

SPICES MARKET OVERVIEW MAY 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

South West Monsoon Forecast for 2020

After recording the highest monsoon rainfall in the last 25 years during 2019, India is all set to witness a good monsoon season again this year.

In its first long-range forecast for Southwest Monsoon 2020, the India Meteorological Department (IMD) on Wednesday predicted normal rainfall over the country from June to September. Seasonal rainfall is likely to be 100% of the Long Period Average (LPA) with a model error of $\pm 5\%$, the IMD said.

The LPA refers to the average monsoon rainfall from 1961-2010, which is 88 cm (880.6 mm to be precise). Until 2019, the LPA stood at 887.5 mm considering the average from 1951-2000. Monsoon rainfall between 96 and 104 % is considered as the normal monsoon. The current forecast of 100 % means a total of around 88 cm rainfall is likely during the monsoon months from June to September.

“THE CURRENT FORECAST OF 100 % MEANS A TOTAL OF AROUND 88 CM RAINFALL”

BLACK PEPPER



Global Market Scenario

Black pepper business was limited across the globe with a rather positive outlook on prices amidst Covid 19 issues. Sri Lanka, Indonesia and Vietnam reported 1 - 2% increase in domestic as well as in their export prices. India had shown a slight downward trend in prices during April 2020. Limited trade activities were reported in all the pepper market in the world because of the Covid 19 issues.

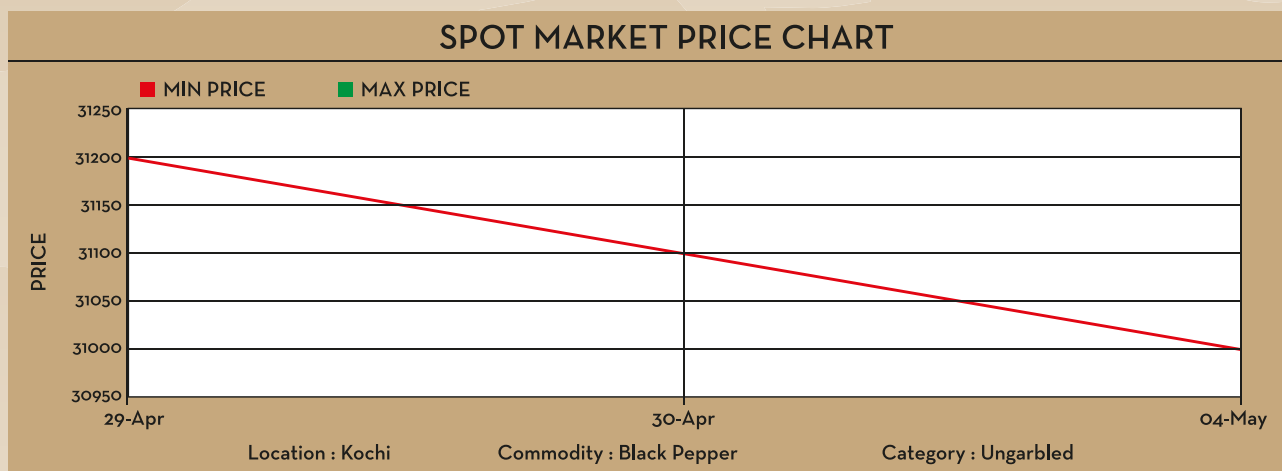
“SRI LANKA, INDONESIA AND VIETNAM REPORTED 1 - 2% INCREASE IN DOMESTIC AS WELL AS IN THEIR EXPORT PRICES. INDIA HAD SHOWN A SLIGHT DOWNWARD TREND IN PRICES DURING APRIL 2020”

INDIA

Black pepper trade in India had slowed down and all Terminal markets remained closed in April due to pandemic issues. Few pepper traders from Tamil Nadu were active and were buying from farm levels but large trade was restricted due to travel and transport restrictions during the period. Indian pepper prices had shown a 1 - 2% decrease during the month and domestic market prices were at Rs. 311 - 312/kg for 500 GL FAQ grade. Garbled black pepper was traded at Rs. 335/kg.

Market Trend

Indian black pepper market is expected to remain at lower levels since trading and export activities will be limited due to pandemic issues.



INDONESIA

Black pepper crop in Indonesia is reported to be less by 10 - 15%, as per the secondary sources. Pepper harvesting in Indonesia is expected to start in June/July 2020. pepper prices have shown a steady to slight increase during April.

Market Trend

Indonesia black and white pepper prices have shown a slight firm position due to less availability and currency fluctuation. Black pepper market is expected to show a steady to downward trend during June/July when new season pepper arrivals start.

Vietnam

VIETNAM

Market Trend

The pepper prices went slightly up in April due to preponement of shipment and short covering by few buyers due to fear of Covid 19 issues. Mainly Chinese buyers were in the market to cover during the month of April. Prices are expected to be steady in the medium term as not much trade is expected to happen.

SRI LANKA

The new black pepper crop in Sri Lanka is estimated to be a good one due to ideal weather conditions. Light pepper harvesting and green berries procurement has just begun and has been delayed due to pandemic issues and transport restrictions in Sri Lanka. The delay in harvest could have an impact on the quality of pepper as berries will mature fast and piperine levels can come down.

Market Trend

Sri Lanka black pepper prices remained at steady levels during April. The prices in May would depend on the availability and the quality of the black pepper produced during the period.

CAPSICUM



Chilli crop harvesting is almost complete in Andhra Pradesh and Telangana state excepting in few pockets where last harvest is going on. The whole Chilli agriculture operations including post-harvest and trade has been severely affected due to the pandemic issues. All the main Chilli markets namely Guntur, Khammam and Warangal markets have been closed during the month of April and are expected to open only after 17th May.

Market Trend

Government had permitted the farmers to keep their stocks in cold storages to keep the quality of their produce. Hence, currently all the cold storages are full. As per secondary reports, 15 - 20% stocks from third and last harvest are still lying with farmers. Few grinding and oleo manufacturers are procuring chillies directly from farmers.

“15 - 20% STOCKS FROM THIRD AND LAST HARVEST ARE STILL LYING WITH FARMERS”

Chilli prices are showing a downward trend as of now and are expected to decline further during June/July but the quality is expected to also come down as the produce will be from the third and last harvest.

PAPRIKA

Indian paprika harvesting is almost over and availability is limited even from cold storages. Current year crop was almost 40% less compared to last year.

Market Trend

Byadgi market was also closed in April due to pandemic issues. Paprika prices have firmed up further and availability was very less. Prices are expected to move further up during August - September, due to festival season and export demand.

“PRICES ARE EXPECTED TO MOVE FURTHER UP DURING AUGUST - SEPTEMBER, DUE TO FESTIVAL SEASON AND EXPORT DEMAND”

TURMERIC



Turmeric harvesting is almost complete in different growing regions of India, Post- harvest operations and local buying through aggregators are going on. Turmeric markets have shown a declining trend in prices due to less demand and arrivals.

Market Trend

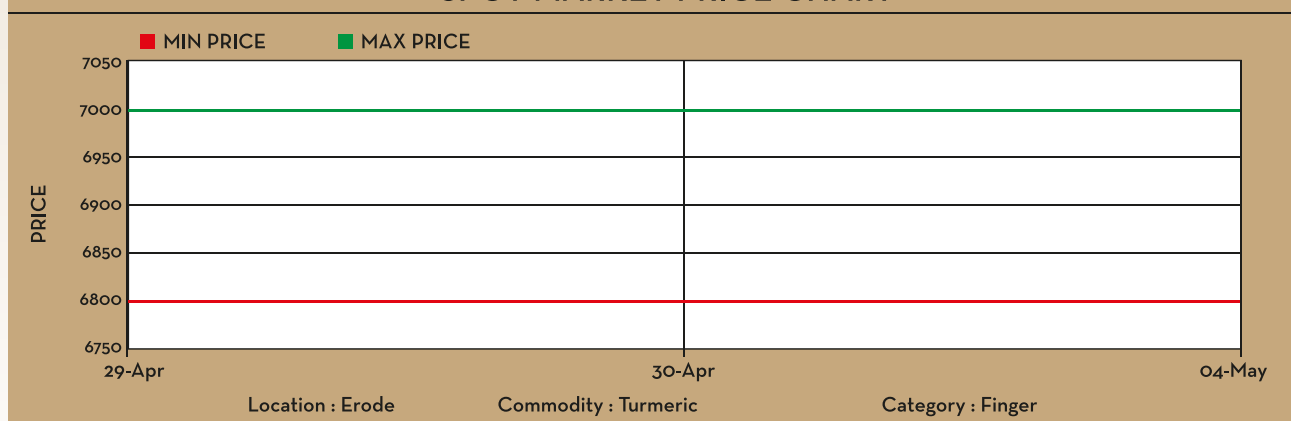
Regular turmeric finger and bulb prices in India are expected to remain steady as arrivals are good and export demand is less.

PANANGALI & KOCHA

Panangali turmeric prices remained at steady levels due to good availability.

Turmeric Kocha availability is limited at Sangli markets and prices have shown a slight upward trend.

SPOT MARKET PRICE CHART



DRY GINGER



Ginger harvesting in India is almost complete and post harvesting operations are going on. The availability of dry ginger is good and are available at farm levels.

Market Trend

Currently, even though domestic markets are not open, trade is happening at farm levels and through aggregators. Quality is also reported to be good

CELERY



Celery harvesting in Punjab are expected to start during first week of May. As reported celery crop is reported to be short by 30%. Average celery production in India is estimated to be around 6500 - 7000 tons. Celery crop arrivals into the market are expected during May and June.

It is expected to ease once the arrivals to start in full swing during May/June

NUTMEG & MACE



Nutmeg season is expected to start in India by first week of May. Peak nutmeg arrivals to the market are expected towards end of May/June.

Nutmeg prices in India has remained at steady levels during March. Mace price remained at higher levels. Prices is expected to come down during May /June when the new arrivals will begin to start.

“PEAK NUTMEG
ARRIVALS TO THE
MARKET ARE
EXPECTED TOWARDS
END OF MAY/JUNE”

CASSIA



Cassia availability remained at lower levels both in Indonesia and Vietnam. Due to huge demand and limited availability, prices increased at all Origins.

PRICES FORECAST FOR SHORT AND MEDIUM TERM

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

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