



KANCOR

SPICES

MARKET OVERVIEW

JANUARY 2022

A monthly summary of the crop and market conditions of various spice crops from growing regions.



BLACK PEPPER

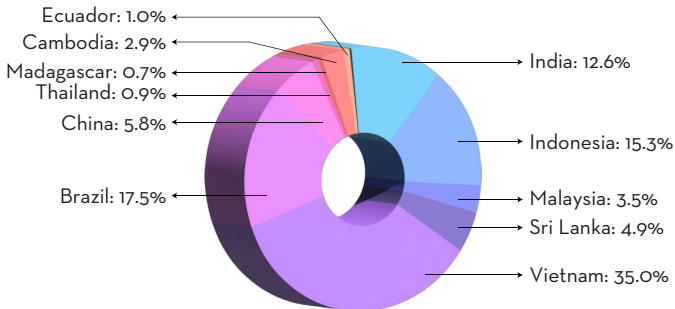
Global Market Scenario:

Black pepper markets in many producing countries have shown a mixed response due to Christmas and New Year holidays. Prices in India and Sri Lanka reported a positive outlook during December. Indian pepper price responded positively; this could be due to strengthening of Indian Rupee against US Dollar. Indonesian pepper prices in local and international markets reported stable, while Vietnam local price responded negative. Black pepper light berry harvesting in Vietnam has started in many provinces and prices have been stable so far. Pepper harvesting in India



has started in the states of Kerala and Karnataka. Arrivals from new crop is likely to increase after January 15th. A comparison of pepper production during 2020 v/s 2021 is shown in the graph herewith to understand the increase and decrease in global share.

PROJECTION OF BLACK PEPPER PRODUCTION IN 2021-22, ORIGIN-WISE



INDIA

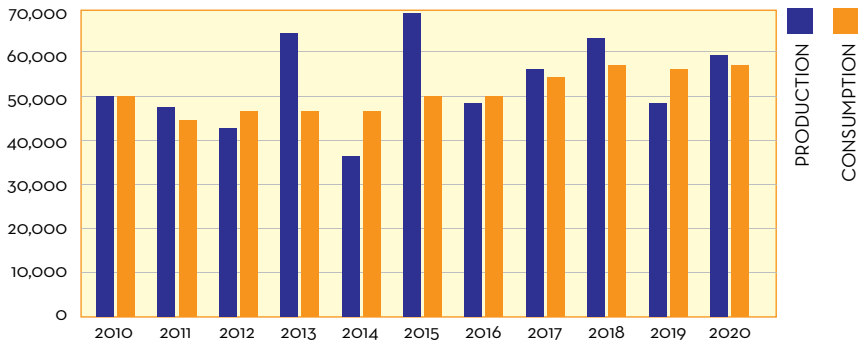
Black pepper harvesting in India has started in the states of Kerala and Karnataka. As per the latest estimates, Indian pepper crop would be around 60000 - 62000 tons. Secondary reports from Karnataka suggests that pepper crop damage is not so heavy as expected.

Market Trend:

Good arrivals of imported pepper from Sri Lanka have capped the domestic pepper price in India after the Kerala Govt High court stayed the minimum imported price for pepper proposed by DGFT.



PRODUCTION AND CONSUMPTION OF PEPPER BY INDIA IN MT



INDONESIA

Black pepper harvesting in Indonesia is complete for 2021 season. As estimated, 10 - 15% shortfall in overall production has been reported.

Market trend:

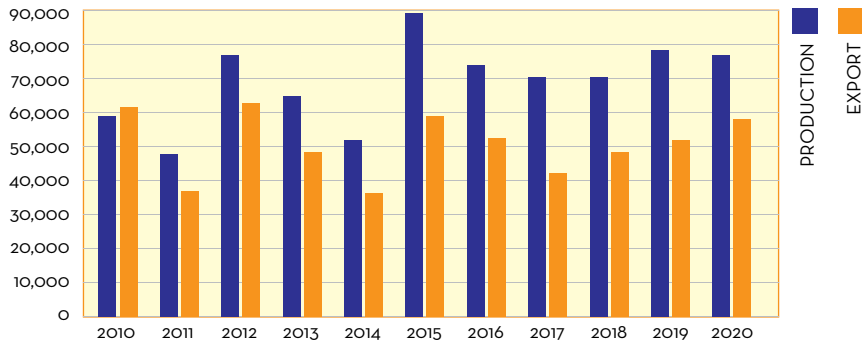
Indonesian bold black pepper prices both in domestic and international markets were reported stable during December due to less trade and Christmas holidays but the availability of extraction grade Light pepper was very less hence offers were at higher levels.

White pepper:

Extraction grade white pepper availability was less during the month.



PRODUCTION AND EXPORT OF PEPPER BY INDONESIA IN MT



VIETNAM

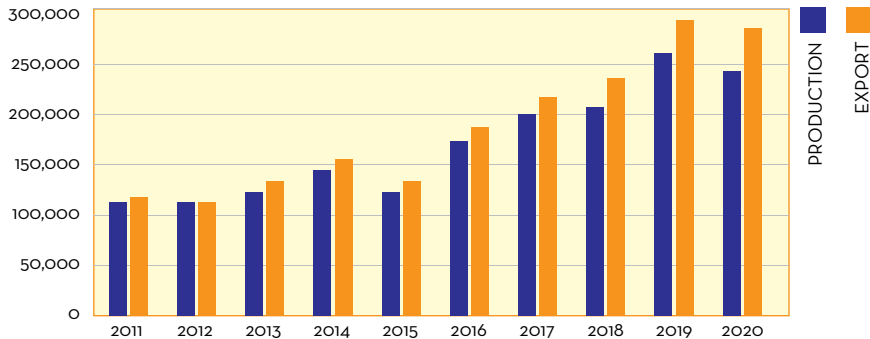
Light pepper harvesting or collection from pepper farms in Vietnam have started. However, the main crop harvesting would likely to commence by January/February only. As per IPC and other surveys, Vietnam pepper production during 2021 - 22 is expected to be lower by 10 - 15% and the total estimate is around 1.80 lakh tons.

Market trend:

Black pepper availability in Vietnam is good and prices were currently stable but the prices are much higher compared to last season and are not expected to come down in the long run.



PRODUCTION AND EXPORT OF PEPPER BY VIETNAM IN MT



SRI LANKA

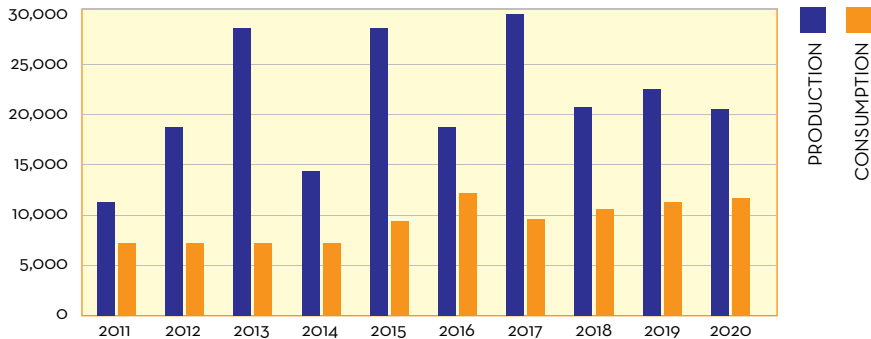
Kandy crop harvesting in Sri Lanka is almost complete. The interim crop was a very low crop with around 1500-2000 tons but the demand from India and Oleoresin companies was high and hence the prices also went up during the month.

Market trend:

Black Pepper prices in Sri Lanka remained at higher levels due to good export demand from India. Light berries demand is expected to continue as availability is very less.



PRODUCTION AND CONSUMPTION OF PEPPER BY SRI LANKA IN MT



CHILLI

Chilli producing regions in Karnataka, Andhra Pradesh and Telangana states have experienced a Western black flower thrips attack over chilli farms in the main growing regions and the crop damage is estimated to be very severe. The available pesticides and chemicals are not very effective against these pests and hence it would affect the yields of the standing crop. As per earlier estimates, the production would have been around 24 Lakh tons since the area under cultivation has increased but the current estimates as per secondary sources are around 40 to 50% of that. However, a clear

picture on the crop and the total production would be known after mid-January.

Market trend:

High volatility in chilli prices were visible in chilli markets during December due to virus infection and panic buying. Prices have shown 30 - 40% hike during first half of December due to speculation. Prices would likely to decline once new arrivals start coming to markets. Cold storages are still holding around 25 - 30% stock.

PAPRIKA

India

Paprika arrivals have started at domestic markets in Karnataka, mainly in Byadgi and Hubli. Current arrivals are mainly from rain affected areas hence the quality is not good as expected. Crop damage is reported from main areas like Bellary and Byadgi regions which would affect the availability and pricing. Arrivals are expected to increase after January 15th.

Market trend:

Paprika / medium colour chilli prices have shown firm at domestic markets due to speculation and crop damages. Prices are expected to remain high in the medium run.



TURMERIC

Turmeric harvesting in Karnataka state is expected to begin during January 2022 followed by Maharashtra, Tamil Nadu, Andhra Pradesh, and Telangana. Crop is reported to be same as last year and the estimate for 2022 is around 4.75 - 5.20 Lakh tons.

Market trend:

Turmeric prices in all markets remained at lower levels due to less export demand.

Panangali & Kocha

Panangali and Kocha turmeric are expected to be available from February 2022 onwards.



DRY GINGER

India

Ginger harvesting in India is expected to start from January onwards. Crop is reported to be short by 10 - 15% this year.

Market trend:

Dry ginger prices remained steady in December, and it is expected to continue in long term.

Celery

Celery sowing for next season in Punjab and Haryana states are complete. Celery production is expected to be same as last season.



NUTMEG & MACE

Nutmeg and mace availability was limited in Indian markets and prices remained firm during December. No changes in prices reported for BWP grade nutmeg and mace grades.

Indonesian BWP grade nutmeg has shown an increase in prices.

Cassia

Cassia availability at Indo markets was reported good but prices have shown a firm trend due to increase in freight charges.

Disclaimer : Please note some of the information and images used have been taken from other sources. The crop market overview is according to the best of our knowledge. Please note that there can be deviations in the forecast from the actual market conditions.

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	Firm
Turmeric	Erode - Panangali	Steady	Steady
Ginger	Shimoga	Steady	Steady

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