



MARKET REPORT

JANUARY 2020

BLACK PEPPER

Black Pepper season in Brazil and India are ongoing. Minor crop season in Sri Lanka is ongoing. Larger carry forward stock availability at source is keeping markets weak.

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.



PAPRIKA

2020 Paprika crop sowing is complete and was delayed by a month due to delay in onset of monsoon. 2020 Paprika crop harvest would be from February to April. Lower price realization for traditional paprika chilli varieties have pushed farmers to shift to higher yielding hybrid chilli varieties. Hybrid chilli varieties growing areas have increased by 20% as compared to last season. Traditional Paprika chilli growing areas faced floods in August and this has damaged 20 – 25% of the crop. Increase in production area and crop yield of hybrid chillies should be able to manage the crop loss in traditional paprika chilli.

China Paprika season has started. The reports from there suggests a 10 – 15% larger crop in 2020 season as compared to 2019 season. Hot chilli crop in China was a failure and we are expecting 20 – 25% lower crop as compared to 2018 – 19 season. Spice companies in China are procuring paprika chilli to compensate the crop loss in hot chilli. There is lower carry forward stocks available at the source and prices are expected to remain volatile in next 2 – 3 months.

CAPSICUM

2020 Chilli crop sowing is complete and was delayed by a month due to delay in onset of monsoon. 2020 Chilli crop harvest season would be from March to May. China is facing shortage of hot chillies and there was exceptionally high demand for chillies from China and other South east Asian countries. Carry forward stocks available in the market is at historically low level and price for chilli is currently traded at double the price as compared to season price. Based on higher price expectation and demand, there has been large amount of late sowing in chillies. We are expecting 20% larger crop as compared to last season. But owing to the fact that China is facing 20% hot chilli crop shortage and lower carry forward stocks in Indian market, we are expecting prices to trade much higher in 2020 season.



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. 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 55 per kg [August 2018 RM price -USD 13 per kg]. We are expecting cardamom prices to be firm till August 2020.

GINGER

2020 Indian ginger harvest season is ongoing and will be completed by March 2020. Ginger growing areas have 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. We are expecting prices to remain stable in 2020 season.

2020 Nigeria ginger harvest is ongoing and will be completed by April 2020. There is 20% shortage in Chinese ginger crop and China is buying aggressively from Nigeria to manage the shortage. We are expecting Nigerian ginger to trade higher in 2020 season.



TURMERIC

2020 Turmeric harvest season would be from February to May. 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 completed. Traditional turmeric growing areas have decreased by 10 - 15%. New plantations have come in new areas of India. This should compensate for the decrease in traditional turmeric growing areas. Some of turmeric growing regions were adversely affected by floods in August 2019. We are expecting 5- 10% lower crop production in 2020 as compared to 2019 season. We are expecting Turmeric prices to trade slightly higher than 2019 season.

CUMIN SEED

Indian Cumin season is from February to May. Cumin seed farmers are showing increased interest in the crop due to better price realization. 2020 crop sowing is delayed by a month due to unseasonal rainfall. Cumin crop faced locust attack in end December and the impact would be known only in coming months. Current price for Cumin seed is USD 2.55 per kg



CELERY SEED

Indian Celery seed season is from May to July. 2019 Indian celery seed production is same as last season. Celery seed is currently traded at USD 1.25 per kg. Sowing for 2020 celery seed crop is ongoing. Indian government has announced better minimum support price for wheat and farmers are showing tendency to migrate from Celery seed crop to Wheat. We will have better clarity by end of January 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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