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SPICES MARKET OVERVIEW

DECEMBER 2024

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

WEATHER FORECAST:

Key states Rainfall from 1st October 2024 to 29th November 2024.

States	Actual mm	Normal mm	% Departure	Category
Andhra Pradesh	214.8	259.4	-17%	Normal
Telangana	66.4	118.5	- 44%	Deficient
Maharashtra	88.5	91.4	-3%	Normal
Karnataka	204.4	168.8	21%	Excess
Kerala	355.6	457.6	-22%	Deficient
Tamil Nadu	350.5	348.8	0%	Normal






WEATHER FORECAST:

- Deep Depression over Southwest Bay of Bengal (Cyclone Alert: Orange Message for North Tamil Nadu, Puducherry and adjoining south Andhra Pradesh Coasts).
- Isolated heavy to very heavy rainfall at a few places with extremely heavy falls at isolated places highly likely over north Tamil Nadu.
- Heavy to very heavy rainfall with extremely heavy falls at isolated places highly likely over south Andhra Pradesh & Yanam and Rayalaseema.
- Rainfall is likely to be above normal over south Peninsular India and parts of east & northeast India.

Source: India Meteorological Department (IMD)

RAW MATERIALS: BLACK PEPPER

Global Market Scenario

-  The global black pepper market has experienced significant volatility throughout 2024, with prices remaining firm across various origins as of November.
-  The new crop season has commenced, contributing to a stable trend in the pepper market. Despite some fluctuations earlier in the year, current prices are holding steady, reflecting consistent demand from both domestic and international markets.
-  The Indonesian crop season has concluded, resulting in low stock levels as most of the harvest has been sold. Prices continue to be firm due to favourable demand, due to the end of the season impacting availability.
-  The Kandy crop season has also started, with prices for Sri Lankan pepper remaining firm in November which indicates a healthy demand for Sri Lankan pepper in the global market.
-  Vietnamese pepper prices are anticipated to witness significant fluctuations, particularly due to low inventories and indications that the upcoming crop may be smaller than expected. This uncertainty could lead to price volatility as the market reacts to supply constraints.

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:

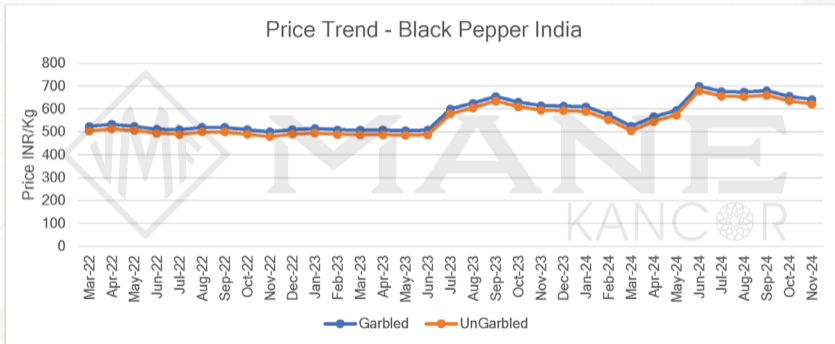
- **Price Stability:** Black pepper prices have shown stability throughout November, maintaining a consistent trend in the market.
- **Market Arrivals:** The arrivals of black pepper in South India have declined, leading to a downturn in local markets. After experiencing consecutive years of losses, many traders have begun liquidating their stock.
- **Climatic Challenges:** Recent climatic patterns in India, coupled with insufficient rainfall in the growing areas, have negatively impacted the pepper crop. A late monsoon season has further exacerbated this issue, with reports from certain regions indicating completely dried crops.



- **Seasonal Demand:** Seasonal demand is expected to last until February. Additionally, a decline in shipments from Vietnam, driven by their own bullish market dynamics, adds another layer of supply constraints.
- **Current Pricing:** In domestic markets, ungarbled black pepper is trading at ₹622 per kilogram, while garbled black pepper is priced at ₹642 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:

- **Price Trends:** Indonesian pepper prices have remained firm in November. The current low stock situation, coupled with increasing demand, suggests that prices may rise further in the coming weeks.
- **Production Estimates:** The estimated pepper production for Indonesia in 2024 is 62,625 metric tons (mt) according to the IPC Crop Report 2024.
- **Productivity Challenges:** Pepper productivity has decreased in 2024 compared to the previous year due to severe climatic effects and pest attacks, which have negatively impacted crop yields.
- **Major Importers:** In 2024, Vietnam and China emerged as the major importers of pepper from Indonesia, indicating strong regional demand.

INDONESIA

White Pepper (WP)

Crop Status & Market Trend:

- **Price Stability:** Muntok white pepper prices have exhibited a firm trend throughout November, supported by good demand from global markets.
- **Production Decline:** White pepper production is reported to be 20% lower this year, which contributes to the price stability as supply tightens.
- **Favourable Demand:** The favourable demand for white pepper from international markets is bolstering prices, indicating robust interest in this commodity.
- **Seasonal Outlook:** As the season comes to an end, prices are expected to further firm up, reflecting ongoing demand and reduced supply.



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:

- **Market Trend:** The Vietnamese pepper market exhibited a firm trend in November, although various factors are influencing the dynamics.
- **Selling Pressure:** As the coffee harvest progresses, selling pressure from farmers and dealers has increased. Many are offloading pepper to generate capital for coffee production, which requires significant investment.
- **Demand Levels:** Demand for pepper remains relatively slow across major markets, including the U.S., EU, Middle East, and China. This sluggish demand could affect price stability in the near term.
- **Crop Shifts:** Many farmers are transitioning to more profitable crops such as Durian and Coffee. This shift is leading to a reduction in pepper acreage, which may impact overall production volumes.
- **Production Outlook:** Unpredictable weather patterns, including droughts and heavy rains, have adversely affected Vietnam's pepper production. The 2024 production is estimated to be 7% lower than in 2023, with an estimated output of 180,000 metric tons (mt).

*IPC Crop Report 2024

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:

- **Price Stability:** Sri Lankan pepper prices have indicated stability and a firm trend throughout November, reflecting consistent market conditions.
- **Kandy Crop Arrivals:** The arrivals of Kandy crop pepper have slowed due to recent rainfall. Current weather conditions are not favourable for harvesting and drying, which could impact overall supply.
- **Production Estimates:** Sri Lankan pepper production is estimated to be 36,265 metric tons (mt) in 2024. Additionally, 309 hectares of new pepper plantations have been adopted this year, which may support future production levels.
- **Market Outlook:** Prices are expected to firm up in the coming weeks due to low availability and strong demand from both domestic and international markets.

*IPC Crop Report 2024.



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:

- **Price Stability:** The season has come to an end, Brazilian pepper prices have remained stable, supported by consistent demand in the market.
- **Impact of El Niño:** The pepper-growing areas in Brazil have been severely affected by El Niño, leading to extreme heat and very dry weather conditions. These climatic challenges have significantly reduced the 2024 crop yield and intensified the death rate among plants.
- **Work Force Competition:** Coffee and pepper are in strong competition for the available work force. However, due to quality considerations, farmers tend to prioritise coffee production over pepper cultivation.
- **Production Decline:** The 2024 pepper production is reported to be 28% lower than in 2023, with an estimated output of 70,000 metric tons (mt). This decline is largely attributed to adverse weather conditions and shifts in crop priorities.
- **Future Price Expectations:** Prices are expected to continue their firm trend as low availability coupled with good demand supports market stability

*IPC Crop Report 2024

CHILLI

Season

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

- **Transplanting Status:** Transplanting is still ongoing in very few areas, indicating that the planting phase is nearing its conclusion.
- **Crop Growth Conditions:** The growth of chilli crops is favourable in Andhra Pradesh and Telangana, with climatic conditions proving suitable for development.
- **Critical Months Ahead:** December and January will be critical months as the plants enter the flowering and fruiting stages, which are essential for achieving optimal yields.
- **Price Stability:** Chilli prices have remained stable in November due to subdued demand. Stockists are currently under pressure to sell their stocks, contributing to the dynamics of the market.



- **Market Arrivals:** High moisture material is arriving in the Madhya Pradesh market, with an estimated 50,000 bags expected as the crop harvest peaks. So far, 40% of the crop arrival has been completed, indicating a significant influx of product.
- **Quality Demand:** There is an increasing demand for superior quality material, which may influence pricing and market strategies moving forward.
- **Harvesting Decisions:** Farmers have halted the harvesting of green chilli, anticipating that prices for red chilli will increase soon. This strategic decision reflects their expectations for better returns.

Current market price of other major varieties at Cold storages(CS);

341/334 chilli : INR 130 -160/kg. (CS)

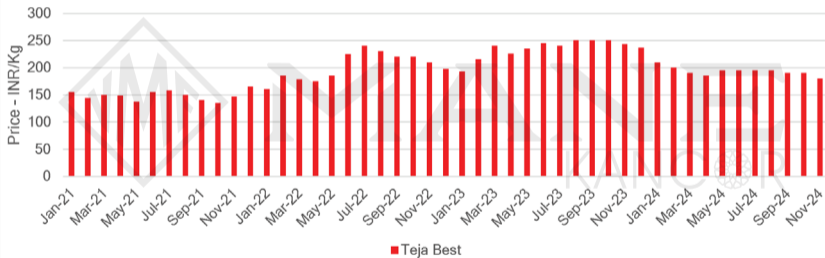
5531 red medium quality : INR 120 -150/kg. (CS)

Teja Red : INR 170 -180/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:

- Prices of high colour varieties of Byadgi chilli have indicated a slow trend in November, primarily due to sluggish demand in the market.
- The arrival of damaged and rain-affected material is occurring in the Byadgi market. Currently, between 10,000 to 20,000 bags are arriving weekly, with approximately 20% classified as inferior quality.
- The chilli crop is currently in the flowering and fruit-setting stages across most growing locations in Karnataka, which are critical periods for yield development.
- Reports of black thrips infestation have emerged from major growing areas such as Bellary and Raichur. Farmers are actively implementing necessary plant protection measures to safeguard their crops.

TURMERIC

INDIA

Season

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

Price Stability: Regular finger turmeric prices have shown a stable trend in November, indicating consistent market conditions.

Production Outlook: The upcoming crop is expected to be more than 20% lower than previous years. This anticipated decline, coupled with lower carry-forward stocks, will likely put upward pressure on prices due to tighter supply.

Market Arrivals: New crop arrivals are expected in February and March, which may influence market dynamics as the season progresses.

Current Pricing: Extraction-grade finger turmeric is currently priced between ₹145 to ₹150 per kilogram. However, the availability of Kocha and Panangali varieties is extremely low, and the quality of these varieties has been reported as inferior.



INDONESIA

Price Trends:

In Indonesia, turmeric prices are also exhibiting a firm trend. The crop arrival has come to an end, which may affect supply levels in the near term.



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:

- **Price Stability:** Prices for premium quality dry ginger have indicated a stable trend throughout November, reflecting consistent demand and market conditions.
- **Market Growth Projection:** The Indian ginger market size is projected to exhibit a growth rate of 10.8% in the coming years, driven by increasing demand from the food and beverage industry as well as growing awareness of the health benefits associated with ginger consumption.
- **Current Pricing:** Semi-dried ginger, containing 25 to 30% moisture, is being traded at ₹140 per kilogram. This pricing provides insight into the current market dynamics.
- **Harvesting Update:** The harvesting and processing of dry ginger have started, with material arrivals expected to begin by the end of December. However, prices are anticipated to be stable due to various factors affecting supply and demand.

NIGERIA

Crop Status & Market Trend:

- The price of Nigerian ginger has indicated a firm trend in November.
- 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 seed prices have indicated a firm trend in November.
- Low availability and good demand have led to the increase in prices.
- New crop sowing is expected to begin in January.



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:

INDIA

- **Price Trends:** Indian nutmeg and mace prices have indicated a firm trend in November, supported by better demand despite lower quality material currently available.
- **Market Dynamics:** The combination of better demand and low availability has supported prices during this period.

INDONESIA

- **Price Stability:** Indonesian nutmeg prices have also shown a firm trend in November, reflecting similar market conditions as in India.
- **Supply Constraints:** Crop arrivals in Indonesia are lower than expected, leading to a situation where demand is outpacing supply. This imbalance is likely to influence pricing positively.



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 November.
- Increased freight charges and better demand led to price increase.

VIETNAM

- Vietnam Cassia prices have also indicated a firm trend in November.
- 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	Stable	Stable
Turmeric	Erode Panangali	Stable	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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