



MARKET REPORT

MAY 2020

COVID 19 IMPACT

COVID-19 pandemic has disrupted supply chain across the globe. India has been under lockdown from March 25th. Lockdown has been extended by central government till May 13th but with relaxation in certain districts. 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 long term supply chain disruption in agriculture sector as we will enter into sowing season from June – September. Availability of manpower and agriculture inputs are uncertain for the sowing season.

PLANT LIPIDS

We are very glad to report that so far, we have had zero cases in all our facilities and all of our team and their families are safe. We went into very strict controls as per the guidelines of our government immediately after the lockdown. Within a week of the lockdown we were allowed to start our operations partially with very limited people and most of our people were working from home. We are slowly opened all our operations and made sure that we were able to take care of all our stakeholders and their requirements. We hope that all of you and your families are safe! Please see the below link to what our teams did during the lockdown showing the power of teamwork and the brilliance of the human spirit.



BLACK PEPPER

Black Pepper season in Vietnam is ongoing. Buyers from China are back in market and is keeping prices firm. Black pepper season in Sri Lanka has started. Sri Lanka is in total lockdown due to COVID-19 outbreak and we are expecting supply chain disruption. Supply chain operations cost like harvesting, transportation, labor and drying costs have gone up due to lockdown. Pricing of Black pepper in Sri Lanka is uncertain under current circumstances as there is no real clarity on the situation from the government. 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 \$2.10/kg in Vietnam.

NUTMEG

Indian nutmeg crop harvest and distillation has been postponed due to lockdown extension. Incessant rainfall in months of October and November 2020 has adversely affected the flowering in Nutmeg trees. 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. The delayed monsoon pushed the harvest to March. By the third week of March the Chilli markets were closed due to lockdown. The pre-lockdown price for chilli was traded at 35 - 40% 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. Sowing of chilli seeds for 2021 crop starts from June 2020 and ends by September 2020. We are expecting future prices to trade based on the extent of sowing. We recommend our customers to procure their annual requirements by May.

PAPRIKA

India: 2020 season of Indian paprika is completed. Paprika growing areas faced floods in August 2019. There was a larger shift from cultivating traditional KDL paprika to hybrid paprika. Traditional paprika prices is traded at 300% higher than last year prices. Paprika markets are in lockdown. Seed sowing for 2021 season will be from June to September 2020. We are expecting larger sowing of traditional KDL paprika due to better price realization in 2020 season. China: 2019-20 China paprika season is completed. 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.



CARDAMOM

Indian Cardamom season is from August to March. Indian cardamom farms will be expecting monsoon rains from June to September 2020. Optimum monsoon rainfall is key for Cardamom production in India. 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 22 per kg [January 2020 RM price - USD 55 per kg]. 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 1.65 per kg





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 2.10 per kg [Last month - USD 1.95 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.



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. Crop growing area has seen larger increase in COVID-19 cases in the last one week. We are expecting supply chain disruption in Celery seed in coming months.

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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