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SPICES MARKET OVERVIEW

JULY 2020

A monthly summary of the crop conditions and precipitation during the growing seasons of all the spices we offer from different parts of the world where they are at its best.

INDIA – WEATHER FORECAST

India Meteorological Department (IMD) announced that India received excess rainfall in June and have predicted good precipitation levels in July.

According to the IMD data, the overall rainfall in June was 118% of the Long Period Average (LPA), which is considered "excess" rainfall.

It was also the wettest June in the last 12 years, the weather department said.

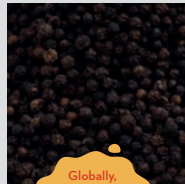
"The IMD has predicted 103% rainfall of the LPA for July".

They added that there are two cyclonic circulations, one near the Gujarat coast and other over east-central India, which will bring good rain over central and southern India in the first half of July.

BLACK PEPPER

Global Market Scenario

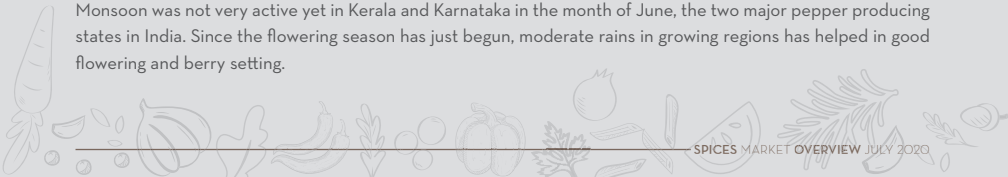
Globally, black pepper markets had shown a mixed response throughout the month. Sri Lankan and Indian markets remained at steady to lower trends in June. Only Indonesia reported a significant increase, around 11 - 12%, which could be due to the increased demand and strengthening of Indonesian Rupiah against US Dollar. Vietnam black and white pepper reported 4% and 7% decrease respectively towards end of June.



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INDIA

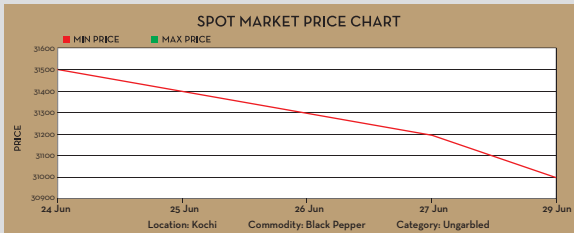
Monsoon was not very active yet in Kerala and Karnataka in the month of June, the two major pepper producing states in India. Since the flowering season has just begun, moderate rains in growing regions has helped in good flowering and berry setting.



Market trend:

Domestic Black pepper terminal markets in India like Cochin, Chikmangalore, Hassan etc. have shown a down trend throughout the month. At the start of the month, Black Pepper Ungarbled traded at Rs. 316 - 318 per Kg levels but towards end of the month, pepper prices dropped to Rs. 306 - 310/Kg levels due to less domestic demand. Pandemic issues have created less demand from North Indian states were less.

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Black Pepper Garbled was offered weak at Rs. 33200 per quintal while arrivals were reported good at terminal markets.

INDONESIA

Light pepper harvesting is going on in most of the pepper growing areas in Indonesia. New season light pepper and heavy pepper will be available from July second week onwards. Crop is estimated to be short by 10 - 15%, as per secondary reports.

Market trend:

In June 2020, Indonesia pepper prices have shown an upward trend in domestic as well as international markets. The increase in price was due to domestic demand and limited stocks. Indonesian Rupiah also appreciated around 3% against US Dollar (IDR 14,253 @ USD 1) which attributed price increase in the markets. Indonesia black and white pepper prices reported an increase in 11% and 8% respectively.



VIETNAM

The crop harvest is completely over and the next season is expected by end of December. The overall productivity of pepper is expected to be less because of the less interest shown by farmers this year in farming due to very low prices.

Market trend:

During the beginning of June, Vietnam black pepper reported an increase of 3% as compared to the May 2020 but both black and white pepper reported an 4% and 7% deficit respectively towards end of June.

SRI LANKA

Black pepper harvesting in Sri Lanka is going on and new crop arrivals have begun in the markets. Quality of light berries have seriously affected as harvesting was delayed due to pandemic issues. It is reported that there is drastic drop in piperine levels in light berries due to late harvest which has resulted in low piperine in the berries.

CAPSICUM

Chilli farmers are about to initiate the nursery preparation for new crop season, the nursery activities are expected to begin towards first/second week of July.

Market trend: Chilli markets activities are restricted and the current arrivals are mainly from cold storages. Chilli prices have remained at higher levels during the month due to export demand from Bangladesh, China and Malaysia are reported. Cold storages are almost filled with chillies and currently, exporters and domestic buyers are not aggressive in the market.



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Paprika

Paprika availability is limited in all the domestic markets. Current availability is from cold storages. Prices would likely to go up in the medium and long term.

Market trend: As of now, limited trade activities were reported from domestic markets. Increase in prices were marginal since demand was only from domestic buyers.

TURMERIC

Turmeric harvesting and post-harvest operations have completed. Farmers are expected to initiate cultivation process for next season in June in the states of Tamil Nadu and Telangana.

Market trend:

Prices for regular turmeric finger and bulb remained at lower levels during June. Due to good yield and stocks, prices are expected to be steady due to good availability and price pressure from other countries like Indonesia, Vietnam etc.

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Panangali & Kocha

Panangali and Kocha turmeric availability is almost nil as the harvest season is complete. Kocha and Panangali prices remained at higher levels due to lack of stocks and huge demand from oleoresin industry.

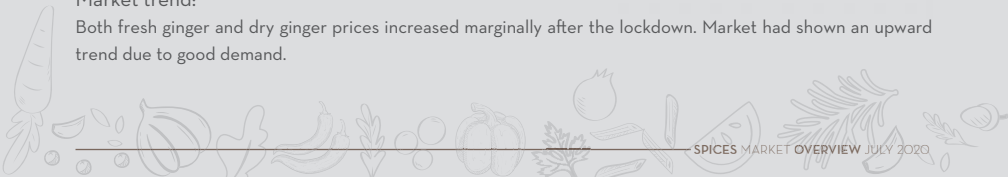
DRY GINGER

Farmers have initiated the farming activities like sowing for the next crop season. The area under cultivation is expected to increase as the farmers had received price for Ginger during the last season.



Market trend:


Both fresh ginger and dry ginger prices increased marginally after the lockdown. Market had shown an upward trend due to good demand.



CELERY

Celery harvesting in Punjab/Haryana is complete. As reported, crop was short by 30 - 40% crop this year. As per traders, Total celery production during the year was around 4000 - 4500 tons against an annual production of 6500 - 7000 tons. Farmers and traders have started holding on to their inventory anticipating an increase in the long run.

Good export demand and domestic requirements pushed celery seed prices to high levels. In June, exporters and oleoresin companies were aggressive for coverages. Celery seeds prices have shown 6 - 7% increase in June. Prices are expected to be firm in the long run.



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NUTMEG & MACE

Nutmeg season has started and harvesting is going on. Nutmeg crop in India is expected to be short by 40 - 45%, as reported earlier. Availability is limited for both nutmeg and mace.



The prices have gone up due to good demand from North India and less availability.

CASSIA

The Cassia prices are still holding high due to good demand and less availability in almost all origins.



PRICES FORECAST FOR SHORT AND MEDIUM TERM

SPICES RM	VARIETY	SHORT TERM	MEDIUM TERM
Black Pepper	Sri Lankan	Steady	Steady
	Indonesian	Steady	Steady
	Vietnam	Steady	Steady
Chilli	Teja Red	Steady	Steady
Turmeric	Panangali	Firm	Firm
Ginger	Shimoga	Firm	Steady

Disclaimer : Please note some of the information and images used have been taken from other sources.