Spices
Market Report
May 2024

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Capsicum

Harvest Season

Market Updates

Southern India: The harvesting in Andhra Pradesh and Telangana is almost completed. In April as the harvest was in final stages most of the produce arrived in the market were of medium and low quality. Cold storage levels are currently filled upto 90% capacity. Labour shortages and storage space constraints were reported towards mid April although it didn't have much major impact on prices. Prices have stabilized with marginal corrections towards end of April. Domestic demand has seen a surge for medium and low-quality varieties.

All major markets are expected to be closed in May due to slow arrivals and intense summer

Major growing regions
Andhra Pradesh and Telengana

Paprika

Harvest Season

Market Updates

The harvest season is nearing completion, with arrivals to major markets dropping by 50% by April end compared to March end. Cold storages are almost full, with farmers storing paprika in anticipation of higher prices in the next six months. Domestic demand from powdering companies and retail segments remains moderate. All growing regions report lower availability of labor for post-harvest handling due to labor migration, intense summer heat, and rising wages.

Availability of IPM grade variety is limited and is available at a steep premium

Major growing regions
Karnataka

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Ginger

Harvest Season

Market Updates

India : Dry ginger arrivals continue but remain low, while fresh ginger arrivals remain consistent. Farmers enjoy greater profitability in fresh ginger, and due to limited labor for drying, the availability of dried ginger continues to remain low.

Sowing for the next ginger season started in March and is expected to continue until June, despite unfavourable weather conditions hindering active sowing. Rainfall has been scarce in most ginger-growing regions, with farmers anticipating rain by May end. Fresh ginger continues to be sold steadily. Dry ginger prices remained very high but stable throughout April while fresh ginger witnessed a further price increase of 25%. Due to high prices for fresh ginger, farmers have increased their cultivation area during this sowing period. It is still early to estimate total crop production from the sown areas since it is dependent on timely rains and soil temperature.

Nigeria: Nigerian season is complete and material availability is low. The sowing for next season commenced in the early weeks of May, coinciding with the onset of rains in certain regions. Prices dropped by 7% by April end, compared to March end.

Fresh ginger prices surge by 25%. Dry ginger prices remain high but stable

Major growing regions
India-Karnataka, Madhya Pradesh, North East, Kerala and Maharashtra
Nigeria - Kaduna

Turmeric

Harvest Season

India

J F M A M J J A S O N D

Market Updates

India: The turmeric harvest in major growing areas has almost concluded. Current high prices lead farmers to release dry turmeric stocks slowly into markets anticipating prices to increase further. This has resulted in slow arrivals across growing regions in India. Production for this season is forecasted to be 30% lower than the previous year. Due to high prices, demand across segments has been subdued.

Farmers continue to set aside seed material for next season. Due to higher prices, farmers are planning to allocate more area for planting turmeric next season, driving demand for seed material. Aggressive sales of seed material at the farm level have also contributed to the lower availability of dried turmeric this season. Seed prices have risen significantly.

Sowing for next season is expected to commence soon in May and will be highly depended on timely rains.

Prices drop by 15% in April compared to March end

Major growing regions
India - Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Meghalaya, Odisha and Kerala

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Black Pepper

Harvest Season

Vietnam

J F M A M J J A S O N D

Market Updates

Vietnam : About 90% of the black pepper harvest was completed by the end of April. Arrivals of black pepper were lower and slower this year because farmers were holding back, expecting prices to rise. Total black pepper production is expected to be lower than last year by 15%. Over the past three years, lower prices have prompted farmers to switch focus to other crops like durian, coffee, and banana. Demand remains strong from various markets such as the US, EU, and Asia. Chinese demand, though subdued, showed an increase in April compared to the previous month.

FOB prices for the 550GL machine cleaned variety has been increasing gradually. Vietnam exported approximately 83,800 MT of pepper in the first four months of 2024, with April reporting the highest export volume of 27,000 MT, compared to the past 11 months. The weather has been consistently favourable for drying pepper after harvest. However, continued heatwaves without sufficient rainfall may further damage standing crops.

Overall, the black pepper market in Vietnam faces challenges due to lower production, fluctuating prices, and farmers shifting focus to alternative crops. Nevertheless, strong demand from international markets continues to drive export volumes, despite variations in price and demand dynamics.

April 2024 witnessed a surge in pepper exports from Vietnam, reaching the highest level in the past 11 months.

Major growing regions
Vietnam - Dak Nong, Dak Lak, Gia Nai

Black Pepper

Harvest Season

Market Updates

India : The black pepper harvest has been completed in Kerala, Karnataka, and Tamil Nadu. Overall production is expected to exceed last year's levels. Market demand for Indian pepper has been inconsistent.

Sri Lanka : Harvesting from Bibile and Matele is ongoing. Arrivals are expected to increase in coming weeks. This year's crop production is expected to be much higher (around 22000 MT) than previous years. Carry forward stocks are low and prices have been steady.

The demand for Sri Lankan bold pepper saw an increase in April with majority of exports to India. Prices of bold pepper in Sri Lanka rose by 6% in line with prices increase in India. Farmers are hesitant to harvest light berries due to lower prices in comparison to bold berries.

Prices surge by 12% by the end of April compared to March's end

Arrivals in Sri Lanka are expected to increase by last week of may

Major growing regions
India - Kerala, Karnataka & Tamil Nadu
Sri Lanka - Kandy, Matale, Bibile, Ratnapura and Kegalle

Black Pepper

Harvest Season

Market Updates

Brazil : The harvest in the Southern region is expected to start this month but a significant decrease in crop output is expected. Unfavorable climatic conditions, marked by high temperatures and limited rainfall throughout the fourth quarter of 2023 and the first quarter of 2024, have hindered crop development. Although some recovery was observed with rains in January and February, the overall crop yield is projected to be substantially lower than in previous years. Additionally, farmers, having benefited from alternative crops like coffee in recent months, are facing less selling pressure, potentially leading to supply constraints in the black pepper market.

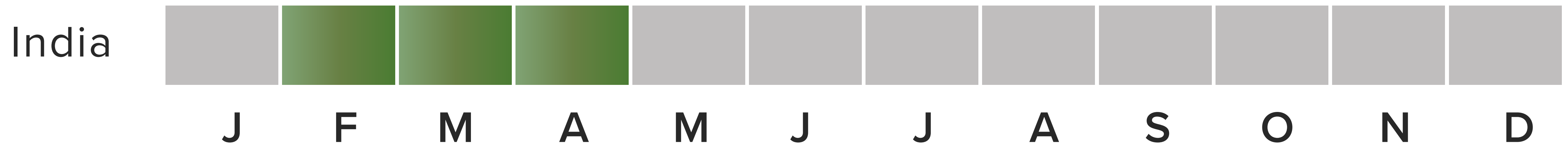
Meanwhile, the major harvest for black pepper in Northern Brazil is slated to begin in September. The next three months could witness a price surge due to limited availability of black pepper.

Brazilian black pepper prices have increased by 5% in the last month on the global market.

Major growing regions
Brazil - Espirito Santo and Para

Cumin

Harvest Season



Market Updates

The cumin harvest is underway in major growing regions, with daily arrivals averaging 2000 MT from Gujarat and 1200 MT from Rajasthan. Arrivals have notably increased since late March, particularly from Rajasthan, and are expected to peak by May mid. Last year's record-high prices prompted a significant shift towards cumin cultivation, resulting in a 30% - 40% increase in acreage and potentially higher total crop production. This year, Indian cumin production is estimated to reach 0.550 Mn MT. Consequently, farmers are cautiously releasing stocks, leading to price stability towards the end of April. Carry forward stocks of cumin are very low. However, meeting EU/US requirements has been a challenge, and cumin varieties meeting IPM standards command a premium in the market.

April end saw a 7% price drop with increased arrivals.

Major growing regions
India - Rajasthan, Gujarat, Madhya Pradesh

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Cardamom

Harvest Season

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India	■	■							■	■	■	■

Market Updates

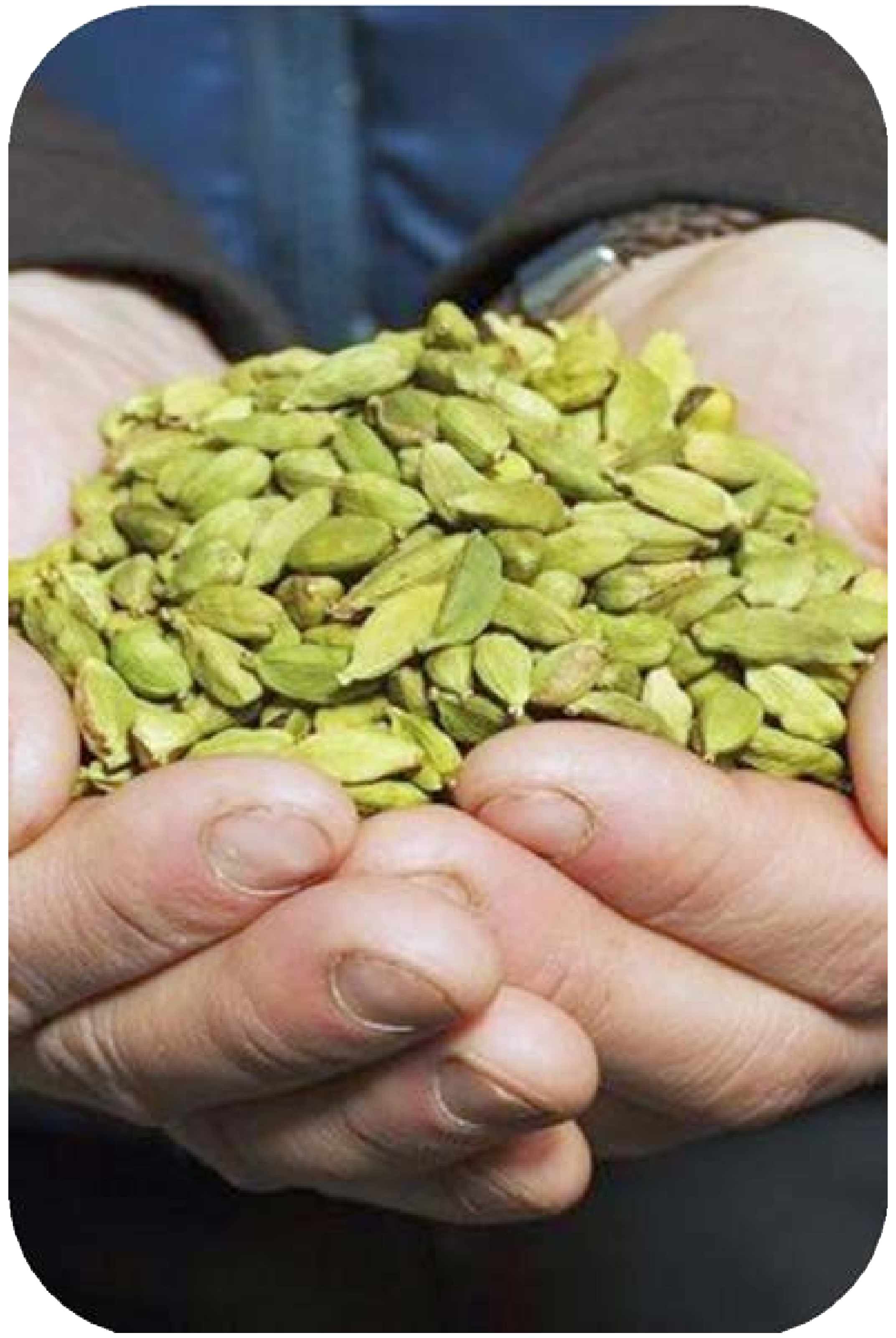
Throughout April, major auction centers witnessed daily arrivals of cardamom ranging from 80,000 to 100,000 kg. The growing regions experienced historic high temperatures and drought like conditions affecting the quality of standing crops and further berry setting. The lack of summer rainfall has damaged crops and led to concerns regarding material arrivals.

In response to lower prices over the past two years, farmers opted to store fresh crops, anticipating better prices in the future, while releasing older stocks into the market.

Old crops entering the market led to lower quality materials available, while fresh crops commanded higher prices. Prices surged by approximately 50% in April, driven by bullish sentiments despite stable demand.

Recent rainfalls in May have provided relief to the plants from the harsh heat.

The price has increased by 50 % due to supply and persistent heat conditions



Major growing regions
India - Kerala

Coriander

Harvest Season

Market Updates

India: The coriander harvest is nearly complete in major growing regions, with slow arrivals observed in the market. This year, due to low prices in the previous year, coriander acreage decreased by 30% in Gujarat and Rajasthan, as farmers turned to alternative crops like cumin. As a result, coriander production is expected to drop by 30% compared to last year, with an estimated output of around 4,65,000 MT for 2024.

In Gujarat, harvesting is nearly finished, with average daily arrivals of 250 MT/day. Rajasthan and Madhya Pradesh report average daily arrivals of 300 MT and 375 MT, respectively. Overall, the harvesting process is expected to wrap up soon.

Current demand for coriander remains moderate, driven mainly by domestic consumption, while export demand remains subdued. Prices have increased by 6% in April compared to the previous month but have stabilized by the first week of May. Carry-forward stocks are higher than last year, contributing to market stability.

Coriander prices in May 2024 have dropped by 38% compared to the same period last year.

Major growing regions
India - Gujarat, Rajasthan, Madhya Pradesh

Coriander

Harvest Season

Market Updates

Europe: The upcoming sowing season for coriander is expected to start in June, with the sowing area similar to last year. Harvesting of the new crop is anticipated by the end of July, but there are limited carry-forward stocks reported.

The global spice trade is facing challenges due to the ongoing Red Sea crisis, which is impacting shipments from Eastern Europe. The conflict in Ukraine has further slowed down material availability from growing regions. New shipments from Eastern Europe expected to begin in August or September 2024. Sanctions imposed by the EU and USA on Russia, due to the Russian-Ukraine war, have negatively impacted the demand for Russian-origin coriander, despite moderate carry-forward stocks at the origin. Prices for coriander in Eastern Europe are remaining stable amidst these challenges.

In Europe, prices remain stable compared to last month, with limited availability of material

Major growing regions
Eastern Europe - Russia (Kransnodar), Bulgaria, Europe

Celery

Harvest Season

Market Updates

The celery harvest is has started by mid May. Since farmers had shifted to higher-priced crops such as wheat and maize, acreage for celery cultivation was reduced. The prevailing weather conditions remain favourable, which is expected to contribute to improved farm-level yields during the upcoming harvest, compared to last year, which may lead to prices increasing.

Carry-forward stocks are currently at a low level. Demand for celery is moderate. There is limited availability of IPM grade material reported in the market.

Better yields are expected during the upcoming celery harvest

Major growing regions
India - Punjab, Haryana

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* Celery harvesting in Punjab

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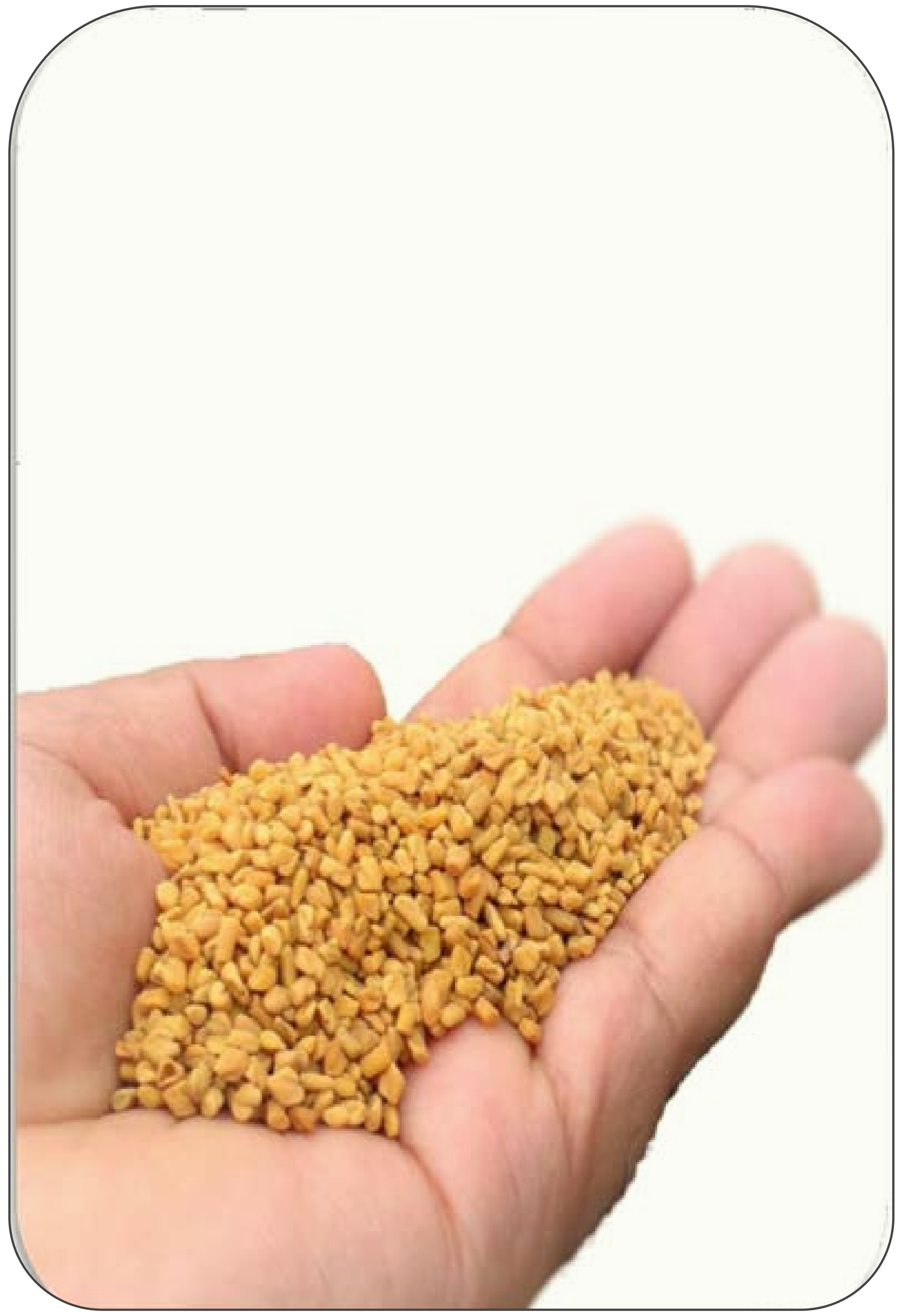
Fenugreek

Harvest Season

Market Updates

Fenugreek harvesting has started across Gujarat, Rajasthan, and Madhya Pradesh since mid-April, with peak arrivals expected until the end of May. Gujarat reported daily arrivals of 375 MT, Rajasthan with 450 MT, and Madhya Pradesh with 500 MT. This year's projected crop production is estimated at 165,000 MT, down by 5% from last year, with reports suggesting a decrease in farm-level yield compared to the previous year. About 45% of the material has entered the market till now. Carry forward stocks are at moderate level. Demand remains moderate, with exports and domestic demand showing subdued trends. Prices have been stable.

Compared to last month, arrivals have spiked, and the peak arrival period is anticipated to persist until the end of May.



Major growing regions

India - Gujarat, Rajasthan, Madhya Pradesh

Fennel

Harvest Season

	J	F	M	A	M	J	J	A	S	O	N	D
India												

Market Updates

The ongoing fennel harvest is in full swing, with significant arrivals reported from Gujarat and Rajasthan, expected to conclude by May end. Favourable weather conditions and increased acreage due to higher prices last year have led to larger crop production this year.

Prices remained stable throughout April but dropped by nearly 50% compared to last year same period. With the current harvest and high crop yield, there's an expectation of a substantial carry-forward stock for next year. Demand remains moderate, with ample supply in the market.

Prices remain stable

Major growing regions
Rajasthan and Gujarat

Nutmeg

Harvest Season

India

J F M A M J J A S O N D

Market Updates

India: Harvest is ongoing. Arrivals will increase by May end and June as monsoon will start in the growing regions. The region has been experiencing hot weather, with temperatures higher than usual for the month of April. Prices for the BWP variety of nutmeg remain stable, and demand is consistent.

Summer rains already witnessed in the growing regions

Major growing regions
India - Kerala

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Nutmeg

Harvest Season

Market Updates

Sri Lanka: In Kandy region, arrivals have remained stable. Peak arrivals were observed during March and April, and are expected to decrease by May end. Due to favourable weather conditions throughout growing period, it is estimated that yield will be higher compared to last year, leading to overall increase in production by around 15%.

Indonesia: Harvesting has begun in North Sulawesi and arrivals are low. Arrivals are expected to increase by May end and peak arrivals are anticipated in June or July. Current weather conditions are dry with minimal rainfall.

Prices for BWP grade has dropped in April end by 5% compared to March end, while the Bold quality has dropped marginally.

Prices have seen a drop of 5% in April end compared to March end

With new arrivals, prices have dripped

Major growing regions
Sri lanka - Kandy
Indonesia - Sulawesi

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