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MARKET REPORT

MAY 2019

BLACK PEPPER

Black Pepper season is ongoing in Vietnam. Season in Sri Lanka has started. Arrivals are slow due to recent Easter terror attacks in the country. We feel that the situation should stabilize in two weeks' time.

Global Black Pepper prices have touched multi-year bottom. Labor cost, transport cost, handling cost, drying costs are hurting the Black Pepper supply chain at farm end. Farmers are showing very limited interest due to lower profitability. We feel there is limited scope for further downside movement. Currently prices are around \$2.20/kg in Vietnam.

CAPSICUM

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

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%. Raw material 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 underway and by next month we will get a full picture of our estimate for the 2019-20 season. 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. This will also depend on the sowing season in China.



TURMERIC

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 market firm. Seed sales for Turmeric sowing would start by end of May. Prices are seeing an uptrend in the next 2 – 3 months.

GINGER

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

Floods in Ginger growing region has damaged 25% of crop. Indian ginger is trading at 50% higher price as compared to last season. Nigerian Ginger is available at better prices than Indian material but the prices are moving up gradually. .

NUTMEG

Floods in Indian Nutmeg growing areas have affected 25% of the trees. We are expecting lower production in 2019 season. Prices are expected to trade higher in 2019 season.



CARDAMOM

Indian Cardamom season is from August to March.

Floods in growing region has caused 20% crop loss. Indian Cardamom is currently traded at nearly **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 skyrocketed in the last month and is currently traded at historically highest price. The demand during the Ramadan season is also pushing the price up.

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. We will be able to give a full picture by next month.

CUMIN SEED

Cumin seed crop is expected to 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 its better to cover Rosemary as soon as the season starts. .





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