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Spice News

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Spices and Extracts Raw materials - crop/market update

Paprika

India:

In Dharward, Hubli, Gadag districts of Karnataka state, area of cultivation of colour chili is reduced by around 10-15%, compared to last season due to non-receipt of monsoon on right time (June). Heavy rains and floods in the growing areas in the north interior Karnataka during early/middle August have damaged the crop by around 30%. In Bellary, Raichur and Gulberga districts of Karnataka, all chili growing areas received good monsoon. Transplantation / sowing is going on in the main fields and it may continue till middle of September. We expect that the area of cultivation may increase by around 15-20%, compared to last season owing to attractive prices prevailing in the markets, receipt of monsoon on right time and satisfactory water levels in the reservoirs. We will get clear idea about the increase in the area of cultivation by the end of September 2019.



Carry over stock of colour and high heat chilies (mainly Teja and Namdari) is around 30% lower compared to the same period last year and price trend of chili is stable at the higher end. We are expecting stable / upward price trend till next harvest season in February 2020.

China:

Area of cultivation of paprika in Xinjiang province has increased by around 15-20% compared to the last season. Climatic conditions are favourable for the crop. Harvesting of paprika may start from the beginning of October.

OR Paprika prices stable.

Black Pepper

In India, flowering of pepper just started. Climatic conditions in Kerala and Karnataka states are favourable for flowering and berry settings in pepper plants.

In Sri Lanka, harvesting of light pepper has already finished. The crop size was around 60% lower than normal due to unfavourable climatic conditions in the growing areas. There is almost no carry over stock of black pepper light berries with 9% piperine.



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In Vietnam, Climatic conditions are favourable for pepper crop. Since the current price of pepper is not attractive to the farmers, they are not maintaining the pepper farms well and it may adversely affect the yield of the pepper for the next harvest. Vietnam has exported 203737 tons of pepper valued at 520.9 million USD. Compared to the same period in 2018, export volume increased by 37.5%, value decreased by 0.08%. In Vietnam, pepper market is relatively weak for the last two weeks. Around 70% stock was sold in first half of the year based on latest announcement from the Ministry of Agriculture. The remaining quantity is with rich farmers who are not willing for selling their stock without getting attractive price. Current market price is already 21% lower in comparison to same time last year. Next harvesting for light berries may start from the end of November and bold berries from the middle of February 2020.

In Indonesia, harvesting of pepper has just started. Estimated crop size is around 10% higher than last season. Price trend of light pepper is slightly upward mainly due to the increase in demand from oleoresin manufacturers in India.

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 Gundulupet, turmeric planting has already finished, area of cultivation has increased by around 5%. Plants are healthy. No incidence of diseases. In Erode and Salem districts of Tamil Nadu, turmeric cultivation has reduced by around 30%. Due to less rainfall and lower water level in the reservoirs, most farmers switched from turmeric to other crops such as tapioca, vegetables, etc. In Maharashtra and in northern Karnataka, turmeric growing regions like Sangli, Satara, Kholapur, Belgaum, Bagalkot, etc had received excess rainfall. As per initial survey, around 15-20% of the standing crop was damaged due to water logging. Turmeric sowing area in Sangli region had already come down by 10-15% due to deficient rainfall during the sowing period. In Andhra Pradesh and Telangana, the area of cultivation of turmeric is almost same as last season. Climatic conditions are favourable. Availability of extraction quality turmeric with high curcumin content is very limited, current price trend is stable.



Vietnam: Area of cultivation of turmeric is reduced by around 20% mainly due to low prices of turmeric compared to alternative crops and low yield for turmeric due to unfavourable climatic conditions. Carry over stock is very limited. Price trend is stable.

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Myanmar: Sowing of turmeric has finished. As per the information from trade sources, the area of cultivation is almost same as last season. Climatic conditions are favourable. Next harvesting season may start from the middle of February 2020. Carry over stock of turmeric with high curcumin is very limited, price has increased by around 5%, compared to the price prevailed in the market during the beginning of the season. Current price trend is stable.

Africa: In Ethiopia area of cultivation is around 10% lower than last year due to low prices for turmeric.

Turmeric/ Curcumin prices stable.

Heat Chili (Capsicum)

Almost all heat chili growing regions in Andhra Pradesh, Telangana, Karnataka and Madhya Pradesh received monsoon. According to the Indian Meteorological Department (IMD), Telangana state, the main growing area of Teja chili, has received 486.4 mm of rainfall, when the normal rainfall is 510.7mm - 5% deficit compared to normal. In Karnataka, sowing / transplantation activities have started and they may continue till the end of August. In Andhra Pradesh and Telangana, nursery preparations are going on. The transplantations of seedlings into the main fields have just started and they may continue till mid of September. We will get a clear indication about the increase / decrease in the area of cultivation of chili only by the middle of September. In Madhya Pradesh, sowing completed, area of cultivation has increased by around 15%. Climatic conditions are favourable for the crop.



Carry over stock of heat chilies in the cold storages are around 40% lower compared to the same period last year. Carry over stock of extraction grade high heat chilies is very limited. The price of high heat varieties of chilies such as Teja and Namdari has moved up by 60%, compared to the price prevailed in the market during the same period last season due to low carry over stock, increase in demand from both domestic and export markets and entry of speculators into the market. Current price is stable at the higher end. We are expecting stable / upward price trend till next harvest in February 2020.

Red Pepper / Chili / Oleoresin Capsicum prices stable.

Ginger

Area of cultivation of ginger in Karnataka and Kerala states has increased by around 40 to 50% compared to last season owing to high prices of both fresh and dry ginger and increase in the demand for fresh ginger. However, in Karnataka, around 20-30% of the crop was damaged due to floods during the first week of August. Carry over stock of good quality ginger is almost nil in the markets. The price of fresh ginger has doubled compared to the prices last year. There is very good demand for fresh ginger in the vegetable markets in India. The price of fresh ginger may move up further during the upcoming festival season in Kerala. We expect that the upward price trend may continue till the next peak harvesting season of ginger in Karnataka and in Kerala during

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February/March 2020.

In Nigeria, area of cultivation is almost the same as last year. Carryover stock of good quality ginger is limited. Prices had already gone up.

Ginger prices going up.

Nutmeg & Mace

In Kerala, harvesting has almost finished, estimated crop size is around 40% lower than last season due to unfavourable climatic conditions. Price trend is upward, we expect that the upward price trend of both nutmeg and mace may continue.

In Indonesia, the price trend of both nutmeg and mace is upward. Availability of good quality mace is almost nil. Traders and exporters are reluctant to offer mace. The price has moved up by around 60%, compared to the price prevailed in the market during the same period last year.

Nutmeg prices stable, mace upwards.

Celery

In India, harvesting of celery has a finished. Carry over stock is around 10% higher, compared to the same period last year. Price trend is stable.

Celery prices stable.

Coriander

In India, harvesting of coriander has already finished. Price of coriander is stable for the last one month, we expect the same to continue for the next one month. In Bulgaria and Ukraine, the new harvesting season has started. Excessive rains during the harvest time has deteriorated the quality of coriander seeds.

Expecting upward price trend.

Fenugreek

In India, harvesting of fenugreek has already finished. Crop size was around 40% higher than last season. Price has moved down by 20%. Price trend is almost stable for the last one month and we expect that the same may continue for the next two months.

Expecting stable price trend.

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Cardamom

Harvesting season has started in India, peak harvesting would be till middle of September. Estimated crop size is around 40% lower than normal due to less rainfall in the growing areas during the month of June and July, 2019, however, these areas received good rain fall during the month of August which is favourable for the crop. Price is highly volatile.

We expect that the price may fall down slightly in short term during the peak harvest period and may move up again in long term.

Expecting stable price trend.

Cumin

In India, harvesting has already finished. Estimated crop size is around 20% higher than the last season. Price trend is almost stable. Sowing will start in October- November for the next harvest in February 2020.

Current price trend is stable.

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

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Mark your calendar:



March 8-11, 2020
Grand Hyatt Kochi Bolgatty,
Kerala, India.