

MARCH 2021

SPICES MARKET OVERVIEW



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.

BLACK PEPPER

Global Market Scenario

Black pepper markets in all producing countries reported stable during February 2021. Domestic markets in India, Indonesia, Vietnam, and Sri Lanka reported with a positive price outlook indicating the prices are not expected to go drastically down in immediate future. Black pepper harvesting in India and Vietnam are going on and arrivals from new season have improved.



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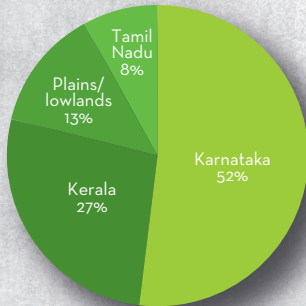
INDIA

Black pepper harvesting in India continued throughout February and is expected to be complete by March. As estimated, black pepper production in India is expected to be around 62000 - 65000 tons. Black pepper production in Karnataka, which is the main pepper producing state in India, is reported to be better this year against initial estimates. Main pepper producing states in India with percentage of contribution is given below.

Market Trend

Prices are likely to show a steady to firm trend in long run as Sri Lanka crop is reported to be short from the main season.

PRODUCTION PER KEY AREA



INDONESIA

As per the initial trade reports, Indonesia black pepper crop for next season would be short due to inclement weather conditions. However, surveys and reports are yet to be got for a precise prediction about the crop in 2021.

Market trend:

Black and white pepper prices were reported stable to slight increase in Indonesia during February. Even though pepper prices remained steady, ocean freight contributed to the major price hike.



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VIETNAM

Pepper harvesting in Vietnam is going on and arrivals from new crop has increased at domestic markets. Shipment delays in Jan and Feb has caused the spot prices not to come down during the month of February. Prices are not foreseen to go down in a big way as Chinese buyers are expected to enter the market soon after the holidays.

Market trend:

Vietnam black pepper markets reported stable during February. Offers for light pepper declined marginally due to freight changes and availability. Prices would remain steady in medium run.



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SRI LANKA

Kandy crop harvesting in Sri Lanka is almost complete. As per the initial reports, main pepper crop in Sri Lanka is short by 15 to 20% and pepper harvesting from main crop would be delayed this year. Sri Lanka produces around 22000 - 25000 tons pepper annually.

Market trend:

Black pepper prices in Sri Lanka has shown a slight increase of 1 - 2% as domestic demand was reported to be good. Light pepper availability was limited, and prices were almost.



CAPSICUM

Red Chilli harvesting is going on in all chilli growing states in India. As per farm reports, this year yield would be less compared to last season as many farms are reported with diseases like powdery Mildew, Wilt, Leaf curling, Flower dropping etc. However, this may not affect overall chilli availability since area under cultivation is more compared to last year. Chilli availability at domestic markets is expected to continue till May end as arrivals from re-planted area will also come in a bit late.



Market trend:

Chilli prices remained at higher levels against expectation even after arrivals improved from new crop. Average arrivals at Guntur, Khammam and Warangal were reported at 80000 bags, 40000 bags, 15000 bags respectively. Market is expected to likely ease once arrivals improve by mid-March. Oleoresin companies were aggressive for chilli coverages in February covering Teja white chillies mainly at the available quality.

Chilly prices are not expected to come down drastically as farmers have options to keep chillies in cold storages if there is a drop in prices than their expected levels as there is plenty of cold storage space available this year.



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PAPRIKA

India

Paprika harvesting in India is going on and arrivals have improved at domestic markets. Current arrivals are mainly from rainfed areas like Byadgi, Kundgol, Gadak etc. Arrivals will increase at markets once harvesting in irrigated regions like Bellay, Raichur, Mantharalaya start.

Market trend

Average arrivals of color chillies like KDL, Dubby, 2043, 5531 etc at Byadgi market was around 150000 - 180000 bags during last couple of markets. Prices have also declined at domestic markets and traders expect a further down trend during March.



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TURMERIC

Turmeric harvesting has started in major Turmeric growing states like Maharashtra, Andhra Pradesh, Karnataka, and Tamil Nadu. Arrivals from new crop has started in domestic markets and would likely to gear up by March second week onwards.

Market trend:

Turmeric prices have showed an abnormal hike during last two weeks of February in Salem and Erode. The reasons attributing to the increase in price in spot markets being the reports of expected Lower production this year. The other reason could be the speculation in trade by few main players who were aggressive during last few markets and were



buying 70% of the arrivals in the Tamil Nadu Turmeric market. Generally turmeric prices are expected to decline at markets by mid-March.



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PANANGALI & KOCHA

Arrivals of Panangali and Kocha turmeric have started in Sangli market at higher levels.

INDONESIA

Indo turmeric availability is good as of now and prices remained at lower levels. Though the domestic prices are low, turmeric is offered at high levels because of high freight cost.



DRY GINGER

India

The ginger crop in India this season is expected to be good compared to last year. Harvesting is going on in major producing centers in Karnataka, Kerala and all other states and good arrivals to the markets are reported as well. Ginger drying and other post-harvest processing in farm levels are in full swing.

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

Market trend:

Indian ginger prices have declined considerably because of the good arrivals and speculation of a further down trend is also expected as there is less export demand. Though the prices are expected to come down in the long run the volatile oil percentage is also expected to come down as the Rhizome matures.

Nigerian ginger prices remained at very high levels due to their domestic logistic issues and Ocean freight hike.



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CELERY

The 2021 Celery crop in India is reported to be higher as per reports compared to last year. Crop harvesting is expected by first week of May.

Celery prices have slipped further due to less demand from Oleoresin companies and exporters. As per reports, export demand has reduced drastically due to pandemic issues.



NUTMEG & MACE

It is very early to predict about the next nutmeg season in India. However initial reports suggest that nutmeg crop in India is expected to be less for the third consecutive year because of the climatic conditions and diseases for nutmeg crop. Next nutmeg season in India is expected to start by June - July 2021. Nutmeg and mace prices remained at higher levels during the month and it would be firm till May second half.



CASSIA

Cassia availability was limited in Indonesia due to rainy season. Farmers refrained Cassia collection from jungles as of now. We do not expect a drastic decrease in price once the harvest begins as the overall availability of Cassia crop has been declining over the years as much new planting has not been happening.

Price trend:

Cassia prices maintained at higher levels during the month.

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	Firm	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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