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SPICES MARKET OVERVIEW

JULY 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

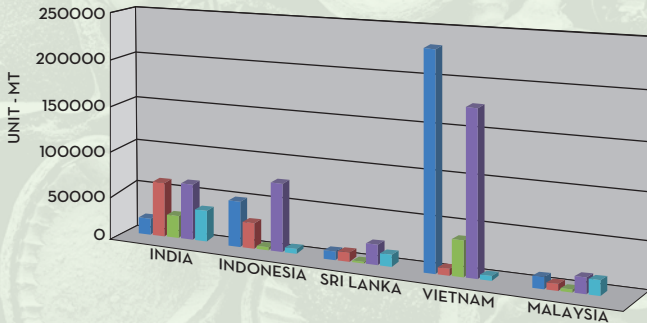
Global Market Scenario

Black pepper markets across the globe have shown a mixed response during June 2021. Sri Lanka and India have shown a firm trend while Indonesia and Vietnam prices were almost steady during the month. Pepper harvesting in Sri Lanka and Indonesia have started but the overall report is not promising as shortfall in production is reported. Despite of Covid pandemic issues, spices export from India has made a significant growth during first quarter of financial year. A complete picture of black pepper production and other details of IPC member countries are given below:



INDIA

BLACK PEPPER PRODUCTION DURING 2020
IN IPC MEMBER COUNTRIES



	India	Indonesia	Sri Lanka	Vietnam	Malaysia
 Exports	20000	53000	8000	233182	11000
 Domestic consumption	65000	30348	12000	8000	4100
 Imports	26230	1000	6	40000	1800
 Production	65000	79000	25000	180000	18000
 Brought Forward	36500	3517	12250	45498	20669

The Next black pepper crop in India is expected in December 2021 and it is too early to predict the crop conditions.

Market Trend

Domestic pepper markets in India have shown a slight decline in prices towards end of June, due to good arrivals and subdued export demand.

INDONESIA

Black pepper crop harvesting in Indonesia has started in Kalimantan, Sulawesi, and Lampung regions. Crop harvesting has been delayed due to increasing corona positive cases and incessant rains which continued at the growing regions during the month. Hence, harvesting, and post-harvest operations were affected, and Secondary sources predict 10 - 15% crop damage in Indonesia from the current season.

Market trend:

Sporadic arrivals of green pepper and dry pepper from new harvest has been reported by traders and



exporters. Indonesian black pepper markets have shown a slight downtrend due to anticipation of new crop arrivals, but Light pepper availability was limited and offers were at high levels, Increase in Ocean freight and limited light pepper availability and shortfall in crop influenced the price hike.

VIETNAM

It is too early to estimate the 2022 season of black pepper crop in Vietnam. Farmers are now interested to maintain pepper farms because of positive outlook in pepper prices. Even though crop reports are yet to come, the estimations are around 1,80,000 - 2,00,000 tons turn out during next season if the climatic conditions are favourable.

Market trend:

Bold pepper availability in Vietnam markets were good and prices have shown a highly fluctuating trend during June 2021. Black pepper light berries were not available in the market as of now and expected in the market from December 2021 onwards.



SRI LANKA

Black pepper harvesting in Sri Lanka has started but delayed by at least one month due to pandemic issues and subsequent lockdowns imposed in the country. Currently Sri Lanka has relaxed its restrictions and people have started light berry harvesting. The crop is expected to be short by more than 40% this year and the delay in harvesting has also made the pepper to mature resulting in less availability of light Pepper.

Market trend:

Arrivals from new crop is negligible at domestic markets and pepper arrivals are expected from July first week onwards. Black pepper prices are



reported to be going high since shortfall in production and domestic demand are high. Current prices for black pepper light berries are almost 30 - 35% higher compared to last season price.

CAPSICUM

Chilli harvesting in India is complete and arrivals from new crop to domestic markets are very less. In many growing regions farmers have started land preparation for next crop cultivation. The nursery activities in the month of June - July and transplantation happens in August - September.

The year 2020 - 21 chilli crop was 15 - 20% higher compared to 2019 - 20 season, total output was around 1.70 million tons whereas in 2020 - 21, total production expected is 1.90 million tons. The Carryover stocks from last season was around 25 - 30 Lakh bags in cold storages. It is reported that the Cold storages in Andhra Pradesh, Telangana, Karnataka are

filled with chillies. Total cold storage capacity is around 30.20 million bags (Each bag is around 30 - 32 Kgs) and it is reported that already 30 million bags are currently stored in all cold storages.

Market trend:

Chilli markets had re-opened during third week of June after the closure of three weeks. Prices remained at higher levels for good quality chillies. Prices are expected to remain same for some time as demand from oleoresin, curry powder manufacturing and exporters are good now.

PAPRIKA

India

Farmers have started land preparations in traditional paprika growing areas of Haveri and Gadak districts after the first monsoon showers. Normally farmers cultivate paprika either through broadcasting or seedlings transplantation method. In traditional rainfed regions, most of the farmers follow seed broadcasting method. Seed sowing and transplantation in many areas is expected to be completed by mid-July and harvesting will start during end of November or early December.



Market trend

Current paprika arrivals are from cold storages and prices remained at higher levels due to offseason and demand from North Indian buyers.

TURMERIC

Turmeric harvesting in India is complete. Post harvesting operations are in full swing in Maharashtra, Telangana, and some of the other North Eastern states.

Market trend:

Turmeric prices were almost steady at all main markets in India. As of now, price have shown a steady trend and an abnormal increase in price is not expected in medium run.



PANANGALI & KOCHA

Panangali and Kocha turmeric availability was limited, and prices were almost steady.

Indonesia

Turmeric harvesting in Indonesia has started in traditional Ponor - go and Kediri regions. Crop is reported to be short this season and farmers have not started harvesting widely as rains continued even after the rainy season. Farmers are waiting for good sun to harvest otherwise drying would be a problem and turmeric will be damaged.



DRY GINGER

INDIA

Ginger harvesting in India is complete and the total production is estimated to be above 19 - 20 Lakh tons in India this year.

Market trend:

Indian ginger prices were steady during the month of June. Due to good export demand, export quality dry ginger prices have shown slight increase, but oleoresin quality dry ginger prices remained at lower levels.



CELERY

Celery harvesting in Punjab and Haryana states are complete. After celery it is the paddy transplanting season in Punjab. Celery crop is almost 10 - 15% high during this year compared to last year.

Market trend

Good arrivals have reported from Amritsar market during the month as it is peak season. Celery prices would stay at steady levels in medium run.



NUTMEG & MACE

Nutmeg production is reported to be down in producing countries like India, Sri Lanka, and Indonesia. Indian production is expected to be down by 30 - 40%, Sri Lanka is down by 20% and Indonesian production is expected to be short by 15 - 20% as per the secondary reports. Harvesting in main nutmeg producing regions like Manado in Sulawesi and Ambon in Southeast Indonesia, Medan in North Sumatra are expected to start in October onwards.

Nutmeg markets across the globe have shown a steep hike in nutmeg and nutmeg mace



prices. Prices are expected to stay at higher levels during long term.

CASSIA

Cassia arrivals have started in Indonesia after holidays. Cassia prices at Indonesian market shown a slight downward trend after good arrivals.

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	Firm
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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