



MARKET REPORT

NOVEMBER 2015

Black Pepper

Pepper market remained firm in India while steady price reported in other producing countries.

In India, pepper prices sharply increased on strong domestic demand coupled with tight supply in the spot market. The current upsurge in demand is likely to continue as winter buying would follow the current trend. New crop harvesting is expected to start by December and the output estimated to be substantially lower than last season. Domestic consumption of pepper is projected at around 40,000-45,000 MT. The shortfall will lead to the price hike during next year. Farm grade un-garbled pepper is trading at \$10600/MT while MG1 grade is offered at \$11200/MT.

In Vietnam, according to early estimates the crop which will be harvested during February 2015 is likely to be better than last season. Climate is favourable and the area of cultivation has been increased. Arrivals are slow as the remaining stocks are lying with financially strong farmers/traders. Current quote from the origin for 550 G/L FAQ grade is at \$9250/MT and White Pepper at \$13500/MT.



Indonesia has almost sold out their 2015 crop. Current offers for ASTA quality is at \$9550/MT. There are concerns that the El Nino might negatively impact the pepper production in 2016 in Indonesia.

In Sri Lanka, strong demand from India has pushed the market up. A small crop from Kandy region is expected in Nov/Dec. Current quote for 500 G/L FAQ grade is @ \$9600/MT

Pepper market is estimated to remain high until the new harvest in Vietnam ie., February 2016.

Paprika

Rainfed Area: There has been very heavy showers in the South Interior Karnataka but almost no rain in the paprika area, thus there is no damage. Small rains could help the crop. Crop size is estimated to be around 60% of normal.

Irrigated Area:- The recent rain in the South Interior Karnataka has helped to increase the inflow into the Tungabhadra reservoir. But there is no rain in the Krishna basin area. As of now there is no crop damage due to rain.



*H*arvesting is likely to start from December and the peak arrival into the market is expected in January 2016. Due to the anticipated lower production market is likely to be firm during the next harvesting season.

Chilli

*C*hilli prices remained high in the markets. The prices are trading at its life time high levels. Lower stocks in the cold storages and heavy demand during the festival season led to the drastic hike in the price. Market is expected to stay on the higher side until the new crop harvest.

*I*n Madhya Pradesh, new crop arrivals have started. Arrivals are lower as the crop has been substantially damaged due to virus infection. Crop losses are estimated to be around 75%.

*T*he crop in Andhra Pradesh and Telangana are under



*s*tress due to lack of rainfall. Water level in Nagarjuna Sagar reservoir in Krishna river basin is low, which may affect the irrigation in Krishna and Guntur district. Rain fall is expected in the next couple of weeks, which may improve the situation.

Turmeric

Turmeric market witnessed a firm sentiment during the last couple of weeks. Festival demand coupled with lower area under cultivation and lack of rain fall in the growing areas had influenced the upward trend in the market.

Planting area for new crop has been reported high in Maharashtra, Tamil Nadu state while lower area is reported in Andhra Pradesh and Telangana region as compared to last season. However, deficient monsoon might lower the yield. Carryover stocks have been depleted, which



is estimated to 140000 MT. Current market price for MFT variety (low curcumin variety) is at Rs.85-105/Kg.

Availability of high curcumin – AFT variety is limited in the markets.

Ginger

In India, planting area has been increased in Karnataka state, while the same area is maintained in Kerala as compared to last season. Present crop is good, without any major pests or diseases. Harvesting will commence from December. Price is likely to steady until the new harvest.

Ginger harvest in Nigeria has started. Arrivals in smaller volumes reported in the market centres. Crop size is



expected to be the same as last season. Current indication from the market is \$2250/MT

Nutmeg/Mace

Prices remained steady in most of the producing countries.

In India, superior grade Mace in the domestic market is at Rs.1100/Kg and farm grade nutmeg with shell is trading at Rs.300/Kg while that of export grade is sold at Rs.325/Kg. Without shell Nutmeg is quoting at Rs.525/Kg and that of export quality ABCD grade is at Rs.550/Kg.



In Sri Lanka, arrivals of extraction grade material become slow. Current quote for BWP grade is at \$4100/MT.

The Indonesian price is at its lowest level due to over production and lack of demand. This is expected to continue for a bit.

Cardamom

Cardamom prices continued to witness steady/slightly easier trend due to heavy arrivals in the auction centres. Present climate is favourable for the crop. Production is estimated to be same as last season. The current season has begun from August and the total arrivals during the season stood at 10421 MT as against 5907 MT during the same period of last season. Price is likely to remain steady in the short term.



Prices of various grades were 7-8 mm (AGEB) Rs.700-740/Kg; 6-7 mm (AGB) Rs.600-640/Kg; 5-6 mm (AGS) 550-600/Kg.

Celery Seed

Celery prices sharply up on limited availability. Carryover stocks are 10-15%, which is not sufficient to meet the demand till the next crop. As reported earlier, the crop yields were poor due to unfavourable weather conditions during March-April i.e. just before the harvest time. ASTA quality has been traded around \$1.9/kg at the market while



extraction quality is offered at \$1.70/Kg. Prices likely to continue firm due to limited availability.

Cumin

Steady price as compared to last month. New crop sowing just started and will continue till December. Carryover stocks are around 50% lower as compared to last year.



Current price for ASTA grade is \$2.7/Kg. Prices likely to be steady on limited demand.