



# SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

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## Crop Report & Market Updates

### April - 2023

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Dear Friends,

We are now pleased to share with you, our thoughts and information on the Various Spices for your information.

### **CHILLIES:**

It is a very complex situation this year. Crop has been good and even the yields are also good. Normal Yields are around 2000kgs per Acre and this year we are seeing it range from 1800kg to 2500kg/acre depending on the Farm, Region and Farmer. Last year due to the Rain damage and the Black Thrips attack, the yields had dropped drastically to around 5/600kg/Acre. What is really perplexing me, is that in spite of this, the prices during the season are holding Rock Solid and not budging at all.

**In Karnataka:** Traders are estimating that out of the crop of 7,000,000bags about 60/65% has already been traded and sold out. The Cold Stores are only 50% full, which normally would have been 80% full by now. In **Andhra (Guntur Region)** Traders are estimating that about 60/65% of the Crop is already marketed. Cold stores are about 60% full and they are estimating that about 10,000,000 bags are now in the Cold Stores– All this material belongs mostly to Investors/Traders (Who are outside of the Chilli Trade).

To give you another prospective, in the Guntur Market arrivals are around 150,000bags/day-4500tons /day.

Weekly basis (5 days) = 22,500 tons per week.

Now this week, arrivals are only Medium varieties, as the 1st and 2nd pickings are mostly finished and now the 3rd and 4th pickings only will start to come to the market.

Karnataka = 130,000 bags (twice a week) = 7800 tons per week. (Mostly low Heat, High Color Chillies).

Season started in Mid Feb and for the 45 days of the Season– you be the best judge of how much material has come and gone.

Some of the plausible reasons for the prices not coming down are :

- A) Domestic pipelines were completely empty because nobody wanted to hold stocks at the High prices.
- B) The same scenario applied to all the Branded Chilli powder Co's, who had no option but to buy when the crop started to come in, because they needed material to Mill and pack and put into the Supply chain.
- C) Brisk Export demand from China and Bangladesh etc. also kept the stocks moving as quickly as they came into the Market.

Going forward, it remains to be seen if the market can still hold these really high levels of prices into the Rest of the season or not. Farmers this year have not held back any stocks but have been keen to encash these high prices, so when we come in the Period Beyond May/June, the trade will have to depend only on stocks in the Cold Stores– which will only be available from Investor/ traders. Personally, I can't even advise you to go long for the rest of the year looking at the current high prices, but I would definitely say that you need to be covered at least for first Half of 2023 and then wait and watch. IPM chillies are a serious challenge now because Farmers in the IPM Belt had sprayed Fungicides etc. to protect the plants from Black Thrips. I also fear that the premiums for IPM material will remain quite high this season for paucity of Material.

**CUMIN:**

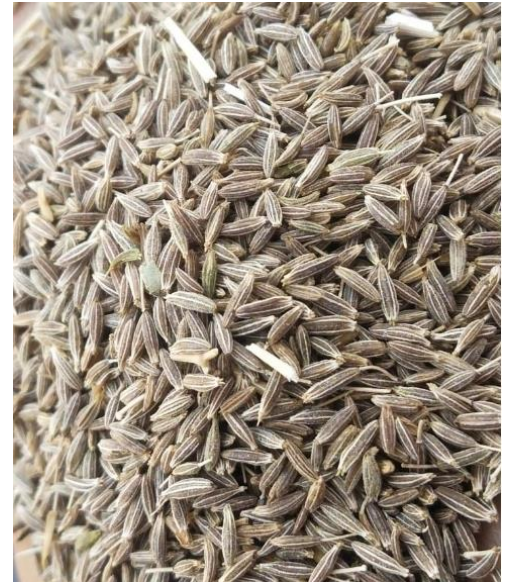
Another complex or Crazy Situation, which I will try and explain as best as I can.

The crop is usually divided into 2 parts:

- Early Sowing, which is sown in End October up to Mid-November.
- Late Sowing, which is sown in Second Half Nov up to Mid-December.

**Early Sowing:**

During the first period of End Nov to Early Dec, temperatures had not cooled off yet, so the Germination of the plants got delayed and even affected. Second Half of Dec, saw the Winter setting in and the plants started to sprout up, but the overall effect was the foliage Spread was weaker than Normal and compromised. In February, for the 3rd Year in a Row, we went straight from Winter to Hot days, up to 30°C in the day. Normally, February should be Spring Time, which allows the plants to grow and the Seeds to start gaining weight. Crop started to mature faster than normal due to the Heat. Seeds were looking Normal alright. Now Post Harvest when we start to buy, we are realizing that the yields have been about 30/35% Lower than Normal and the Seed has not gained weight. There were also rains from 3rd March to 11th March and a lot of this material was out drying in the fields when there was rain on the harvested material.



*Cumin Seed New Crop*

**LATE Sowing (Sowing Mid Nov onwards):**

During the sowing period weather was good and the plants sprouted well with good foliage. Again, the standing plants got exposed to high heat in February. Due to excessive heat, this brought, Thunder storms and Rains during Early March and where ever the plants were in the flowering stage, it damaged the plants and flowers which will affect their yield also. Harvesting of the Late Sowing will commence now in Early April and then we will be able to assess the quantity, quality, and the yields.



*New Crop Arrival At Our Factory in Rajasthan*

**Market Scenario:** Trade has already taken on these factors. Shorter crop, Demand will outstrip the supplies for 2023. Middle East Crops will not exceed 40,000tons at best. Prices have now already jumped from 225/kg and currently sitting at 370/kg. Speculators are talking of taking the Market to levels of 390/kg, and if they get the momentum of the Domestic buying and some China demand, I would honestly not be surprised if it happens.

My View - High prices are now here to stay- Just Bite the Bullet and start covering whatever you need for the next 3 to 4 months now. I can't see any respite but what I fear is that eventually when the Farmer arrivals start to taper off, the traders will gain later traction. Daily arrivals currently are around 45/50,000 bags/day = 2750 3000 tons per day and it's all getting sold out. Stay covered and stay cautious.



**CORIANDER:**



*Coriander Seed New Crop*

As reported earlier also a Happy situation overall. There were some Rains in the growing Belts of MP & Rajasthan, which has increased the percentage of the Brown Coriander Seeds. Overall figures of the crop of 700,000 tons does not change. What this rain actually did was to arrest the slide of prices which is a good thing, so that the farmer gets a decent remuneration for the half year of Toil he has done on the fields and the crop. Right now, as I see it there is really no tearing Hurry to go and buy but for good Orders sake, I would be prudent and cover my Needs for at least another 3/4 months just to lock in these cheap prices. The rest is all up to your own Wise judgement on what to do or not to buy.



*Coriander Seed Drying*

**TURMERIC:**

Arrivals have been good. Crop also is good. Some Portions of the crop in and around Nizamabad which was drying in the fields and Yards were affected when there were sudden rains in Early March but that has only affected the Color a bit, but there is no quantitative damage. Prices today are so cheap, that it is definitely Hurting the farmers and I feel pained to see the Fellow who Toiled for 9 months on this crop, not even being able to recover a decent price for his produce. If prices don't improve, I am very certain that the farmers will cut acreage into the 2024 season because it just does not make sense for him to grow it anymore at these cheap prices. From our stand point, I think it's an excellent time to buy and lock in your needs for the season. Prices are likely to remain stable for the next few months so it's your call on when and how much you wish to cover for you 2023 requirements.



**FENNEL:**



Crop has been good and there was some damage to the standing crop in early March but overall, the crop was good and Big to start with. We already knew that the planting in Some Belts of South Rajasthan (Abu Road region) was much lower. The strange thing is that prices have just not judged from the starting levels and everything is getting sold out on a Daily basis. What is also affecting this is that there is no carry over from 2022 crop. The rains have also delayed the harvesting by about 10- 15 days so we have to now wait and see what happens in Mid-April, to actually be able to take a judgement on the Market. The fact that Cumin prices have been climbing so much, is also bringing some positive element to the prices at the moment. It's just a wait and watch scenario for the moment, and let's see what happens after 10th April to the arrivals and the prices.

**CELERY:**

Prices are stable for now. Indications from our Field team seems to indicate that the planting this year is actually lower by 15/20% because farmers preferred to plant Mustard and Wheat instead (Better prices and yields too). New crop does not harvest until End May, and now it's only a wait and watch situation on how the weather behaves and assists the standing crop or not. Keeping our Fingers crossed.

**GINGER:**

Due to the lower prices last season the farmers did plant less this year so prices did improve by about 25/30% over the last years prices. It is now holding quite stable now and is likely to stay that way. Domestic buying is low now as Winter has gone. Still, I would recommend some coverage because supplies will start getting restricted as the Season wears out. Next crop is only in Jan 2024.



*Sliced Ginger*

**FENUGREEK:**

I expect this market to remain quite steady. Traders believe that the crop is lower this year. Be it as it may but the fact remains that consumption is always determined in India based on the pickling Season. Mango crop this year has been damaged by Unseasonal rains when the fruits were starting to ripen, so obviously availability of Mango's will be lower and hence a lower demand also for Fenugreek. I don't really see this Market running away – because the Crop is just a bit smaller but there is a decent overhang of the carry overs from previous years stocks also.





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