



MARKET REPORT

APRIL 2020

COVID 19 IMPACT

Covid-19 pandemic has disrupted supply chain across the globe. India is under lockdown till 14th April 2020. It has to be noted that agriculture harvest season in India is from February to May and all major spice harvest and sale has been affected by lockdown. Indian agriculture supply chain is labor intensive and restriction in usage of manpower due to social distancing norms is adversely affecting Indian agriculture supply chain. We are expecting supply chain disruption in coming months and we are waiting for the government to act swiftly.



PAPRIKA

India: We have reached the end of Indian paprika season. Paprika growing areas faced floods in August 2019. There was a larger shift from cultivating traditional KDL paprika to hybrid paprika. Traditional paprika prices are traded at 300% higher than last year prices. Paprika markets are in lockdown and we are procuring directly at the farm level.

China: 2019-20 China paprika season is over. Sowing for 2020 - 21 paprika is ongoing in China. Social distancing norms and manpower restrictions are not encouraging factors to sowing of paprika. Coronavirus outbreak has slowed down the business operations in China from January to March 2020. China has recovered from the pandemic and business operations are slowly returning back to normal. It may be a bit early to predict the outcome of the 2020 crop.

BLACK PEPPER

Black Pepper season in Vietnam is ongoing. Buyers from China are back in market and are keeping prices firm. Black pepper season in Sri Lanka will start from middle of April and crop is expected to be larger than last season. Sri Lanka is in total lockdown due to covid-19 outbreak and we are expecting supply chain disruption. Pricing of Black pepper in Sri Lanka is uncertain under current circumstances.

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 \$1.85/kg in Vietnam



CAPSICUM

2020 chilli crop in India is delayed and harvest was supposed to be from March to May 2020. We entered into 2020 chilli season with very low carry forward stocks. This was mainly due to very large export demand from China in 2019 season. Chilli markets are closed due to lockdown. The pre-lockdown price for chilli was traded at 25 – 30% higher than last season. All the major demand sources – Exporters, Domestic demand, F&F industry have not procured more than 25% of their annual requirement. We are expecting prices to remain firm till end of

season. We recommend our customers to procure their annual requirement in the month of April to May 2020.

NUTMEG

Indian nutmeg growing region is facing erratic weather 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 during 2020 season.



CARDAMOM

Indian Cardamom season is from August to March. Indian cardamom price has gone through volatile phase from August 2019. 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 is currently trading at USD 30 per kg [August 2018 RM price - USD 13 per kg]. It has to be noted that Cardamom prices peaked at USD 55 per kg in January 2020. With coronavirus outbreak, demand for cardamom from domestic and export markets have reduced drastically. We are expecting cardamom prices to remain weak till August 2020.

GINGER

We are at the end of Indian ginger season. Ginger growing areas had increased by 20% due to higher price realization for the crop. We are seeing increased usage of ginger flavors in culinary requirements of Indian households. At the moment, Indian dry ginger is cheaper compared to Nigeria and Chinese ginger. We are expecting prices to remain stable in 2020 season. Current price of Indian dry ginger is USD 1.70 per kg.

We are at the end of Nigerian ginger season. Due to Coronavirus outbreak, global ginger demand has shifted their procurement from China to Nigeria. Chinese supply chain is slowly coming back to normal. Current price of Nigerian ginger is USD 2.00 per kg



TURMERIC

2020 Turmeric harvest season is from February to May. Indian farmers have started losing interest in Turmeric as turmeric price has been steadily decreasing from 2017 season.

Ongoing coronavirus pandemic has increased the demand for curcumin supplements around the world. Pre-lockdown price for turmeric was lower than last season. We are seeing very low interest from turmeric farmers in purchasing seeds for 2021 turmeric season and due to this we are expecting turmeric price to increase from June 2020.

CUMIN SEED

Indian Cumin season is delayed and is from March to May. Cumin seed farmers are showing increased interest in the crop due to better price realization. Cumin seed sowing area has increased by 30% as compared to last season. Cumin crop faced locust attack in end December and this has impacted 10% of the crop. Current price of cumin seed is USD 1.95 per kg [Last month – USD 2.15 per kg]. China is a large consumer of Indian cumin. We are seeing lower export demand for Cumin seed now. Price for cumin seed is weak and is expected to trade lower at USD 1.70 per kg from April to May 2020.



CELERY SEED

Indian Celery seed season is from May to July. Celery seed sowing is complete. We are expecting farmers to migrate from Celery seed to Wheat due to attractive minimum support price available for Wheat. We are expecting 25% crop decrease in Celery seed in 2020 season. Celery seed price is expected to remain firm till end of 2020.

ROSEMARY

Antioxidant industry demand for Rosemary is increasing exponentially. New plantations in new sources are coming up to meet the increasing demand. Prices for Rosemary are expected to be stable.





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