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# SPICES MARKET OVERVIEW JUNE 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

Low pressure area has formed over the southeast and adjoining East Central Arabian Sea. It is expected to concentrate into depression by June 1st and by June 2nd it may further intensify into a cyclone Nisarga. This weather system is expected to move in a northerly direction along the West Coast of the country. Sea conditions are expected to become rough to very rough along with Karnataka, Maharashtra, and Gujarat coast in the coming days.

Fairly widespread rains and thunderstorms are likely over Kerala and Karnataka prior to monsoon and monsoon expected to reach Kerala, Karnataka by first week of June.

Fairly widespread rain and thunderstorms are possible over Andhra Pradesh and Telangana in this period. Northern states of India like Rajasthan, Delhi, MP etc. would reel under high heat waves during early June.

## BLACK PEPPER

### Global Market Scenario

Black pepper markets across the globe have shown a mixed response as business was limited due to pandemic and Eid holidays. Pepper markets in India and Sri Lanka had shown a slight decrease in prices while Origins like Indonesia and Vietnam reported an increase in price during the month.

Black pepper harvesting in Sri Lanka has started, late by 15 – 20 days due to Covid restrictions. Indonesian Black pepper crop is reported to be short by 5 – 10% and harvesting is expected during July/August. Pepper prices globally are expected to remain bearish in the year 2020 due to enough carry forward stocks and less demand.



“PEPPER PRICES GLOBALLY ARE EXPECTED TO REMAIN BEARISH IN THE YEAR 2020 DUE TO ENOUGH CARRY FORWARD STOCKS AND LESS DEMAND.”

### INDIA

Malabar black pepper availability was good at Cochin market during May 2020. Covid 19 impact seems to have affected domestic trade and movement of spices and other commodities. Black pepper prices decreased slightly by 3-4% during the period at Cochin market.

### Market trend:

Prices are expected to stay at steady levels as new crop arrivals have started from Sri Lanka.

### INDONESIA

Light berry harvesting in Indonesia have started and arrivals are expected by end of by mid -July. As per the latest reports from secondary sources, black pepper crop is almost short by 10 % from the new season.

### Market trend:

Black pepper and white pepper prices in Indonesia have shown 1 – 2% increase in domestic market due to currency fluctuation against US Dollar. Prices are expected to be steady in the medium run due to arrivals from new crop and less export demand.

### VIETNAM

Pepper harvest and drying process is almost over. This year yield from pepper crop is expected to be less as most of the farmers have not taken good care of their farms due to lesser returns.

Market trend:

Due to off season and demand from China and currency fluctuation, Vietnam black pepper prices have shown an increase in price. Prices are likely to be steady in the medium run when arrivals start from Indonesia and Brazil.

## SRI LANKA

Black pepper harvesting in Sri Lanka have started. Currently, harvesting is going on for light berries. It is reported that light berries harvesting was delayed due to the pandemic. Since the harvesting was delayed, berries got matured and piperine levels in light berries are less comparatively than the previous season.

Market trend:

Sri Lanka black pepper prices shown a steady trend during the month due to new crop arrivals and less export demand

## CAPSICUM

Chilli crop harvest is almost complete in the main producing states like Andhra Pradesh, Telangana, Karnataka etc.

“CHILLI CROP HARVEST IS ALMOST COMPLETE IN THE MAIN PRODUCING STATES LIKE ANDHRA PRADESH, TELANGANA, KARNATAKA ETC.”

Currently, the last phase of harvest and removal of dried chilli plants from farms are underway prior to land preparation for the next season crop. The next season seed sowing would likely to commence from



July onwards, immediately after the first monsoon rains. 2020 chilli crop was slightly better than compared to 2019 crop in terms of yield per acre and production volume. The capsaicin and colour in chillies are showing downward trend over the last few years and it was very visible this year. Chilli prices also increased significantly this year

Market trend:

Main chilli markets in Guntur, Khammam and Warangal have opened after almost two months lockdown. The prices are still high even for poor quality chillies currently. There is good stock of chillies at cold storages and the prices offered are higher to the current market levels.. All oleoresin companies are aggressively covering as this is the fag end of the season

“THE CAPSAICIN AND COLOUR IN CHILLIES ARE SHOWING DOWNWARD TREND OVER THE LAST FEW YEARS AND IT WAS VERY VISIBLE THIS YEAR. CHILLI PRICES ALSO INCREASED SIGNIFICANTLY THIS YEAR”

“PAPRIKA PRICES WERE STEADY DURING LAST MONTH AND WOULD LIKELY TO INCREASE DURING AUGUST - NOV DUE TO GOOD DEMAND DURING FESTIVAL SEASON”

### Paprika

Currently, domestic paprika availability is from cold storages. The domestic sales are limited mainly because of transportation issues due to pandemic. Cold storage stocks are limited as of now and traders are anticipating good prices towards festival season during Oct - Dec.

Market trend

Limited trade is happening at Byadgi market due to less demand from North India buyers. Paprika prices were steady during last month and would likely to increase during August - Nov due to good demand during festival season.

## TURMERIC

Turmeric harvesting is complete in all the major turmeric growing states of India. Good arrivals are reported from Erode, Salem, Sangli, Cuddapah, Duggirala markets. The availability of quality finger and bulb variety turmeric is good. Current year production estimate is around 4.75 - 5.00 lakh tons.

Market trend:

Regular turmeric finger and bulb prices in India declined further during last month due to heavy arrivals and are expected to remain steady as arrivals are good and export demand is less. Prices are expected to be steady this year if the export demand and domestic trade is less.



### Panangali & Kocha

Panangali and Kocha turmeric which are basically the dried mother rhizomes or dried seed material collected from farms after turmeric harvesting. The Maximum yield of Kocha and Panangali per acre is around 100 - 120 Kgs. The oleoresin industry uses these for extraction as it contains high curcumin content. Total production of Sangli Kocha is around 900 - 1000 tons, while Panangali turmeric availability would be around 1100 - 1200 tons only.

Panangali turmeric availability is limited since it is the end of the season. Kocha and Panangali prices remained at steady levels during April but due to huge demand and non-availability, prices have firmed

## DRY GINGER



Ginger harvesting in India is complete and dry ginger availability is good. As per the latest reports, farmers and traders are keeping sizeable stocks with them due to less demand from domestic traders and exports as well.

“GINGER HARVESTING IN INDIA IS COMPLETE AND DRY GINGER AVAILABILITY IS GOOD”

Market trend:

Pandemic has badly affected ginger business as well. Market had shown a selling pressure towards second half of May and prices declined further.

“MARKET HAD SHOWN A SELLING PRESSURE TOWARDS SECOND HALF OF MAY AND PRICES DECLINED FURTHER”

## CELERY

Celery harvesting in Punjab/Haryana are progressing very slowly due to the current pandemic issues. Crop is reported to be short and arrivals are less as farmers and traders are holding their stocks anticipating increase in price in the medium and long term.

“PRICES ARE  
LIKELY TO MOVE UP  
SINCE AVAILABILITY  
IS EXPECTED  
TO BE LESS”

Celery seeds prices have shown a slight firm trend due to coverages from oleoresin industry. Prices are likely to move up since availability is expected to be less.



## NUTMEG & MACE

Nutmeg harvesting has started in India, mainly in the states of Kerala, Karnataka and certain parts of Tamil Nadu and Andaman – Nicobar Islands. Kerala ranks first in production with 90% of the total volume. Average production in Kerala

is around 13000 – 14000 tons dried seeds annually.

The total mace production in India is estimated to be around 650 – 700 tons.

The arrivals from new crop and less demand from North Indian buyers have put more pressure on the price downwards. Prices are expected to further slide down as the season progresses.

“PRICES ARE  
EXPECTED TO  
FURTHER SLIDE  
DOWN AS THE  
SEASON  
PROGRESSES”



## CASSIA

The prices are still at higher levels and high VOC materials availability is very less.



## PRICES FORECAST FOR SHORT AND MEDIUM TERM

Spices RM	Variety	Short term	Medium term
Black Pepper	Sri Lankan	Steady	Steady
Black Pepper	Indonesian	Steady	Steady
Black Pepper	Vietnam	Steady	Steady
Chilly	Teja Red	High	Steady
Turmeric	Erode Panangali	Steady	Firm
Ginger	Shimoga	Steady	Steady

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