

Key insights into the global garlic market

In 2016, global garlic consumption stood at \$18.1bn, +8% more than the year before - this figure reflects total revenue of producers and importers (excluding logistics costs, retail marketing costs, and retailers' margins, which will be included in the final consumer price). As a whole, the value of the global garlic market indicated an upward trend over the period from 2007 to 2016, however, the trend pattern was not consistent.



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While from 2007 to 2008, the world garlic market was growing steadily, this growth was followed by a decline in market volume over the next year. From 2009 to 2011, the global garlic market increased significantly, until garlic market slipped back again over the next year. In 2016, the market recovered, reaching its highest level in value terms.

In physical terms, the global garlic consumption grew by +3.2% per year, amounting to 26.5 million tonnes in 2016. From 2009 to 2016 garlic market grew steadily. Given the stability of consumption volumes in physical terms, fluctuations in market value could be explained by price changes.

Consumption of garlic is expected to exceed 31.1 million tonnes by 2025

Garlic is one of the most important ingredients in world cuisine, and it is used in cooking of numerous cold appetizers and sauces, or as a seasoning.

It is anticipated that the next nine year period will see an upward trend in garlic cultivation due to a number of factors, such as the growth of the population in general, the growth in demand for nutritious food coupled with implementation of government assistance measures (especially in Asian producing countries), the growth of cultivation areas, and the search for frost-resistant varieties of garlic. Taking all these factors into consideration, market performance is forecast to grow with an anticipated CAGR of +1.8%, which will bring the market volume to 31.1 million tonnes by 2025.

China remains the largest garlic market in the world

In 2016, China (75%, based on tonnes) was the largest garlic market in the world, based on physical terms. It was followed by India (5%), Indonesia (2%), Bangladesh (2%), Russia (1%), the Republic of Korea (1%) and Brazil (1%). The above countries together account for about 87% of the world consumption of garlic. In addition, most of these countries, except for Indonesia, were also the leading producers of garlic in the world.

Amongst these countries, Bangladesh (+7.4%) and India (+6.5%) had the highest annual growth rates of garlic consumption over the period under review.

China constitute the largest garlic markets. In addition, this country had the highest volume of per capita consumption: 14.3 kg/per person. At the same time, other consuming countries - the Republic of Korea (6.2 kg/person), Bangladesh (2.6 kg/person), Russia (2.2 kg/year), Indonesia (1.8 kg/person), Brazil (1.5 kg/person) and India (1.1 kg/person) - had the lowest volume of garlic consumption.

Global garlic production posted moderate gains

Production of garlic stood at \$18.6bn in 2016, which was \$1.5bn (or +9%) more than in 2015. In general, the production of garlic in value terms has had an upward trend since the beginning of the period up to 2011, when it started to decline as a result of lower producer prices. It was only in 2016 when production recovered and reached its new peak.

In physical terms, garlic production stood at 26.7 million tonnes, which was -1% less than year before. However, overall, the global garlic production grew by +3.1% over the period under review.

In 2016, harvested area of garlic amounted to 1.5million ha, with minor fluctuations from 2007 to 2016. Garlic yield grew gradually from 15.4 tonne/ha in 2007 to 18.1 tonne/ha in 2016.

China remains the largest garlic producer in the world

In 2016, China (80%), was the largest and main garlic producing country in the world. Except China, it was followed by India (5%), Bangladesh (1%), Egypt (1%), the Republic of Korea (1%), Russia (1%), and Myanmar (1%), however, these countries comprising only 10% of total output.

Bangladesh (+8.9%) and India (+6.8%) had the highest growth rate in garlic production among leading producing countries. The major producer of garlic – China (+3.2%), however, had more moderate paces of growth, over the same period.

However, among the main producers, the largest harvested areas were in China (54%) and India (18%), together accounting for 72% of harvested area in the world. The largest yield had China (26.7 tonne/ha), Egypt (23.6 tonne/ha), and the Republic of Korea (13.3 tonne/ha) in 2016.

China dominates global garlic exports

In 2016, the volume of global exports totalled 1,996K tonnes, dropping by 7% y-o-y. In general, the period from 2007 to 2016 was characterised by an upward export trend, although there were some noticeable fluctuations in certain years. After a deep fall in 2010 by 12%, the volume of exports bounced back the following year, only to plummet again in 2012. Afterwards, it recovered through 2013-2014, and then remained unchanged in 2015. In value terms it soared in 2016,

driven by price growth amid the curtailed supplies. The rise in prices for garlic began in 2015 and sharply accelerated in 2016. The volume of production in China declined due to the reduction of land under garlic cultivation on the background of unfavourable weather conditions.

China dominates both global garlic production and trade with a share of 77% of the total exports in physical terms. In 2016, China exported 1,531K tonnes, which accounted for 7% of its total garlic output. Besides China, the largest global suppliers in 2016 were Spain (178K tonnes) and Argentina (78K tonnes), all lagging far behind the leader. Spain (+14.6% per year) was the fastest growing supplier from 2007 to 2016, while exports from China expanded at an average annual rate of +0.7%, which resulted from a significant drop of exports in 2016.

Indonesia, Brazil, Malaysia and the US constitute major markets for imported fresh garlic

The volume of global imports totalled 1,821K tonnes in 2016. The imports trend pattern generally mirrored that of exports: these trade flows globally complement each other.

In 2016, Indonesia (444K tonnes), Brazil (173K tonnes), Malaysia (139K tonnes) and the U.S. (88K tonnes) constituted the leading destinations of garlic imports, together comprising 46% of global imports. Amongst the major importing countries Indonesia (+3.0% per year), Brazil (+3.0% per year) and Malaysia (+4.0% per year) gained the highest annual growth rates from 2007 to 2016. The shares of the countries in terms of the global fresh garlic imports remained relatively stable throughout the analysed period.

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