



Spices Market Report

February 2024



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Inauguration of Our New Fragrance Lab Sparks a Journey of Innovation and Collaboration – January 31st 2024, Kerala, India

We're thrilled to announce the successful inauguration of our new lab and development center, a distinguished division of Fragrance Ingredients, underscoring our commitment to excellence and paving the way for innovative achievements. As part of this journey, we look forward to exploring new partnerships and collaborations with you to enhance our impact in the industry.





Capsicum

Harvest Season



Market Updates

Southern India: Harvesting initiated in early January, expecting an overall chilli crop increase of 10-20% compared to last year. Peak arrivals are expected in March. High-pungency varieties show similar output to last year, but medium and low-pungency types, such as 334, 341, and 5531, is expected to have high output compared to previous year.

Increased agro-chemical use due to climate-related pest challenges might IPM grade material.

In carry forward stocks, there is a scarcity of high-pungency varieties but an abundance of low to medium-pungency ones. IPM grade material is quite limited.

Prices for high-pungent and medium-pungent varieties are currently trading at higher levels than the previous year for the same period.

Unlike last year, most chillies entering the market are of lower quality. Due to lower availability of Deluxe variety, the demand for Best and Medium best grades are higher this year which could push up their prices.

Last week's arrivals in Khammam, Warangal, and Guntur markets totaled around 2.20 lakh bags daily

Price trend between Jan 31st and Feb 7th 2024

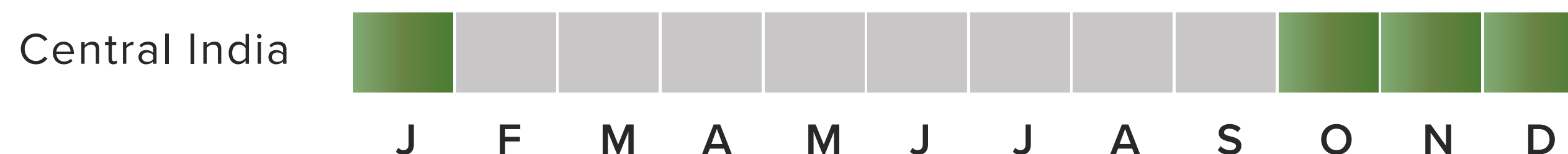
Teja 5% increase
334 - Stable
341 - 5% increase
5531 - Stable



Major growing regions
Andhra Pradesh and Telengana

Capsicum

Harvest Season



Market Updates

Central India: Unseasonal rains played havoc in Madhya Pradesh and its neighboring regions in Maharashtra, adversely affecting the quality of chillies.

The market witnessed a surge in lower quality chillies, leading to a decline in demand for exports and subsequent price reduction.

Harvesting is almost finished in central India.

Green chilli availability is scarce.

Unlike last year, there's a lower percentage of Deluxe and Best-quality chillies available in the market

Prices in Central India have experienced a slight decrease compared to last month



Major growing regions

Madhya Pradesh and Maharashtra

Paprika

Harvest Season



Market Updates

Paprika crop growth is reported to be better than previous year. Arrivals have started in December from Byadagi market which has reported around 1.7 lakh bags per day on 1st February 2024. Cold storages in Karnataka, already stocked with last year crop, are projected to fill up with new crop, at a faster pace than in 2023. Lower prices for Paprika compared to other chilli varieties led to increased purchases from institutional players. However, with the increased arrivals of new crop, overall prices have stabilized by the end of January 2024. The ongoing demand may prompt prices to rise in the short term.

Currently cold storage levels are at 50-55% in Karnataka.

Lower prices for 5531 and KDL prompted increased institutional purchases

Arrivals expected to peak in coming months



Major growing regions
Karnataka

Ginger

Harvest Season



Market Updates

India : Green ginger stocks have been arriving since October 2023, from main growing regions in Karnataka, Maharashtra and Odisha. Cochin Ginger is expected to arrive by March.

Farmers continue to sell green ginger and there is very scarce availability of dry ginger. Prices for green ginger have witnessed a marginal drop in the end of January 2024 but still higher than 2023 levels by 30-35% and currently remain stable.

In India,
the availability
of dry ginger
remains very
low



Major growing regions

Karnataka, Kerala , Odisha and Maharashtra

Ginger

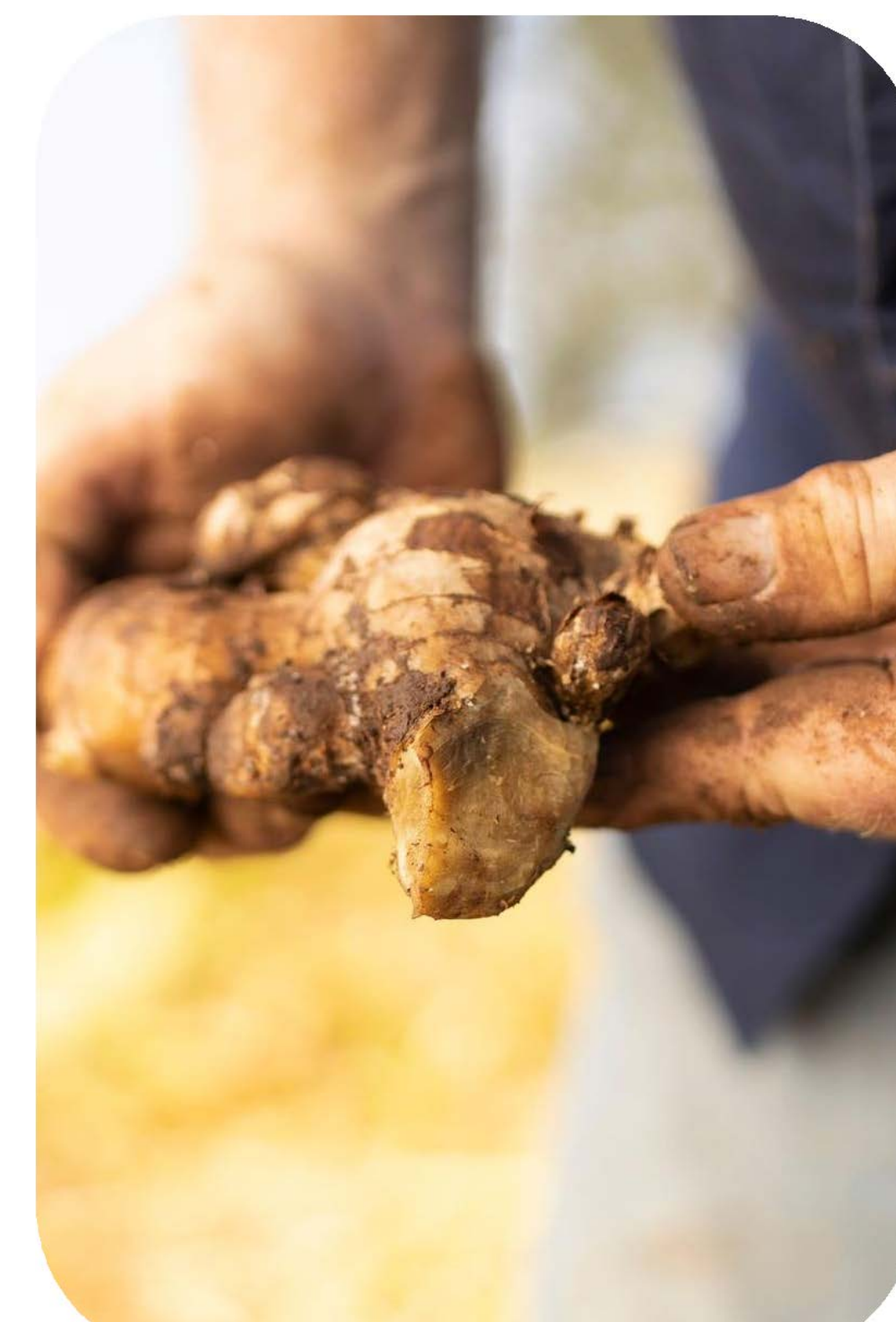
Harvest Season



Market Updates

Nigeria : Crop harvesting is ongoing. The total arrivals till date is much lower than what was previously estimated. Widespread pest attacks, reported as Crop Pandemic have significantly lowered the quality of the current ginger crop. The overall status is that there is limited availability of dry ginger and whatever is available is of lower quality and higher prices. Prices have further increased compared to last month and currently trading at USD 3.7 / kg. and prices are expected to increase further if the demand remains consistent.

Nigeria price
has increased by
around 30%
Jan 1st
USD 2.8
Jan 31st
USD 3.6



Major growing regions
Kaduna, Kano

Turmeric

Harvest Season



Market Updates

India: The harvest has started and drying process is ongoing. Arrivals are expected by end of February. Turmeric prices have consistently risen, experiencing a 10% increase by end of Jan 2024 compared to previous month. While there is speculation about rising prices due to demand, the current high prices may deter potential buyers from aggressive buying. We need to monitor market movement over the next weeks to understand how the dynamics unfold. Several growing regions experienced a shortage of rainfall compared to previous years, leading to unconfirmed reports of lower yields. This weather pattern has implications for the overall crop output. Despite weather challenges, the existing higher prices have motivated farmers to adopt better crop management practices. This includes the increased use of agrochemicals to maximize per-acre yield. Because of these practices, it is anticipated that the availability of IPM grade turmeric will be limited. Turmeric Nizamabad Unpolished spot prices averaged USD 1.53/kg between Jan 2, 2024, and Jan 30, 2024, whereas in 2023 same period the prices were USD 0.87/ kg.

In India, arrivals
to commence
from end of
February



Major growing regions

India - Karnataka, Tamil Nadu, Andhra Pradesh, Telengana, Maharashtra, Meghalaya, Odisha, Kerala

Crop Harvest at Maharashtra



Turmeric

Harvest Season



Market Updates

Indonesia : Sowing for the upcoming July crop was completed in December 2023. Turmeric prices had risen towards end of last season in October 2023. The current market outlook is optimistic for fulfilling both domestic and export demands, influenced by the rise in Indian turmeric prices. Carry forward stock is very low.

In Indonesia,
next season
crop expected
in July 2024

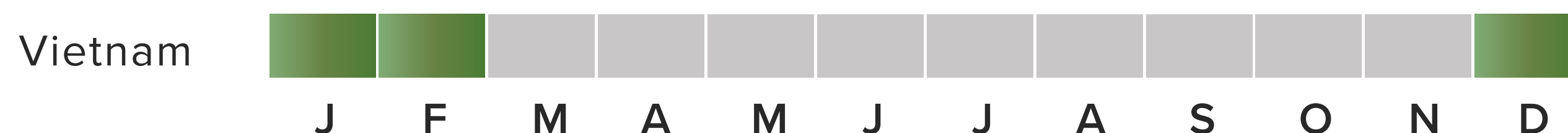


Major growing regions

Indonesia - East & Central Jawa island

Black Pepper

Harvest Season



Market Updates

Vietnam : The dry pepper arrivals commenced in February, with 20-25% of the harvest completed in major pepper-growing regions of Vietnam. The current materials entering the market have high bulk density. The upcoming New Year celebration in Vietnam, expected between 8th-14th February, might lead to a temporary pause in material arrivals this week.

In 2023, Vietnam exported approximately 270,000 MT against an estimated production of 200,000 MT. During the same period, Vietnam imported around 56,000 MT of black pepper from Brazil and Indonesia. Starting 2024 with minimal carry-forward stocks compared to the previous year, the prices for FOB Ho Chi Minh 550GL machine-cleaned variety increased by approximately 3% in January, closing at around USD 4/kg on January 31st, 2024. The anticipated crop output for this year is lower than last year and it is expected that pepper prices will increase in the long run.

Most farmers engaged in pepper cultivation in Vietnam also grow coffee. The current high prices for coffee have prompted farmers to prioritize coffee harvesting over pepper. Farmers, enticed by higher returns from coffee, are opting to postpone the pepper harvest. Despite the Red Sea crisis impacting freight rates and causing shipping delays to Europe, demand has remained consistent, with no significant drop in export volumes from Vietnam.

Pepper harvest in Vietnam experiences slight delay

Farmers focus coffee harvest over pepper, as coffee prices reach historic highs



Major growing regions

Vietnam - Dak Nong, Dak Lak, Gia Nai

Black Pepper

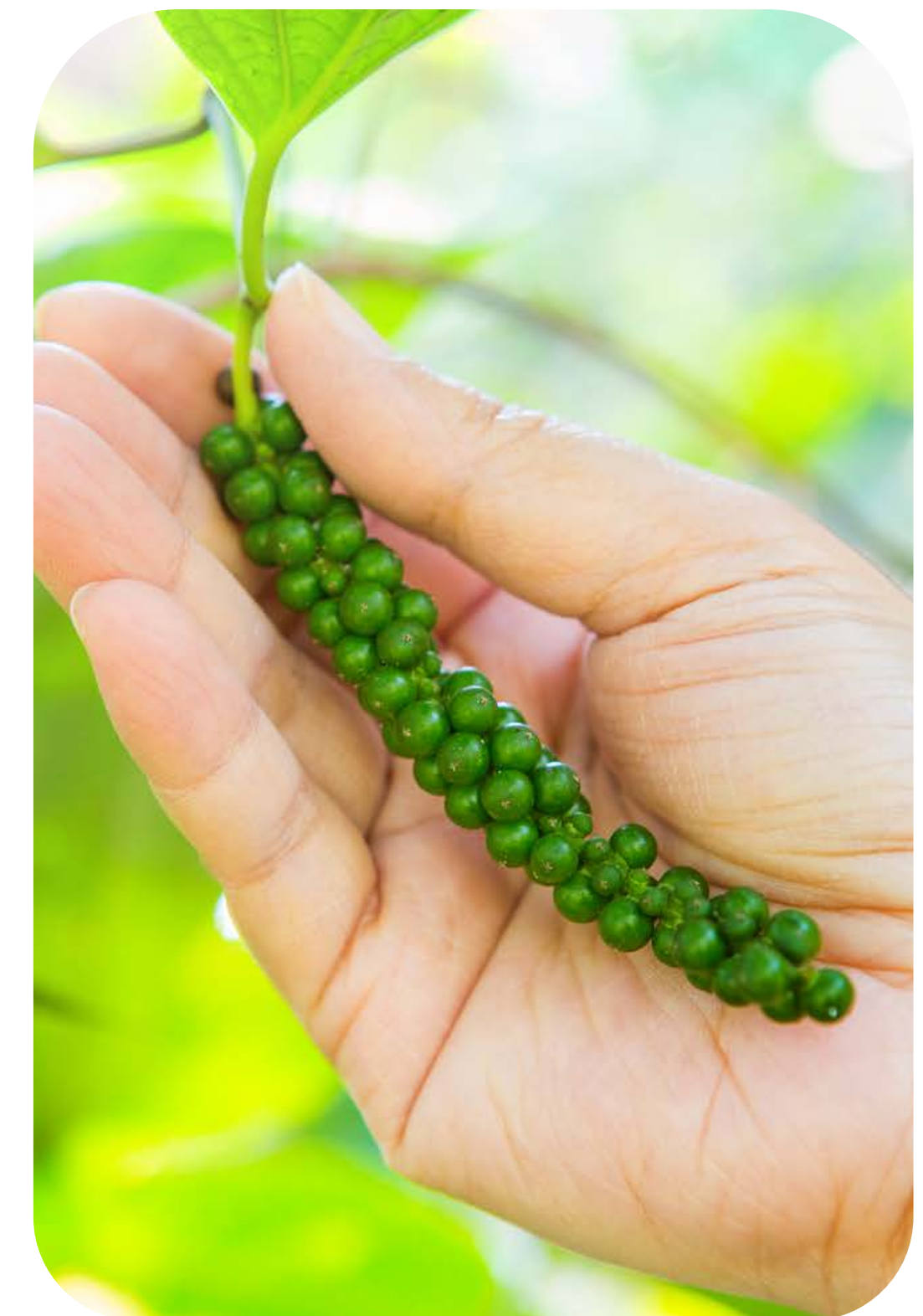
Harvest Season



Market Updates

Brazil : In Brazil, persistent climate change has led to an extended dry spell in major growing regions, causing a reduction in spike formation. The harvest from Espirito Santo is almost complete, and the crop is anticipated to be short. High demand and low availability have exerted pressure on pepper prices, resulting in a surge in prices by end of January 2024. Prices have risen for the FOB Victoria 550GL machine cleaned variety, currently trading at USD 4/kg. The Para crop harvest is projected to begin in July. While the current weather conditions are not favourable, it is still too early to predict the crop output.

In Brazil, a price increase of around 30% observed by end of January 2024 compared to previous month



Major growing regions

Brazil - Espirito Santo and Para

Black Pepper

Harvest Season



Market Updates

India : In Kerala, Karnataka, and Tamil Nadu, harvest activities are in full swing, and the arrival of bold berries in the market has started, although current arrivals are still low. The upcoming crop output in India is expected to be similar to the previous year, with demand at a moderate level. Prices have experienced a slight drop, around 1.6% by end of January 2024 compared to previous month. Further changes in the price is anticipated.

Sri Lanka : The minor pepper season in Sri Lanka, particularly from Kandy, has concluded. The Sri Lankan market has adjusted in accordance with the drop in Indian prices.

The upcoming harvest from Matale is anticipated around March. Early reports suggest favourable weather conditions conducive to crop growth, projecting a higher crop output compared to the last two years.

Carry-forward stocks are currently at a moderate level. Their quality is subpar compared to the crop available during the main harvest season. Demand for Sri Lankan pepper witnessed a substantial decrease last year due to higher prices, compared to other origins.

In India, ongoing harvests are benefitting from favourable hot weather conditions

Anticipated March arrivals for upcoming Matale harvest



Major growing regions

India - Kerala, Karnataka & Tamil Nadu

Sri Lanka - Kandy, Matale, Bibile, Ratnapura and Kegalle

Cumin

Harvest Season



Market Updates

The standing cumin crop is generally healthy, with early harvesting initiated in parts of Gujarat where sowing concluded ahead of schedule. Peak arrivals are expected in April, across various growing regions. Overall, weather conditions seem favourable.

Carry-forward stocks are at a moderate level, and the demand for cumin remains steady. The total acreage dedicated to cumin has increased significantly, with a 30-40% rise, as farmers converted areas previously used for coriander and mustard to cumin cultivation. This shift is likely to have a positive impact in the upcoming harvest. Both conventional and IPM grade cumin material availability is expected to be higher than the previous year.

NCDEX predicts futures for June at USD 0.36/kg

The cumin sector witnesses a remarkable 30-40% increase in total acreage



Major growing regions

India - Rajasthan, Gujarat, Madhya Pradesh

Crop growing stage at Rajasthan



Cardamom

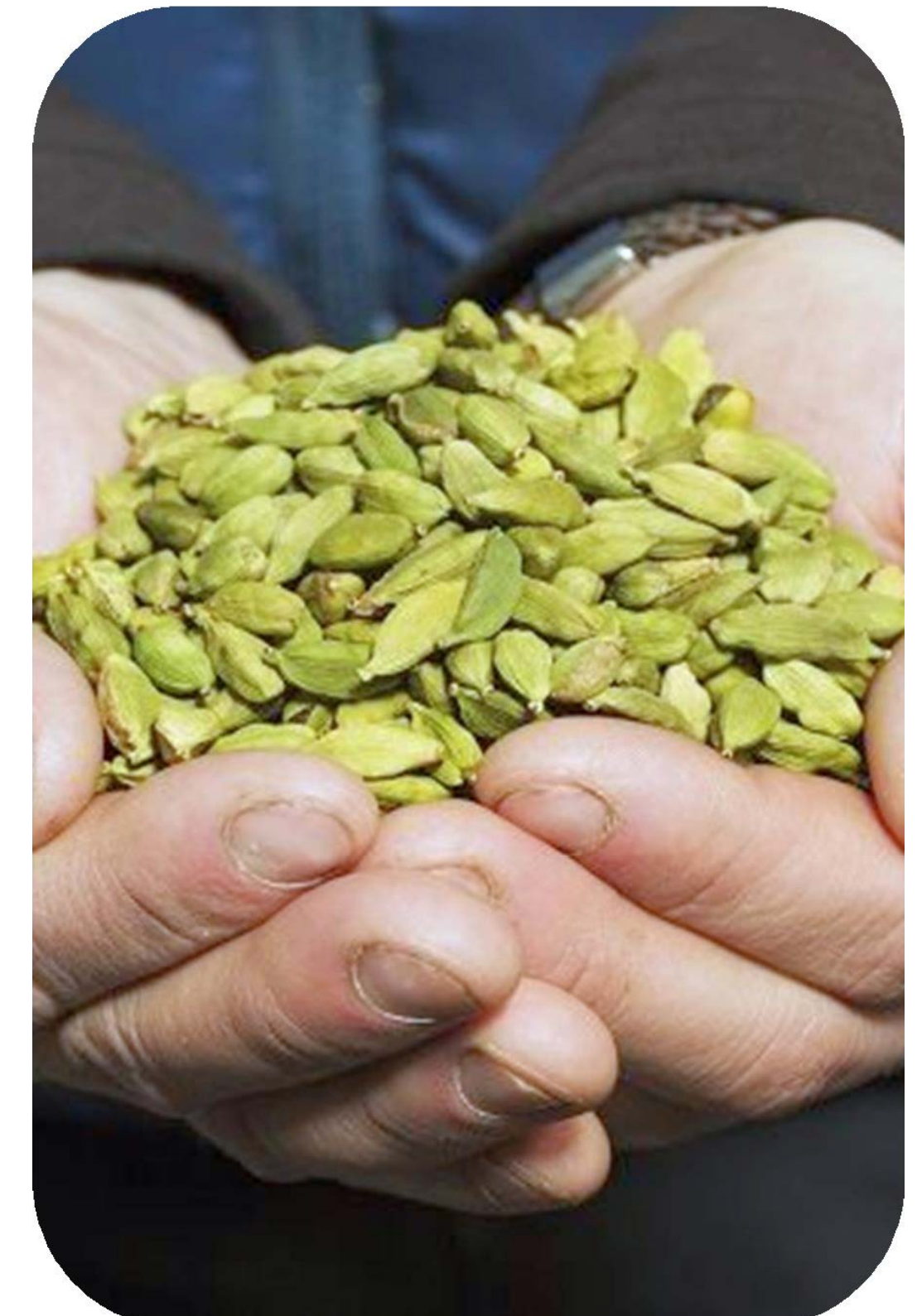
Harvest Season



Market Updates

India: The ongoing harvest has seen daily market arrivals ranging from 90,000 to 115,000 kg. Crop quality is superior compared to last year, attributed to adequate rainfall in major growing areas like Kerala. Good arrivals are expected in February, and carry-forward stocks are at a moderate level. Consistent demand is stabilizing prices, currently trading at USD 19-20/kg.

India
Cardamom
prices are
stable



Major growing regions
India - Kerala

Coriander

Harvest Season



Market Updates

India: Coriander sowing has concluded across major regions - Rajasthan, Gujarat, and Madhya Pradesh. However, an overall 30% reduction in acreage is observed across these areas. Farmers, influenced by the higher-priced seed spices such as cumin and fennel, have shifted their preferences, leading to reduced acreage for coriander in 2024 compared to the previous year. Cumin has taken precedence over coriander in many fields.

Presently, weather conditions are conducive to crop growth in all growing regions.

Carry-forward stocks available this year are notably higher, indicating a significant surplus compared to the corresponding period last year.

Anticipated 40% drop in this year's coriander crop output, may drive prices higher unext season.

Ongoing arrivals are limited, but a significant increase expected from mid-February onward



Major growing regions

India - Gujarat, Rajasthan, Madhya Pradesh

Coriander

Harvest Season



Market Updates

Europe / Russia: The coriander harvest has concluded. However, the global spice trade faces challenges due to disturbances in the Red Sea, particularly impacting shipments from Russia and Bulgaria. Given the need for vessels to navigate the troubled Red Sea region, shipping and operating costs have surged by 50-60%.

Prices for Coriander in Europe remain elevated, experiencing a 15% surge



Major growing regions
Eastern Europe - Russia (Kransnodar), Bulgaria, Europe

Celery

Harvest Season



Market Updates

Sowing for celery seed has concluded, with the standing crop observed to be healthy. However, there's a notable 10-20% reduction in total acreage as some farmers switched to maize and wheat cultivation during sowing period, due to increased prices (wheat went up by 33%, maize by 50% during the sowing period, compared to previous year prices). The present weather is ideal for crop growth, and if it continues, we anticipate a rise in per-acre yield. Carry-forward stocks are at moderate levels, but IPM grade material is limited. Prices for conventional celery seed have remained stable due to subdued demand.

Favourable weather conditions expected to boost per-acre yield

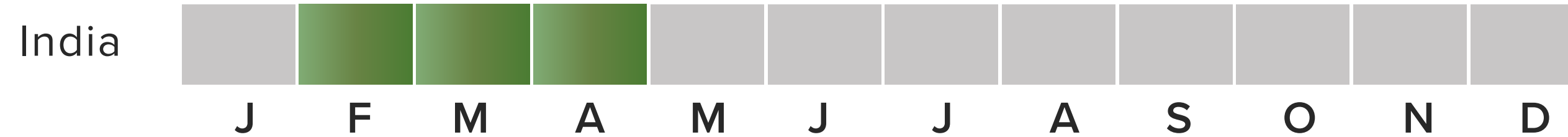
Limited availability of IPM grade material reported



Major growing regions
India - Punjab, Haryana

Fenugreek

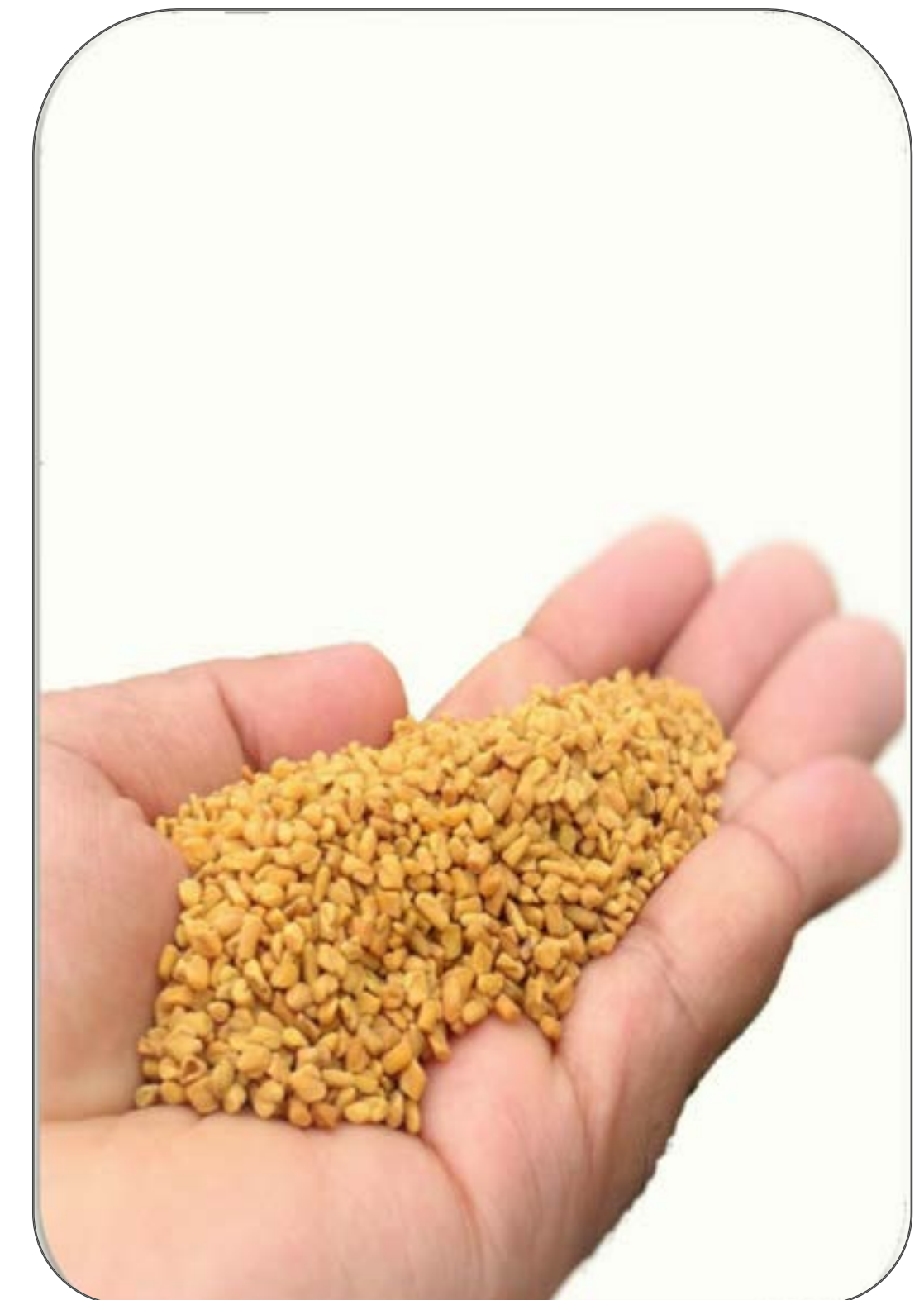
Harvest Season



Market Updates

Sowing has been completed with acreage reported to be similar to last year. If the current favourable weather conditions persist, a better yield per acre is anticipated for the upcoming season. The carry-forward stock is lower than last year, and with the new crop hitting the market, a reduction in prices is anticipated shortly.

Arrivals
expected by
end of February



Major growing regions

India - Gujarat, Rajasthan, Madhya Pradesh

Nutmeg

Harvest Season



Market Updates

India: Favourable weather conditions in India have been conducive to nutmeg growth. The upcoming harvest is set to begin in March, with initial arrivals projected for February and peak arrivals anticipated in June coinciding with the onset of the monsoon season. However, the quality of the material currently arriving is reported to be inferior compared to the material received during the same period last year.

Sri Lanka: The Kandy region currently has favourable weather conditions. Arrivals have started but with high moisture content. Significant seasonal arrivals are expected from the last week of February to March. Sri Lanka anticipates an overall crop output 15% higher than last year.

Indonesia: In Sulawesi, the upcoming crop is anticipated to be 20% lower than the previous year due to unseasonal rainfall and intense heat. Harvesting has started in the north, and arrivals are set to increase from March to April.

Prices for JUMBO variety in India have fallen by 15% compared to last year

In Indonesia, the current demand for nutmeg is low, and prices for Indonesia Nutmeg BWP remain stable

Major growing regions

India - Kerala

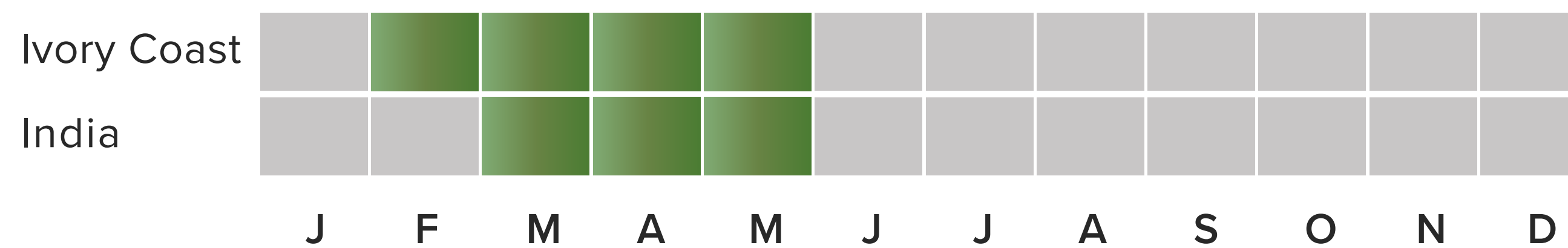
Sri Lanka - Kandy

Indonesia - Sulawesi



Annatto

Harvest Season



Market Updates

Ivory Coast: Ivory Coast had experienced favourable climate conditions suitable for the growth of Annatto crop. Initial arrivals indicate that the quality of crop is good. Peak arrivals are expected in February. Carry forward stocks are limited.

India: The Indian Annatto season is about to commence, with arrivals projected by mid-March. There is good demand for the material. The favourable weather conditions support the harvest, and the expected crop output matches that of last year. Carryforward stocks are reported to be limited.

In Ivory Coast prices are expected to increase, due to high demand

With new crop expected in another one month, we expect prices to drop marginally



Major growing regions

India - Gujarat, Rajasthan, Madhya Pradesh



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