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KANCOR

SPICES MARKET OVERVIEW

FEBRUARY 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.

WEATHER - INDIA

According to the India Meteorological Department (IMD), a fresh western disturbance (an extratropical storm that originates in the Mediterranean region, travels eastwards and brings precipitation over the northern parts of the Indian subcontinent during the winter months) is once again set to affect the North Indian weather starting Monday, February 1st 2021.

North-western winds from hills to increase cold wave and snow fall over Central, North-eastern and Western parts of India during February. Southern states in India would experience sunny and moderate temperature during days.



BLACK PEPPER

Global Market Scenario

Global pepper production is expected to show an insignificant reduction of 45000 - 50000 tons because of the erratic weather conditions and passive farming activities in Vietnam and other Origins. As per reports, pepper production across the globe would be around 0.50 million tons during 2020 - 2021. Annual Pepper consumption remains almost same at 0.51 million tons. Current stock

position across the globe is reported to be around 0.60 million tons. Hence, shortfall in production is not expected to make an overall impact on stocks and availability. **In a nutshell, pepper prices are expected to remain at almost same levels without much volatility in the market during the year.**

INDIA

Black pepper harvest in India is in full swing. Arrivals from new season crop has started in terminal markets.

Market Trend:

Indian pepper prices have remained at steady levels during January, 2021. Since arrivals from new season is expected to increase during February, traders and speculators are slow on their coverages for the time being. In international markets, Malabar black pepper was reported stable.



INDONESIA

It is too early to predict Indonesia black pepper crop for the next season, which begins in July this year, but secondary sources predict that La Nina phenomenon could affect the production this year.

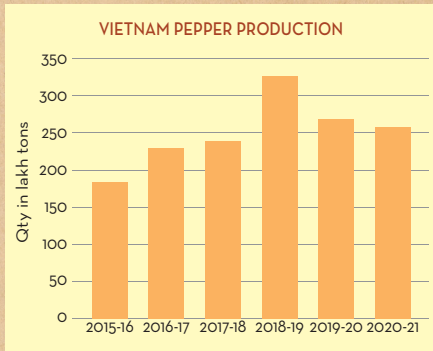
Market trend:

Indonesia black and white pepper prices were reported steady during January. Extraction grade light pepper had shown an increase in prices due to off season. Pepper market would not show much changes during the medium run as other Origin pepper prices are almost stable.



VIETNAM

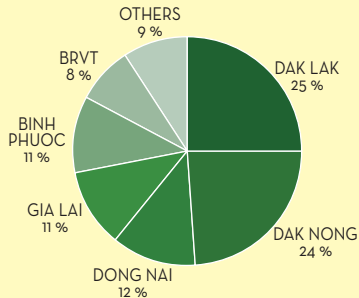
Black pepper crop production in Vietnam had shown a steady increasing trend (CAGR - + 20%) during 2013-2018. Due to decline in prices and passive agricultural practices, production dropped gradually during the last two years. Current year estimate is around 255000 tons as per official sources. It is expected to be less by 10 - 15% as per secondary reports. New season crop harvesting is going on and heavy pepper availability would increase after Tet holidays.



Market trend:

Vietnam black pepper markets remained at steady levels during the month. Extraction grade light pepper were firm due to huge freight cost and less container availability issues. Prices would remain at same levels in medium run because of the increase in freight cost.

PRODUCTION PER KEY AREA



SRI LANKA

The interim crop season harvesting in Kandy, Sri Lanka, is complete and good arrivals are reported in domestic markets. It is too early to predict about the main crop season which starts in May. As per initial secondary report, main season crop will be 15-20% lesser.

Market trend:

Extraction grade high piperine material availability was limited hence prices have shown a relative upward trend.



CAPSICUM

Chilli crop harvesting has started in most of the chilli growing regions in India. Almost all the farms are currently at fruit ripening or harvesting stages. Some of the farms in Telangana, Andhra Pradesh and Karnataka reported mildew, wilt, leaf curling, flower dropping etc. which may be attributed to the cold weather conditions in those regions. As per farmers and traders report, there could be a drop in yield per acre due to the above reasons and late transplantation, but the overall crop would be almost the same or slightly better compared to last season due to increased area under chilli cultivation.



Market trend:

Chilli prices have firmed further after initial decline at chilli markets during mid-January. However, the prices are expected to correct downwards after mid-February when the arrivals start increasing. Currently most buyers are from domestic curry powder industry while few from the spice Industry have also started buying white chillies from new crop because of the low prices compared to the red chillies.



PAPRIKA

INDIA

Paprika harvesting and post-harvest operations are under way in India. Arrivals to the market from some of the main growing areas like Bellary, Raichur, Mantharalaya have not started so far and are expected during February.

Market trend:

Paprika arrivals have increased in Byadgi market averaging 90000 - 100000 bags per market day. As reported, prices have also shown a slight easing trend during January. Aggressive coverage from the curry powder industry has helped Paprika prices



remain at higher levels. Prices are expected to decline from current levels from the second half of February 2021.

TURMERIC

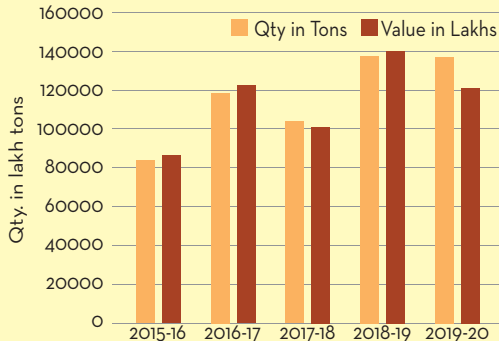
Turmeric crop in Maharashtra and Andhra Pradesh are reported to be short this year. However, due to good stock position, it won't affect the total availability. Turmeric harvesting has started in Maharashtra, Telangana, and Karnataka. Usually turmeric harvesting and arrivals from Maharashtra and Karnataka begin first. Turmeric arrivals are expected from Gundalpet, Chamarajanagar area in Karnataka and Sangli, Meeraj in Maharashtra by third week of February.



Market trend:

Turmeric prices have remained at lower levels. Gundalpet finger and bulb variety turmeric availability is expected after mid February. Turmeric from Gundalpet and surrounding areas are widely used for extraction purpose. The price of this variety would depend upon the aggressive coverage by the industry in the medium tier.

INDIA: TURMERIC EXPORTS DURING 2015-2020



PANANGALI & KOCHA

Arrivals of Panangali and Kocha turmeric have started in Sangli market at higher levels. Arrivals will increase from the third week of February.

INDONESIA

Turmeric market in Indonesia remained at low levels.



DRY GINGER

INDIA

In India, ginger harvesting and post harvest operations are in full swing. Current demand is for fresh ginger which is mainly traded at vegetable market and for the Ginger paste, confectionery and beverage Industry.

Nigerian ginger crop harvesting and post harvest operations are also going on. Arrivals have increased at domestic markets.

Market trend:

Indian ginger prices remain at steady levels during January due to good arrivals. Prices are likely to slip down during February and March.

Nigerian ginger prices remained at very high levels due to:

- Domestic transportation issues and transit delays
- Delay in container availability
- New rules imposed by Nigeria Govt. for exports
- Very high freight cost.

CELERY

Celery crop for next season is expected to be normal, as per trader reports.

Celery prices have shown a declining trend due to less export demand from USA.



NUTMEG & MACE

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.

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

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	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.

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.

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