

OVERVIEW GLOBAL CABBAGE MARKET

Although the consumption of cabbage is traditional in Eastern Europe, the demand in those countries is under pressure. Growers are struggling to make a profit in a number of countries. This is partly the result of declining demand, partly due to the closed Russian border for European cabbage. Chinese cabbage seems to be doing better than the traditionally more popular white cabbage. While in Europe the market is characterised by low demand. In the US, demand is on the rise ahead of St. Patrick's Day. A lot of cabbage is served that day. In Israel, the demand can also increase due to holidays such as Passover and the New Year.

Ukrainian growers in a difficult situation

Due to a lower demand and the closed Russian border, it is difficult for cabbage producers to keep their heads above water. Following the drop in consumption, 90% of the production has been sold on the spot market, where the deals are closed on the field or with the wholesaler. Growers keep the cabbage in storage in the hope that the market conditions will improve. As a result, price developments are erratic this season. According to a trader, it hardly makes sense to keep the cabbage in storage. "Prices don't change often during the season, so there's no point in waiting."

Although growers know that consumption has declined, they do not have a good picture of the market because they sell everything on the spot market. "It is difficult for them to understand the changes, so they react in the only way they know: reducing the acreage," says a trader.

White cabbage is still the market leader in Ukraine, with a production of 1.5 million tonnes per year. Almost the entire volume is sold on the domestic market. Red and Chinese cabbage take second and third position after white cabbage. However, times are changing, as the consumption of other types of cabbage has dropped dramatically over the past five years.

The Russian boycott and falling consumption after the loss of the Crimea and the continuing conflict in the east of the country have been making it difficult for growers to make a profit. In the past, Ukraine had the advantage of an early start of the season, with which it was ahead of its competition on the Russian market. This has been a thing of the past since the boycott. The season kicks off in April and continues until the autumn with the late crops. That late harvest is stored for the winter months.

Poland: Tragic white cabbage season

After a white cabbage season described by a trader as "tragic", the situation appears to be much better for Chinese cabbage. Due to the large volumes in storage, the situation for white cabbage remains poor. "The demand in Europe is low, resulting in low prices," says a trader. For exporters of Chinese cabbage, the market looks nicer. There is a good volume available and prices are shaped by competition with the Dutch production. A trader tells us that they are exporting to the Netherlands, Denmark and Germany. Growers are not profiting from the situation. They receive 0.07 Euro per kilo less than last season.

That Chinese cabbage is doing better than other cabbage varieties is probably the result of the smaller volume available. It remains to be seen whether the market conditions will improve towards the end of April when the new season starts. The cabbage in storage will mainly be supplied to the processing industry or be eventually destroyed.

Cold slows down supply of French cabbage

Week 9 was also cold in France, which has had a significant impact on the cabbage volumes. Especially cauliflower has recorded a rapid decline in the production. A large French cooperative which usually markets about 80,000 to 100,000 cauliflowers a week during this time of year had only sold 22,000 by Thursday (9 March). However, compared to the previous week, the cabbage supply seems to be picking up again.

The cabbage sector in France is increasingly betting on the marketing of pre-cut products that are ready for immediate use, although most cabbages are still simply sold in pieces. As for mini-cabbages, they are almost exclusively demanded during Easter and Christmas. There is a limited number of restaurants and shops in France that sell them year-round. The market for them is small, but stable. On the French market, it is particularly striking how more and more consumers are eating raw, pre-cut cauliflower as a snack. This trend has come over from North America. The pieces of cauliflower are also used to prepare savory pies and pizzas.

Italy: Frost damages cabbage harvest

There is plenty of cabbage (red, white and savoy) available. The prices are rising, but they started low, mostly due to the mild January followed by a wintery February. A trader says that there is little product available. The cabbage is imported from Spain and Portugal, among other countries. In January, the

situation was different. Back then, there was a lot of supply from the Italian regions of Puglia and Veneto. "The price remains low, oscillating between 0.50 and 0.70 Euro," explains a trader. Savoy cabbage is more popular and it also reaches higher prices, around 0.70 Euro

Due to the warm start of the year, the demand was limited. The bad weather that followed affected the production. In several regions, the frost damaged the cabbages. "As far as we can see, the volumes across Europe are low," says a trader.

Spain mainly growing for export

Pointed cabbage cultivation has experienced good growth in recent years. Exports to the United Kingdom in particular are increasing rapidly, with the Dutchy being the most important variety. Although the British market is the largest buyer of this cabbage, the production of the Duchy has dropped by 30% this year. In the past, the export season for the Spanish sector was better because British retailers did not allow local growers to store the cabbage. This restriction has been lifted for two years, thus reducing the Spanish export season from November-June to mid-December-mid-May. "With such a late start, we do not have the time to rotate the crop and plant new crops," says a grower.

The Cape Horn variety is, however, in demand in the Netherlands, Germany and France, as well as other countries in Central and Northern Europe. Portugal is the largest producer of this cabbage, as the crop has good resistance against humidity. In Spain, production is growing by about 5% per year.

Savoy cabbage is also grown in Spain, with the export season lasting from April to May. The United Kingdom is the most important market for this cabbage. The kale production has also grown considerably, with increases of about 30-40% per year over the past three years. The Spanish production is focused on the export market and aims to fill gaps in the European season. Consumption in Spain is very low.

Murcia is the most important region when it comes to cabbage production. Due to the water shortages there, many crops have been moved to Alicante and the Delta del Ebro, in Tarragona.

Germany: Low demand and historically low prices

There is currently an alarming oversupply of cabbage on the German market. Producers and traders talk about a surplus of about 20 percent compared to last year. In view of the small demand from the domestic market, the prices have fallen to record low levels throughout the season. As far as white cabbage is concerned, the large sizes above 3 kg are bought for about 0.05 Euro. The medium (2-3 kg)

sizes are slightly more expensive. Even the much-needed small sizes (up to 2 kg) hardly reach 0.15 Euro. The prices for red cabbage are comparable.

Traders currently have little hope for improvements: only when special types of cabbage are sold, such as the famous Jaromakohl in Germany, the price is still at an acceptable level. These are varieties that are currently being grown abroad, so that the production and transport costs are also higher. The same applies to pointed cabbage. We are dependent, in part, on shipments from Portugal and other southern European countries, but their prices are also significantly lower than in previous years.

Dutch trade writes cabbage season off

Some traders are already writing the cabbage season off. The harvest in the Netherlands has been extraordinarily large; the cold stores are full and Eastern Europe is not yet on the market. There is mainly a surplus of size 36 white cabbage. Prices are dramatically low. Size 36 white cabbages yield 5 cents per kilo; the smaller sizes reach better prices: 25 cents per kilo. Low prices are also paid for red cabbage: 6 cents per kilo for size 36; 16 cents per kilo for size 60.

The market for kale picked up in week 9 due the cold front. The Dutch kale season is almost over, causing shortages. In the course of week 10, the trade got slowly going again. The Dutch Brussels sprouts season is already finished.

US: Prices are rising in the run-up to St. Patrick's Day

Growers are getting ready for St. Patrick's Day, when it is traditional to consume dishes containing cabbage. There is a good supply. A trader says that virtually the entire supply will go to retailers in the framework of programs signed in the run-up to St. Patrick's Day. The supply is estimated to grow by 25%. "Volumes are better than last year, when the weather caused some damages," says a trader. Storms and rainfall took a toll on the harvest. Texas is currently the biggest competitor; the competition from the west coast of California is limited.

The prices for the vegetable are on the rise. A trader estimates that cabbage is 10% more expensive this year compared to last year. The market is expected to collapse after the approaching holiday. The growers take this into account in the planting. The next peak in the demand will probably not happen before spring.

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