



Ginger prices skyrocket to record highs amid worldwide shortage

[ABC Rural](#)

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Posted Sunday 7 February 2021

The COVID-19 pandemic has resulted in a global ginger shortage and record prices as demand outstrips supply after hot and dry conditions last year resulted in small yields from Australian paddocks.

The price of fresh ginger has more than doubled compared to this time last year, with customers paying an average of \$55 a kilogram at major supermarkets.

Australian Ginger Growers Association president Shane Templeton said demand for ginger had risen around the world because of COVID-19.

"I guess it comes down to the health benefits of ginger," he said.

On the ABC Rural Facebook page Danelle Bartels said she was treating fresh ginger "like gold" after paying a staggering \$71.99/kg in Victoria.



TAX INVOICE		\$
KIKKOMAN SCE SOY 600ML		6.79
BABY SPINACH	KG	1.89
CUCUMBER LEBANESE	PER KG	1.42
0.291kg NET @	\$4.89 /kg	
GINGER GREEN	KG	5.83
0.081kg NET @	\$71.99 /kg	
ONIONS SPRING	EA	1.99
CARROTS BAG	1KG	2.25
LETTUCE	EA	3.29
SUBTOTAL		23.46

Source: <https://www.abc.net.au/news/rural/2021-02-07/covid-19-ginger-shortage-drives-prices-to-record-highs/13124794>



QUESTIONS:

- Identify one demand and one supply factor impacting the ginger market at present.
- Use a demand and supply model, to demonstrate and explain the steep rise in ginger prices.
- It has been predicted that improved weather conditions may lead to a bumper harvest in the coming months. Use a demand and supply model to explain how price mechanism will operate in this situation.

Extension:

Explain how the rise in ginger prices may influence a farmer's decision regarding allocation of resources.



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Teacher Notes

Purpose

This 'bite' aims to show how price mechanism operates and changes in demand and supply affect market price and quantity.

Prior knowledge

This is an introductory component of Unit 1. Students should have knowledge about factors affecting demand and supply and the process of market clearing.



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