

SPICES

MARKET OVERVIEW

SEPTEMBER 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

Monsoon supported by the off-shore trough from Arabian sea has weakened during second week of August, clearing up the skies over parts of Kerala, coastal Karnataka and parts of Tamil Nadu. The low-pressure area that formed over North of Bay of Bengal has driven the monsoon into a vigorous phase and brought extremely heavy rain, over parts of East India.

Isolated rainfall would continue in North-Eastern parts of India for next 10 – 15 days and mostly sunny weather conditions to prevail in South and Central India.

BLACK PEPPER



Global Market Scenario

Global pepper prices are expected to be stable in the coming days though there are active pepper coverages by China and USA. Black pepper prices in India, Sri Lanka and Vietnam reported a marginal 2 - 3% increase in price while Indonesia and Brazil were stable during the month.



INDIA



Favourable weather conditions are reported from all pepper growing regions in India. The recent rains and flood had less impact on the pepper growing areas.

Market trend:

Pepper prices in India have shown a slight upward trend during the month. **Black pepper prices at terminal markets have shown an increase during the last 3 - 4 weeks.** The festival demand seems to be picking up as more buyers are in the market for buying. Malabar black pepper reported an increase of 1 - 2% compared to previous month.



INDONESIA



As per the latest reports from Indonesia, pepper harvesting in Bangka and Lampung is almost complete. In Sulawesi initial harvest has started and the main harvest is expected to take place in October-November. Overall production estimate is short by 15 - 20% as per field reports.

Market trend:

Indonesia black pepper was reported stable with a marginal change.

Indonesia white pepper reported firm with an increase of 3%. White pepper prices continued to be firm due to insufficient supply and huge demand. **White pepper availability is expected to increase during September - October.**



VIETNAM



Flowering has initiated in many pepper producing regions in Vietnam. As per the reports, weather condition is favourable for a good crop during next season. It is too early to predict the crop for next year and the next two months are critical for the berry bearing in the vines.

Market trend:

Domestic pepper prices in **Vietnam have shown a very marginal increase during the month** as farmers hold their stocks. Vietnam bold white pepper was reported stable.



SRI LANKA

Black pepper harvesting in Sri Lanka is almost complete and the estimated production is around 18000 – 19000 tons. The estimated Kandy crop would be around 2500 – 3000 tons, so both put together the total production estimate would be around 21000 – 22000 tons for this year. Production volume is expected to be more this year compared to last year excepting in few pepper growing regions like Rathnapura, Badulla, Haldmulla etc. where the crop is estimated to be short.



AREA UNDER PEPPER CULTIVATION AND PEPPER PRODUCTION IN SRI LANKA

YEAR	AREA UNDER PEPPER CULTIVATION (HA)	PRODUCTION (MT)		
		BLACK PEPPER	WHITE PEPPER	TOTAL
2009	30,528	15,717	50	15,767
2010	30,931	17,232	100	17,332
2011	31,296	10,829	5	10,834
2012	31,667	18,589	15	18,604
2013	31,997	27,900	100	28,000
2014	31,296	14,029	110	14,139
2015	31,670	28,027	150	28,177
2016	34,997	28,027	150	28,177
2017	36,221	29,145	400	29,545
2018	40,241	19,935	200	20,135
2019	41,000	19,110	250	19,360
2020	41,100	21,500	300	21,800

CAPSICUM



Chilli transplanting have started in most of the chilli growing regions in Andhra Pradesh, Telangana and Karnataka. Chilli plants are at its vegetative stages at the growing regions in Karnataka. In few of the growing areas farms of Andhra Pradesh and Telangana, the chilli plants have been affected due to heavy rains and needs to be transplanted again. But overall, the area under **chilli cultivation is expected to increase** compared to last year. All the rivers and reservoirs are full and hence ground water availability is better which is good for the cultivation. In Madhya Pradesh, for the current year chilli sowing is complete and the area under chilly is expected to increase



as farmers received very good prices for last year crop. The new Madhya Pradesh crop arrivals are expected by mid October this year.

Market trend:

Chilli availability from cold storages is good and still arriving in market. Due to good export coverages to China, Bangladesh, Thailand, Pakistan, Middle East etc. Teja chilli **prices remained at high levels**. All other seed varieties, which are used for grinding purpose have shown a slight decline in the trend during the month. Farmers and middle men are expected to sell their stocks during September - October, before the start of Madhya Pradesh chilli season.



Paprika

As per the latest reports, some of the paprika growing areas in Karnataka were severely affected due to incessant rains during monsoon where the re-transplantation is going on now. Extensive paprika cultivation is reported from growing areas during this season and area under cultivation is expected to increase compared to last year as per farm level reports.

Market trend

Paprika demand has increased at domestic markets due to aggressive coverage from North Indian buyers. Paprika prices would move up during next months as the current stocks would not meet the requirements of the buyers.



TURMERIC



Turmeric crop is at the vegetative stages in all the major growing regions in India. Weather conditions are favourable as of now and if the weather continues like this, we can expect a good crop during next season.

Market trend:

As per market information, **Turmeric exports are around 20 - 30% down this season** due to lockdown. Turmeric domestic demand and exports reported lower and hence good availability of stocks in the spot markets.



Panangali & Kocha

Panangali and Kocha turmeric availability is reported nil from domestic markets.

INDONESIA

Turmeric crop harvesting in Indonesia is going on and availability and arrival has **increased at the domestic markets.**

Market trend

Turmeric exports have started from Indonesia to India and other destinations.

Since availability of turmeric in India and other origins are good, Indonesia turmeric prices remained at lower levels.



DRY GINGER



Ginger crop is at its vegetative stages. Weather conditions have been favourable so far and we expect a better crop during next season as the area under cultivation has increased due to many new farmers have started ginger cultivation due to good prices this year.

Market trend:

Export quality dry ginger **prices have moved up to 10 - 15%** during August.



CELERY



Celery seed prices have moved up further due to limited availability, good export and domestic demand. Farmers are holding to their stocks anticipating a better price in future due to limited stocks. As reported, production during the season was almost short by 40%.

Celery seed prices have increased further due to demand.



NUTMEG & MACE



Nutmeg and mace availability are limited at the domestic markets in India due to crop shortage as reported earlier.

Prices have moved up in the domestic due to festival season, demand and export requirements as well. Nutmeg and mace prices are expected to increase during September - October.



CASSIA



Availability of good quality cassia is still less and prices have remained at high levels. Vietnam cassia is also traded at higher levels.



PRICES FORECAST FOR SHORT AND MEDIUM TERM

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

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

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