



SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates

August - 2023



Dear Friends,

Market Wise, the news is really not so happy to report at the present moment.

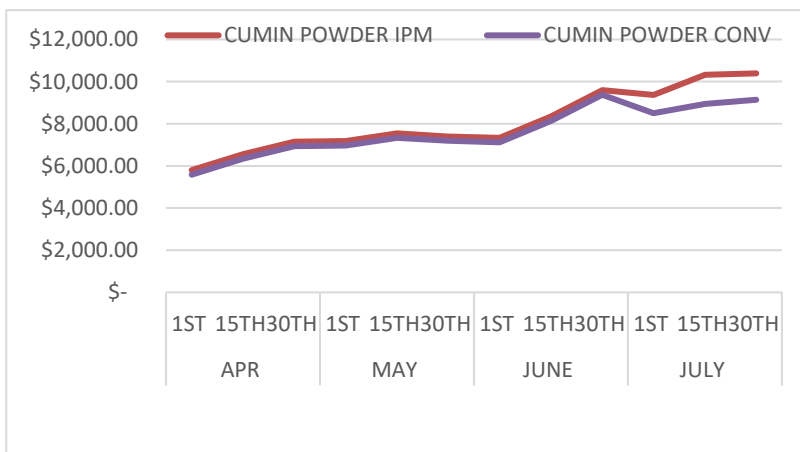
Despite denials from the Indian Govt and trying to downplay the Impact of the El Nino effect, it is amply visible all over the Country. Kerala and the Plantations there are reporting insufficient rains and very sparse and intermittent in long gaps which is also not good for the standing plants and trees like Pepper, Cardamoms, Ginger and Nutmegs.



North India has been devastated by floods, which has caused a lot of damage to the Agri Sector, Rice paddy plants are completely washed away and even Roads have been washed away making transport another nightmare now.

Central India is still okay with sufficient rains so far but the predictions of the El Nino was that its impact would be felt in the Second half of the Monsoon Season, namely August and September. So, we really don't know now what to expect going forward. Climate change is creating its own vagaries in the weather, globally now. Heat waves in Europe and floods in Northeast America.

CUMIN:



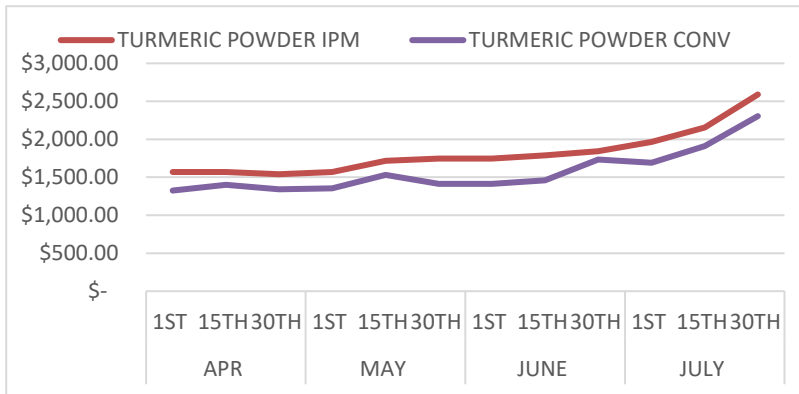
It seems that these high prices are now here to stay, at least for the rest of 2023 as supplies are dwindling and demand continues, albeit at a much-reduced pace, but sooner or later, we will experience a squeeze on stocks, since there has been no Carry over from Crop 2022 and Crop 2023 has been greatly reduced due to Bad weather conditions.

Sooner or later, buyers will have to Bite the Bullet and Buy but I feel that it's better to cover now at least for your 2023 requirements and reduce your risks. Eventual decision is yours.

TURMERIC:



Again, the Rain Gods have not been very Kind this year, and the planting window is closed already for the 2024 crop. Rains are very scant, and farmers kept waiting for the Rains which are still playing truant with the farmers. Basically, over all the planting for Crop 2024 will be about 25% lower in all regions, be it Maharashtra, or Nizamabad, or Erode etc. Everywhere the farmers planting is 25% lower at least. Add to this because of the Late sowing also our Team on the Ground is saying that we might even see a drop in yield in the 2024 crop, so it could be a Double Whammy next year. This has given the speculators a big incentive to drive the Market upwards and the Market which was around Rs 60/65 about 6 weeks ago today is at Rs 130 and rising and I expect that this will touch Rs 175 by end of August/September.



Festival season buying will also commence in Second Half August, and this could further impact the Sentiment. My advice is that if we have missed the Bus earlier to buy, it's still not too later to cover now, because the risks of higher prices going forward are very real, so you need to act fast and quickly now.

GINGER:



Here again it's a mixed bag. Prices for Fresh Ginger have been high throughout the season, so farmers have mostly opted to sell fresh rather than convert to Dry Ginger. Planting for the 2024 crop in Karnataka is looking good, what now really matters is to see how the weather will behave. The Rains have turned out to be excessive this season and fears of the Ginger Shoots being washed away on the Hill slopes has become a real fear also now. We need to remind ourselves again that this is an "El Nino" Year.

Planting in the Himalayan Region has been a total wipe out. Surely you have read of the flash floods devastation which has wiped out a lot of farmlands topsoil, broken Road bridges and washed away many Roads not to mention the Numerous landslides too. Let us just keep our fingers crossed that South India's crop is good and safe this Winter otherwise this commodity also will join Cumin and move into the Stratosphere.

CHILLIES:



It is too early to make any predictions because 2024 crop is still now being prepared in the Nurseries, and the trans planting will happen after about 30 – 45 days. Rains so far have been scanty only, but Traders are saying that there is still one more month for the Monsoon season and are hoping that the Rains will catch up. Crop will harvest in February onwards.

Varieties are undergoing a lot of changes. Sannam S4 is slowly reducing and other hybrid varieties are finding favor with the Farmers because of better yields and lower durations for the crops. In Karnataka again this time the crop will be about 30 days later than Normal. Traders there are saying that Rains are late, so farmers missed their Window for planting Groundnuts, and Black Grams, and can only do Chilies now. How this fans out only time will tell.

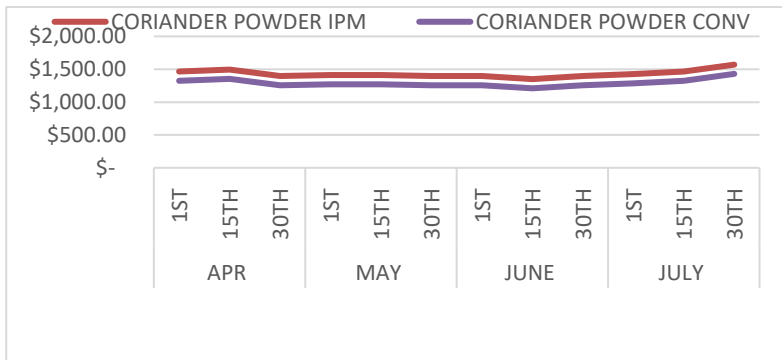
MP is so far looking Okay, but how the season develops and if they get any Virus attacks is an unknown factor yet. Cold Stores are full even today because there is suddenly a paucity of demand in the Domestic sector. Shortage of IPM material continues to plague the trade this season.

For Non IPM material, the prices having softened a bit from the peak of the Season, and now the Farmers who are holding the stocks are resisting to sell. India's Exports in 2022-23 have been 462,382 tons, against 555,421 tons in 2020-21.

FENNEL:

This also continues on the Bull Run, in sympathy with Cumin and is totally in the grip of the Speculators who are just taking this from Strength to Strength. They now are also starting to claim that there will be a shortage this season but it remains to be seen. Honestly given the current environment I feel that we should consider taking coverage and staying secured for your needs from Crop 2023 now.

CORIANDER:



Honestly, I am at a loss to give any sensible comments. Crop was big this year (Gujarat was double of 2022 and MP/Rajasthan were 35/40% higher). Despite that the market has been jumping upwards and prices which were around 60kg are now touching 80/kg. Traders are talking of taking this to around 100/kg. This really defy's all our logics, including the Old Timer Brokers in the trade. Reality is that the

speculators who made a Killing in Cumin are now looking at Coriander and Turmeric as they feel these are much cheaper compared to prices like Cumin, Fennel and Chilies. It's too early to even Hazard a guess on the 2024 crop because Monsoon is in progress and at the end of the year we will know what the sentiment of the farmers will be.

CELERY:

Crop has already been harvested and sitting with the farmers. Due to the very heavy rains about a Fortnight ago, Roads got washed away and some bridges also got damaged. Infrastructure is taking time to come back to Normal and I think in about 2 weeks' time things and roads will start to return to Near-Normal. Demand continues to be good especially from the Export Front and even the Oleoresin trade seems to be fairly active now. Prices are likely to remain stable for the moment.

Looking at the overall scenario in the Commodity Circles, there is always a fear of external elements coming into this small commodity and trying to disrupt the normal Supply -Demand equation. My advice to you is just stay covered and protected.

CARDAMOMS:

Rains again have been erratic and coming in spurts with heavy intensity, which is also not good for the plantations. Crop is only coming in September and then we need to assess the crop. Today all Planters have a common line – Crop is lower (and we hear this every year – Crying Wolf).

Basically, before winding up this report just a few comments.

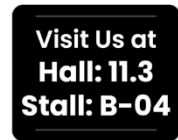
- Year of El Nino.
- Delayed Monsoon in Western India.
- Ultra heavy rains in North India which caused a lot of damage and loss too.
- Opportunities for Speculators to take advantage of these situations and they have had a Runaway Success this season on this, at the cost of the Consumers, and our Trade too.
- There is not a Single commodity this year that I can say we are bearish, because of the above underlying factors.
- Add to this the compliance issues in the EEU are also adding to the price lines for supplies to the EEU.

Extra caution needs to be exercised this year to just stay covered and not stay exposed in the spice Trade.

Should you need any further information, please feel free to ask. Am always at your disposal.

Also, we are pleased to invite you to the upcoming exhibitions, please let us know if you will be visiting and if we can catch up.

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With Best Regards

Kirandip Swani



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**For any enquiries pls contact on
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