

# Update

August 2014

Beacon Commodities



We have recently returned from a week travelling throughout the major Coriander growing regions of Bulgaria, including Yambol, Bourgas and Dulovo. The report below provides an insight into the expectations for the Bulgarian Harvest for 2014 as well as updates on World harvests and demand.



Combine unloading seed into a waiting trailer

## World demand

World demand remains significantly high due to the shortages in the global production of Coriander throughout 2013 and the late arrival of the monsoon rains in India. This may lead to a limited supply across Asia and the price is currently sitting around \$2,000 per tonne. At this level, the countries within the Far East are looking to purchase European Coriander and blend with their own crop, therefore keeping prices across Europe high. As a result, there is likely to be no significant drop in prices from last year's record highs. This situation needs to be monitored as reports of the 2014 harvest come in.

## Coriander as a crop

In Bulgaria, 80% of the crop is spring sown, and it is used in traditional crop rotations with wheat, maize, sunflowers, rape and barley. Average yields tend to be around 1 tonne per hectare but can reach 1.5 tonnes per hectare in a good year.

Once harvested, using combines, the remainder of the plant is mulched to be incorporated back into the plough with the seed sent for cleaning. The Coriander is harvested when the moisture content is correct with a decent weather window. Farmers will ensure the whole crop is harvested before moving onto other crops so as to prevent the unnecessary cleaning of machinery. Combine harvesters load the Coriander into waiting trailers and these are either transported to store or direct to 'cleaning houses'. Cleaning is an absolute necessity as the crop includes dust, stems and from time-to-time foreign seeds. This usually results in a 30% loss but ensures clean and consistent quality. Caution is needed during the cleaning process in order to remove splits but not create any more, which can be the case, if they are overworked or too dry to start with.



Combine harvesting a Coriander field

## Bulgaria harvest

At the time of our visit, approximately 40% of the Bulgarian crop had been harvested and unfortunately the harvest and crop had been severely affected by continuous rains throughout the whole of Bulgaria over the past 20 days. We experienced these heavy downpours, which not only turns the seeds a darker shade of brown and increases the moisture content but also knocks seeds off the plant to the ground and therefore reduces yields. Average yield expectations for Bulgaria placed the annual crop at 40,000 tonnes of un-cleaned Coriander. Once cleaned, 30% is lost, meaning an annual production of 28,000 - 30,000 tonnes. Discussions with Farmers highlighted that year on year, the number of hectares put aside for the growing of Coriander were reducing, but with recent price rises, they are expecting this trend to change.

The extremely poor harvest in 2013 meant that only 10,500 tonnes of cleaned Coriander were harvested within Bulgaria and projections for 2014 are for around 20,000 tonnes of cleaned Coriander.

The rains are unlikely to affect the quality of the crop as long as the seeds are treated with caution and the correct processes after harvest are undertaken but the colour of the seed may come as a surprise.



## Russian and Ukrainian harvest

The Russian harvest takes place usually 7 days after the Bulgarian and expectations so far are for a good yield with good quality expected throughout.

The continuing uncertainties in the current conflict in the east of Ukraine and the close scrutiny of merchant vessels coming in and out of Sevastopol have created doubts in the export market from Crimea, which totals approximately 5,000 tonnes. The risks associated with these Lots will be significant but there are other growing regions within the Ukraine that to date are not being affected and we have suppliers ready to meet our demands.