

OVERVIEW OF DEHYDRATED ONIONS



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Brief Overview on the Importation of Dehydrated Onions

Dehydrated onions are defined as onions that have been dried and consist of no more than 5.5% water (Law Insider, 2013). The primary purposes for dehydrating onions are to extend the shelf life and to concentrate the flavour of the commodity. It is to be noted that onions are usually dehydrated in order to manufacture granulated onions or onion powder. According to the Canadian Government’s publication on Food Quality Specification, “onion powder is considered to be powdered dehydrated onion, which may include an anti-caking agent.” However, granulated onion is defined as onion that has been dehydrated and finely ground. Although granulated and powdered onions are made from dehydrated onion, onion powder is grounded to a finer texture. Both items are used as a savoury ingredient in dishes and pastries.

Table 1

Jamaica’s Trade Import Data on Dehydrated Onions (Granulated, Shredded and Powdered Onion) for the Period 2018-2021

Year	Quantity (Kg)	J\$CIF	US\$CIF
2018	128,590	50,692,698	396,270
2019	120,100	57,266,122	425,884
2020	166,604	61,849,826	440,744
2021	371,684	73,976,699	490,831
Average	196,745	60,946,336	438,432

Source: STATIN

Table 2

Unit Cost Per Kilogram for the Period 2018-2021

Year	J\$CIF	US\$CIF
2018	394.22	3.08
2019	476.82	3.55
2020	371.24	2.65
2021	199.03	1.32

Source: STATIN

Table 1 above displays the import data for dehydrated onions. During the period 2018-2021, Jamaica imported a total of 786,977 kgs of dehydrated onions valued at 1,753,729 USD. In 2021, the country reported the highest volume of importation for the commodity: a total of 371,684 kgs valued at 490,831 USD was imported in that year. This accounts for an increase of 123% over 2020 and represents a forty-eight percent (48%) of the cumulative import for the period 2018-2021. It is to be noted that, the unit cost for dehydrated onions decreased by

approximately 57% in 2021 when compared to 2018. Of the three categories of dehydrated onions imported into the island during 2018-2021, onions shredded or powdered but not further prepared accounts for eighty five percent (85%), onions artificially dried accounted for ten percent (10%) while onions that were naturally dried accounted for five percent (5%).

Table 3

Jamaica's Major Trade Partners of Imported Dehydrated Onions

	2018	2019	2020	2021	Average
Canada	2%	2%	0.90%	1%	1.21%
China	15%	26.0%	31.40%	17%	21.27%
United States of America	83%	72%	58.70%	80%	75.21%
Other	-	-	8.00%	2%	2.31%

Source: STATIN

During the period 2018-2021, the commodity was primarily imported from Canada, China, and the United States of America (USA). The USA accounted for 75.21% of quantities imported during the period under review.

Table 4

List of Known Companies that use Dehydrated Onions in Jamaica

Name of Manufacturers
Island Spice
Acme Spice
The Pickapeppa Co.
Spur Tree Spices
Home Choice
Bayz Jamaica
Walkerswood
Easispice
Peppa tree
King Pepper Products Ltd
Tijule Company Limited
Grace Food Processors
Tastee
Juici Beef Ltd
Rainforest
Gray's Pepper
Margaritaville
Mega Spice
Betapac Ltd
Exotic Products

Source: Agricultural Services Unit

Table 4 consists of 20 entities that uses dehydrated onions in their operations either as a raw material or as a finished product.

Dehydrated Onions (Granulated/Powdered/Dried)- Breakdown of Taxes/Duties & Waivers

Table 5

Duties/Taxes that Applies to Dehydrated Onions in Jamaica

Duties/Taxes on Imports	Charges (%)
General Consumption Tax (GCT)	15%
Standard Compliance Fees (SCF)	0.3%
Environmental Levy (ENVL)	0.5%
Additional Stamp Duty (ASD)	80%

Source: Jamaica Customs Agency (JCA)

Dehydrated Onions is used as both a raw material and as a finished product in Jamaica. As reported by the Jamaica Customs Agency (JCA), powdered onions and granulated onions attract a general consumption tax (GCT) of fifteen percent (15%). There is also a Standard Compliance Fee (SCF) of zero-point three percent (0.3%) and an Environmental Levy (ENVL) of zero-point five percent (0.5%) on the cost, insurance, freight (CIF) value on imports to Jamaica. However, companies that utilize granulated onions as a raw material may access an eighty percent (80%) Additional Stamp Duty (ASD) waiver through the Ministry of Agriculture and Fisheries.

Global Overview

According to Zion Market Research, the global dehydrated onions market size was valued at USD 1.12 billion in 2022 and is estimated to reach approximately USD 1.6 billion by 2030, with a compound annual growth rate of approximately 5.1% during the forecast period 2023 to 2030. Additionally, in 2021, the major importers of dehydrated onions were Germany (59.5M), United States (42.8M), United Kingdom (30.7M), Japan (27.7M) and the Netherlands (27.2M).

Tarif codes covered in this overview:

1. **0712200010** - Onions shredded or powdered but not further prepared
2. **0712200020** - Onions naturally dried
3. **0712200030** - Onions artificially dried

References

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