



SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates

January - 2024



Happy New Year to you and wishing that 2024 will bring Prosperity, Happiness, Joy & Peace to One and all!!!

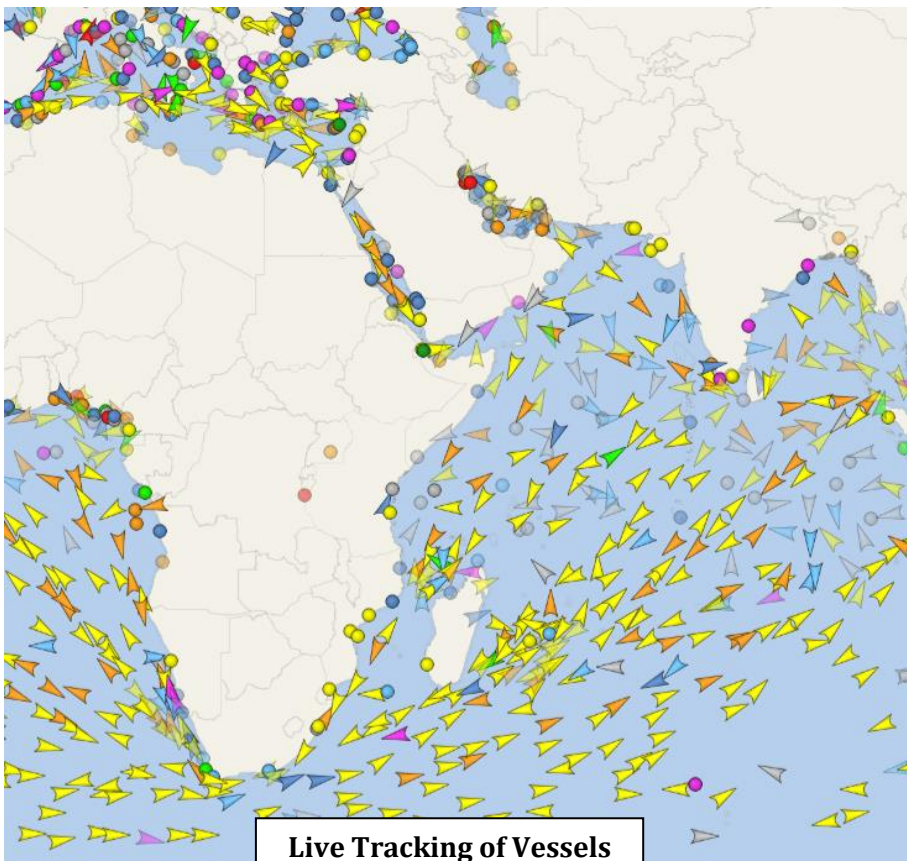
Dear Friends,

As we all now start to get back to work like myself too, it is time to get back to writing the Market reports for you.

ISC 2024 will be Held in Delhi this year from 3rd to 6th March. These events are very interesting as they turn our industry to a Global Spice Village of sorts. We looking forward discussing, updating & show casing our work undertaken over the past year.

We are hosting a Dinner for our friends attending the ISC on the **4th of March**. Please do block your dates and confirm your attendance for the event.

Red Sea Crisis:



The shipping companies that move goods 30% of all Goods, on one of the world's busiest trade routes from Asia to the West, face an excruciating decision.

They can send their vessels through the Red Sea if they are willing to risk attacks by the Houthi militia in Yemen and to bear the cost of sharply higher insurance premiums. (increased from 0.05 to 0.5%). Or they can sail an extra 4,000 miles around Africa, adding a min of 10 days in each direction and burning considerably more fuel. A Re-routing surcharge of USD 1,500 - USD 2,500 has already been implemented + GRI of \$ 500 - \$ 1,000. More are on the cards.

Its only a question of time when all ships will be enroute and unable to complete their journeys on time. An example is that there are 8 vessels to Europe from India via the Red Sea. The journey each way is 4 weeks x Return = 8 weeks Turnaround time. Thus, there is a weekly sailing every week to EU Main ports.

Now they must sail via Africa and that add another 2 weeks each way x 2 = 4 Weeks. That is now a 50% Shortage of vessels due to extended sailing times. Cargo shipments have not reduced. In fact, it has increased since everyone is back from NY Holidays.

Containers will now be sitting in the port (congesting the port) as there will be no more ships available. This causes uncontrollable delays in shipping times and unpredictable delivery schedules. Freight Rates have already doubled since the start of the crisis.

CHILLIES:



Chilly Arrivals from New Crop

Karnataka: Arrivals of the crop have already started coming. This week itself arrivals have exceeded 1,25,000 bags in Byadgi. There are a few points to keep in mind. Stocks in Cold stores here from 2023 crop are still occupying about 60% of the capacity so pressure of arrivals of crop 2024 will create stress on Cold Storage capacity. After 15th Jan festival (Pongal/Makar Sankranti/Lohri) the farmers will start to bring in their produce in full swing.

Poor Rainfall this year (El Nino) has reduced water levels in Dam's so Canal water for irrigation, so it's a strong possibility that due to lack of water, there won't be any 4th or 5th Picking. On the positive side, planting areas are higher by about 25%, so even with reduced yields it won't impact the overall situation.

Andhra/ Telangana: Similar situation, some areas were impacted by the Cyclone but the overall effect is not more than 5 - 7%, which is offset by the increased Acreage this year. Again, a similar story of water shortage in a lot of areas which will affect the 4th and 5th pickings. Overall, the trend seems to be that prices will decline a bit more when the Bulk of the Arrivals start to Hit the Market in End Jan to Early Feb.

My view is that we need to wait another 2- 3 week for the Market to stabilize at the lower levels before we consider starting to buy Chilies for 2024 season.

TURMERIC:



Turmeric Field (New standing crop)

Planting this year has been short in Karnataka and Maharashtra. Reasons are very poor prices for the last 3 years. Based on this report, speculators did bump up the prices, which again tempted the farmers to plant, but they had lost the planting Window by then, plus the fact that the Rains were also delayed by a Month (Thanks to EL Nino). Crop today is already about 180 days old and there is at least another 45 days to go before the farmers start to Harvest the crop and then starts the process of steaming and drying etc.

To give you a somewhat detailed report.

- Sangli Cuddapah: This will be short by around 40%. Reason – Low planting due to lower prices and this growing Belt is totally Rain Fed with no irrigation whatsoever and thanks to El Nino – yields also will be impacted.
- Maharashtra: Planting is lower by 25/30% and yields could be impacted but its too early to say.
- Nizamabad: Planting is lower by 20% - Due to lower prices.
- Erode: Also, planting has been lower – due to low prices in 2023, despite very good rains – the crop will be lower by about 20%.

Only thing, that is now holding this Market stable is the fact that there is no domestic or Export demand. Overhang of the carryover of about 3,500,000bags still sitting in the Market is also bearing down on the Market.

Crop this season in 2023 was about 9,800,000 bags (75 Kilos/bag). In 2024 we are estimating the crop to be around 6,500,000bags + 3,500,000bags carried forward from 2023 crop. Warning Signs are there for us to now read them and plan a strategy to start covering for the current season. For our Japanese clients it is a very important Signal that you need to plan and cover your needs quickly when the crop starts arriving.

CUMIN:



Cumin Standing Crop

For a change, it is a happy situation. Planting is looking Big; Parneet was in the growing region surveying and confirmed that the planting is min 50% higher than last year. Add to the fact that the sown seeds are germinating very well now and the climate is also nice and Cold, which is conducive to the Growth of the plants. Early sowing plants are starting to show budding flowers also now.

Planting in the current season in Gujarat itself is 560,000 Hectares against 290,000 Hect. than last year (almost double). This gives you an idea of the size of planting BUT as the old saying Goes - “Man Proposes (Sows) God disposes (Weather Gods)”

Let us keep our fingers crossed and hope that Climate continues to assist the crop this year.

Do not be in any hurry to buy now, even though prices have reacted quite a lot, but please only cover positions up to March shipments at the current reduced levels.

CORIANDER:



Its again a tricky situation this time around. Last year the planting was massive and Market went seriously South. The biggest planting was in Gujerat which was about 50% of last year's crop. Alot of this acreage is moving / Moved away to Cumin. Even in MP & Rajasthan the acreage is down by about 25%. The silver lining presently is due to the good Cold weather the plants are flourishing very well, and already into the Flowering stage now.

It is too early to say what will happen with the yields, one thing I do understand is that we should not stay short on Coriander for 2024.

Presently demand seems to be somewhat slack but when it does pick up, especially demand from South India – prices will go North very quickly. Stay covered and protected this year, as I can't really see prices coming down at all this year.

GINGER:

Lately we are starting to hear of damage to the crop in Nigeria due to Mould and disease and this information is come through from various sources. Indian supply from the North will be severely restricted due to the massive flooding that took place in June/July 2023. This flooding has washed away the planted seeds for Ginger.

Latest information from Nigeria is of a poor crop that was damaged by un-seasonal rainfall & fungus growth. They have stepped back from giving guaranteed to pass offers given the extent of damage (up to 70%) of their crop.

I would recommend to cover Ginger early this year to protect from price rises.

CARDAMOMS:

Despite a better crop this year, the prices are higher.

Reasons: There seems to be some issues in Guatemala on their crop this season. Secondly the Ramadhan season will also be coming in April, so the buying from Gulf Countries will be starting – or has already started. Domestic festival Season is over but prices are holding. If the planters do get a 4th and 5th picking, then output will increase and whether it will bring down prices or not is anybody's guess. My suggestion is to stay covered and protected for 2024, as there seems to be a minimal downside to the Market.

FENNEL:



Fennel New Crop

Crop so far is looking good without any issues. Harvest will commence in Early Feb onwards and arrivals will start to come to the market in the First half of March but at this time the quality is very Green and the prices are also very high. Export quality will start to show in the market by Early April only. Prices have indeed reacted a lot from its peak and its probably also due to the good acreage that Farmers allocated to Fennel and the favorable weather so far.

To give you an idea:

- Planting in 2023 was 45,000 Hectares.
- Planting in 2024 is 130,000 Hectares
- Above figures are only from Gujerat and Rajasthan is another 60,000 Hectares at least.
- Please start to review your needs from Mid Feb onwards and plan your coverages soon to take advantage of the best quality of the Season up to April. Don't delay the coverage if Green quality a consideration.

CELERY:

Planting for crop 2024 has just begun and our preliminary surveys that the planting is similarly to last year (Maybe a marginal increase). Prices have held rock stable for the whole year and farmers got a good price also for their produce. A lot will now also depend on whether we get Winter Rains or not and what will be the weather like in April and May as we come nearer to the Harvest time.

FENUGREEK:



Fenugreek New Crop

Planting seems to be good this year also which is why the prices also are not increasing and have held very stable this season too.

I know I have not touched on a lot of other crops, but should you require more information, please feel free to reach out and ask.
Always happy to help.

With Best regards and hope see you in March at the ISC 2024.

With Best Regards

Kirandip Swani



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