

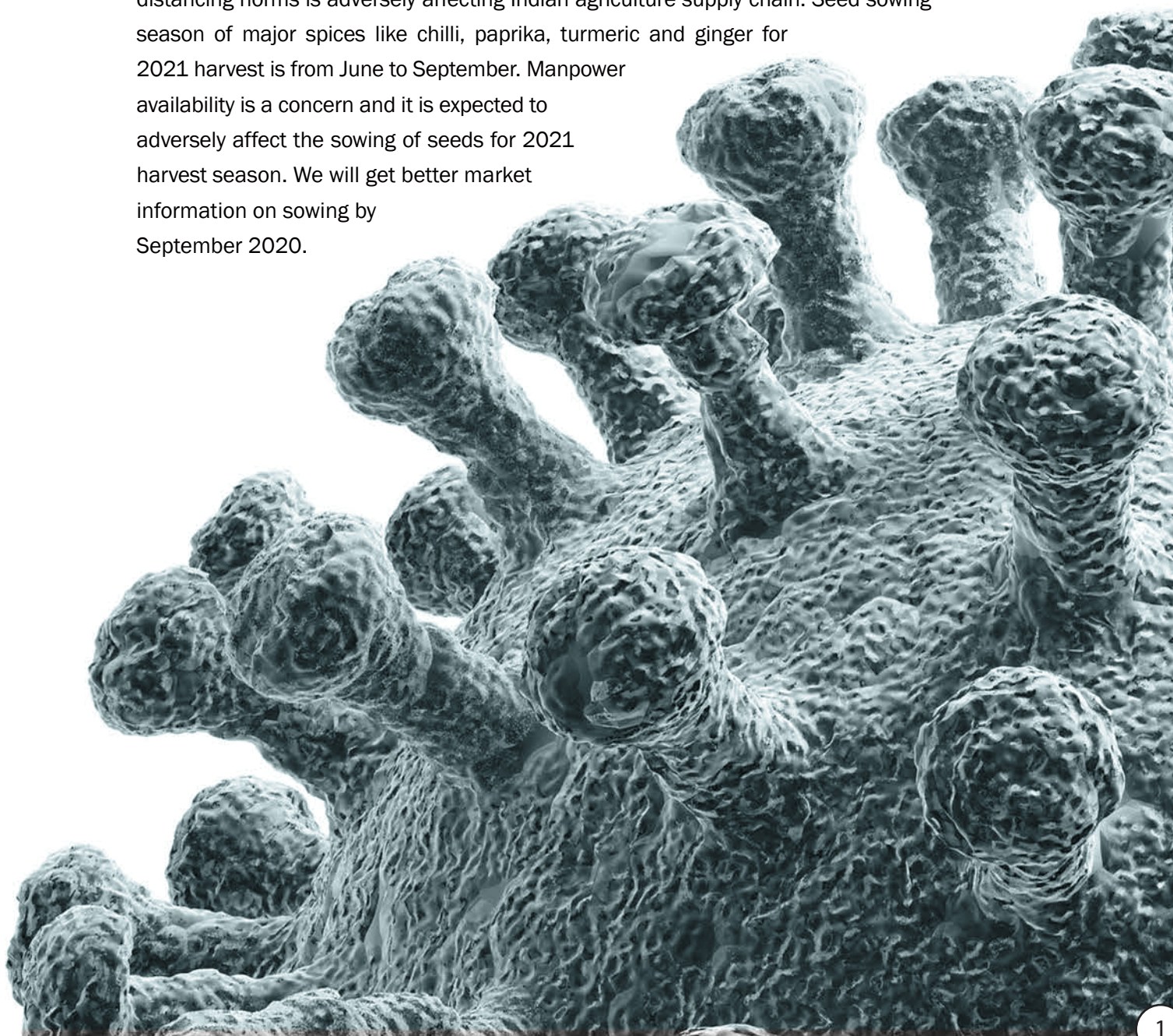


MARKET REPORT

AUGUST 2020

COVID 19 IMPACT

COVID-19 pandemic has disrupted supply chain across the globe. India was under lockdown from March 25th. Indian government has started relaxing lockdown from 8th June 2020. Covid 19 active cases in India are rising exponentially. Indian businesses are learning to work under restrictions imposed due to the pandemic. 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. Seed sowing season of major spices like chilli, paprika, turmeric and ginger for 2021 harvest is from June to September. Manpower availability is a concern and it is expected to adversely affect the sowing of seeds for 2021 harvest season. We will get better market information on sowing by September 2020.



BLACK PEPPER

Black Pepper season in Vietnam is complete. We would moving into harvest season of Black pepper in other growing regions – Indonesia [August – October], Brazil [September – November] and India [November – January]. We have reached the end of black pepper season in Sri Lanka. Sri Lanka had a good crop in 2020 season but the harvest was affected by lockdown imposed during harvest period.

Global Black Pepper prices have touched multi-year bottom in May 2020 [\$2.0 per kg] and have bounced back by 40% in June 2020 [\$2.90 per kg]. Vietnam black pepper crop is 75% sold out and farmers will hold and sell in off-season to improve their profits. Upcoming harvest season in Indonesia, Brazil and India should flood the supply chain with stocks. Black pepper price has corrected from the peak price in June 2020 and is currently traded at \$2.45 per kg in Vietnam.



NUTMEG

Incessant rainfall in months of October and November 2019 has adversely affected the flowering in Nutmeg trees. Indian nutmeg crop harvest and distillation is from March to June. National lockdown was in place during this

period and has adversely affected the harvesting of Nutmeg. Carry forward stock availability is lower at the source. Nutmeg prices are expected to be firm during 2020 season.

CAPSICUM

2020 chilli crop in India was delayed and harvest was supposed to be from February to May 2020. By the third week of March the Chilli markets were closed due to national lockdown. The average price for chilli in 2020 season was traded at 35 – 40% higher than 2019 season. The problem was made worse by the 30% lower capsaicin content in chillies produced this season. At the moment, there is no standing crop and entire produce has been kept in cold storages by farmers. Stock availability is very less and also costlier. Sowing of chilli seeds for 2021 crop is ongoing. Initial estimates from sowing indicates that we can expect 15% larger chilli crop in 2021 season as compared to 2020 season

PAPRIKA

India: 2020 season of Indian paprika is completed. There was a larger shift from cultivating traditional KDL paprika to hybrid paprika. Traditional paprika [KDL chilli] price traded at 300% higher than 2019 season price. Seed sowing for 2021 season will be from June to September 2020. Initial estimates indicate 25% larger crop in Indian paprika chilli in 2020 season as compared to 2020 season.

China: Sowing for 2020 – 21 paprika chilli season is completed. We are expecting 10% larger sowing area for paprika chilli in China as compared to 2019-20 season.



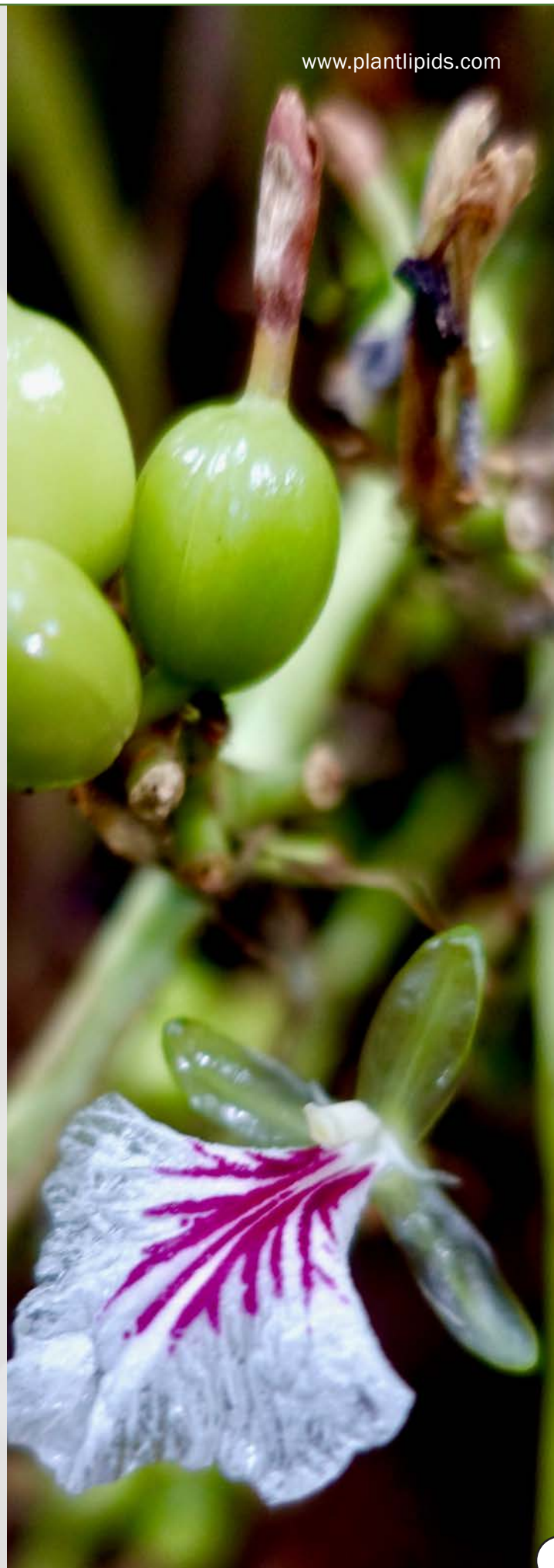
CARDAMOM

Indian Cardamom season is from August to March. Indian cardamom farms will be receiving monsoon rains from June to September 2020. Optimum monsoon rainfall is key for Cardamom production in India. Weather has been favorable for cardamom crop till now. With COVID-19 outbreak, demand for cardamom from domestic and export markets have reduced drastically. Indian cardamom prices have decreased drastically and is currently trading at USD 20 per kg [Jan 2020 - USD 55 per kg]. We are expecting cardamom prices to remain weak till August 2020.

GINGER

Indian ginger season will start from November 2020. 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. Indian ginger price has increased in line with international ginger price increase and is currently traded at USD 1.75 per kg.

2019-20 Nigeria ginger season is complete. Due to Coronavirus outbreak [antiviral properties of ginger] and increased ginger flavor usage in food, global ginger demand has increased exponentially. China ginger crop of 2020 season is lower than 2019 season. Global customers have started buying Nigeria ginger in place of China ginger. Nigeria ginger price is currently traded at USD 2.20 per kg [Apr 2020 - \$1.70 per kg, Apr 2019 - \$1.45 per kg].



CUMIN SEED

Indian Cumin harvest season is from March to May. Indian cumin crop in 2020 season was 20% larger than 2019 season. Cumin crop faced locust attack in end December and this has impacted 10% of the crop. With covid-19 pandemic, export demand for cumin seed is subdued. Current price for cumin seed is USD 2.10 per kg. This is one of the lowest traded price for cumin seed in last 5 years. Sowing season for 2021 crop will start from October.

A photograph showing several pieces of turmeric root (rhizomes) with their characteristic knobby shape and light brown skin. Some roots are cut in half, revealing a bright orange-yellow interior. A pile of fine, bright yellow turmeric powder is scattered in the foreground. The background is a plain, light gray.

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. Sowing of Turmeric for 2021 season is ongoing and will be complete by August 2020. Initial estimates indicate that Turmeric crop in 2021 season would be 20% lower than 2020 season. We recommend our customers to procure their long term requirements in turmeric now.

CELERY SEED

Indian Celery seed season is from May to July. We are expecting 25% crop decrease in Celery seed in 2020 season due to larger migration of farmers from Celery seed to wheat. Celery seed price is currently trading at 40% higher as compared to 2019 season. Current price of celery seed is USD 1.45 per kg [May 2020 – USD 1.25 per kg]

ROSEMARY

Antioxidant industry demand for Rosemary has driven demand in the last 5 years. New plantations in new sources are coming up to meet the increasing demand. Increased supply of rosemary in the global market will keep prices subdued in short term.

Rosemary price from Morocco is traded at USD 1.35 per kg.

FENUGREEK

Indian fenugreek harvest season is from February to April. Fenugreek crop of 2020 was of similar size as 2019 season. Carry forward stocks was reported lower. Price for fenugreek was traded at 20% higher as compared to 2019 season. Current price for fenugreek is USD 0.75 per kg





CORIANDER

Indian coriander harvest season is from February to May. Indian coriander crop of 2020 was 10% lower as compared to 2019 season. Price for Indian coriander is traded at 10% higher as compared to 2019 season. Current price for Indian coriander is USD 0.95 per kg

Russia coriander seed harvest season is from August to October. We are expecting 25% lower crop in 2020 season as compared to 2019 season. Price of coriander seed is expected to remain volatile from august to october.

LEMONGRASS OIL

Demand for citral has increased in global market due to increased consumption of sanitizers and cleaning liquids. Citral [natural / synthetic] is trading at high price level. Demand for lemongrass oil has increased in line with international citral requirement. Current price for lemongrass oil is USD 16 per kg.



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