

APRIL 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 across the Globe recorded a considerable increase in prices due to overwhelming demand from importing countries. Reports of shortfall in crop size in Indonesia and Sri Lanka added fuel to price increase. The pepper Market would stay firm in mid-term since arrivals are limited at various Origins and importers are aggressive. Domestic pepper market in producing countries reported firm since farmers are regulating the arrivals to markets to keep prices firm. Upcoming crops from Sri Lanka and Indonesia are reported short by 20 to 30% in Sri Lanka and 20% in Indonesia respectively.



INDIA

Black pepper harvesting in India is almost complete. Arrivals from new crop have increased in domestic markets but demand has also increased due to festival season. As predicted earlier, the Indian black pepper crop was a normal one during current season.

Market Trend

Black pepper prices in domestic markets have increased by 8 - 10% during March. Firm trend is expected to continue as demand is higher. Prices have started increasing in Indian markets as the customs and Government authorities have taken stringent measures to curb the illegal cross border trade.



INDONESIA

The new Indonesian black pepper crop is reported to be short by 20% due to incessant rains and erratic weather conditions in the growing regions. Crop damages are mostly reported from Lampung and Sulawesi regions as per the trade reports. Black pepper harvesting in Indonesia is expected during June – August.

Market trend:

Indonesia black pepper and white pepper prices reported an increase of 8 - 10% and 11 - 12% respectively during March 2021. The increase in Indonesian pepper price could be contributed to the increase of demand. Prices are expected to stay firm till next harvesting starts in June/July. Light pepper availability is limited as of now



VIETNAM

Pepper harvesting in Vietnam is almost complete and good arrivals from new crop is reported in domestic markets. Vietnam pepper production during 2021 is reported to be less by 15 - 20%.

Market trend:

After a significant increase in prices of both black pepper and white pepper during first 4 weeks of March by around 10 to 12%, pepper prices declined by 4 - 5% towards end of last week of March 2021 due to less demand shown by Chinese suppliers. Light pepper prices also increased in Vietnam during the month due to high transportation cost and limited availability.



SRI LANKA

Black pepper crop in Sri Lanka is reported to be short by 20 -30 % due to unfavourable weather conditions. Pepper harvesting in Sri Lanka is expected to start in April - May. The latest crop estimate in Sri Lanka would be around 15000-17000 during 2021 against a normal crop of 20000-25000 tons.

Market trend:

Black pepper markets reported firm in Sri Lanka. Light pepper availability in Sri Lanka is less as of now, the extraction industry is buying low piperine material currently. During next season, the light berry crop price is expected to go up as the availability is expected to be less.



CAPSICUM

Red Chilli harvesting in all chilli growing states in India are in its second and third harvesting stages. Area of cultivation has increased by 10-15%, but yield/acre came down even though area of cultivation increased. In few areas crop was affected due to water scarcity and diseases. In recent years it has been noticed that the yield of chilli have been affected considerably due to the availability of poor seeds material which has also been affecting the quality i.e. the capsaicin and colour of the raw material. One reason being is that the availability of duplicate seeds has increased,



and which is cheaper, and farmers have opted for these seeds to grow chilli.

Market trend:

Chilli prices have been volatile in the domestic market during the month. Arrivals were totally controlled by speculators and farmers and hence peak arrivals were not reported in the thick of the main season, Average arrivals at Khammam market were only 20000 - 40000 bags during the month against 50000 - 80000 bags last year same time. Aggressive coverage by Chinese curry powder manufacturers during season helped chilli prices to remain at high levels.

Chilli prices are expected to remain at these levels during the mid-term.



PAPRIKA

India

Indian paprika harvesting and post-harvest operations will continue till first half of April. The traditional Paprika (KDL/Dubby varieties) production in India was reported short by 30% during the year against all predictions. But production of other hybrid colour chilli varieties like 2043, Syngenta 5531 etc. Have increased to suffice the needs of grinding manufacturers in India. Since these varieties have very high yield, farmers are also shown interest in growing such new hybrid varieties.

Market trend

Arrivals of color chillies like KDL, Dubby, 2043, 5531 etc at Byadgi market increased during March to touch 200000 - 220000 per market day. Prices remained at higher levels due to huge demand from exporters and grinding manufacturers.

TURMERIC

Turmeric harvesting is going on in major growing states in India. It is estimated that current crop is short by 5 - 10% but it won't make any difference in availability since good carryforward stocks are reported. As per latest estimates, India would produce around 4.40 - 4.60 Lakh tons during the season.

Market trend:

As reported, unusual price rise was reported till March third week but prices have shown a declining trend towards end of March. The unusual price trend was attributed to speculation in the market by traders.



PANANGALI & KOCHA

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

Arrivals of Panangali turmeric were also reported at Salem, Erode, Gundalpet markets. Prices are firm since oleoresin companies are aggressive since Myanmar and Vietnam crop are reported short.

INDONESIA

Indo turmeric season would likely to start in July 2021. Crop is reported to be short as farmers have switched to other crops due to less prices for turmeric. The current availability is limited and quality is also not good.



DRY GINGER

India

Ginger harvesting in India is going on and would last till April end. Fresh and dry ginger arrivals have increased at domestic and international markets.

Nigerian ginger crop harvesting, and post-harvest operations are either disrupted or slow due to ethnic. Conflicts in the some of the growing regions. Arrivals are limited as of now.

Market trend:

Indian ginger prices reported at lower levels during the month. Nigerian ginger prices remained firm.



CELERY

The new Celery crop is reported to be a good one due to favorable weather conditions in the growing regions of Punjab and Haryana. Crop estimate is around 7000 - 7500 tons in 2021.

Celery prices have shown further decline in prices during last month due to less Export demand and less coverage from oleoresin industry.



NUTMEG & MACE

Nutmeg crop in India is expected to be slightly less as per initial cropestimation. The farmers have not taken been taking care of the crop management well due to less prices last year and hence the yields are expected to be less this season. The new season is expected to begin from May end onwards.

The current prices for nutmeg and mace were firm at all Origins like India, Indonesia, and Sri Lanka due to aggressive coverage by China and other countries.



CASSIA

Cassia availability remained limited currently as procurement is not happening from wild areas due to intermittent rains, the arrivals are expected from July onwards.

Price trend

Cassia prices have shown a slight easing trend.

PRICES FORECAST FOR SHORT AND MEDIUM TERM

SPICES RM	VARIETY	SHORT TERM	MEDIUM TERM
Black Pepper	Sri Lankan	Firm	Firm
	Indonesian	Firm	Firm
	Vietnam	Firm	Firm
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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P: +91 484 6730 300 | E: enquirykancor@mane.com | W: www.manekancor.com