

SPICES MARKET OVERVIEW

NOVEMBER 2020

INDIA – WEATHER FORECAST

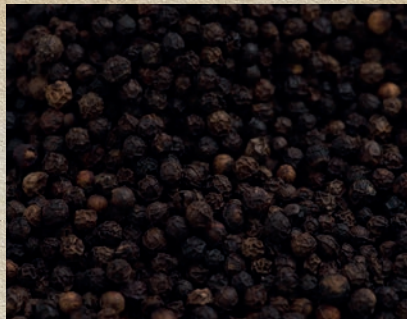
The least weather activity was recorded across most parts of the country covering North, Central and East India for the last few days. The pan India surplus of 13% rainfall till 24th October has come down to 9% now and may drop further. With this, the Southwest Monsoon has withdrawn completely from the country on 28th October 2020, bringing the curtains down on nearly 5 months of the prior season.

The north easterly winds have set in all along the East Coast, particularly over Coastal Andhra Pradesh and Tamil Nadu. Also, conditions are favourable for scattered rains over South Coastal Andhra Pradesh and Coastal Tamil Nadu. This marks the beginning of Northeast Monsoon 2020 which lasts till December. It spans over 5 sub-divisions namely; Tamil Nadu, Kerala, South Interior Karnataka, Rayalaseema, and Coastal Andhra Pradesh.

BLACK PEPPER

Global Market Scenario

Pepper harvesting in Indonesia is almost complete and arrivals of new crop to markets have increased. Sri Lanka is about to start the light pepper harvesting of Kandy crop, which would likely to commence from first week of November. Meanwhile, black pepper markets across the globe reported a gradual increase in prices. **In general, India, Indonesia, Vietnam and Sri Lanka recorded an increase in black pepper prices by 3% - 4%. Only Malaysia reported a minimal decrease in prices both for black**



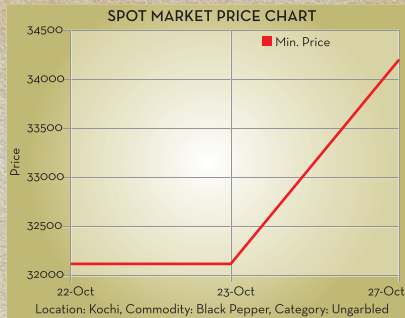
pepper and white pepper. Chinese white pepper had shown increase of 7% - 8% during October.

INDIA

Weather conditions are reported to be favourable for pepper plantations in Kerala and Karnataka, which are the major states in India that produce pepper. Moderate to intermittent rains and sunny weather have been favourable for the crop so far.

Market trend:

Black pepper prices in India have increased marginally during October. Due to the festival season, everyone expects the prices to improve further in November.



INDONESIA

Pepper harvesting in Indonesia is almost complete. Availability of new crop have improved the Indonesian markets. Crop is reported to be short by 15% and light berry availability is limited as of now.

Market trend:

Black pepper prices in Indonesia have increased marginally due to good export demand and holding of stocks by farmers and traders anticipating a price hike in future.



VIETNAM

2019 was not a good year for the pepper industry. As domestic prices and export prices dropped sharply due to excess supply. Since the return of pepper cultivation were not attractive, it is reported that there will be a yield reduction in 2020-2021. Continuing floods and cyclone in Vietnam would delay the new season pepper harvesting by 15 - 20 days.

The area of Daklak and Daknong which had almost large area under pepper cultivation, is expected to be less by 20% from these provinces. In Binh Phuoc province, farmers have shifted from pepper to other crops which may result in drop in pepper

production. In Gia Lai province, pepper plantation yields have reduced considerably since 2017 due to lack of addition of Agri inputs by the farmers and unfavourable weather conditions. Given the above reasons, farmers, traders and processors estimate that the total production for 2020-21 harvest, would drop by 10%-15% compared to last season. The Current estimate is approximately 250.000 tons -270.000 tons.

Market trend:

Vietnam black pepper markets have shown a steady upward trend during the month, due to good demand from China and USA.

SRI LANKA

Pepper harvesting of Kandy crop would likely to start during second week of November. Crop is reported to be better compared to last season and is expected to be of good quality material. Pandemic situation is continuing at different parts of the island and would affect the harvesting.

Market trend:

In international markets, Sri Lanka black pepper prices increased marginally during October.



CAPSICUM

Cyclone and incessant rains throughout Andhra Pradesh, Telangana and Karnataka have affected the kharif crops. Some of the Chilli farms are reported to have been affected by floods which in turn has affected 5% - 7% of the total crop and most of the affected farms were re-planted. However, we can expect a normal to slightly higher production during next season, since the cultivation area have increased by around 15% - 20%.

Market trend:

Export demand from neighbouring countries helped the chilli prices to stay at firm levels in India.



PAPRIKA

India

Indian paprika crop is reported to be good this year and harvesting would likely start towards first half of December. **Since carryover stocks are limited, prices would be high at the start of the season.**

Market trend

Abnormal speculation in chilli market continued during October and prices for all varieties of chillies increased further. **Paprika prices in India recorded high during the month and is expected to go further up during the festival season.**



TURMERIC

Turmeric crop is reported to be good this year since ground water availability and weather conditions have been favourable. Harvesting of turmeric would start in January - February in Maharashtra and Karnataka. The year 2020 - 2021 turmeric production is estimated to be around 4.60 - 4.80 Lakh tons.

Market trend:

Turmeric prices in major markets like Erode, Salem, Nizamabad etc. remained steady.



PANANGALI & KOCHA

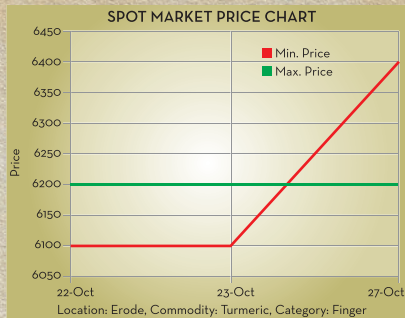
Turmeric availability from Panangali and Kocha reported to be nil from domestic markets.

Indonesia

Turmeric harvesting in Indonesia is going on and dry turmeric availability has increased.

Market trend

Indonesian turmeric prices had shown a steady to declining trend as import requirement from India was limited due to FSSAI regulations.



DRY GINGER

Ginger crop harvesting in India has started in many growing regions of Karnataka. Generally, peak crop harvesting is expected during the months of December – January.

Nigerian ginger crop in 2020 is also reported to be good and harvesting is likely to start in November second half.

Market trend:

Dry ginger prices have declined slightly at domestic markets due to reports of a good newcrops. Since the next crop is expected to be good, the prices are also expected to come down to normal levels depending on demand.



CELERY

Celery seed availability is good, hence prices remained steady like the previous month. Less export demand due to Covid helped the prices to remain at lower levels.



NUTMEG & MACE

Nutmeg and mace availability at domestic markets were limited hence prices remained at higher levels. Market is expected to firm up further due to festival season demand from North Indian buyers. Nutmeg and mace prices would further increase in medium run.



CASSIA

Cassia availability was limited at Indonesia.

Price trend

Cassia prices were firm during the month

Inference

Prices Forecast for Short and Medium Term:

PRICES FORECAST FOR SHORT AND MEDIUM TERM			
SPICES RM	VARIETY	SHORT TERM	MEDIUM TERM
	Black Pepper		
	Sri Lankan	Firm	Steady
	Indonesian	Steady	Steady
	Vietnam	Firm	Steady
Chilli	Teja Red	Firm	Steady
Turmeric	Erode, Panangali	Steady	Steady
Ginger	Shimoga	Steady	Steady

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