



SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates

February - 2024



Dear Friends,

Wow, the month of January has really whizzed pass us all. Having settled back into our post new year resolution routines, I thought it is a good time to update you all with the “ground realities” for Spices.

As you would have been noticing over the last years, we have moved the market report during the growing season to a more “Agri Based” news to help you make timely informed decisions. We are relaying to you all the pictures from our field team to give you a more complete picture.

Needless to say, we always encourage you to visit with us the growing areas along with a day to see the constant upgrades in our facility in Mumbai.

Post harvest the reports move more into a demand-supply and external factor bases affecting our business.

ISC 2024: Whilst we are aware that a lot of you will be coming for the ISC, it is my Humble request that you please me give your kind confirmation for the dinner that we will hosting on 4th March.

RED SEA CRISIS:

Freight schedules are going haywire. Freights are also jumping by leaps and bounds and have easily more than Doubled from the earlier days. Shipping Schedules have all gone for a Toss, Containers get planned, prepared, and ready and then we get told – Sailing is cancelled because now a lot of material moving via Cape of Good Hope and it’s our Hope too that this crisis will get resolved soon now.

Just a caution to you that you need to plan for much longer transit times now and ensure that you bring forward your shipments, so that Stock out situations are not confronted.

TURMERIC:



*Turmeric Leaves
have started to dry*

For reasons explained earlier, the acreage has dropped by 30 to 35% but whatever is in the Soil has had no quality issues. Harvesting in many areas has been a bit earlier than expected, so we are still assessing if there is any impact on the yields.

First arrivals came to Sangli, but got sold at Astronomical levels but Market is now slowly settling down. Arrivals in Nizamabad are still low (Its rather early in the Season) but quality is good. Our field teams are saying there is likely to be a drop of at least 25% this season for want of enough water for the crops. So far whatever quality is coming is good quality. Overall trader sentiment remains quite bullish and honestly you would be well advised to take coverage by March and stay protected on turmeric.

CUMIN:



Cumin Standing Crop

Crop so far is looking healthy and Good. Last week we had light rain in North Western Rajasthan but it should not really impact the crop too much. What concerns us now that the Seed formation stage has commenced, the Dew on the plants at night is a cause for concern. Some insect activity has been noticed by our field team however, so far, its limited to a small number of areas. Gujarat has been having good weather so far, Traders are saying that the planting was about 35/40% higher compared to last year and at the expense of Mustard and Coriander. If February goes without any weather incidents, then the crop will be large and could impact the existing Market sentiment too.

Rajasthan crop comes about 3/4 weeks later, so it's more likely to feel the effects of changing seasons. Planting is larger by 40% compared to last year at the expense of Mustard and Castor seeds. Its time now to keep our Fingers crossed. Prices did decline earlier but it is now holding at reduced levels. Chinese demand is absent as they prepare for the Lunar Holidays but I think by End Feb, they will be back in the market which could also help stabilize the Market in the Peak arrival period.

I would look to go Hand to Mouth now and defer further purchasing to March when hopefully we might see lower prices.

CHILLIES:



Chilly New Crop

Arrivals are now starting to come up in full swing. Guntur market is getting daily around 150,000bags (30kg/bag) and it is getting sold out. In Karnataka, the market opens on Monday & Thursday and there also there are easily 160,000bags arrivals per market day.

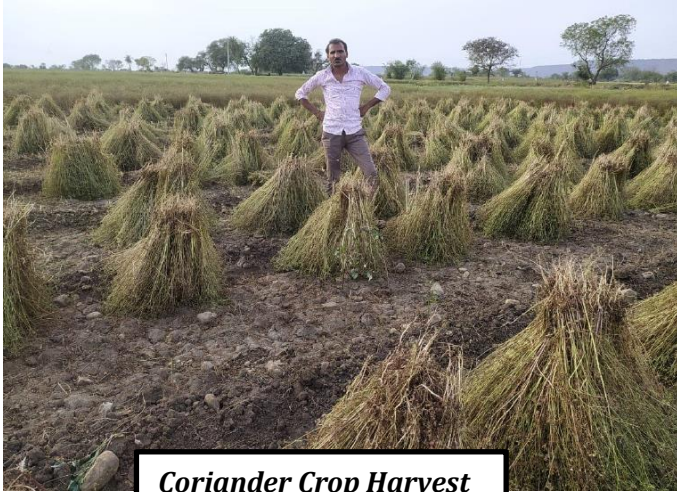
Despite this, the prices which had hit bottom have started to turn upwards because of good demand for Domestic consumption, mainly the Big and Medium Brands in the market. As regards the IPM areas, we are fearing that there will be a serious drop in yields because there is a water deficit and Govt is not releasing Water in the Irrigation Canals due to Scarcity and priority goes for Drinking Water. Destemming costs are also escalating a lot this season due to Labor shortage.

Yields can drop by about 35%, but the saving grace is that the Drop in yields will be compensated with larger acreage this season.

My Gut feeling is that one should stay Hand to Mouth until Mid-March, then take a longer view and coverage. For the high colour type materials you should start planning your buying quickly as these arrivals usually don't last very long and now is a good time to start covering these.

The other issue that we are experiencing is escalating costs for destemming for Stemless chillies and I feel that sooner than later for the Higher Heat varieties, you will be obliged to buy only stem cut material because Labour is very reluctant now to destem the High heat chillies (S17 etc.)

CORIANDER:



Coriander Crop Harvest

Planting as reported earlier also is down because a lot of acreage has been diverted to other crops like cumin, Fennel etc (In Gujarat & Rajasthan) and Wheat/Garlic in MP. So far, we are seeing the crop is doing well and growing well as reported by our Agri Team Boys on the field. Some farmers who sowed early have started to harvest as the crop cycle has been achieved. Prices have been holding stable for now and one of the main reasons for this is that there is. Fairly large overhang of the carry over that will go into the Crop of 2024.



Disease has greater impact on early crops and damage is around 20-25%



Late sowing crops are good

Overall, Market sentiment is not to stay short, but there is a fair chance that traders will try and drive up the prices so I would not dare to remain exposed.

Just to give you a brief on the NO's:

2023 Crop	760,000 MT
Carry over into 2023	120,000 MT
Total Availability 2023	880,000 MT
2024 Estimated	520,000 MT
Carry over into 2024	280,000 MT
Total Availability 2024	800,000 MT
Domestic Consumption & Export	640,000 – 680, 000 MT

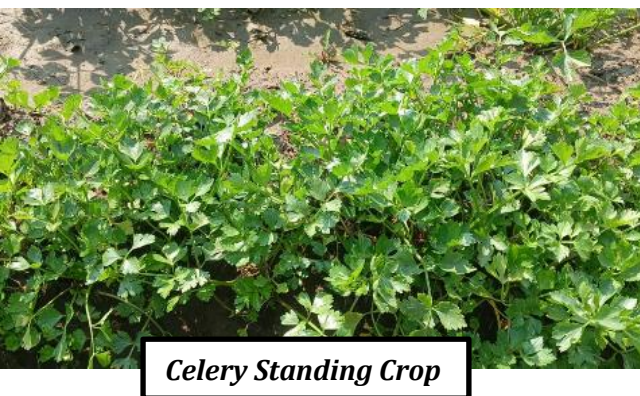
GINGER:



Crop is ready, but the tragedy is that due to high prices for Fresh Ginger, planters are not willing to convert to Dry Ginger. Crop which should have already started arriving in Jan but whatever we see in the Market is only 2023 crop because conversion to Dry Ginger would just make the prices Astronomical now.

Looking at the Indian Scenario even Nigerian and other Origin prices have started rising. Situation is quite serious and honestly, I do not know where this will crystalise and at what price levels. Serious caution and coverage are recommended from wherever you can find good quality material.

CELERY:



Crop is shaping up well and the recent Winter rains have also helped in adding Moisture to the Soil and assist in the growth of the Plants.

Harvesting is only in End May, so there is plenty of time get before we can say anything about the crop.

Our Agri team is also doing survey on the fields and we should have the date in 10-12 days.

Acreage areas are always a guesswork because here the farmers never speak the truth about the actual acreage planted this year compared to the previous year but prices have been good and stable, so I don't see any justification for a cut in acreage into crop 2024.

FENNEL:



Overall, the crop is looking promising and good. Plants in Gujarat are now getting ready to start harvesting and the acreage and yields are looking good from what pictures we see of the standing plants. Rajasthan has had some issues with disease and weather-related problems where we expect to see a decline of about 25% in yield. My Suggestion would be that you need to start getting ready in March to plan your buying for the new season. By then if there is to be any decline you would have seen it by then.

FENUGREEK:

Planting has been normal but this has been a year of EL Nino and unfortunately fenugreek needs much more water as compared with Cumin and Coriander. I don't think the acreage is lower but I certainly fear that the yields could get compromised due to the lack of water. Prices even today are still quite favorable and I feel there is nothing to lose even if you had to cover from 2023 crop now at the current price levels- Think about it.

CARDAMOMS:

The earlier pickings almost did not happen this season due to late rains. Subsequently the rains picked up and plants flourished well. Today the scenario is that there have been rains at regular intervals and plants flourished well. Crop also this year is looking higher around 25/30,000 tons.

Prices have been on a weaker/downward trend for some weeks but the trade expects this to reverse when the Gulf foods commences as usually a lot of business gets traded there. I would tend to lock in my needs at the current levels and stay protected rather than play these risks etc.

WHILST I have tried to cover as many products, that really matter but should you need any further information please feel free to contact me for additional information.

With Best Regards and See you at the ISC in Early March.

Sincerely,

Kirandip Swani

