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# SPICES MARKET OVERVIEW

JANUARY 2021

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

Cold wave conditions have intensified throughout Central and North - eastern parts of India creating icy winds and dense fog throughout the states of Delhi, Rajasthan, Punjab etc. Occasional rainfall is predicted throughout India especially in southern states, it would help the growth of kharif crop. As per IMD weather would be mostly sunny with moderate temperature in all southern states with occasional showers. A cyclonic circulation is being active over the south-western parts of Bay of Bengal and Sri Lankan coast.



# BLACK PEPPER

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## Global Market Scenario

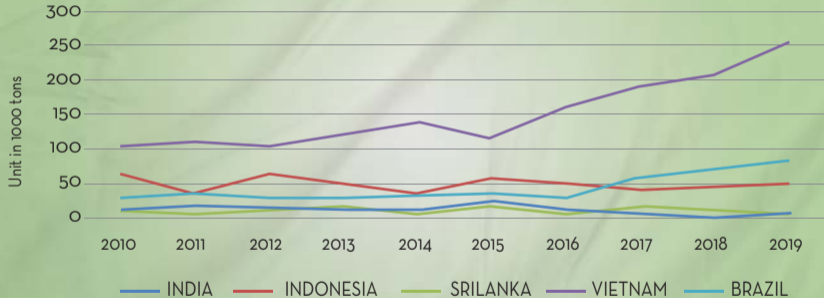
The Year 2020 ended with a steady to positive note for global pepper markets amidst pandemic.

Black pepper production in India and Sri Lanka during 2020-2021 reported better as compared to previous season while Vietnam, Indonesia showed a drop by 10 - 15%. Brazil, Cambodia, Malaysia and other origins reported higher production during the same period. Global pepper prices would show steady to slight uptrend during the year due to shortfall in production and increased domestic requirements. Prices are not expected go

drastically high since good stocks and higher production in other origins like Brazil, Malaysia etc would be enough to cater the needs. Currently, pepper offers are at higher levels due to exorbitant freight rates due to limited availability of containers and vessels.

A comparative export statistics report is given below to understand the growth and drop in exports from each Origin.

## Black pepper exports by major producers - 2010 - 2019



# INDIA

## HARVEST CALENDAR - BLACK PEPPER INDIA

BLACK PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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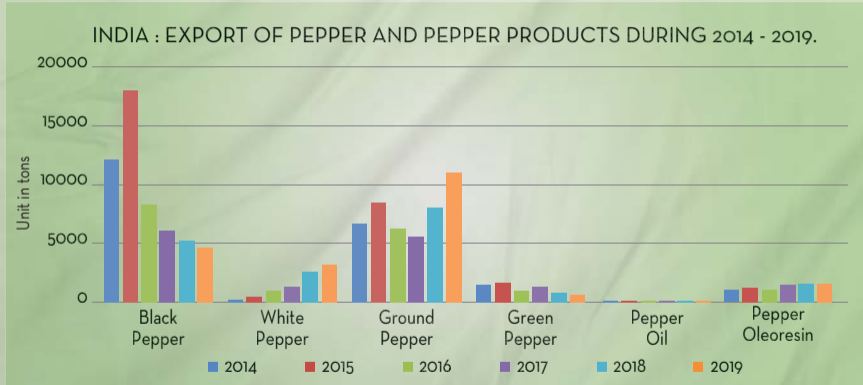
Black pepper harvest in India has started in full swing in Kerala and Karnataka which are the major producing states in India. Current year crop estimate is around 62000-65000 tons. As per secondary reports, black pepper arrivals from new season would increase by second week of January, after the New year holidays.

## Market Trend

During first quarter of 2020-21, Indian black pepper markets had shown a drop in prices, however the

second half had shown positive signs of recovering prices. Indian pepper prices would show a hike during 2021 as Indian domestic consumption and exports have increased considerably.

Following chart depicts the picture of Indian pepper and pepper product exports during last six years.



# INDONESIA

## HARVEST CALENDAR - BLACK PEPPER & WHITE PEPPER - INDONESIA

BLACK PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
WHITE PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Indonesia black pepper harvest is complete for the year 2020. As reported, the crop was 15% less compared to 2019 crop, as per trader reports.

### Market trend:

Indonesia black and white pepper prices were reported. Extraction grade light pepper availability is limited as of now.



# VIETNAM

## HARVEST CALENDAR - BLACK PEPPER & WHITE PEPPER - VIETNAM

BLACK PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
WHITE PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Black pepper crop in Vietnam in 2021 is reported to be less by 15 - 20% against previous year production. Black pepper harvesting has started in Vietnam and light berry is available at the local markets. Pepper harvesting in Vietnam will last till April - May. Black pepper arrivals from new crop season is expected towards the second half of February, after TET holidays.

### Market trend:

Both black and white pepper prices reported with 4% and 8% deficit during last week of December due to subdued demand from China and other countries. Importers expect a slight decline in prices towards end February 2021 when the logistics issues are expected to be sorted out.



# SRI LANKA

## HARVEST CALENDAR - BLACK PEPPER & WHITE PEPPER - SRI LANKA

BLACK PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
WHITE PEPPER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

In Sri Lanka, Kandy black pepper harvesting is going on. Arrivals from new crop has increased in domestic markets.

### Market trend:

Sri Lanka black pepper price was 3% down as compared to the previous week.



# CAPSICUM

## HARVEST CALENDAR - CAPSICUM & PAPRIKA IN INDIA

CHILLI	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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2020 - 2021 Chilli crop in India is reported to be better than last year. Chilli crop is in its fruiting and ripening stages in the main growing states like Andhra Pradesh, Telangana and Karnataka. There have not been any reports of adverse weather conditions affecting the chilli crop so far.

Chilli harvesting in Madhya Pradesh is almost complete and good arrivals are reported in Bedia market. Harvesting in Karnataka has started which is the main paprika and other colour chilli source for India. Dry chillies from new crop has started in



Byadgi and Hubli markets. Heat chilli harvesting in Andhra Pradesh and Telangana have started in different pockets and sporadic arrivals are reported in Warangal, Khammam and Guntur markets.

## Market trend:

Teja and other seed variety chilli prices have slightly declined in major markets marking the arrivals from new season crop. Chilli prices would decline towards end of January since new crop availability would increase. Chilli arrivals to the market will increase after the local Makarasankranti festival during January first week.



# INDIA

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Paprika harvesting in India has started during last week of November. Harvesting would continue till February 2021. Current harvesting is mainly from rain-fed areas of Byadgi, Kundgol, Gadak regions. Harvesting from irrigated areas like Bellary, Raichur, Kurnool are expected from January onwards. As per latest farm level reports, current season would be a good crop compared to last year.

Total Paprika production in India during 2021 including KDL, Syngenta 2043, DD etc is expected to be around 75000 - 80000 tons. However, if we include all other medium colour and pungent chilli

varieties like Tomato (10000 tons), Wonder hot (25000 tons), 5531, Lolly, Rudeera etc the total production is expected to be around 170000 tons.

## Market trend:

Paprika arrivals have started in main markets like Byadgi and Hubli in Karnataka. As per latest market reports, colour chilli arrivals in Byadgi market was above 110000 bags during last market day of the year. Paprika prices remained at higher levels during December due to festival season and limited stocks.

# TURMERIC

## HARVEST CALENDAR - TURMERIC - INDIA

TURMERIC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Turmeric harvesting in India is expected to start in Maharashtra during January and arrivals to market from new season in February.

### Market trend:

Turmeric prices have shown a steady to down trend during the month due to less export demand.

### Panangali & Kocha

Panangali and Kocha turmeric will be available from February onwards.



# INDONESIA

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Turmeric harvesting is almost complete in Indonesia and prices remained at lower levels.

## Dry Ginger

HARVEST CALENDAR - GINGER - INDIA

GINGER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Ginger harvesting in India had started in November/December 2020. Current demand is for fresh ginger which are mainly traded at vegetable markets, Gingerpaste, confectionery, soft drinks manufacturers. Harvesting and drying will be in full

swing after January 2021. Dry ginger availability would increase during February/March if rains do not interrupt the processing.

Nigerian ginger crop harvesting has also started and the crop is reported to be good this year.

## Market trend:

Export quality dry ginger prices were steady during the month of December. Extraction grade dry ginger prices have declined 15 - 20% compared to last season prices due to good availability.

Nigerian ginger prices opened at very high levels in December but prices have shown a downward trend towards end of the month. Freight rate increase is one of the main reasons for price hike.



# CELERY

## HARVEST CALENDAR - CELERY - INDIA

CELERY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Celery sowing in Punjab and Haryana has been completed during November and December. As per the secondary reports based on sowing, we can expect a normal crop during next season. Prices remained at steady levels during the month.





# NUTMEG & MACE

## HARVEST CALENDAR - NUTMEG & MACE - INDIA

NUTMEG	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Nutmeg and mace availability remained limited and prices firmed up further during the month due to festival demand. Best quality nutmeg prices have shown a firm trend.



# CASSIA

Cassia availability was limited in Indonesia.

## Price trend

Cassia prices remained at firm levels in all Origins due to inadequate supply.



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

## PRICES FORECAST FOR SHORT AND MEDIUM TERM

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

Kancor Ingredients Limited is a pioneer in the field of Global Spice Extraction, whose roots in the spice trade can be traced back to 1857, at the spice capital of the world; Cochin. Now a part of the Mane Group, France - one of the largest Flavour and Fragrance companies in the world; Kancor specialises in complete food ingredient solutions, from sourcing of raw materials, extraction, research and formulation, to testing and final delivery. The year 2019 marked the 50<sup>th</sup> anniversary of the company.

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