

Garlic Prices Continue To Rise, Indonesian Demand Has Exploded

After half a year of decline, the garlic market returned to an upward trend in July. On August 5, the price of general mixed-grade garlic in Jinxiang market reached 2.04 yuan per jin, that's up about 40% from the beginning of July. Especially in just a few days from the end of July to the beginning of August, the increase exceeded 20%. In terms of exports, the export volume in June was 248,000 tons. Although it was lower than the historical record of 281,100 tons in May, it still maintained a high level of more than 200,000 tons. Demand from Indonesia, the main export destination, has skyrocketed. In June, export volume to Indonesia reached 135,000 tons. That's twice as much as in May and a 13-fold increase from April.

Entering the beginning of August, the purchase and sale of garlic outside the warehouse has entered the final stage. Some storage companies have closed their warehouses. There are very few products on the market. Due to the recent high temperature and rainy weather, some improperly preserved garlic has already been at risk of sprouting. Faced with the approach of "Autumn begins", the enthusiasm of the stockists to purchase goods for replenishment has increased, and the sellers' prices increased significantly. In addition to Jinxiang, Pizhou, Qixian and other producing areas, garlic transaction prices also increased significantly. In the Pizhou production area, the price of 6.5cm red garlic rose from 2.08 yuan per catty to 2.81 yuan per catty within one month, an increase of 35%. [China Garlic Price](#) in Qixian producing areas rose from 1.32 yuan per catty to 2.00 yuan per catty, an increase of 51.5%. The price of garlic in the retail market has increased even more. Some time ago, many e-commerce companies sold it at 3.3 per jin, now the price has risen to 5 yuan.

The current price increase is mainly due to the tight supply in the production area and the demand support of buyers who replenish the warehouse. Before the replenishment is completed, the trend of rising [garlic prices](#) is difficult to change. Garlic harvest and storage for this season begins after June 10, more than ten days earlier than usual. The digestion of the supply is gradually spreading from the interior of the main producing area to the periphery. The weather is also an important driving force for the price increase of garlic. In the past two weeks, there have been frequent rainfalls in the production areas, covering major garlic producing areas such as Shandong, Henan, and Jiangsu. The continuous rainfall is not conducive to market transactions and shortened the best trading time for garlic outside the warehouse. As a result, some buyers are eager to find supplements, which is beneficial to the rise of prices.

Garlic exports also continue to remain active. From January to June 2020, China's total export volume of fresh and refrigerated garlic are about 1.025 million tons, which is an increase of about 316,400 tons compared with 708,600 tons in the same period last year, an increase of about 44.7% year-on-year. Among them, China's total garlic export volume in June 2020 was 248,700 tons, which was an increase of about 36.1% compared with the 182,700 tons of the same period last year. After the export volume rose sharply in May and June, the export volume of garlic in July is expected to fall sharply. At present, the number of orders received by export processing plants has decreased, and the growth momentum of garlic exports has slowed down. Affected by the continuous increase in the purchase price of garlic from the origin,

domestic garlic export quotations have followed up, and some overseas markets have relatively low prices, and they intend to reduce the purchase volume.

According to data from the Indonesian Central Bureau of Statistics, garlic from China reached 135,000 tons in June. On March 18, 2020, Indonesia's Minister of Trade Argus introduced an import relaxation policy to curb the surge in garlic prices in early February. It is understood that the price of garlic in Indonesia was as high as RMB 17.5 per jin at that time. However, the import license that was supposed to expire at the end of May was declared still valid in June. It is understood that the price of garlic in Indonesia was as high as RMB 17.5 per catty at that time. However, the import license that was supposed to expire at the end of May was declared still valid in June. Therefore, garlic from China has also increased significantly in recent months. At the same time, the price of local garlic has steadily declined. The price of Indonesian garlic in April was 10.7 yuan per jin, in May it was 8.6 yuan per jin, and in June it was 6.8 yuan per jin.