

Better Brazilian ginger expected for 2022

Detail Introduction :

Following a challenging 2021 season of Brazilian ginger, the quality of the product is expected to improve in the South American country.

"The supplies are better. It is steady, and the production is almost the same as last year. But the quality is looking much better. We worked a lot on training, providing information, and meeting all the mandates needed for fresh ginger planting, harvesting, post-harvesting, and selection destined for exportation," says Apanatche Bark of Pommer Fresh Foods.

Last year was a challenging year from a production perspective because of the weather and conditions in general, and efforts were made to improve the general handling of the product. "We were visiting with growers and partners, and they're all putting in extra care and effort to guarantee the quality for the season," adds Frederico Stuhr of Pommer.

Pommer Fresh Foods is three months away from opening a newly constructed, approximately 24,000 square foot facility to handle ginger. Pommer ships ginger from Brazil almost year-round, though, in the low season it switches to shipping young ginger by air.

Along with shipping from Brazil by air right now, other shipping regions include Peru, which has expanded in the season and is also shipping old crops. "Other countries such as Costa Rica, Honduras, and Nicaragua are offering lower prices and inferior quality," says Bark. "China is already shipping the new crop, though there have been quality issues at the beginning. It seems like the overall cost for Chinese ginger will be lower for this season compared to the pandemic seasons."

He adds that the first containers of Brazilian new crop ginger are expected to arrive in mid-June. The FOB cost is higher than last season because of production, logistics, and currency exchange costs.

As for demand, it remains stable for ginger. "Our demand should be good for this year. Our initial forecast for programs is slightly bigger than last year given the quality issues are solved," says Stuhr, who notes that ginger sales continue to grow. Part of that is attributed to the pandemic, which brought healthy products such as ginger to the forefront of consumers' minds and brought new ways to consume ginger, such as through ginger shots, juices, foods, and more. "Even with the higher costs for this season, we still think that we can move a reasonable amount of Brazil ginger and that the customers will be happy with what they will get."

Challenging logistics

That said, shipping will be a challenge this season. "The boating season will be complicated because shipping lines are not giving steady contracts anymore, the rates are up by five times compared to before the pandemic and more," says Stuhr. "Air shipments are three times more than before the pandemic. Air freight affects how much we can move. We move less product than we should because of the cost. But we still

it, and there are still people who work with us year-round, whatever the price is--they keep buying." As for pricing, Stuhr predicts it looks to be reasonable this season. "It's not going to be crazy prices because we have enough volume. The biggest challenge will be the logistics to move all of it," he says. "But in general, we have a good feeling about the season."