

SPICES MARKET OVERVIEW

 AUGUST 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

World pepper market has shown a rather positive outlook during the month. Vietnam and India black pepper local prices had shown a slight downward trend in July while Indonesia and Sri Lanka poised a firm trend due to high domestic demand and limited availability. Crop failure in Sri Lanka and speculation of less production in Indonesia also added the reasons for price increase in both the countries. Indonesian White pepper continued to be firm because of high demand and limited stock availability.



Global pepper production in the last 10 years registered a 72% rise at 561,500 tons against 234,418 tons in 2010.

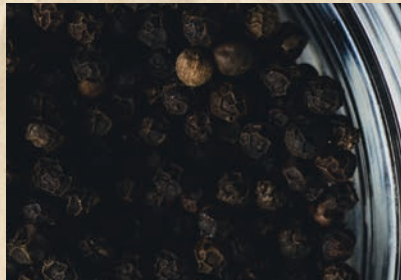


INDIA

Flowering and berry setting has initiated in major pepper growing regions in India. As per the latest reports, weather conditions are favourable in Kerala and Karnataka, which are the main pepper growing states in India. It is too early to predict the estimates for next season. However, the crop production is expected to be the same as last year if the weather conditions remain favourable.

Market Trend

Black pepper prices continued to show a downward trend in Indian terminal markets during July. The prices are expected to remain the same in the



medium term unless there is there a demand from North India.



INDONESIA

Black pepper harvesting in Indonesia had been disrupted in many regions due to resurgence of Covid pandemic. Jakarta, Lampung, Surabaya and other major cities were the mostly affected areas due to pandemic.

Market trend:

The availability was very limited and export demand pushed Indonesian pepper prices firm during July. The Exorbitant Sea freight, container and vessel availability issues also added to the increase in black and white pepper prices in Indonesia. Container freight has gone up 400% higher during last two months - currently, 40 ft



container freight to Cochin is around \$ 5000 - 8000. Shipments are delayed due to container scarcity and uncertainty in the vessel schedules.



VIETNAM

The total Vietnam pepper crop this year is expected to be almost same compared to previous year crop. The 2021 - 2022 Crop survey has not been done yet by Industry due to the resurgence of pandemic in Vietnam and almost all provinces are under lockdown. We expect to have a clear crop estimate by first half of September.

Market trend:

Vietnam pepper prices have shown a declining trend during July due to less export demand and good availability. Demand from China and other European countries were less. Logistics delay due to non-availability of shipping vessels and containers



to Asian and other American countries had also affected the exports to a great extent.

Vietnam pepper exports decreased by 15.6% in volume to 124,000 tons from January to May this year compared to the same period last year.



SRI LANKA

Pepper harvesting in Sri Lanka has started after the relaxation in lockdown. Since light pepper harvesting was delayed, availability of light berries is expected to be limited this year. As reported, Sri Lanka pepper crop this year is expected to be short by more than 40%.

Market trend:

Pepper arrivals have started in domestic markets after lockdown. Currently, all oleoresin companies are aggressive in the market and the prices have gone up for light berries. Farmers are not in a hurry to sell their product as they anticipate an increase in price as the availability is less .



CAPSICUM

Chilli seed sowing and nursery activities have started in all the chilli growing states in India. Good monsoon has been reported from chilly growing regions like Karnataka, Telangana, Andhra Pradesh, and Tamil Nadu. Chilli seed sowing in traditional chilli growing regions of Karnataka is almost complete.

Market trend:

Chilli markets in Andhra Pradesh, Telangana and Karnataka were open during the month and trade is being done with chillies from cold storages. High pungent variety Teja red and Teja white

chillies traded at higher levels after re-opening. The Grinding quality chillies also traded at higher prices. Cold storage stocks are good and prices are expected to correct downward in the long run if there is no heavy demand. The crop from MP in October and Karnataka later are also expected to have an impact on prices.

Main chilli trading markets like Guntur, Khammam and Warangal recorded higher prices for quality chillies due to good export demand.



PAPRIKA

India

Paprika planting has been completed in traditional paprika growing regions of Byadgi, Haveri, Kundgol and Gadak regions. The weather conditions have been favourable so far and farmers anticipate a good crop if the favourable weather conditions continue till the end, Harvesting is expected during first half of December.

Market trend

Paprika prices remained at higher levels due to good demand from North Indian buyers. Prices would stay at higher levels during August due to two



reason, limited availability of good KDL chillies and good demand due to festival season.



TURMERIC

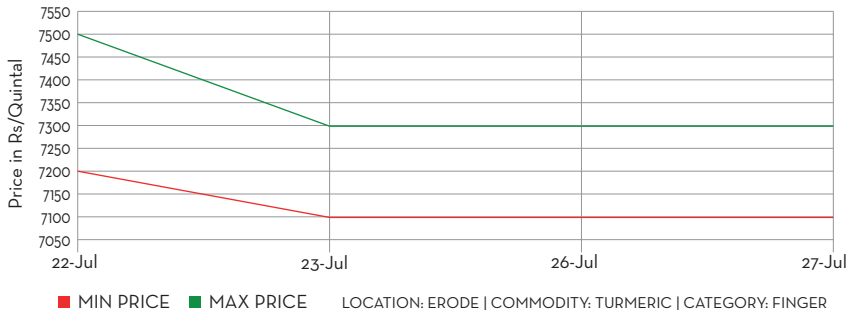
Turmeric crop is in its vegetative phase in growing states of India. Damages are reported from Maharashtra, Telangana, and Andhra Pradesh due to the recent floods caused by widespread heavy rains. It is too early to predict the crop estimate as of now as it all depends on weather conditions and availability of ground water.

Market trend:

Turmeric prices remained at steady levels due to less export demand and good production in all other origins. We expect the prices to remain steady in the long term.



SPOT MARKET PRICE CHART



PANANGALI & KOCHA

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

Indonesia

Turmeric harvesting in Indonesia has started but availability is limited due to the ongoing rainy season. Many farmers have not started harvesting as weather conditions are not favorable and prices are not attractive. Current prices are high due to the increase in logistic costs.



DRY GINGER

India

Ginger cultivation and sowing in Karnataka, Kerala, Assam, Maharashtra, and other growing states have begun after the onset of monsoons. The 2021 - 22 ginger crop area is reported to be less compared to last season crop due to farmers less interest due to lower returns during the season. In Karnataka, many farmers have not harvested the last season crop yet expecting prices to go up during the off season and are expected to harvest it later in the year.

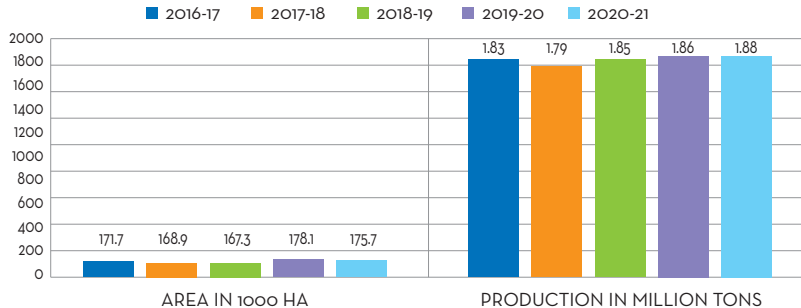


Market trend:

The extraction grade prices were slightly less at Rs 90 to 100 Rs/Kg during the month, but the current export demand was high for polished and unpolished were at Rs 185 and 165 Rs/Kg respectively during the month. The prices of Ginger are expected to go up in the long run.



INDIA GINGER PRODUCTION



CELERY

Celery harvesting in Punjab and Haryana states is almost complete.

Market trend

Celery availability was good at the Celery markets and prices remained at steady levels. Celery seed prices are expected to stay at steady levels in medium run.



NUTMEG & MACE

The Nutmeg production is less by 40% in India during 2021 season and other origins also reported short production as reported earlier.

Nutmeg prices across the globe remained at higher levels during July and it is expected to increase during the medium and long term. Prices are expected to stay at higher levels during long term.



CASSIA

Cassia arrivals have started in Indonesia after holidays. Cassia prices remained steady at Indonesian and Vietnam markets.

PRICES FORECAST FOR SHORT AND MEDIUM TERM

SPICES RM	VARIETY	SHORT TERM	MEDIUM TERM
Black Pepper	Sri Lankan	Firm	Firm
	Indonesian	Firm	Firm
	Vietnam	Steady	Steady
Chilli	Teja Red	Steady	Steady
Turmeric	Erode - Panangali	Steady	Steady
Ginger	Shimoga	Steady	Firm

Disclaimer : Please note some of the information and images used have been taken from other sources.



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