



NEWS &
MARKET
REPORT

SEPTEMBER
2021

PLANT LIPIDS' SUSTAINABLE BACKWARD INTEGRATION PROGRAMME IN CHILLI

'Nurture' - The sustainability initiative of Plant Lipids has reached a new milestone. We started distributing chilli seedlings to farmers for cultivating red chillies in 5000 hectares which will potentially benefit almost 6500 farmer families. The seedlings have been distributed to all the three major Chilli growing regions in India including, Telangana, Andhra Pradesh and Karnataka.

Key Highlights:

- Seedlings raised in Telangana state which is one of the largest chilli growing region in India
- Transplantation of seedlings started in mid-Aug 2021; which is expected to be completed by mid-Oct, 2021
- Harvest Season from the program: Feb to April 2022
- Total production volume through the sustainability initiatives in chillies should correspond to 55% of our annual procurement in red chillies



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BLACK PEPPER

2021 harvest season of Vietnam black pepper is complete and the total crop production is 25% lower than 2020 crop size. Indonesia black pepper season has started and the crop is expected to be short by 10%. White Pepper crop in Indonesia is smaller and with a lower carry forward stocks. Current price of Indonesia origin White Pepper is USD 7.00 per kg [2020 price – USD 3.80 per kg]. Black pepper price has increased by 40% as compared to January 2021 price and has increased by more than 100% as compared to October 2019 price. Current price for Black Pepper from Vietnam is USD 4.10 per kg [Oct 2019 – USD 1.90 per kg, Jan 2021 – USD 2.70 per kg]. We are expecting international black pepper prices to keep increasing for the next few years.

Major black pepper season in Sri Lanka is complete. We had 40% reduction in crop production as compared to normal production level. Sri Lanka was in lockdown from April 2021 till June 2021. There was minimal interest from farmers and traders in plucking and processing black pepper due to covid related restrictions. This led to green pepper getting mature and not feasible for extraction purpose. The delayed harvest has adversely affected the production of light berries for extraction industry and we had 60% lower crop availability of light berries as compared to 2020 season.

As mentioned in our previous updates the freight rates from key growing areas like Indonesia, Vietnam and Sri Lanka has increased by 3 – 4 times as compared to 2020 season. We are seeing a USD 0.3 – USD 0.4 / kg impact in pricing of black pepper due to increased container freight cost. Vietnam, Indonesia and Sri Lanka are seeing a surge of covid – 19 infections and is expected to adversely affect the supply chain in later part of 2021.

25% ↓ production 40% ↑ price



CAPSICUM CHILLI

Chilli harvest season in India is from February to May. Sowing of chilli seeds for 2022 harvest has started in July and will continue till September. Red chillies have been highly profitable crop for farmers in last 2 years and there is increased interest in farmers to cultivate red chillies. Initial estimates indicate 25% larger sowing area for capsicum chilli for 2022 season. We will have a clear idea on 2022 crop size by November 2021. Weather conditions have been conducive for the crop. Carry forward stocks available in cold storage is higher. Price for chilli is staying firm at higher price level as farmers are expecting better prices from export demand for red chillies. We expect a correction in this price by end of the year. We would recommend our customers to cover their requirements till February 2022.

25% ↑ crop area

PAPRIKA CHILLI

India: Paprika chilli harvest season in India is from January to April. Sowing of paprika chilli for 2022 season had started in June and will complete by middle of September. Initial estimates indicate 25% larger sowing area of paprika chilli for 2022 season.

China: China paprika chilli harvest season is from October to December. 2020-21 paprika chilli crop in China was 25% larger crop as compared to 2019 - 20 season. Sowing for 2021-22 season is complete. Initial estimates indicate 15% reduction in crop sowing area as compared to 2020 - 21 season. There are very limited carry forward stocks available in China. Paprika chilli extractors have started advance booking of chillies anticipating shortage of paprika chilli during harvest.

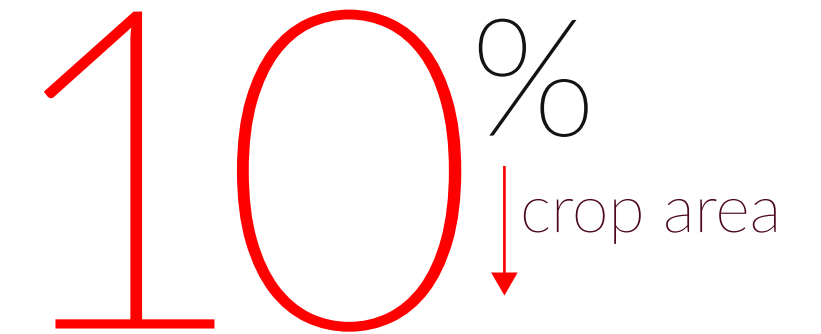
25% ↑ production

15% ↓ crop area



GINGER

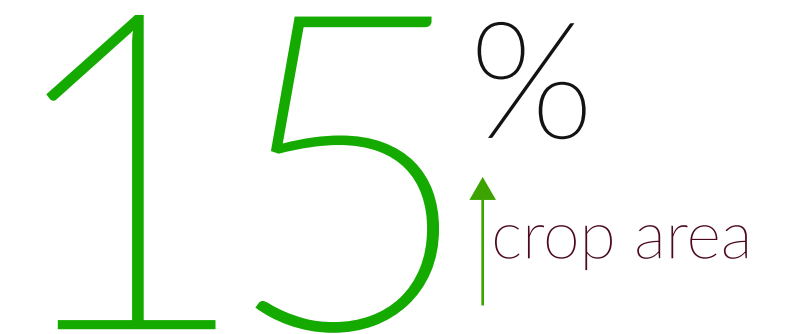
Indian ginger harvest season is from November to March. Sowing of ginger for 2021-22 season has started in May and will continue till August. Initial estimates indicate 10% lower sowing area as compared to last season. Price for India ginger in 2020- 21 season was one of the lowest in last 4 years. It has to be noted that many of the farmers have not harvested ginger last season due to low price realization and the same would be harvested in 2021 - 22 season. Currently indian ginger price is cheaper than Chinese and Nigerian origin material.



Nigerian ginger prices have gone up a lot during 2021. One of the reasons is the increased usage of ginger for health supplements and in wellness regimes due to ongoing coronavirus pandemic as the antiviral properties are well established. The Chinese crop was also much lower during the last season and so the global customers bought material from Nigeria pushing up the price and availability. Nigerian ginger is currently traded at historically high price level - USD 2.65 per kg [Apr 2020 - \$1.70 per kg, Apr 2019 - \$1.45 per kg]. Port congestion and container shortages have adversely affected supply chain. Indian extractors are working on a minimum lead time of 5 months for ginger to reach from Nigeria to India.

TURMERIC

Turmeric harvest season is from February to May. Sowing for 2022 season has started in May and will continue till end of August. Price for Turmeric in 2021 season was one of the highest in last 3 years. Initial estimates indicate 15% larger sowing area for 2022 season. Higher curcumin turmeric carry forward stocks are expected to be lower. We would recommend our customers to cover their requirements till December 2021.



NUTMEG

Indian nutmeg crop harvest and distillation is from March to June. India faced second wave of coronavirus pandemic during the harvest period and lockdown restrictions have adversely affected the production. There is acute shortage of Indian nutmeg oil stocks in the supply chain. The harvest season was delayed and started from June and is expected to extend up to August - September. Price for Indian nutmeg has increased by 20% as compared to 2020 season.



CARDAMOM

Indian Cardamom season is from August to March. Ongoing coronavirus pandemic has decreased the demand for cardamom in domestic and export markets. Indian cardamom prices have decreased drastically and is currently trading at USD 13 per kg [Jan 2020 – USD 53 per kg, Apr 2020 – USD 30 per kg]. Cardamom farmers have increased plantation areas for Cardamom due to better price realization. We can expect larger production in Indian cardamom in the next 3 – 4 years.



5%
↓ price

CELERY SEED

Indian celery seed season is from May to July. Growing regions received unseasonal rainfall in month of April – May 2021. The unseasonal rainfall has adversely affected the quality of the crop. The total crop production is similar to 2020 crop size. Celery seed price is trading at 5% lower price as compared to 2020 season.

CUMIN SEED

Indian Cumin harvest season is from March to May. Pricing for cumin seed in 2020 season was one of the lowest in last 5 years. 2021 crop production is 10% lower as compared to 2020 season. Monsoon rains in growing regions of cumin seed has been lower and market price for Cumin seed has increased by 5% in last one month. Current price for cumin seed is USD 2.25 per kg. [2020 season price – USD 1.90 per kg]

10%
↓ production

FENUGREEK

Indian fenugreek harvest season is from February to April. Carry forward stocks in Fenugreek are lower. Fenugreek is traded at 40% higher price as compared to normal price level.

40%
↑ price

CORIANDER

Indian coriander harvest season is from February to May. Price for Indian coriander is firm at higher price level.

We are seeing strong retail demand for coriander and are expecting prices to be firm till October 2021. Monsoon rains in growing regions have been lower and coriander price has increased by 5% in the last one month.

Russia coriander seed harvest season is from August to October. 2021 - 22 crop production is expected to be 15% larger than last season. Shipping container freight cost is expected to play a larger role in pricing of coriander from Russia origin.

15%
↑ production

ROSEMARY

Rosemary harvest season in Morocco is from June - October. Collection permits has been issued by Moroccan government in the month of May - June 2021. We are seeing strong demand for rosemary from extraction industry. Price for rosemary is expected to be firm due to high shipping costs.

Plant Lipids Private Limited
Cochin, Kerala, India
E- info@plantlipids.com
T- +91 484 2844 500

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