

# Addendum to 2015 Nutraceutical Garlic Crop Update

## Upcoming Changes That Require Planning

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We are hearing about upcoming changes to the Nutraceutical Garlic Market that are going to require additional planning for you and for us. The extent of these changes has NOT been fully determined yet.

The Chinese Low Allicin Nutraceutical garlic crop for 2015 is currently being harvested. At this time, growers and processors are experiencing variances in yield of harvested crop according to region. However, we are being warned of an overall low yield harvest where they are experiencing shortages and lower carryover inventories. Smaller carryover inventories means that price increases are to be expected for dehydrated food grade and nutraceutical garlic.

Spain is also experiencing a low garlic crop yield and is likely to increase pricing for their 2015 crop.

California is experiencing one of the worst water droughts in history. Due to this water shortage, the Fresh Garlic Market will be negatively affected. We anticipate that the shortage of fresh garlic will place more pressure on the nutraceutical garlic market.

It is not yet clear how much of an impact the fresh market demand will place on the nutraceutical garlic market at this time, however, we anticipate the impact to become apparent in mid-May.

We feel that the U.S. fresh market garlic crop is expected to be 20-30% short. Overall, we anticipate garlic pricing to increase a minimum of 5-7% in the next 30 days and possibly more as the summer progresses.

## What You Can Do

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In an effort to ensure that your garlic needs are met, we strongly encourage you to provide us with an as accurate forecast that you can. In this forecast we ask that you include the types of volumes you expect to need and how often you will need to fill them.

With this information, we offer to lock in pricing and avoid additional charges for you.