

Market Stabilization Plan for Garlic Produced in 2013

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The Ministry of Agriculture, Food and Rural Affairs (MAFRA) announced a demand-supply stabilization plan for garlic produced in 2013 with the review of Garlic Demand-Supply Monitoring Meeting and Agricultural Product Demand and Supply Control Committee on July 31, 2013. It is mainly for implementing demand-supply stabilization of garlic coping with the continuous decrease in garlic prices resulting from a large production increase in 2013.

Garlic production in 2013 is 412,000 tons which is a great increase compared to that of last year, resulting from good harvest conditions and an increase in cultivation area. Cultivation area of garlic in 2013 is 29,352 ha which is an increase of 3.8% from last year's planted area of 28,278 ha. Unit production level in 2013 is 1,405kg/10a which is an increase of 17.2% from last year's unit production of 1,199kg/10a. Thus garlic production in 2013 increased by 21.5% from last year's production of 339,000 tons.

The producer, wholesale, and retail prices of garlic have been decreasing since June because the potential garlic supply in 2013 is expected to be 86,000 tons higher than the demand of normal years. The garlic price in the main production area (Changnyeong) is in the range of Korea won 1,600~1,800 per kg at the mid-July. It is about half price of the same period of the previous year

To solve the issue of garlic over supply in market, MAFRA will expand government purchases that were implemented in June in order to stabilize the demand and supply and price of garlic produced in 2013 from 9,200 tons to 15,000 tons. It will also isolate 49,000 tons of garlic from the market. It is amount of 57% in total oversupply of 86,000 tons. And the government is going to promote garlic consumption for the remaining 37,000 tons. To increase the consumption of garlic, the government is scheduled to make a promotional events and TV advertisement with check-off fund programs and special sales marketing for expanding of consumption. The 49,000 tons of market isolated garlic with government purchase will not be released to the market by the end of the year. The period for release to the market will be determined with the deliberation of the Agricultural Product Demand and Supply Control Committee after 2014, after considering a market price and harvest time.

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