

The Main Ingredient

MALABAR

A Bi-Monthly Newsletter from Malabar Super Spice Co. Ltd. Sept/Oct 2016

CHECK OUT OUR WEBSITE!

MALABAR's full catalogue is available online.

malabarsuperspice.com

Upcoming Events

October 17 – 18, 2016
Grocery Innovations Canada Premier Grocery and Specialty Food Show
Toronto Congress Centre
<https://cfig.ca>

October 21 – 23, 2016
Ontario Independent Meat Processors Association presents "The Meating Place 2016"
Deerhurst Resort, Huntsville, ON
www.oimp.ca

November 4 – 13, 2016
Royal Agricultural Winter Fair
Exhibition Place, Toronto, ON
<http://www.royalfair.org>

November 17 – 20, 2016
Gourmet Food & Wine Expo
Metro Toronto Convention Centre
www.foodandwineexpo.ca

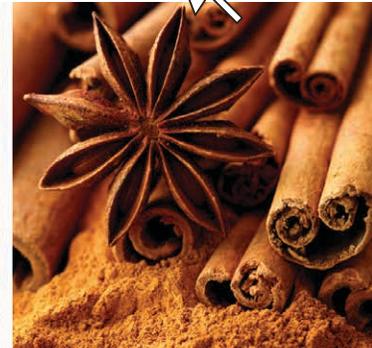
In The News

"Meat Masterclass"

Sales of fresh lamb are climbing in the UK prompting JJ Food Services to launch a social media web series "Meat Masterclass" showcasing traditional butchery skills with a focus on lamb. The series contains nine videos on how to bone, trim, roll and tie neck fillets, shanks, chops, shoulder, leg and hind from a whole lamb carcass.



<https://www.youtube.com/playlist?list=P LxxpTLLoXDjv43ajjAalLAgkYh7kbjsyn>



Spices have always played an important role in our world. As food, they're an essential part of a healthy existence. A form of currency throughout history, spices are appreciating in value once again, with spice markets expected to grow 8% over the next five years.

We've all noticed a significant increase in the price of spices over the last few years. There are actually numerous factors contributing to the upward trend, including inclement weather such as droughts and monsoons, a growing middle class worldwide adding more demand with new-found buying power, and the strength of U.S. and Euro currencies relative to our own.

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Spice: A Brief History

From the beginning of history, the strongest nations have controlled the spice trade and that's still true. The United States is currently the world's major spice buyer, followed by Germany, Japan and France.

Asia grows most of the spices that once ruled the spice trade, including cinnamon, pepper, nutmeg, cloves and ginger. However, more spices are now being cultivated in the Western Hemisphere along with a wide variety of herbs and aromatic seeds. Pepper is now grown in Brazil, nutmeg in Granada, ginger in Jamaica and sesame seed in the U.S., Nicaragua and El Salvador.

Spice use as food dates back to 3,000 BC, with the first evidence coming from the art work and writings of early civilizations. Hieroglyphs in the Great Pyramid at Giza show workers eating garlic and onions to increase their

physical strength. An extensive spice trade route formed along the Silk Road, stretching across the deserts of southern Asia and the Middle East.

Pepper, along with saffron, ginger and nutmeg, was commonly used as currency. During the middle ages, Eastern Europeans paid 10 pounds of pepper to gain access to trade with merchants in London. Throughout the rest of Europe, peppercorns were accepted as a substitute for money. Often counted one by one, they would be accepted as currency to pay taxes, tolls and rent. As a result, many European towns kept their accounts in pepper.

For more information on the fascinating history of spice, visit <http://www.mccormickscienceinstitute.com/resources/history-of-spices>

What is in your Spices?

The shadow market of adulterants

An adulterant is a substance added to a food item to increase its quantity — in food processing, it's typically some kind of filler.

Lower supplies and increased prices in the spice market can put increased pressure on producers to provide quality product at smaller margins. In an attempt to increase profit, a manufacturer

may use cheap filler that can be easily disguised in the spice, to increase the volume sold. This cuts the cost of the pure spice and increases the profit margin, allowing the producer to stay competitive. Here are some examples of potential adulterants:

	PURE SPICE	ADULTERANT(S)
	Cayenne Powder	Red oxide of lead and dangerous coloring
	Cumin Powder	Peanuts and almond shells
	Turmeric	Artificial colouring, corn flour (starch), lead chromite (used in paint), or metanil yellow
	Capsicums	Sudan red and related dyes, tomato skin kycopene
	Ground Black Pepper	Buckwheat, millet seed, papaya seed, pin heads
	Ground White Pepper	Buckwheat, millet seed
	Cinnamon	Coffee husks
	Nutmeg	Coffee husks
	Paprika	Ground annatto seeds

Making an example of Oregan-oh!

Over 50% of Turkish Oregano exports are not pure, but rather a blend of oregano with olive leaves, myrtle leaves, extracted Oregano, and other green leaves. With increasing reports of adulterated Oregano, the world is clamouring for the pure version!

Our Commitment to Our Customers

Within our BRC program we are dedicated to both premium quality and food safety for all of our spices and ingredients.



Understanding Today's Spice Market

With the global spice market continuously changing, there is a growing need for consumers and businesses to understand the reasons behind these fluctuations and the conditions that exist. Here's a look at factors affecting the current prices of several popular spices.

BLACK / WHITE PEPPER

- Prices have not declined and are not expected to do so.
- Lower production in India due to monsoons and dry conditions.
- Vietnamese farmers are not willing to sell their crop inventory as they wait for a chance at higher revenues in the future.

GARLIC

- Chinese garlic prices have risen to record highs and will likely remain there for the immediate future.
- China is well into this year's harvest and pricing has tripled compared to last season.
- Fresh garlic is commanding higher prices, creating greater appeal for farmers than the prospect of selling to dehydrators to process for dried spices.
- The Chinese government has introduced stricter environmental regulations that require significant investments of money and equipment that many dehydrators cannot afford.
- U.S. grown garlic will not be available until the fourth quarter of 2016, resulting in a tight global supply.
- It is possible that the output of garlic flakes this year will be the lowest in history and will be unable to meet global demand.

RED PEPPER (CHILI)

- Crop shortfalls in India are expected to result in lower yields and disease.
- Prices have increased 20 – 25% since 2015, but are now holding steady.
- More sowing is expected in India for the 2017 crop, which could result in a price drop. However, that crop is still 7 – 8 months away.

ALLSPICE (PIMENTO)

- Market is steady in Mexico, but higher in Central America due to the sustained drought.
- Central American allspice typically yields more volatile oil and as a result is the preferred crop.

ANISE SEED

- Turkey remains the primary source.
- As in previous years, Turkey's Raki liquor distillers are expected to consume most of the crop.
- Whole and cracked anise seed command premium prices over ground anise seed due to USDA import restrictions that dictate many lots must be ground.

CASSIA (CINNAMON)

- Long term global supply of cassia remains a concern.
- Cocoa, coffee, rubber and palm trees are more profitable than cassia because they take fewer years to grow and produce a yearly crop.
- Labour availability to harvest and process cassia is also becoming scarce due to demand elsewhere.

CELERY SEED

- Prices have spiked upward by 40% in India, the world's only source.
- Wheat is often subsidized as a cash crop by the Indian government, while celery seed is not.
- Wheat and celery seed compete for the same acreage, making celery seed less attractive since it is not subsidized.

CLOVES

- Prices are steady as harvest time has begun in Comoros (Sept. – Dec.)
- Indonesia is the largest producer and consumer of cloves and the bulk of the crop is used for making Kretek Clove cigarettes.

DILL SEED

- Prices have dramatically jumped, rising 45% in recent months.
- Most of this Indian crop is exported and sellers indicate supply is short.
- Concerns over noxious seed in the U.S. have required many dill seed lots to be ground, causing whole seed to carry a premium.

GINGER

- African and Indian ginger are priced similarly.
- Chinese ginger prices are much higher. In China, ginger goes to the fresh market or for pickling for sushi, both of which command higher prices.
- Dried ginger is the least desirable option due to its lower price.

As you can see, many factors contribute to the market price of a spice, making market knowledge and understanding crucial for food processors.



INDUSTRY UPDATE

DON'T MISS IT!

The CFIA Posted an Update on Food Labelling

<http://inspection.gc.ca/food/labelling/food-labelling-for-industry/method-of-production-claims/eng/1389379565794/1389380926083?chap=7>

Did You Know?

After 4,000 years, this golden yellow spice is front page news! Turmeric, derived from the root of the *Curcuma longa* plant and a member of the ginger family, is one of 2016's "superfoods" and Google's "top trending functional food." Its health benefits perfectly align with current wellness trends. Although the jury is still out, certain studies support the anti-inflammatory and anti-cancer properties of curcumin, turmeric's active ingredient. To learn more about this spice that grows wild in forests of South and Southeast Asia, visit:

<http://www.macleans.ca/society/everyones-tuning-in-to-turmeric/>



Goin' Hog Wild!

A shortage in Chinese pork going to market has caused the price to skyrocket from 17.35 yuan/kg to 25.67 yuan/kg (Approximately \$5.00 CAD).

For more information please visit:

<http://www.malabarspices.com/blog/malabar-blog-20160904.htm>



OUR PRESIDENT'S Message

Now that summer has come to an end and the local growing season is winding down, we can begin to switch into Fall mode and enjoy the last of the harvest for the year. This summer was particularly warm here in Ontario, with multiple days above 30°C and major droughts recorded throughout the province.

Despite our technological advances in food production, weather is still a major factor when it comes to market supply. With the latest reports on weather conditions from around the world and pricing increases for many foods, it is safe to say that we are now seeing measurable evidence of climate change impact on food production! How will this change the way we grow, purchase and eat food going forward?

There will always be a need for continuous discussion and improvements to our global food supply. With 1–3 billion more mouths to feed by 2050, we will need to factor in climate change to this equation. What are the positive effects that these changes will bring? Negatives?

What is clear is that for the immediate future, we are in for a bumpy ride!

Doris Valade
President
Malabar Super Spice Co. Ltd.



Look for our next edition in Nov/Dec 2016.

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For more information on any of the subjects covered in Malabar's newsletter, or to suggest topics you'd like to see covered in future editions, please contact Paul Stefankiewicz at marketing@malabarspices.com.

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Malabar is certified to provide Halal products, and is proud to be BRC Certified.