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Spice News

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Spices and Extracts Raw materials - crop/market update

Paprika

India:

In Karnataka state, harvesting has finished. Carry over stock of traditional varieties of colour chilies (KDL and Dubby) is very limited. Hybrid varieties such as 5531 and 2043 are available in the cold storages. But farmers are not ready to sell it immediately. They are anticipating further price increase in future. APMC's market for chili was closed due to lockdown, it may re-open by the end of this month. Prices of 5531 and 2043 varieties are stable at the higher side due to strong domestic demand.



China:

In Xinjiang province, sowing has started from the middle of April 2020. Carry over stock of right quality ORP is limited with the ORP manufacturers in China. Price trend of paprika whole and ORP may be stable for the next few months and expecting upward price trend towards end of the season.

OR Paprika prices stable.

Black Pepper

Sri Lanka is the main source of extraction quality black pepper (light berries). Harvesting started, lockdown in Sri Lanka due to Corona 19 is affecting the harvest and post-harvest operations. If there is any further delay in the harvest of light pepper, it may mature faster and it will adversely affect the piperine content. Peak harvesting will be from the middle of May to the first week of June. The demand and price trend of bold pepper during the harvesting period also may influence the price trend of light pepper.

India: Indian farmers are not harvesting light pepper for the last 10 years.

Vietnam: Harvesting of light pepper is almost finished. Right quality light pepper is not available in the market. The price trend of black pepper in Vietnam is upward for the last one week mainly due to the increase in demand of black pepper from China. Next harvesting season of light pepper may start from the end of October.

Indonesia: Carry over stock of good quality light pepper is very limited. Next harvest



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may start from the end of July. Crop is around 5-10% higher than last year.

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: Harvesting has finished in all growing areas in India. Estimated crop size of MFT (Gundlupet) is around 20% higher than last season mainly due to favourable climate. Farmers have sold around 65 % of their total produce. Expecting stable price trend in short term, it may move up in long term. Land preparations and sowing started for next season and it may continue till end of May. In Sangli, farmers have sold around 95% of their total produce. Estimated crop size is around 20% lower, compared to the last season. The price of Kocha turmeric has increased by around 15% compared to the price prevailed during the beginning of the season in February end. Panagali crop size is around 30% lower than last season. Price trend is upward.

Vietnam: Harvesting has finished, estimated crop size is around 60% lower than last season due to decrease in the cultivation area and decrease in the yield due to unfavourable climatic conditions. Low price for turmeric prevailing in the market for the last two years discouraged the farmers in cultivating turmeric in more area.

Myanmar: Harvesting has finished. Trade activities of turmeric is very limited due to lockdown in the country. Traders/exporters are reluctant to offer extraction grade turmeric. Expecting upward price trend after lockdown period.

Ethiopia: Harvesting has already finished. Estimated crop size is around 30% lower than last season. Lack of knowledge among the farmers about the correct post-harvest practices are affecting the quality of the turmeric adversely. Low price for last two years discouraged the farmers in cultivating the turmeric in more area.

Turmeric/Curcumin prices stable for short term and likely to go up in the long term.

Heat Chili (Capsicum)

In Telangana, harvest of Teja chili has finished, around 90% of the total produce has sold out and shifted to the cold storages. APMC's markets in Khammam, Warangal and Guntur are closed since March 24, 2020. Due to this, farmers shifted their produce to cold storages. Current stock of chili in the cold storages in Khammam is 1.65 mill bags, compared to around 1.2 mill during the same period last year. Last year, the majority of the stock was belonging to traders, speculators and spice industries. But this year, the majority of the stock belongs to farmers. Since the price of Teja chili was high from the beginning of this season, the oleoresin industry has reduced the purchase volumes considerably. Total cold storage capacity in Khammam is for around 1.7 mill bags. Farmers who have already kept Teja chili in the cold storages are not willing to sell



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their produce immediately. They are waiting for further price increase in the future.

Following factors may affect the price trend of Teja chili after lock down period:

1. Oleoresin industry has purchased only 60% of their normal requirement of chili for extraction. Pressure from them to buy and process more quantities of chili to meet their requirement till next season.
2. Demand for Teja chili from China - last year, China imported around 175,000 MT Teja chili from India, but they have not imported any considerable quantities from India during this year.
3. Majority of the farmers who have stored chili in the cold storages may not sell their produce immediately, without further price increase.
4. Anticipating loss of chili due to delay in harvesting, grading and packing.

Red Pepper / Chili / Oleoresin Capsicum prices going up.

Ginger

In Karnataka and Kerala, harvesting of ginger has already finished. The estimated crop size in Karnataka is around 15% lower compared to the last season. The price of extraction grade ginger is stable at a higher side for the last two months. Carry over stock of good quality extraction grade ginger is limited. In Nigeria, harvesting has finished. Price trend is stable for the last one month.

Ginger prices stable.

Nutmeg & Mace

In India, the price trend of nutmeg is almost stable for the last two months. Next harvesting season may start from end of May.

In Indonesia, the price trend of both nutmeg and mace is stable for the last two months.

Nutmeg prices stable, mace upwards.

Celery

In India, harvesting of celery has just started. Estimated crop is around 20% lower than last season due to reduction in both the area of cultivation and yield. Price has increased by around 15% compared to couple of months back.

Celery prices upwards.

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Coriander

Harvesting season has started in India, estimated crop size is around 20% lower than the last season due to the reduction in the area of cultivation. Harvest in Ukraine, Bulgaria etc., is expected to be in August, and we are hearing about not-so-good crop due to bad weather.

Expecting slightly higher price trend.

Fenugreek

In India, harvesting season has started. Estimated crop size is around 15% lower than the last season.

Expecting stable price trend, may inch higher in the long term.

Cardamom

The crop in India looks good so far, as new plants came after the destruction of the plants in the 2018 floods. Harvesting is expected to start by middle of June. There is not much trade activities in the market for the last two months due to lockdown in the country. Carry over stock is high, compared to same period last year. We are expecting downward price trend during the peak harvesting period in July- Aug, if climatic conditions in the growing areas are favorable for the crop and harvest.

Cardamom prices are volatile.

Cumin

Harvesting has started in India. Estimated crop size is around 20% higher than last season mainly due to the increase in both the area of cultivation and yield. Carry over stock is around 10% lower compare to the same period last year.

Current price trend is downwards.

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