

SPICES MARKET OVERVIEW

DECEMBER 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

After a very severe cyclone Nivar, which caused landfall near Puducherry, gave heavy rains over Tamil Nadu coast and rise of new low-pressure area over the South Andaman Sea. It is expected to intensify and move to South Tamil Nadu coast. Rain activities may commence over coastal districts of Tamil Nadu by the 1st week of December. Heavy to very heavy rain and thundershower has been predicted over Southern districts of the state.

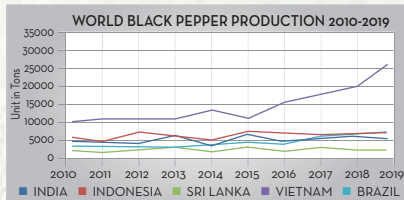
Thiruvananthapuram, Kollam and Alappuzha of Kerala will also receive heavy to extremely heavy rain.



BLACK PEPPER

Global Market Scenario

Black pepper markets across the globe have shown a positive outlook during November 2020. Indian pepper prices were up by 2% while Indonesia Black pepper as well as white pepper have recorded 3% - 4% higher due to strengthening of Indonesian Rupiah and shortfall in current year production. Vietnam pepper prices had also increased by 6% - 7%, Sri Lankan pepper prices also moved up by 3% - 4% during the month.

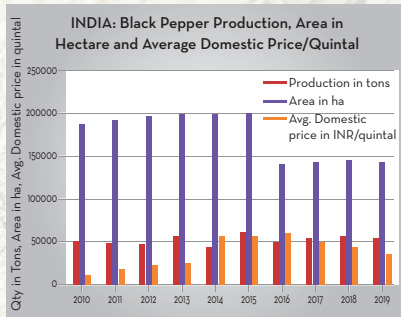


INDIA

Indian pepper crop in 2020 is reported to be better compared to 2019 crop. Black pepper production in India is estimated to be around 65000 tons during 2020. Moderate temperature and occasional drizzling would enhance the yield in pepper farms this year. Pepper harvesting in India would start during December. Indian pepper production has shown a drop from 2015 onwards due to decline in prices and less returns to farmers.

Market trend:

Black pepper arrivals to domestic markets were limited due to offseason, hence pepper prices have shown an increase of 2% - 3% at domestic markets.

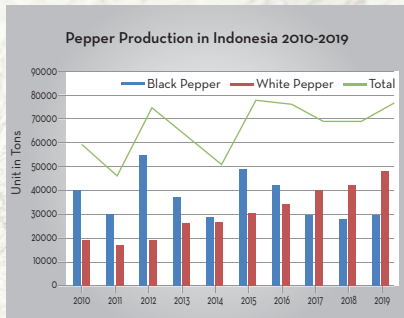


INDONESIA

Black pepper production in Indonesia during 2020 decreased by 15% as per secondary sources. Availability of light pepper is limited as of now while, heavy pepper arrivals have improved from new crop. Indonesia pepper production has shown a gradual increase from 2010 - 2019 as per the given chart and white pepper processing have crossed black pepper from 2017 onwards.

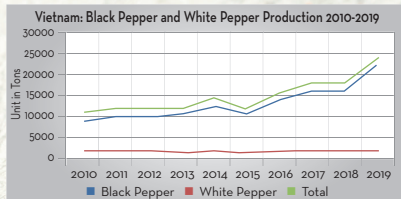
Market trend:

Indonesia black and white pepper prices had reported an increase of 4% and 3% respectively as compared to October. Availability of quality light berries are limited hence, prices for light berries has moved up further.



VIETNAM

The year 2019 was not a good year for the pepper industry in Vietnam since domestic and export prices dropped sharply due to surplus production. In 2020, the crop in Daklak and Daknong provinces is reported to be short by 20% in 2020. In Binh Phuoc province, farmers have shifted from pepper to other crops which may result in drop in production. In Gia Lai province, pepper yield has reduced considerably since 2017 due to lack of nutrition and unfavourable weather conditions. Given above reasons, the farmers, traders and processors estimate that total production for 2020 would drop by 10% - 15% compared to last season. The Current estimation is



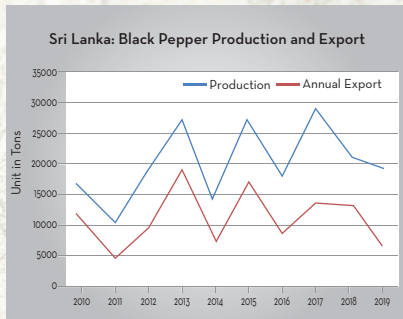
approximately 250,000-270,000 tons for 2020 crop. Light berry harvesting has started in Vietnam.

Market trend:

Vietnam black pepper 500 g/l, 550 g/l and Vietnam white pepper had reported an increase of 3 - 4% respectively as compared in October.

SRI LANKA

Kandy pepper crop harvesting has started in Sri Lanka. Interim crop is reported to be good this year, the volume is estimated to be around 3000 tons including both light pepper and heavy pepper. Pepper harvesting from Kandy crop would likely to start during second week of November. Crop is reported to be better compared to last season and we expect good quality material from Kandy region. Pandemic situation is continuing at different parts of the island and would have impact on the harvest of the crop.

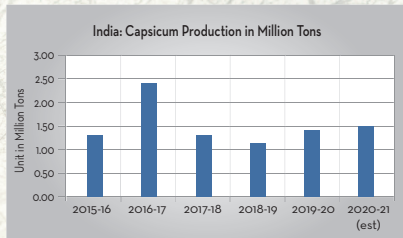


CAPSICUM

Cyclone and incessant rains throughout Andhra Pradesh, Telangana and Karnataka have affected the kharif crops, some of the Chilli farms were also reported to be affected by floods. 5% - 7% of the total crop is reported affected this year but the total area under cultivation has increased by 15% - 20% compared to last year. Most of the affected farms were re-planted and the season is expected to be delayed. New crop arrivals have started in Byadgi market for the colour chillies. Current arrivals are at 35000 - 40000 bags per day, the current arrivals are higher than last year during the same period.

Market trend:

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



PAPRIKA

India

Indian paprika crop in 2020 is reported to be 10% - 15% higher compared to average crop volume. Paprika and other variety chilli harvesting in Karnataka state have started during the first week of November. Little early against the normal season, 35000 - 40000 daily bags arrivals are reported at Byadgi market.

Market trend

Paprika prices remained at higher levels during November due to festival season and limited stocks. Prices are expected likely to decline towards second half of December when new arrivals will increase.



TURMERIC

Turmeric crop is reported to be good this year since ground water availability and weather conditions have been favourable. Harvesting of turmeric is expected to start in Jan - Feb in Maharashtra and Karnataka. The year 2020 - 21 turmeric production is estimated to be around 0.46 - 0.50 million tons.

Market trend:

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



PANANGALI & KOCHA

Panangali and Kocha turmeric availability are expected to start from January 2021 onwards. Since turmeric crop estimate is good, Kocha and Panangali availability also will be better this year.

Indonesia

Turmeric harvesting is almost complete in Indonesia. Current year, turmeric production in all origins are reported to be good except in Vietnam. The prices remained at lower levels due to less demand throughout the year.



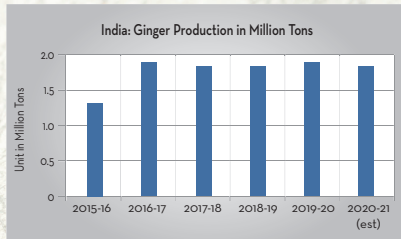
DRY GINGER

The Interim Ginger crop harvesting in Karnataka state continues for fresh ginger requirements to vegetable markets and confectionery industry. Main harvesting is expected to start in December and dry ginger will be available in market during January 2021.

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

Market trend:

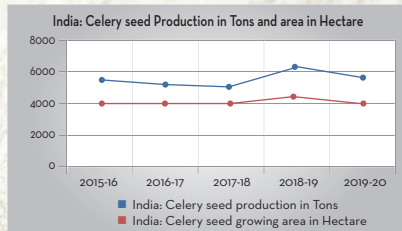
Indian dry ginger market is reported to be stable as of now. Dry ginger market is expected to stay at high levels due to good demand for domestic



consumption. In Nigeria, dry ginger prices are at higher levels due to good domestic demand for fresh ginger as well as export demand.

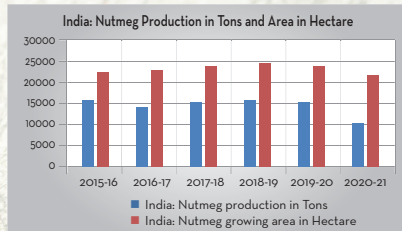
CELERY

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



NUTMEG & MACE

Nutmeg and mace availability at domestic markets were limited and prices remained at higher levels. Due to festival demand, prices increased for Nutmeg and mace.



CASSIA

Cassia availability was limited at Indonesia.

Price trend

Cassia prices remained at firm levels in all origins due to less availability.

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

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

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