



Spices Market Report

March 2024



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Plant Lipids actively participated in **ISC 2024** from March 03–06, 2024. Keeping up with the latest industry trends and innovations at the conference supports us in aligning our offerings with evolving market demands, directly benefiting our customers.

Our Chief Procurement Officer, Thomas Daniel, shared valuable insights on Ginger. The sessions conducted during the 3 days have been exceptionally engaging, covering a wide array of relevant topics. Your continued support and engagement are invaluable to us in shaping the spice industry's future.



Capsicum

Harvest Season



Market Updates

While the harvest in Central India is over, harvesting continues in Southern India in Andhra Pradesh and Telangana. This year, a significant decrease in capsaicin content has been observed in medium and high pungent chillies compared to previous years. Further decline in quality, particularly in capsaicin levels, is anticipated as we progress into late March and April 2024. Arrivals are increasing, with peak arrivals anticipated in March 2024.

As the chillies commanded higher prices, farmers decided to divert a part of their production to cold storage. This could also be due to lower demand in January and February. Prices for these high pungent varieties are currently stable.

Due to many farmers opting for pungent variant chillies, there was an adequate supply of medium-pungent varieties entering the market. There was more supply than expected demand for this quality of chilli.

We expect prices to come down further and then stabilize. Farmers, confident about markets opening for high prices for capsicum, had used fertilizers and pesticides excessively, significantly affecting the availability of IPM-grade varieties. Considerable volumes of chillies from IPM programs are failing to meet EU and US requirements.

Farmers are happy with the yield and price they are getting for the harvest

Unlike in previous years, considerable volumes of chilli have been moved to cold storage



Major growing regions
Andhra Pradesh and Telangana



* Warangal Market, Telangana

Paprika

Harvest Season



Market Updates

Higher acreage of cultivation and good yields have resulted in excellent crops. Arrivals into markets have been steady and high. The cold storage facilities are rapidly filling up (almost 70% filled) due to an excess supply compared to sluggish demand. Prices started dropping marginally around mid-February. With cold storage filling quickly, there is speculation of a major price correction. Anxiety is growing amongst farmers who are now going for their 2nd or 3rd plucking. At the time of publishing this report, farmers had held a violent protest falling prices. Additionally, the industry reports a decline in the quality of materials arriving on the market now.

With the season ending in March, we anticipate high carry-forward stocks in cold storage

There is a high likelihood of prices dropping in April



Major growing regions
Karnataka

Ginger

Harvest Season



Market Updates

India : Ginger is usually ready for harvest, within 4 to 5 months of sowing. Farmers catering to the fresh ginger market start harvesting after the 4th or 5th month, while those who tend to go for drying harvest a little later. However, many farmers opt to let the ginger lie underground for a period of even 15 months. This year, as fresh ginger markets opened at very high levels, the harvest is continuing. The shortage of dry ginger continues because farmers are still enjoying excellent returns for their fresh ginger and with low labor availability, there is not much incentive for farmers to dry their ginger. In February, domestic demand for fresh ginger remained high, resulting in sustained high prices.

In many regions, farmers have also started sowing ginger. Although Karnataka has witnessed a drop in acreage in the last 2 years, indications suggest that the area under cultivation for ginger is likely to increase by 25% (approx.).

In India,
a shortage of
dry ginger can
be expected
until July - Aug
2024



Major growing regions

Karnataka, Madhya Pradesh, North East, Kerala and Maharashtra

Ginger

Harvest Season



Market Updates

Nigeria : Fresh ginger production stands at 2,00,000 metric tons as compared to almost 12,00,000 metric tons last year. Fungal infection and bacterial rot wiped out almost 70% of ginger crop in Nigeria. It will be important for farmers to treat their planting material and use health rhizomes for sowing. Other growing regions like Bauchi, Nasarawa and Benue also reported severe damages. Dry ginger prices are at USD 4 per kg.

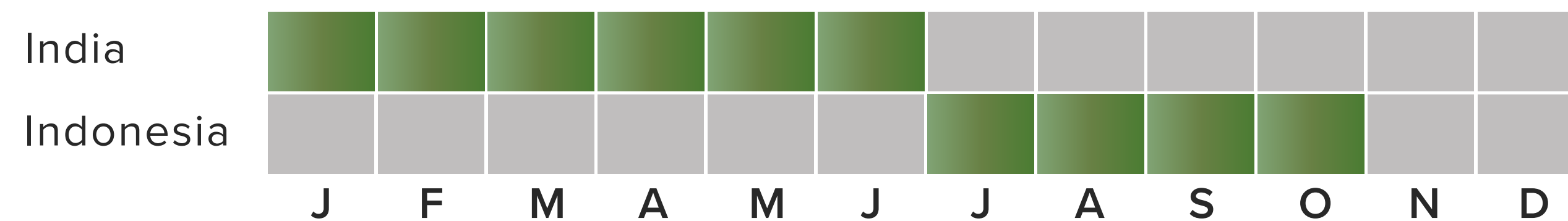
In Nigeria, as sowing is expected to begin in March, farmers will need to find new plots to avoid a recurrence of soft rot



Major growing regions
Kaduna

Turmeric

Harvest Season



Market Updates

India: Harvest continues in major growing areas, with arrivals being reported across Karnataka, Maharashtra, Tamil Nadu, and Telangana. Total turmeric production for this season is expected to be lower than last season by 30%. With lower carry forward stocks reported in 2024 compared to 2023, prices of turmeric have increased by 4.9% by March mid, compared to February end (USD 2.15 per kg as on mid-March 2024). Farmers are holding back their crops, anticipating prices to go up, due to a supply shortage and consistent demand. The prices may continue to remain high for a few months.

Turmeric prices have surged, nearly doubling, and further increases are anticipated



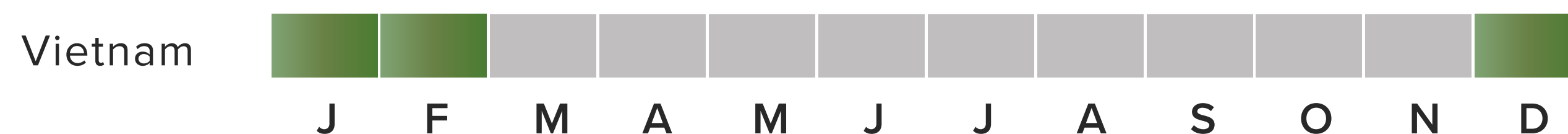
Major growing regions

India - Karnataka, Tamil Nadu, Andhra Pradesh, Telengana, Maharashtra, Meghalaya, Odisha, Kerala



Black Pepper

Harvest Season



Market Updates

Vietnam : Harvest is ongoing and arrivals started in February. Farmers had taken a short break around the New Year holidays and resumed harvesting, after the celebrations.

Many farmers who grow pepper also cultivate coffee and durian and have delayed their pepper harvest due to the higher profits from coffee.

Due to lower prices over the last three years, farmers have shifted to alternative crops like durian, coffee, and banana. There has been a decline in cultivation area for the last 3 years and with no new vines planted since 2017, the price of black pepper is anticipated to surge in the long run despite consistent demand.

Prices for the FOB Ho Chi Minh 550GL machine-cleaned variety have increased by 15.38% and currently trading at USD 4.5 per kg.

Total black pepper production is expected to drop by 15% compared to last year

Vietnam exports
2022
1,92,000 MT
2023
2,70,000 MT



Major growing regions

Vietnam - Dak Nong, Dak Lak, Gia Nai

Black Pepper

Harvest Season



Market Updates

Brazil : Harvest from Espirito Santo is completed, but farmers faced challenges due to intense heat caused by El Niño, resulting in historically low yields. There have been reports of drought conditions, leading to pepper vines dying.

The next harvest from Para is expected to start around August. However, current weather conditions remain unfavourable. Farmers are hopeful for weather conditions to improve.

Prices of FOB Victoria 550GL machine cleaned variety have increased by 11.25% by February end, over the previous month.

The intense heat in Brazil poses challenges for crop growth



Major growing regions

Brazil - Espirito Santo and Para

Black Pepper

Harvest Season



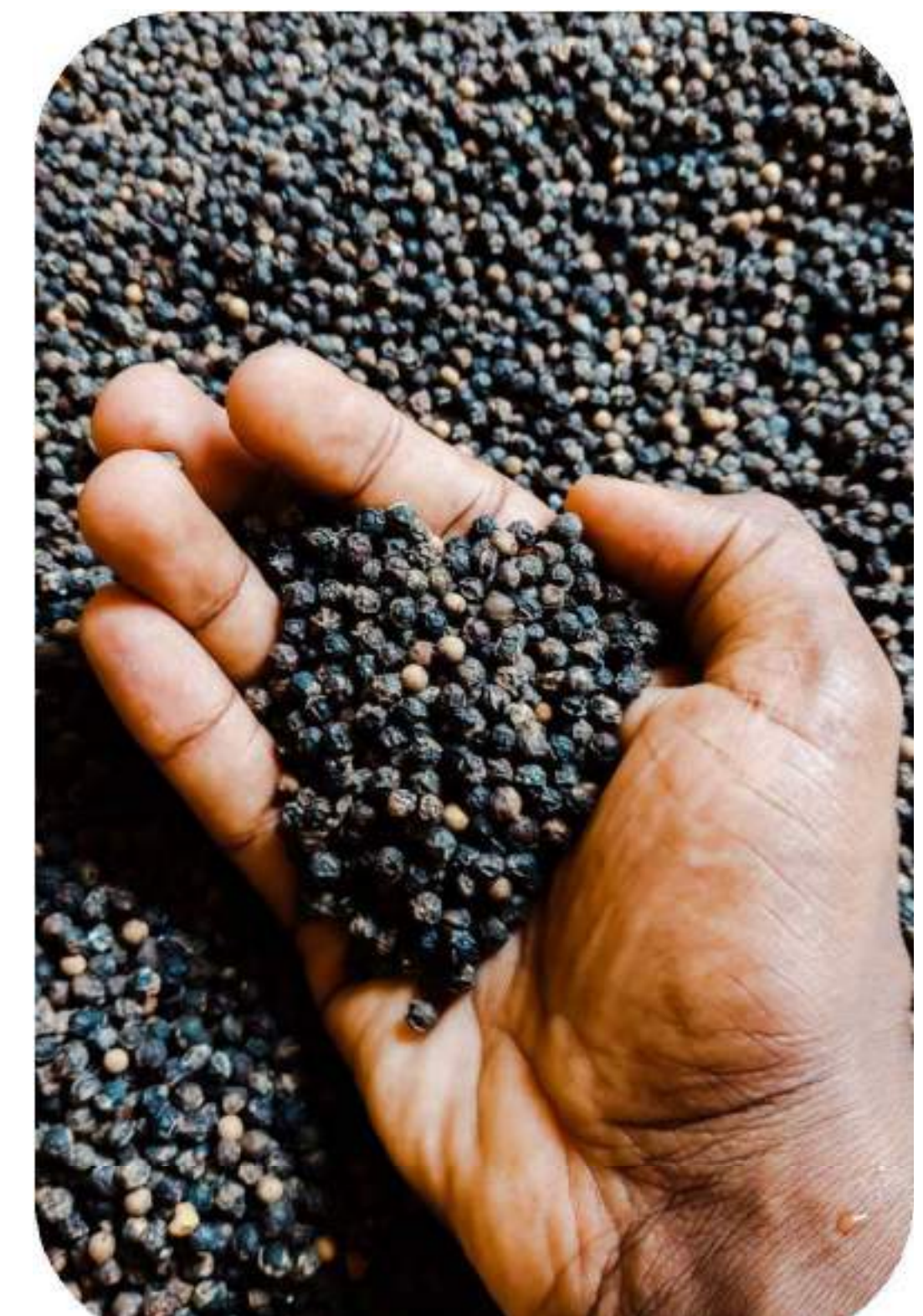
Market Updates

India : Harvest is in full swing in Kerala, Karnataka, and Tamil Nadu, with consistent arrivals. The production of black pepper is anticipated to be higher than the previous year. Prices have seen a drop of 10% in February end compared to the previous month.

Sri Lanka : The pepper harvest in Kandy has concluded. Arrivals have been low from Bibile Matale. We are likely to see good arrivals from April. Prices have remained stable. Carry-forward stocks are low. Anticipating higher production this year may lead to a decrease in prices in the upcoming season.

In India, harvesting is ongoing with good arrivals reported

This year, black pepper production in Sri Lanka is anticipated to surpass last year's levels



Major growing regions

India - Kerala, Karnataka & Tamil Nadu

Sri Lanka - Kandy, Matale, Bibile, Ratnapura and Kegalle

Cumin

Harvest Season



Market Updates

The cumin market experienced historically high prices last year, prompting farmers to shift cultivation from other crops like mustard and coriander to cumin. Though this impacted other spices, this shift resulted in a 30% - 40% increase in cultivation acreage compared to the previous year, likely to cause a rise in total crop production.

Harvest has begun, primarily from Gujarat, with peak arrivals expected in March and April. Carry-forward stocks are expected to remain moderate. The arrival of the new crop has led to a significant 31% reduction in prices in February compared to the previous month. As a result, buyers are expected to adopt a wait-and-watch approach.

Total production this season is expected to be 30-40% higher than last season

31% drop in price witnessed in February. Buyers need to wait and watch price movement



Major growing regions

India - Rajasthan, Gujarat, Madhya Pradesh



* Gujarat



* Rajasthan

Cardamom

Harvest Season



Market Updates

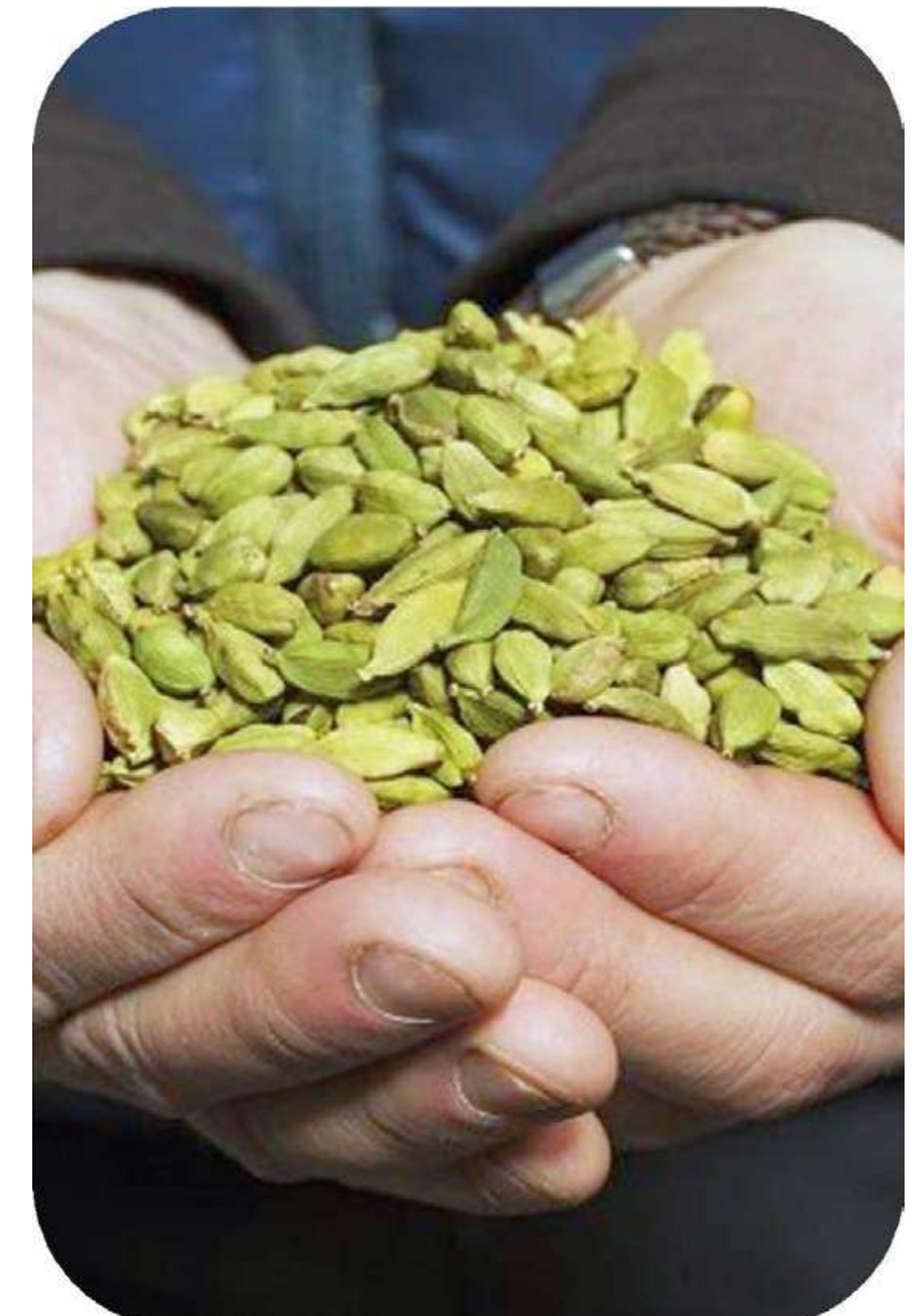
India: Cardamom arrivals continue.

Throughout the month of January and most of February, the prices were stable. However, towards the end of February, there was some volatility in price. After remaining at USD 18 per kg, prices are now corrected in March.

Export demand is high, especially due to the unavailability of Guatemala cardamom.

Farmers are hopeful for rainfall and lower temperatures in the coming months.

Daily arrivals at the auction center average around 100,000 kg



Major growing regions
India - Kerala

Coriander

Harvest Season



Market Updates

India: The harvest has commenced in growing regions, with majority arrivals coming from Gujarat. Due to low prices last year, farmers in Gujarat and Rajasthan shifted to other crops, like Cumin, resulting in a 30% reduction in coriander acreage in 2024. With the new arrivals entering the market, demand has increased and with an expectation of lower production this year, prices have increased by 10% over the last month. Prices are expected to stay stable until the end of the harvest season, and further clarity on prices will emerge by April 2024 with the Rajasthan and Madhya Pradesh harvests yet to begin. The current weather is favourable for crop growth and carry-forward stocks are higher than last year.

In India, there is a 30% reduction in coriander acreage in 2024



Major growing regions

India - Gujarat, Rajasthan, Madhya Pradesh

Coriander

Harvest Season



Market Updates

Europe / Russia: The next sowing period for coriander will commence in June. However, carry-forward stocks are limited, and coriander continues to command high prices. The global spice trade is facing challenges due to the Red Sea crisis, impacting shipments from Eastern Europe. This crisis is expected to last several months, impacting global shipping rates and spice prices. Rerouting ships through other longer routes will lead to higher shipping costs and potential disruptions in the spice supply chain. Despite these challenges, demand for coriander remains moderate.

In Eastern Europe, prices of coriander, are stable currently



Major growing regions

Eastern Europe - Russia (Kransnodar), Bulgaria, Europe

Celery

Harvest Season



Market Updates

Celery is currently in the growing stage, and the harvest is anticipated to start in May.

Farmers had shifted to higher priced wheat and maize, leading to an acreage drop of around 15-20%. The current weather conditions continue to be favourable for crop growth, although it's too early to estimate the crop yield.

Carry-forward stocks are at a moderate level, and celery prices remain stable.

Limited
availability of
IPM grade
material
reported



Major growing regions
India - Punjab, Haryana

Fenugreek

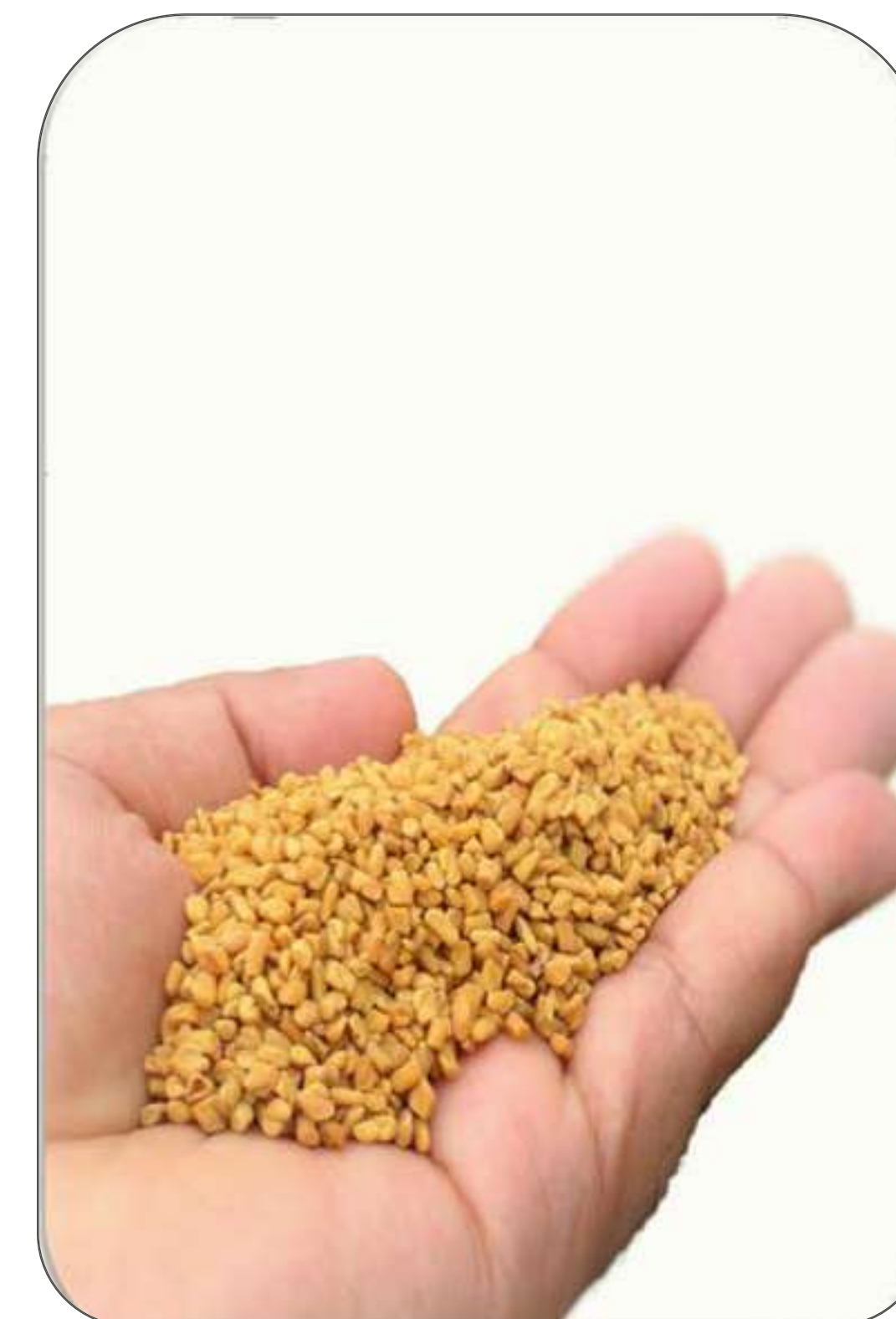
Harvest Season



Market Updates

Harvest has started with reports indicating low arrivals mainly from Madhya Pradesh and Rajasthan. Acreage is reported to be like last year. While carry-forward stocks remain low, we have observed a surge in demand, leading to a 7% increase in prices by the end of February.

Despite strong demand and expectations of ample arrivals, low supply has driven prices up



Major growing regions

India - Gujarat, Rajasthan, Madhya Pradesh

Fennel

Harvest Season



Market Updates

Harvest started in major regions, with the new crop entering the market in February. Arrivals will peak by March-end. Due to higher fennel prices last year, farmers expanded acreage under cultivation, leading to an anticipated increase in volume this year.

Carry-forward stocks are moderate. Increased arrivals have resulted in price reduction and a build-up on carry forward stocks. The market will be under pressure to liquidate last year's carry forward stocks which may result in a slight decline in prices.

Fennel arrivals commenced in February and are expected to peak by March mid.



Major growing regions
Rajasthan and Gujarat

Nutmeg

Harvest Season



Market Updates

India: Nutmeg arrivals have begun with volume expected to climb from April onwards and will continue till the monsoon arrives. The severe heat condition is probably causing volatile oil levels in nutmeg to remain low.

The price for the BWP variety has increased by 20% compared to last month, while the bold variety has increased by 5% over last month. Despite these price increases, the market continues to witness consistent demand.

Prices for BWP grade in India have increased as arrivals hit the market



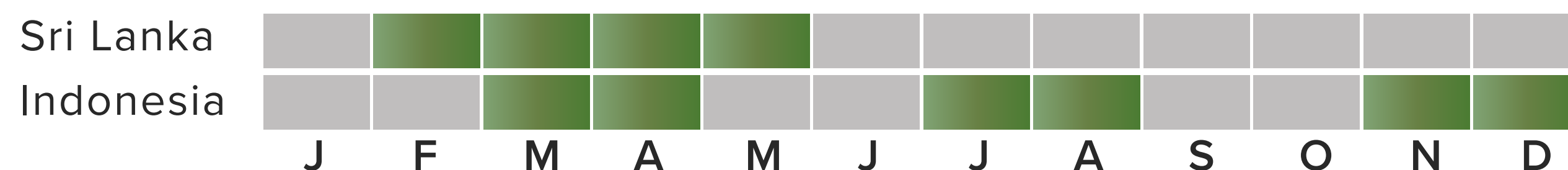
Major growing regions

India - Kerala

Sri Lanka - Kandy

Nutmeg

Harvest Season



Market Updates

Sri Lanka: Harvest is ongoing in the Kandy region and the region is experiencing favourable weather conditions. Most of the material is with high moisture. We expect a 15% increase in production. However, prices are expected to remain stable as the demand is gradually going up. Arrivals are expected to continue till May.

Indonesia: In February, prices for Indonesian BWP-grade nutmeg remained stable despite vessel delays. Despite these challenges, prices remain stable, and arrivals are anticipated by the last week of March.

In Sri Lanka, arrivals are to increase by mid-March

In Indonesia, March nutmeg harvest faces challenges from heavy rains, impacting picking and drying



Major growing regions
Indonesia - Sulawesi



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Thank You

