

Prices fall by 48% due to the increase in the Peruvian supply of ginger

Detail Introduction :

With an estimated 25-30% market share in Germany, ginger from Peru seems to be gaining ground, says Neira, co-founder of Inkawald, a family business based in Peru. The company has been on the market for 15 years and specializes in three organic products: ginger, turmeric, and avocados. "We are producers, processors, and exporters at the same time, and we place a lot of emphasis on having an ecological and sustainable production. Our products are certified by GlobalG.A.P. and Grasp, among others," Neira informs us. In the middle of the jungle of Peru, near the coast, is the main production center of Inkawald. Recently, the company has been able to access another area in Malaga.

Inkawald can market ginger from June to March. "Peruvian ginger shipments totaled about 15,000 tons in the first quarter of 2022, at the cost of 19 million dollars. Compared to last year, exports showed an increase of 54% in volume and a decrease of 20% in price. The increase in Peruvian supply, together with the reactivation of Chinese exports (the main supplier in the world with more than 50% participation), caused a 48% drop in prices to 1.28 dollars per kilogram," Neira points out.

Increase in demand and prices

"Compared to Spain and Italy, the consumption of organic products in Germany is much higher. Due to the pandemic, the consumption of ginger has also increased, as health aspects play an important role. In the last few years, the demand was, indeed, greater than the supply", he explains. "Currently, ginger exports continue to decline. The value of Peruvian ginger also continues to fall, although larger volumes of this tuber are being shipped. Although Peruvian ginger is of better quality than that from other countries such as China and India, it has not behaved as expected in the first quarter of the year," admits Neira.

"During the pandemic, ginger consumption increased, but given the current situation in Europe, with rising fuel and energy prices, and the cost of living in general, consumers are switching to conventional products to avoid paying the highest price for organic products, as prices have dropped significantly, especially for avocado and ginger.

At the same time, producers receive less and less money for their products. "If consumers are not willing to pay more, producers will have to bear the costs," adds Neira. Some growers didn't even harvest their crops this year, he says, because it would have cost much more to harvest than they could have made selling. "We have 15 hectares of land on which we grow ginger. We buy other products from growers who are small families, including members who grow ginger themselves on three or five hectares. These are the Asl

indigenous people of Peru. Before the Spanish colonization, they owned the land. They grow a lot of ginger, turmeric, pineapples, tangerines, and oranges. They also received the corresponding training to convert their crops to biodynamic and sustainable agriculture."