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MARKET REPORT

JULY 2019

BLACK PEPPER

We have reached the end of black pepper season in Vietnam and Sri Lanka. Arrivals are below normal as farmers are showing reluctance to pluck black pepper due to low price realization. This will result in more of the heavy pepper than light berries for extraction.

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 \$2.30/kg in Vietnam.

CAPSICUM

2019 Indian capsicum chilli season is complete. We had seen lower than usual production of capsicum chilli in 2019 season due to unseasonal rainfall in January 2019. We are expecting lower carry forward stocks into 2020 season.

Indian monsoon rain is delayed and is 45% deficient till date. Sowing of chilli seed for 2020 season crop is delayed by a month. We can expect a delayed chilli crop in 2020 season. Capsicum chilli price is expected to be volatile till 2020 season.

PAPRIKA

Indian monsoon rain is delayed. Indian Paprika chilli sowing is delayed by a month. Lower price realization for traditional paprika chilli varieties have pushed farmers to shift to higher yielding hybrid chilli varieties. We are expecting 10 - 15% lower crop in 2020 season as compared to 2019 season.

China Paprika season would start from October 2019. We are expecting 10 - 15% larger crop in 2020 season as compared to 2019 season. There is lower carry forward stocks available at the source. Prices are expected to be firm till start of season.



TURMERIC

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 ongoing. We are expecting 10% lower sowing area as compared to last season. Indian monsoon is weak and lower water availability should decrease yield of crop production. We are expecting Turmeric prices to be volatile till 2020 season.

GINGER

2019 ginger season is complete. Indian ginger growing areas suffered from floods last year. Farmers received good price realization from Indian ginger last year.

Indian ginger growing region is experiencing weak monsoon rains now. Ginger sowing area has increased by 25% as compared to last season. We are expecting lower crop production yield due to weak monsoon rains. Prices are expected to remain firm till 2020 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

Cardamom season is from August to March and the growing areas were affected by floods last year. Indian cardamom prices have exponentially increased and is currently traded at USD 45 – 50 per kg [July 2018 RM price – USD 12 per kg]. Carry forward stocks are at very low level. Farmers are plucking immature cardamom to profit from existing high raw material price. 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. Prices for Rosemary are expected to be firm.

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 would start from October 2019. Current price for Cumin seed is USD 2.60 per kg





Cochin, Kerala, India

+91 484 284 4500

info@plantlipids.com

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