



# MARKET REPORT

## JUNE 2018



# BLACK PEPPER

Note below Black Pepper prices from major growing sources around the globe:

Source	USD per kg
Vietnam	2.85
Indonesia	3.00
India	5.75
Brazil	2.90
Sri Lanka	6.00



## Additional note for Black Pepper Oleoresin customers

Black Pepper imports into India is facing stricter regulatory controls from late 2017. In December 2017, large groups of Indian farmers have protested against imports of cheaper pepper from sources like Vietnam, Indonesia & Brazil. It has to be noted that Indian Black Pepper prices have corrected from USD 12.00 per kg [July, 2016] to USD 6.10 per kg [Dec, 2017]. To support the Indian farmers, Government of India has imposed MIP [Minimum Import Price] of USD 7.70 per kg to provide support price for farmers. Along with that, Government of India has made it mandatory that Oleoresin Industry must only procure black pepper having minimum 6% Piperine content.

The decision is a double whammy for Indian Oleoresin industry as it effectively rules out imports of majority of the sources [Vietnam / Indonesia / Brazil]. Sri Lanka is the only source that can qualify the import conditions. It has to be noted that we are expecting a 40% crop shortage in Sri Lanka in 2018 season.

Indian government policy decision has created an artificial supply shortage for black pepper oleoresin industry.

## SRI LANKA

2018 – 19 Black Pepper season in Sri Lanka has started. Pre-season survey indicated 40% lower crop as compared to 2017 – 18 season.

Sri Lanka	2013	2014	2015	2016	2017	2018 E
BP ('000 MT)	16	11	19	13	18	12

## INDONESIA

2018 – 19 Black Pepper season in Indonesia is from August 2018. It is still too early to predict crop size in Indonesia.

Indonesia	2014	2015	2016	2017	2018 E
BP ('000 MT)	13	32	26	15	

## VIETNAM

2018 – 19 season in Vietnam has started. We are expecting 250,000 MT total crop availability in Vietnam in 2018 – 19 season.

Vietnam	2013	2014	2015	2016	2017	2018
BP ('000 MT)	128	154	150	175	240	250

Note below Vietnam Black Pepper price movements for the last 8 months:

Per Kg	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	4.35	3.90	3.85	3.50	3.35	3.15	2.85	3.20

## CAPSICUM

2018 Capsicum chilli season is 80% complete. We are expecting a 40% shorter crop in 2018 – 19 season.

CAP	2013	2014	2015	2016	2017	2018 E
Vol. (in '000 MT)	1200	1307	1310	1105	1350	800



Note price movements for Teja chilli for last 8 months:

Price per kg	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	1.30	1.45	1.50	1.45	1.50	1.45	1.40	1.20

## PAPRIKA

2017 – 18 China Paprika season is 100% complete. China Paprika chilli production is estimated to be 40% higher than last season.

PAP	2013	2014	2015	2016	2017	2018
China ('000 MT)	78	48	100	120	122	170



Note China Paprika [100,000 CU] price movements [Price in USD per kg] for the last 7 months:

PAP 100,000 CU	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD per Kg	21.25	21.00	20.50	20.20	21.00	21.50	21.50

2017 – 18 Indian Paprika season is 100% complete. India Paprika chilli production is expected to be 40% lower than last season.

PAP	2013	2014	2015	2016	2017	2018 E
India ('000 MT)	116	145	156	122	114	80

Note India Paprika chilli price movements for last 6 months:

KDL Chilli	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD	1.65	1.75	1.85	1.95	1.65	1.70	1.60

## TURMERIC

2018 – 19 Turmeric season has started.

INDIA ('000 MT)	2014	2015	2016	2017	2018
Carry Forward	315	260	100	95	140
Crop Production	393	403	303	427	400
Total	708	663	403	522	540



Please note price movements for Rajapuri Turmeric for last 7 months:

Month	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	1.20	1.40	1.35	1.35	1.10	1.10	1.15

## GINGER

### INDIA

2018 Ginger season in India is 90% complete. Crop production is expected to be 20% lower than last season.

Note the price movement in Indian Ginger for the last 7 months:

Kg	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	1.00	1.00	1.15	1.15	1.15	1.15	1.15



## NIGERIA

2018 Nigerian Ginger season has started. We are expecting 20% larger crop production in Nigeria as compared to last season. This has kept prices subdued and current prices are 40% lower as compared to last season.

Kg	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	1.20	1.15	1.15	1.20	1.00	0.90	1.00

## NUTMEG

### INDONESIA

Indonesia is the largest producer and exporter of Nutmeg contributing to 80% of global demand.

### INDIA

2018 Indian Nutmeg season is delayed by 1 month. Crop is expected to be lower by 25 – 30% as compared to last season.



## CARDAMOM

Indian Cardamom season is 90% complete. There were very limited carry forward stocks in the market as compared to last season.

Note below Indian cardamom production in the last 5 years:

India	2012	2013	2014	2015	2016	2017 E
Cardamom (000' MT)	14	16	18	22	15	19



Indian festivals are the major demand centres for Cardamom. Majority of Indian festivals are over in the month of October 2017. Note below price movements for last 8 months:



Kg	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	15.00	11.75	13.00	14.00	14.25	14.10	14.25	11.50

## CELERY SEED

2018 Celery Seed season is from May 2018. We are expecting a 20% smaller crop as compared to 2017 season. This is majorly due to climate suitability for Wheat cultivation and higher MSP available for Wheat crop. Please note price movements in last 6 months:

Kg	Nov 17	Dec 17	Jan 17	Feb 17	Mar 18	Apr 18	Today
USD Price	1.15	1.15	1.15	1.15	1.15	1.15	1.10

We are expecting a 15 - 20% price increase in Celery seed as compared to last season.



## CUMIN SEED

2018 Cumin seed season has started in India. We are expecting 25% larger crop as compared to last season.

	2014	2015	2016	2017	2018
Production	396	332	352	330	410
Carry Forward	63	78	44	38	8
<b>INDIA ('000 MT)</b>	<b>459</b>	<b>410</b>	<b>396</b>	<b>368</b>	<b>418</b>



Please note price movements in last 7 months:

Kg	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Today
USD Price	2.75	3.00	3.10	3.00	2.50	2.50	2.40





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