



SPICES MARKET OVERVIEW

MAY 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.

BLACK PEPPER

Global Market Scenario

Black pepper market prices across the globe have shown a mixed trend during the month. Indian markets have shown 2 - 3% decrease towards the end of April but Indonesian prices moved up considerably in the local market. After a price increase in April first half, Vietnam pepper prices had shown a declining trend towards the end of April while Sri Lanka pepper prices had shown a slight upward trend. The next black pepper crop in Sri Lanka and Indonesia are reported to be short compared to last year. Pepper harvesting in Sri Lanka is expected to start in May and harvesting in Indonesia is expected from July 2021. The second



wave of pandemic had made its impact in the pepper market which was reflected in Black pepper trade during April 2021.

INDIA

Black pepper harvesting in India is almost complete and crop is reported to be almost same as last season. Erratic weather conditions in growing regions of Idukki, Wayanad had damaged pepper vines which had affected production but the shortfall in Kerala production has been made up from the Karnataka region. Good arrivals from new crop were reported from the domestic markets.

Market Trend

The Black pepper prices in domestic markets have dropped slightly.



INDONESIA

The new Indonesian Black pepper crop harvesting is expected to begin in July 2021. It is reported to be short by 20% due to unfavourable weather conditions. Black pepper light berries is expected to be available towards the end of July or the first half of August onwards.

Market trend:

The Indonesian black pepper price has been increased slightly. The increase of Indonesian prices could be due to high demand limited carry forward stock, the strengthening of the Indonesian Rupiah against the US Dollar (IDR 14,541 /USD) have also contributed to the price rise.



VIETNAM

It is too early to predict on the next Vietnam crop however, information from primary and secondary sources suggests that farmers showing less interest on pepper and shifting interest to other crops could have an impact on the pepper production next year.

Market trend:

Vietnam pepper prices have declined marginally due to less demand from China and other importing countries due to second wave of Covid pandemic. The marginal Increase in black pepper prices were mainly due to ocean freight price increase due to unavailability of containers and vessels.



SRI LANKA

As reported, black pepper crop in Sri Lanka is reported to be short of 20% to 30% from the next main season. Pepper harvesting in Sri Lanka will start during May and crop estimate is about 15000-17000-metric tons. Crop harvesting is getting delayed due to the pandemic issues in the growing regions.

Market trend:

The firm trend continued in domestic markets Sri Lanka due to less carry forward stocks and good demand. Prices are expected to be firm during the season if Oleoresin companies are aggressive for coverages.



CAPSICUM

The last crop harvest of Red Chilli harvesting is going on in all chilly growing states of India. The quality of chillies of the third harvest as expected will go down. As reported, the area under chilli production in India during 2021 was better than last year but the yield per acre is expected to go down because of diseases which affected the plant during the growing stages. The total production is expected to be around 1.60 – 1.70 million tons

Market trend:

Chilli prices were very high even during the peak season since there was a good demand from Chinese companies and exporters of stemless chillies. Speculators also played a major role in



keeping the chilli prices up throughout season by buying chillies and keeping their inventories in cold storages. The chilly markets are temporarily closed down till 3rd of May due to the pandemic and the reopening of the markets after that also depends on the prevailing pandemic situation.

PAPRIKA

India

The Indian paprika harvesting is complete and as expected the traditionally cultivated KDL variety chilli production was less during the season as Farmers had switched over to high yielding varieties like 5531, 2043 Syngenta, Super 10, C - 5, DD etc., as their productivity is high compared to the traditional varieties.

Market trend

Paprika arrivals in Byadgi market during the season was limited due to less cultivation and crop damages. Byadgi market is closed indefinitely for now due to the pandemic situation, Farmers



and traders are holding their inventory in cold storages for now.

TURMERIC

Turmeric harvesting is still going on in major growing states like Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, Telangana etc. and is expected to continue till end of May.

Market trend:

Turmeric prices are reportedly stable at all turmeric markets during April. Aggressive coverage from spice companies helped turmeric prices to stay at these levels. The domestic demand was good as its usage for health reasons during the pandemic had increased.

Indonesia

Indo turmeric crop is reported to be same as last



season. New crop harvesting is expected to be in June/July and the arrivals to the market are expected during July/August 2021. Prices are expected to remain at same levels in the short term.

DRY GINGER

India

Ginger harvesting in India is almost complete and it's availability at domestic markets is good. Since production was high during the season, ginger prices dropped considerably. The availability of stock with traders/farmers and speculators are also good which also attributed to the drop in prices.

Nigerian Ginger

Exports have been badly affected during the new season due to logistics and pandemic issues. The domestic security issues in a few growing regions have also affected the exports.



Market trend:

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

CELERY

The current season, celery crop is expected to be higher due to increase in cultivation. The main area under cultivation is around Amritsar region of Punjab and Haryana. The 2021 crop estimate is around 7500 - 8000 tons with an average yield of 600 - 700 kgs per acre. The Celery harvesting is expected to start from first week of May.

Market trend

The carry forward stocks are less this year as per reports due to crop shortage during last season. Stock levels may not exceed 700 - 800 tons. The price fluctuation would depend on coverage from Oleoresin companies, exporters and speculators.



NUTMEG & MACE

Nutmeg harvesting in India is expected to start by June/July. Crop is reported to be short in India and all other origins in 2021. Hence, prices are expected to stay at higher levels for some time.

Price trend:

The prices are expected to be high in the short term and depends on the demand during the pandemic situation.



CASSIA

The Cassia availability is limited as of now and the harvesting is going on in a very slow pace due to the Ramadan season.



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	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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