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SPICES MARKET OVERVIEW

NOVEMBER 2024



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

WEATHER FORECAST:

Key States Rainfall from 1st October 2024 to 28th October 2024.

States	Actual mm	Normal mm	% Departure	Category
Andhra Pradesh	171.8	144.7	19%	Normal
Telangana	56.3	90.3	- 38%	Deficient
Maharashtra	85.5	72.0	19%	Normal
Karnataka	180.7	121.2	49%	Excess
Kerala	235.4	278.7	-16%	Normal
Tamil Nadu	210.6	151.2	39%	Excess

WEATHER FORECAST:

- Light to moderate rainfall at a few places accompanied with isolated thunderstorm and lightning very likely over Tamil Nadu, Puducherry & Karaikal, Kerala & Mahe, Lakshadweep, Coastal & South Interior Karnataka.
- Isolated heavy rainfall also very likely over north Coastal Andhra Pradesh on 28th October, Coastal Karnataka on 31st October & 01st November, South Interior Karnataka, Tamil Nadu, Puducherry & Karaikal and Kerala & Mahe.
- The depression (remnant of severe cyclonic storm “DANA”) over north Odisha has weakened into a well-marked low-pressure area over the same region.
- A trough runs from Lakshadweep area to north Tamil Nadu coast in middle tropospheric levels.

Source: India Meteorological Department (IMD)

RAW MATERIALS: BLACK PEPPER

Global Market Scenario



The global black pepper market is currently characterised by a firm trend, influenced by various regional dynamics and seasonal factors.

- Major markets have imported substantial quantities of black pepper from Vietnam during the season. However, there is currently no additional demand, which may affect pricing stability in the short term.
- As the festival season approaches, prices are expected to firm up, reflecting seasonal demand increases.



The Indian pepper market is exhibiting stable trends for both local and international markets, indicating resilience amidst fluctuating demand.



The Indonesian Rupiah has strengthened against the US Dollar, trading at IDR 15,531 per USD (a 1% appreciation). This has contributed to a firm pricing trend for Indonesian pepper in both local and international markets.



Similarly, the Sri Lankan Rupee has appreciated against the US Dollar (LKR 293.34 per USD), also showing a 1% increase. The price for Sri Lankan pepper has remained firm throughout October.



Vietnamese pepper prices are stable due to sustained demand from key consumer markets. This demand is largely driven by a lower harvest from Brazil, which has further tightened global supply.

INDIA

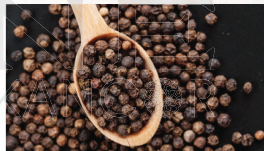
Season

BLACK PEPPER	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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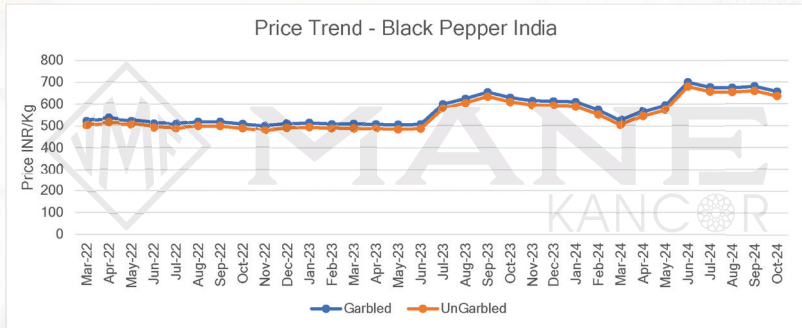
Crop Status & Market Trend:

Black pepper prices have shown stability throughout October, maintaining a consistent trend in the market.

- Significant imports from Sri Lanka have led to a surplus of black pepper, impacting domestic pricing and market dynamics.
- This surplus has exerted additional pressure on indigenously grown pepper, compelling farmers across all growing regions to liquidate their stocks.
- New season pepper arrivals are expected to begin by the end of November, which may influence market conditions.
- In domestic markets, ungarbled black pepper is trading at ₹636 per kilogram, while garbled black pepper is priced at ₹656 per kilogram.



Price Trend:



INDONESIA

Season

BLACK PEPPER	INDONESIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend:

- Indonesian pepper prices have shown a firm trend throughout October, reflecting stable market conditions.
- In recent months, Indonesian pepper has been favored by many buyers due to its competitive pricing compared to other origins, making it an attractive option in the global market.
- Most sellers currently have limited to no offers available, as they are fully booked from initial commitments. This scarcity is contributing to the firm pricing trend.
- The crop season has concluded, leading to significantly low stocks. This reduction in supply is likely to impact future pricing.
- As global demand for pepper increases, prices are anticipated to firm further, driven by the ongoing supply constraints and heightened interest from international buyers.

White Pepper (WP)

Crop Status & Market Trend:

- Muntok white pepper prices have remained firm due to good demand.
- The crop season has come to an end.
- Vietnam and China continue to cover the available quantities.

VIETNAM

Season

BLACK PEPPER	VIETNAM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Vietnamese Pepper

- The Vietnamese pepper market exhibited a firm trend in October, despite adverse weather conditions.
- Prevailing hot and dry weather, along with low humidity, has not been favourable for the pepper crop. This has raised concerns about future production levels.
- Due to the ongoing weather effects, a sharp decrease in crop output is forecasted for 2025 compared to last year, which could further strain supply.
- In areas affected by disease and crop loss, farmers are opting not to replant pepper and are instead transitioning to more remunerative crops, impacting future production potential.
- The market is currently experiencing limited to no availability of raw material, exacerbating supply issues.
- Demand from China has slowed down, while interest from the EU and USA is primarily focused on securing coverage for the 2025 crop, indicating a shift in market priorities.

SRI LANKA

Season

BLACK PEPPER	SRI LANKA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Sri Lankan Pepper

- Sri Lankan pepper prices have shown stability and a firm trend throughout October. Initial reports indicate that prices for the Kandy crop are expected to remain strong.
- The Kandy crop is anticipated to be normal, which may contribute positively to market conditions.
- There has been a drastic decrease in demand for bold pepper from India during October, primarily due to surplus supply in the market. This shift could influence pricing and availability.



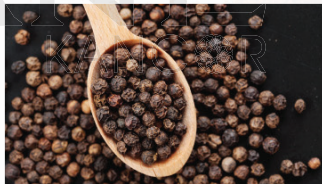
BRAZIL

Season

BLACK PEPPER	SRI LANKA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Brazilian Pepper

- Brazil demand have somehow eased down due to cheaper alternative found from Indonesian market.
- New crop harvest is coming in at small quantities, this has led to producers putting more pressure on prices.
- Prices from the field has seen about 10% increase due to low availability and sourcing issues.
- The pressure could continue to impact and reflect in pricing going forward especially for high quality lots being supplied for EU and USA Markets.
- Prices are expected to continue their firm trend.



CHILLI

Season

CHILLI	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend:

- **Reduced Crop Area:** The overall area dedicated to chilli cultivation has declined by 20%. Many farmers are shifting to more remunerative crops such as cotton and maize, which are perceived as more profitable options.
- **Delayed 2025 Crop:** The 2025 chilli crop is expected to be delayed by more than one month in these states, leading to more spread-out arrivals throughout the season. This could impact market supply and pricing dynamics.
- **Favourable Water Levels:** Currently, water levels in major reservoirs are favourable, which could support crop growth despite the challenges faced.
- **Rain Damage in Madhya Pradesh:** In Madhya Pradesh, there are reports of rain-damaged material arriving in the market, which may affect overall quality and availability.



- **Pest Issues:** Isolated areas have reported attacks from Black Thrips pests, posing additional risks to crop health and yields.
- **Peak Arrival Expected:** Crop arrivals are anticipated to peak by mid to late November, which will be critical for assessing market supply.
- **Current Pricing:** Green chilli prices have been favourable this year, trading at approximately INR 45 per kg at the field level. This pricing trend may influence dry chilli production as farmers evaluate their options based on profitability.

Current market price of other major varieties is:

341/334 chilli : INR 130 -170/kg. (CS)

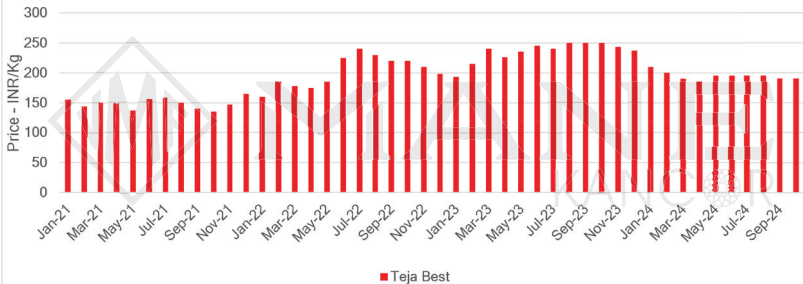
5531 red medium quality : INR 120 -150/kg. (CS)

Teja Red : INR 185 -195/kg. (CS)



Price Trend:

Teja Chilli Price Trend 2021 - 2024



PAPRIKA INDIA

Season

CHILLI	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Paprika in India

- Prices of high colour varieties have indicated a slow trend in October due to sluggish demand.
- Flowering and fruit setting has started in the chilli crop.
- Initial report indicates a 20% drop in the chilli cultivation area.
- Due to the unfavourable prices of chilli in the last season, farmers have shifted to other crops.
- Minor infestation of Black Thrips pest has been reported from the growing areas.
- Water levels in various reservoirs are at satisfactory levels.

TURMERIC

Season

TURMERIC	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: India

- Regular finger turmeric prices have shown a firm trend in October, indicating stability in the market despite various challenges.
- Although the initial sowing area increased by 20%, heavy rainfall over the last few months has adversely affected the crop, leading to a significant drop in overall production.
- The carryover stock for 2025 is very low, suggesting potential tightening of supply in the upcoming season. This scarcity may further influence market dynamics.
- With five months remaining until the next harvest, the combination of low supply and adverse weather conditions could push prices higher as demand persists.
- Extraction-grade finger turmeric is currently priced between ₹150 to ₹155 per kg. However, availability of Kocha and Panangali varieties is extremely low, and the quality is reported to be inferior.



INDONESIA

Crop Status & Market Trend:

- In Indonesia, turmeric prices are also exhibiting a firm trend. The market is experiencing a complete exhaustion of crop arrivals, which has contributed to price stability.
- Extraction-grade finger turmeric availability has supply constraint.



DRY GINGER

INDIA

Season

GINGER	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Dry Ginger - India

- Prices for premium quality dry ginger have indicated a stable trend in October.
- Despite the floods in some parts of Karnataka, the crop has not been damaged.
- Wet ginger prices remain firm, currently trading at INR 120 per kg.
- Dry ginger material arrival is expected to start in December.
- New crop prices are expected to be slightly lower than last year. We will get a better clarity by Early December.



NIGERIA

- The price of Nigerian ginger has continued its stable trend in October.
- New season crop arrival is expected in December - January.



CELERY

Season

CELERY	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Celery

- Celery seed prices have indicated a stable trend in October.
- Stockist and farmers are holding the material expecting better price.
- Both international and domestic demand continue to be sluggish.



NUTMEG & MACE

Season

NUTMEG	INDIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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Crop Status & Market Trend: Nutmeg and Mace

INDIA

- Indian nutmeg and mace prices have indicated a firm trend in October, supported by low availability and better demand in the market.
- The nutmeg and mace crop season has concluded, leading to decreased supply. However, the quality of the available material is reported to be lower than usual.

INDONESIA

Indonesian nutmeg prices have also shown a firm trend in October, reflecting favourable demand in the international market.

- Crop arrivals in Indonesia are scattered, with farmers holding onto their stocks in anticipation of better prices in the coming weeks.



CASSIA

Season

CASSIA	VIETNAM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	INDONESIA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

INDONESIA

- Indonesian Cassia prices have indicated a firm trend in October.
- Increased Freight charges and better demand led to price increase.
- Material availability is low due to weather conditions.

VIETNAM

- Vietnam Cassia prices have also indicated a firm trend in October.
- High VO material availability has improved.



Price 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	Stable
Turmeric	Erode Panangali	Firm	Firm
Ginger	Shimoga	Stable	Stable

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.

Mane Kancor 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 80 countries and has regional distribution centers across the world and multi-locational factories in India.

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