels are acceptable, with Spring varieties reaching around 1,800 €/tonne and the purple variety at 2,500 €/tonne.

Record production in the 2016-17 campaign

The meeting also served to assess the data collected in the official MAPAMA statistics for the month of August, which revealed that Spain achieved record production figures in the last campaign, exceeding 260,000 tonnes grown on around 26,000 hectares. These figures show that there has been a 25% growth in the acreage compared to the previous campaign, as well as an almost 30% increase in terms of production.

Spain, a leading name in the international market

According to COMEXT data, Spanish exports up until July 2017, both to EU and non-EU countries, reached similar levels to those of 2016, with the EU countries being the biggest customers and average prices of around 2.40 €/kg.

The situation of exports to non-EU countries is similar, although the average prices have dropped from the 2.10 €/kg of 2016 to 1.80 €/kg. This drop has also affected the average price of Spanish exports to all destinations, which has fallen from 2.30 €/kg to 2.10 €/kg. If this rate of export continues in 2017, the year will probably close with similar figures to those of 2016 in terms of volume and a slight fall in the average prices.

The role of China, still unclear

With more than 3,000 million tonnes of garlic stored, China has not yet had its last word. In any case, its current presence in the European market is very weak, since the Asian country, a main supplier of the EU, recorded a figure of 18,000 tonnes; well below the 45,000 tonnes of 2016.

According to EUROSTAT, garlic import prices to the EU have increased, going from an average of 2 €/kg to 2.30 €/kg. In terms of volume, Egypt stands out the most, as in July it had already surpassed the total figure for 2016, but Peru, with 570 tonnes, is also in a prominent position.

As regards Spain, garlic imports registered low levels, with 1,738 tonnes compared to 7,555 t in 2016. Average prices from all origins increased from 1.70 €/kg to 2.50 €/kg in July. France is Spain's main supplier with 400 tonnes, followed by Portugal with 316 tonnes and Peru with 204.

The Board has planned to meet again early next year in the municipality of Morata de Tajuña, Madrid; a meeting in which, as usual, the focus will be on the forecasts for the following campaign and on the development of the market situation.

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