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SPICES MARKET OVERVIEW

JUNE 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 markets in all origins have shown a positive outlook in May amidst Covid pandemic restrictions. Limited stock, good domestic, export demand, and exorbitant increase in ocean freight were the major factors for the markets to remain firm in all the origins. **Black pepper markets in India, Indonesia and Sri Lanka has shown a 3 - 5 % increase in prices** while Vietnam was shown a slight steadiness during May after the steep increase during March/April. In almost all origins, prices have shown a come back after big fall in early 2019 - 20.

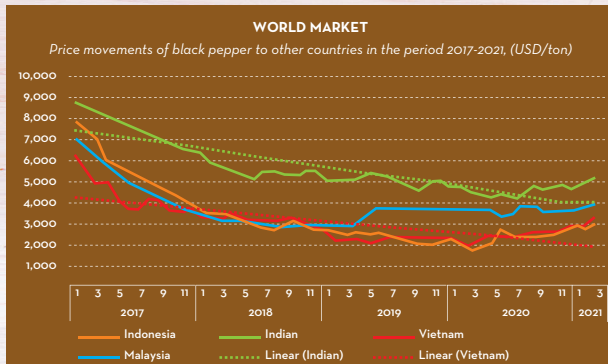


INDIA

Black pepper harvesting in India is complete and production is estimated to be almost same as that of the last season crop - 60000 - 62000 tons.

Market Trend

Black pepper arrivals were good at domestic markets during May after harvesting. Pepper prices remained at higher levels in Cochin despite good arrivals.



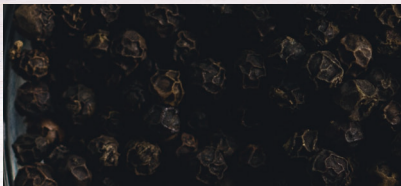
INDONESIA

Black pepper crop harvesting in Indonesia is expected to start by the end of June. Continuous rains and farm workers shortage due to the pandemic is are expected to delay the crop harvesting and post-harvest operations. Crop is estimated to be less by 10 - 15% due to erratic weather conditions. Extraction grade light pepper would be available from July onwards.

Market trend:

Indonesian black pepper markets were almost steady during May 2021. Arrivals from new crop is expected during second half of June. Extraction grade light pepper would be available by the end of

July and current prices are at higher levels due to high freight charges. **Prices would stay at slightly higher levels due to good demand from Oleoresin companies.** Since Sri Lanka crop is reported to be short, the next high piperine option for the Oleoresin industry is from Indonesia.



VIETNAM

Next Black pepper crop in Vietnam is almost six months away from now. Hence, we need to wait for the updates from farmers and traders.

Market trend:

Pepper prices rose to high levels during March and corrected itself during April/May but slightly climbed up again during end of May 2021. The Vietnam exports from Jan to May 2021 was around 130000 tons.

Vietnam pepper prices have shown a 7 - 8% decrease in domestic markets. Vietnam is going into a lock down from the 1st week of June which is expected to squeeze the availability and there is already a good demand from Middle east and China.



SRI LANKA

Black pepper crop in Sri Lanka is expected to be 25%-30% lesser as against the previous estimates. Light berry harvesting has not started in many pepper producing regions in Sri Lanka due to the second wave of pandemic. Logistics and farm activities have been restricted in pepper growing areas due to the lock down and pandemic. This could delay the harvest and availability of light berries this season and the delay would result in maturing of light into heavy berries.

Market trend:

Sporadic or limited arrivals of green pepper is reported in domestic markets of Sri Lanka. Huge domestic demand and crop shortage is expected to keep the pepper prices to firm levels during season.



CAPSICUM

Chilli harvesting in India is almost complete and arrivals from last harvested chillies have started arriving at domestic markets. The pandemic has affected the latest. The quality of the current arrival is not good as they are from the final harvest.

Market trend:

Main chilli trading markets like Guntur, Khammam and Warangal were closed for 15 - 20 days in May due to the second wave of pandemic. Hence all farmers have kept their produce in their cold storages. Currently most of the cold storages are filled to more than 90% of their capacity with chillies.

Chilli prices remained at higher levels during May due



to speculation by traders and good export demand from countries like China. There was a slight decrease in prices during the month end when the markets reopened. But the prices had mainly decreased for the chilli varieties used by the grinding industry. The chilli markets are expected to continue till June this year.

PAPRIKA

India

Paprika harvesting is complete, and arrivals are almost nil.

Market trend:

Current Paprika/KDL arrivals in Byadgi are from cold storage stocks. **Paprika prices in domestic markets remained at higher levels due to its offseason and less availability.**



TURMERIC

Turmeric harvesting in southern parts of India is complete and post-harvest operations are still going on. Turmeric harvesting in Maharashtra and North Eastern states are still underway and expected to be completed by end of June. As per the latest estimates, India would produce around 0.48 - 0.51 million tons in 2021 crop season, short by 5 - 6% compared to the total production during the year 2020.

Market trend:

Turmeric prices have not shown much changes in Indian markets due to good arrivals.

However, farmers and traders have not released their stocks completely anticipating good demand in future. In Erode, Salem, Nizamabad, Warangal and Duggirala markets, turmeric prices were reported stable for polished turmeric finger. As per the current demand and supply scenario, turmeric prices are expected to stay at steady levels in mid-term.

PANANGALI & KOCHA

Panangali and Kocha turmeric availability was limited in May as availability was limited at sources. Extraction companies bought Panangali and Kocha at higher prices during April/May which helped the prices to move up.

INDONESIA

Turmeric crop in Indonesia for 2021 is reported to be short as per latest reports. Harvesting has already started in few areas of Ponorogo and other adjacent areas. **Prices are expected to remain at previous levels.**



DRY GINGER

INDIA

Ginger harvesting in South India is complete especially in Kerala and Karnataka. Harvesting is still going on in Maharashtra and other Northeastern states in India. As reported earlier, Indian ginger crop in 2021 was good compared to previous years. Nigerian Ginger production was good in 2021 but exports have been badly affected due to domestic and logistics issues this season.

Market trend:

Indian ginger prices were reported at steady levels due to higher production and moderate demand.

Extraction quality ginger prices remained steady, but export quality polished dry ginger prices have shown a slight firm trend towards end of May.

Ginger prices are expected to remain at the same levels for the mid-term.

Nigerian dry ginger prices have shown a slight easing trend in May due to less export demand.

CELERY

Celery harvesting in Punjab and Haryana states have started during third week of May. As per the latest reports, celery cultivation was done in more than 5000 - 5500 hectares this season, 15 - 20% high compared to last season crop area. Farmers were more interested this year in planting since they had received good returns during last year.

Market trend:

Arrivals are reported to be good at Amritsar market from the last week of May. Currently aggressive coverage is being done by Oleoresin



industry. Since export demand is less as of now, **the prices are expected to stay at steady levels during short term.**

NUTMEG & MACE

Nutmeg harvesting in India has started during second half of May. Crop is reported to be short by 25 - 35 % in India due to unseasonal rains before harvesting season. Indonesia has also reported less production due to erratic weather conditions.

Nutmeg markets in Kerala have shown a steep hike in prices for all grades of nutmeg and mace due to shortage and less arrivals. Nutmeg mace was also traded at very high levels. **Prices are expected to stay at higher levels for a long term.**



CASSIA

Cassia harvesting in Indonesia has started after the Ramadan holidays and rainy season. Availability has increased at domestic markets in Indonesia. In Vietnam, availability of good cassia with high volatile oil was limited during May.

Cassia prices at Indonesian market shown a slight downward trend due to less export demand. But Vietnam cassia prices ruled at higher levels due to good export demand.

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	Steady	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.

Mane Kancor Ingredients Private 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. Mane Kancor specialises in complete natural food ingredient solutions right from sustainable sourcing of raw materials, clean extracts, advanced research and formulation. Mane Kancor has its presence in over 75 countries and has regional distribution centers across the world and multi-locational factories in India.

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