



MARKET REPORT

NOVEMBER 2020

COVID 19 IMPACT

COVID-19 pandemic has disrupted supply chain across the globe. COVID 19 active cases in India are rising exponentially. Indian businesses and supply chain 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 complete. Monsoon rains in all growing regions have been surplus. Some of the areas had excess rainfall with floods which has affected the crop adversely.

NUTMEG

Indian nutmeg crop harvest and distillation is from March to June. In 2020 harvest season, national lockdown was in place and has adversely affected the harvesting of Nutmeg. Carry forward stock availability is lower at the source. There is shortage of Nutmeg oil in supply chain and prices are expected to be firm till March 2021.



BLACK PEPPER

Black Pepper season in Vietnam, Indonesia and Brazil is complete. We would be moving into harvest season of Black pepper in other growing regions – Sri Lanka [Minor Season: November – January] and India [November – January]. Sri Lanka is seeing second wave of corona virus spread and possible lockdowns and restrictions can adversely affect the harvest. Black Pepper growing regions in Vietnam faced floods in month of October 2020. Demand for black pepper from EU remains muted due to second wave of coronavirus spread.

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 80% sold out and farmers will hold and sell in off-season to improve their profits. Black pepper price has corrected from the peak price in June 2020 and is currently traded at \$2.70 per kg in Vietnam. Black Pepper price is expected to remain stable till December 2020.

PAPRIKA

India: Sowing of paprika chilli crop is complete. Growing regions have received excess rainfall in month of September 2020 and this will be detrimental to the standing crop. We are estimating crop damage in 10% of growing region. Indian Paprika chilli crop season is from February 2021 and we are expecting similar crop size as compared to 2020 season. Paprika chilli prices in 2021 season is expected to trade higher than 2020 season.

China: Harvest of 2020 – 21 paprika chilli have started in October 2020. Initial estimates indicate 25% larger crop as compared to 2019– 20 season. Current price of paprika chilli from China is traded at 15% lower as compared to 2019–20 season. China is experiencing second wave of coronavirus spread. Demand for paprika chilli is muted due to restrictions imposed by government for controlling the spread of virus.

CAPSICUM

Sowing of chilli seeds for 2021 crop is completed. The growing regions received heavy rainfall and floods in month of September 2020. We have estimated crop damage in 20% of growing region. Farmers have replaced damaged crop with new transplants in month of October 2020. This will delay the crop harvest by 30 – 40 days. We are seeing larger domestic and export demand for red chillies in recent months. Carry forward stocks are expected to be consumed at higher pace till start of new season. Price for chillies are expected to be firm till December 2020. We are expecting lower prices for chillies from month of April 2021. We would advise you to procure your short term requirements for chillies till April 2021.



CARDAMOM

Indian Cardamom season is from August to March. Indian cardamom farms have received optimum monsoon rains from June to September 2020. 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 18 per kg [Jan 2020 - USD 55 per kg]. Cardamom farmers have increased plantation areas for Cardamom due to better price realization. We can expect larger production in Indian cardamom in 3 - 4 years. We are expecting cardamom prices to remain weak till December 2020.

GINGER

Indian ginger season has started. We are estimating 20% larger crop in Indian ginger as compared to 2019 season. We are seeing increased usage of ginger flavors in culinary requirements of Indian households. Demand for Indian ginger will increase during winter season. At the moment, Indian dry ginger is cheaper compared to Nigeria and Chinese ginger. Current price of Indian ginger is USD 1.50 per kg.

2021 Nigerian ginger season will start from December 2020. We are estimating 20% larger crop in Nigerian ginger as compared to 2019 season. 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 being traded at USD 2.10 per kg [Apr 2020 - \$1.70 per kg, Apr 2019 - \$1.45 per kg].



TURMERIC

2020 Turmeric season saw turmeric traded at 15 year low price. 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 complete. Growing conditions have been highly favorable for turmeric. Initial estimates indicate that Turmeric crop in 2021 season would be 10% lower than 2020 season. We recommend our customers to procure their long term requirements in turmeric now.

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 2.00 per kg. This is one of the lowest traded price for cumin seed in last 5 years. Sowing season for 2021 crop has started. We are expecting lower sowing in cumin seed for 2021 crop due to low price realization for cumin seed in 2020 season. We will have better estimates on 2021 crop by end of December 2020.





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 40% higher as compared to 2019 season. Current price for fenugreek is USD 1.00 per kg

CELERY SEED

Indian Celery seed season is from May to July. We had 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]. Sowing of celery seed for 2021 season has started. We would have better estimates for 2021 season by end of December 2020.

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.



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. Current price of Russia coriander seed is USD 0.95 per kg.

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 17 per kg.





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