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MARKET REPORT

JUNE 2019

BLACK PEPPER

We have reached the end of black pepper season in Vietnam. Season in Sri Lanka is ongoing and there are slight issues in the availability especially after the recent terror attacks in the country. Additionally the farmers are showing reluctance to pluck black pepper due to low price realization.

Global Black Pepper prices have touched multi-year bottom. Labor, transport, handling and drying costs are hurting the Black Pepper supply chain at farm level. We feel there is limited scope for further slide in prices. Currently prices are around \$2.30/kg in Vietnam.

CAPSICUM

Indian capsaicin chilli season is from February to May. 2019 chilli season has been completed earlier as there is hardly any material available in the supply chain.

We were expecting 20 – 25% larger crop in 2019 season. Unseasonal rains and unusually cold winter has reduced the crop yield by 30% and the capsaicin content in the RM is also lower by around 10%. RM prices have increased by 15% as compared to last season. Price of oleoresin is moving up and we expect further increase in price.

PAPRIKA

Chinese Paprika sowing season is ongoing. We should be able to give you an estimate about 2019–20 season by next month. Indian Paprika season is from December to March. 2019 season in Paprika is 100% complete.

2019 Paprika crop in India is 15% larger as compared to 2018 season. 2019 China Paprika crop is 10% smaller as compared to 2018 season. Free stock availability at manufacturers end is lower. We may see some volatility in Paprika Oleoresin prices in the next 2 – 3 months.



TURMERIC

2019 Indian Turmeric season is 100% complete. 2019 Indian Turmeric crop is 20% larger as compared to 2018 season. The Indian rupee depreciation has not helped in importing of RM from other regions. Lower carry forward stocks of Turmeric has kept markets firm. Indian monsoon is delayed by 1 – 2 weeks and this could pose a problem for the 2020 crop. Key growing areas of Turmeric are facing drought like situation. Seed sowing has been delayed and farmers are showing reluctance in Turmeric crop due to lower price realization in recent years. Prices should remain firm in the next 2 – 3 months.

GINGER

Indian Ginger season is from December to March. Nigerian Ginger season is from January to April.

In 2019 season, floods in ginger growing region has damaged 25% of crop. Indian ginger traded at 50% higher price as compared to last season. Indian farmers are showing renewed interest in ginger sowing due to higher price realization. Nigerian Ginger is available at better prices than Indian material.



NUTMEG

Floods in Indian Nutmeg growing areas have affected 25% of the trees. We are expecting lower production in 2019 season. The Sri Lankan crop is normal and we are currently distilling in our facility in Sri Lanka. The prices from there is quite attractive.

CARDAMOM

Indian Cardamom season is from August to March. Floods in growing region has caused 20% crop loss. Indian Cardamom is currently traded at triple the average traded price of last season. Also the current weather condition is not favorable and the heat wave is creating a huge problem. Prices have moved up last month and is currently traded at historically highest price. [INR 2550 per Kg – 05 June 2019]

CELERY SEED

We are expecting a normal crop in Celery seed. We are hearing news from the Punjab region where Celery is grown that the crop output is falling and in the near future, this can be a major problem. Only good news is that the crop area is increasing and its slowly moving to the neighbouring state of Haryana.

CUMIN SEED

Cumin seed crop is expected be a normal crop. The Rajasthan area where nearly 55% of Cumin is grown had a drought condition and so output per acre has been affected but its interesting to note that the area of plantation has gone up as the farmers were able to get good pricing in the last few years.

ROSEMARY

Antioxidant industry demand for Rosemary is increasing exponentially. Prices for Rosemary are expected to be firm and it is advised to cover as soon as the season starts.





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