



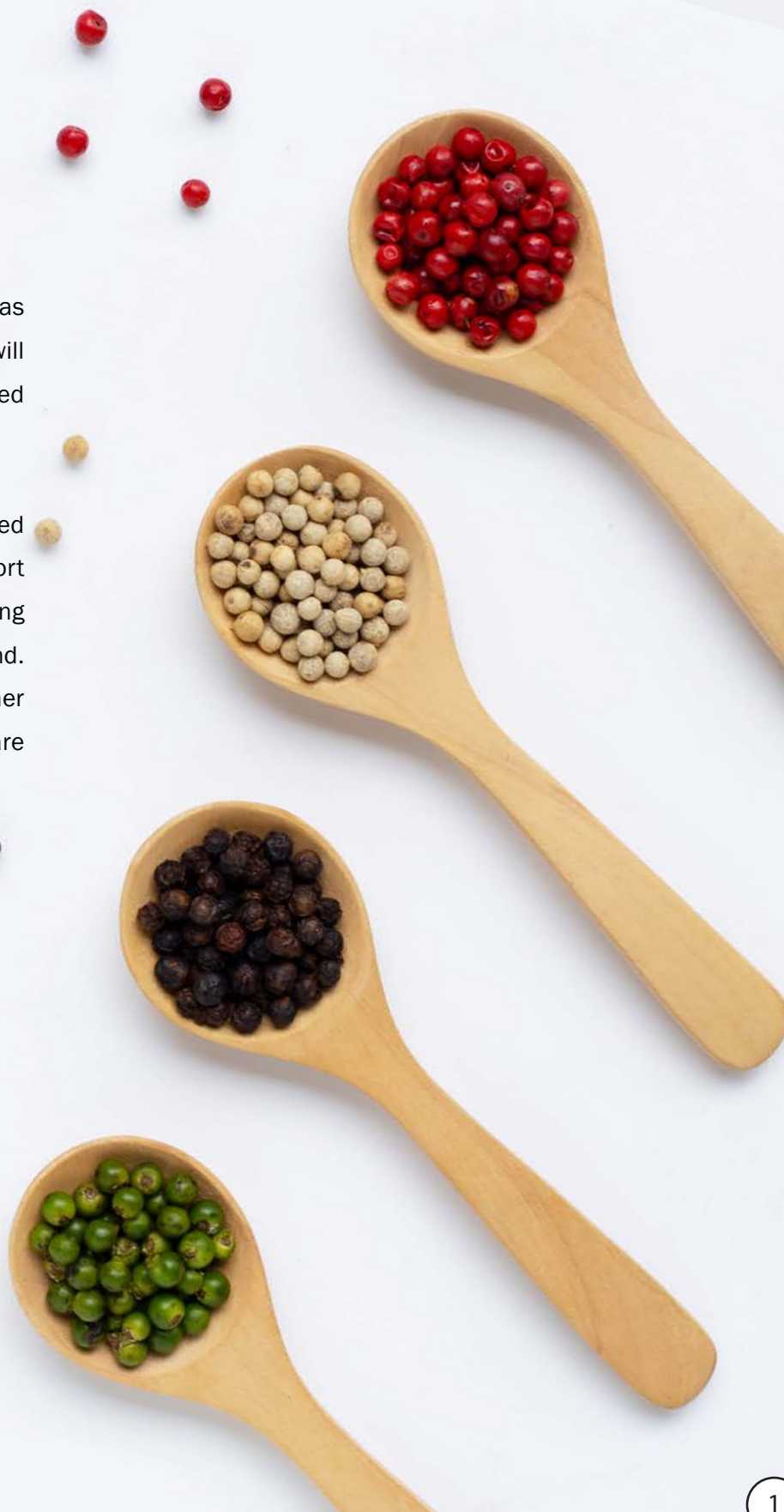
MARKET REPORT

NOVEMBER 2019

BLACK PEPPER

Black Pepper season in Brazil and India has started. Minor crop season in Sri Lanka will start in 2 weeks time. Prices are expected to remain weak till end of year.

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. We feel there is limited scope for further downside movement. Currently prices are around \$2.10/kg in Vietnam.



PAPRIKA

The regular Indian monsoon starts around June but this year there was hardly any rain till mid July. This resulted in delayed paprika chilli sowing by almost a month. Lower price realization for traditional paprika chilli varieties have pushed farmers to shift to higher yielding hybrid chilli varieties which is actually better for extraction grade material. Paprika chilli growing areas faced floods in August and October and this has damaged 20 – 25% of the crop. We are expecting 30 – 35% lower crop in 2020 season as compared to 2019 season.

China Paprika season has started. The reports from there suggests a 10 – 15% larger crop in 2020 season as compared to 2019 season. Hot chilli crop in China was a failure and we are expecting 20 – 25% lower crop as compared to 2018 – 19 season. Spice companies in China are procuring paprika chilli to compensate the crop loss in hot chilli. There is lower carry forward stocks available at the source and prices are expected to remain volatile in next 2 – 3 months.

CAPSICUM

2020 Chilli crop sowing is delayed due to delay in onset of monsoon. Government has provided better minimum support price for cotton and maize and this is an incentive for farmers to move to cotton and maize. This has resulted in 20% lower sowing area as compared to last season. Carry forward stocks are also much lower as compared to last season. Teja chilli which is the main variety used for extraction is currently traded at double the price of 2019 season price. Unseasonal heavy rainfall which started in middle of October, is continuing in chilli growing areas. Price for Capsicum Oleoresin is expected to remain firm till start of new season.



GINGER

2020 Indian ginger sowing is complete. Ginger sowing area has increased by 25% as compared to last season due to the good prices we have seen last year. But the floods in August has affected the Ginger growing regions. Indian ginger season would start from November 2019. We are expecting prices to remain stable in 2020 season.

TURMERIC

2019 Indian Turmeric season is complete. Indian farmers have started losing interest in Turmeric as turmeric price has been steadily decreasing from 2017 season.

Turmeric seed sowing for 2020 crop is completed. Traditional turmeric growing areas have decreased by 10 – 15%. New plantations have come in new areas of India. This should compensate for the decrease in traditional turmeric growing areas. Some of turmeric growing regions were adversely affected by floods in August 2019. We are expecting 5- 10% lower crop production in 2020 as compared to 2019 season. We are expecting Turmeric prices to trade slightly higher than 2019 season.

NUTMEG

Indian nutmeg growing region is facing weak monsoon rain and it has badly affected the flowering and yields accordingly. Carry forward stock availability is lower at the source. Nutmeg prices are expected to be firm till 2020 season.

CARDAMOM

Indian Cardamom season is from August to March. Cardamom growing areas were affected by floods last year. There was very limited carry forward stocks available from 2018 season. Indian cardamom prices have exponentially increased and peaked at USD 55 - 60 per kg in August 2019 [August 2018 RM price – USD 13 per kg].

Cardamom price has fallen from the peak and is currently traded at USD 32 – 35 per kg. Indian cardamom would be going through extremely volatile price environment in the next 2 – 3 months.



CELERY SEED

Indian Celery seed season is ongoing. 2019 Indian celery seed production is same last season. Celery seed is currently traded at USD 1.15 per kg.

ROSEMARY

Antioxidant industry demand for Rosemary is increasing exponentially. Prices for Rosemary are expected to be stable.

CUMIN SEED

2019 Indian Cumin seed season is complete. Cumin seed farmers were getting good price realization from the crop in the last 3 years. Farmers are showing increased interest in cumin seed. 2020 season crop sowing should start from October 2019. Sowing is delayed due to ongoing unseasonal rainfall. We are expecting a delayed crop in 2020. Current price for Cumin seed is USD 2.60 per kg



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