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Spice News

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Spices and Extracts Raw materials - crop/market update

Paprika

India:

In Karnataka state, harvesting of colour chili has started from the middle of December and it may continue till the end of April. In Darwad, Havery and Gadag districts, production has decreased by around 30%, whereas in Bellary, Raichur and Gulberga, the cultivation of hybrid chili has increased considerably. Overall there is a reduction of about 20%. Domestic traders and curry powder manufacturers are active in the market. Out of the total arrival quantity in the Byadgi market, around 40% only is colour chili and balance is hybrid variety. Since the current prices are attractive to the farmers, they are not interested in keeping color chilies in the cold storage. Carry over stock is almost the same as last season. The quality of the chilies from 3rd and 4th time picking will be significantly lower than the 1st and 2nd time harvest. Weather during the coming weeks is also very critical.



China:

Harvest is already over in China, estimated crop size was around 20% lower than last season due to poor yield after the incidence of diseases in chili plants occurred during July/August. Price of sweet paprika had decreased by around 10% compared to last year. In Korla, farmers cultivated sweet paprika in around 85% of the total planted area and in balance areas, they went for Jinta and other varieties of chili with low colour, which resulted in the reduced availability of low colour paprika.

OR Paprika prices expected to go up slightly.

Black Pepper

In India, harvesting of bold pepper has started. Estimated production for the year 2019 is around 60,000 MT against 70,000 MT during the last season, around 15% decrease in production. Domestic consumption is around 60,000 MT



In Sri Lanka, harvesting of a smaller crop is already over, crop was poor due to unfavourable climate. Carry over stock is very limited. Prices are higher here by around 40%, when considering pepper from other origins. Flowering and berry setting for the

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next season is satisfactory. Harvest might start by end of April. We are expecting an increase in crop size, thereby easing the prices.

In Vietnam, harvesting of bold pepper has started from February, estimated crop size is around 250,000 MT. Vietnam exported 235000 MT Pepper in 2018. Yield per Ha is slightly lower than last season, but it will be compensated by increase in the area of pepper plantations. Since the current price levels are not attractive to the farmers they are little reluctant to sell pepper and they are not maintaining the pepper farms well. It may adversely affect the crop in future.

In Indonesia, harvesting has finished. Price trend is almost stable. Carry over stock of extraction grade pepper is very limited. Next harvesting of light pepper may start from July, 2019.

Expecting almost stable price trend for the rest of the year.

White Pepper

In Vietnam and Indonesia, the price trend of white pepper is stable, it would follow the price trend of black pepper.

Turmeric

India: In Gundlupet region harvesting started from end of January. Estimated crop size is around 20-25% higher due to increase in the area of cultivation, yield remains the same as last year. Carry over stock was around 10% higher than last season, price has fallen down by 10% compared to the last season. In Maharashtra, area of cultivation was higher by around 30%, however, we expect that the yield would be lower by around 20% than normal due to non-availability of monsoon rains. Estimated availability of kocha variety turmeric would be higher by around 15%. Harvesting has just started, there is nil carry over stock. In Tamil Nadu state, we expect around 20% higher crop in the Erode and Salem area. Harvesting has started from the beginning of March.



Vietnam: Area of cultivation of turmeric got reduced by around 40% as low price trend during the last year discouraged the farmers to cultivate turmeric in more areas. Harvesting has started from February. Two year old turmeric is available as around 10% of the crop was not harvested last year due to low prices. If the prices are not attractive to the farmers, they will be reluctant to harvest turmeric next year also.

Myanmar: Harvesting has started from the middle of January, expect an average crop size. Chinese buyers are not active now. Price has fallen down by 20%, compared to the last season. We are not expecting any further reduction in price.

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Africa: In Ethiopia and Nigeria, harvesting started in January, estimated production is higher by 10% compared to last year. Since the volume of production of turmeric is small compared to other producing countries such as India, it may not make any major impact on the global price.

Turmeric/Curcumin prices have come down, but are expected to increase in the second half of the year.

Heat Chili (Capsicum)

Harvesting has started in Telangana, Andhra Pradesh and Karnataka states. Overall estimated crop size in India is around 15% lower than last season. The price trend of high heat varieties of chilies, especially Teja, is upward for the last two weeks mainly due to the increase in demand of high heat chilies from China, Bangladesh, Thailand etc. The quality of the chilies from 3rd and 4th time picking would be significantly lower than the quality of the chilies already arrived in the market, this is due to the extreme hot weather in the growing areas.



Red Pepper / Chili / Oleoresin Capsicum prices moving up.

Ginger

Harvesting of ginger has started in all growing areas in Kerala and Karnataka. We expect around 60% decrease in the crop size of ginger in India due to the destruction of crop during the heavy floods last year. Price of fresh ginger is high now. We expect that the upward price trend would continue during the year. Most farmers are not interested in processing green ginger to dry ginger.

In Nigeria, harvesting started from January. Estimated crop size is almost the same as last season. Price trend is slightly upward.

Ginger prices shooting up.

Nutmeg & Mace

In Kerala, harvesting is almost finished, demand is low, price is stable. In Indonesia also, prices are stable, however, the price of Mace is going up.

Nutmeg prices stable, mace upwards.

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Celery

In India, harvesting has finished. Carry over stock is almost the same as last season. We expect stable/slightly upward price trend for the next two to three months. Next harvesting season may start from the end of April.

Celery prices stable.

Coriander

In India, harvesting would start by end of March, the crop size is estimated to be 24% lower mainly due to reduction in the area of cultivation. As per the latest crop estimates released by Federation of Indian Spice Stakeholders (FISS) and Agriculture Produce Market Committee, Unjha, the total production of coriander for the season 2019 is 247310 MT. Carryover stock is fast diminishing.

Expecting upward price trend.

Fenugreek

In Rajasthan, Madhya Pradesh and Gujarat, harvesting has started, crop size is estimated to be 25% lower than last season, again due to reduction in the cultivation area. Estimated crop size for the season 2019 is around 125,000 MT.

Expecting upward price trend.

Cumin

In India, harvesting has started. Cumin is now the second largest spice exported from India. Expected crop size is around 10% higher, compared to last year. A lower crop in the global market would propel India's cumin exports, which may further lift prices up.

Current price trend is stable.

All queries / inquiries may please be directed to info@akay-group.com

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