



# SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

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## Crop Report & Market Updates

### July - 2023

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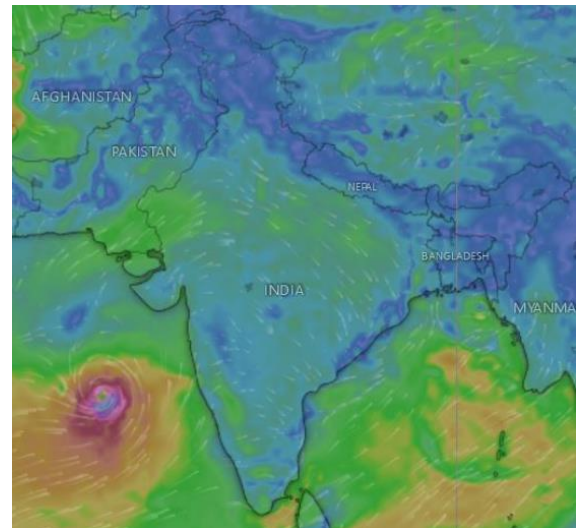
Dear Friends,

It was really good to meet our close friends & customers alike at the ESA G.A. in Windsor. A special Thank You to the team for the meticulous planning & clock work.

We are now pleased to again share our thoughts and information on the Various Spices for your guidance.

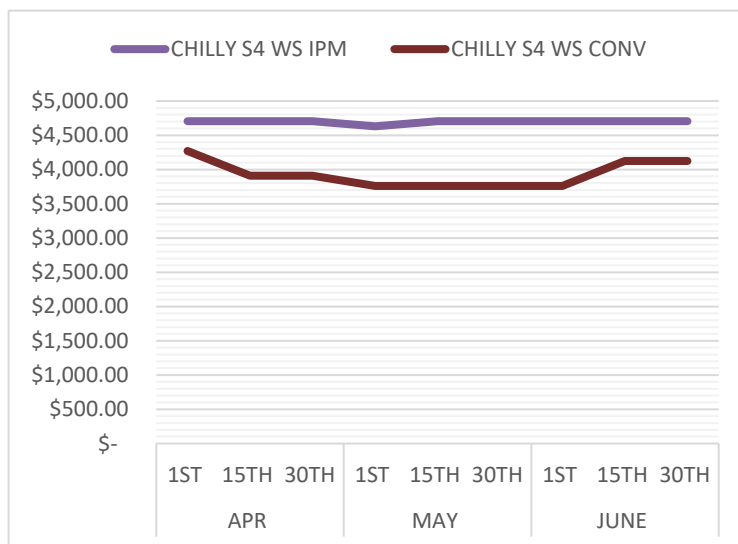
**General: “Dedicated to Zeus & Indra”**

As predicted by the leading weather agencies, El Nino has started to show effects in parts of India while some parts have been more fortunate. We saw the storm “Biparjoy” which in the Bengali language means “Havoc” and she lived up to her name. Although the storm bypassed Mumbai over the Arabian Ocean & made landfall into Gujarat where coastal areas got the brunt of the storm. Our government was proactive with evacuation protocols to limit the destruction of life (sadly not property/cattle).



Climatic changes have started to take place and I fear this is not the last of weather vagrancies that we will see affecting the Agri space. Good news is that Gujarat & Rajasthan started their monsoon activity one time or a little early. Central India – Madhya Pradesh belt also benefitted from this rain.

**CHILLIES:**



Currently, the rains in Karnataka are low compared to normal years. Monsoon activity in Karnataka is late this year on account of El Nino effect they have been only 2 days of rain so far which is insufficient for planting of chilies. Farmers have lands prepared; nurseries are ready for transplanting however the lack of rain is a hindrance. From our information on the ground seed sales have been good therefore we can expect a good planting in Karnataka. Normal planting season is from end June to end of July. Now it is too early to worry as there is enough opportunity for the rains to be received.

Guntur area planting season is between August and September and are waiting their share of rainfall. They have had only 2 days of rainfall after which there has been a dry spell. Planting this year for Sannam variety is expected to be lower as is the continuing trend. Hybrid seeds are becoming more and more popular on the account that the yield is faster and more in volume giving the farmer a better income. Yield from hybrid seeds are in the range of 2500 to 3000 kgs per acre compared to 1200 - 1500 kilos per acre for normal seeds. Domestic and Export demands continue to be strong giving the market support at these levels not allowing strong reactions on the downward side.

**CUMIN:**

Cumin seed is a crazy scenario this year with demand been the only constant. Domestic demand continues to be strong giving strength through the market on a daily increasing price chart. Export demand has become erratic as can be expected at these high prices.

After speaking to several people present at the ESA in June, estimated reports for other countries are as below:

- Turkey estimates crop at **8 to 10,000 tons**
- Syria estimates crop at **22 to 25,000 tons**
- Unconfirmed reports from Iran are that the yield is considerably lower this year

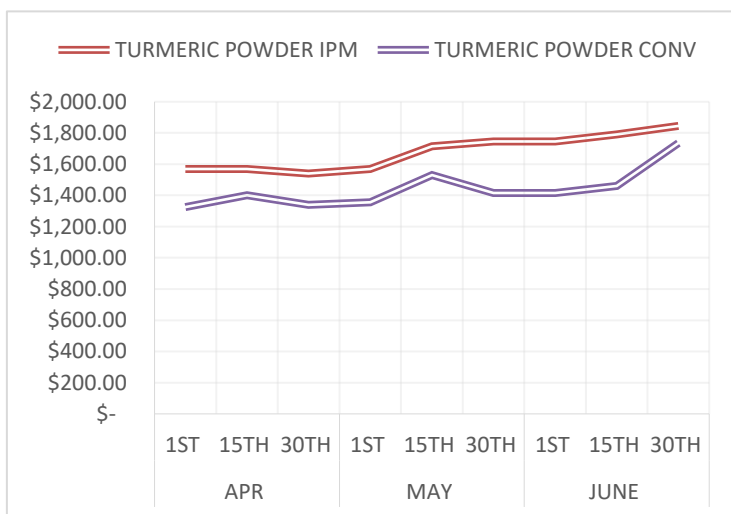
As presented by us at the ESA General Assembly the shortfall in India's crop is estimated to be 125,000 to 150,000 mts.

As mentioned earlier this year demand is going to be strong given the domestic and international pipelines are empty. Prices in India hit an all-time high this month crossing USD 8,100/PMT on FOB basis for Whole Cumin Sortex cleaned, no guarantee on pesticides / allergens.

Feedback from our Agri division is that all farmers except a few have sold out a stock at record prices. Stocks today are lying in the hands of traders, speculators and processors. Rainfall in Gujarat and Rajasthan have been good so far on account off the recent storm “Biparjoy” giving us all hope that “The light at the end of the tunnel, is still On.”

Planting for Cumin Seeds will only be in late October / November, as is every year. Advice is to stay covered but not necessarily long this year. Limited pesticide compliant material is available with us, please see to reach out for your specific requirements.

**TURMERIC:**

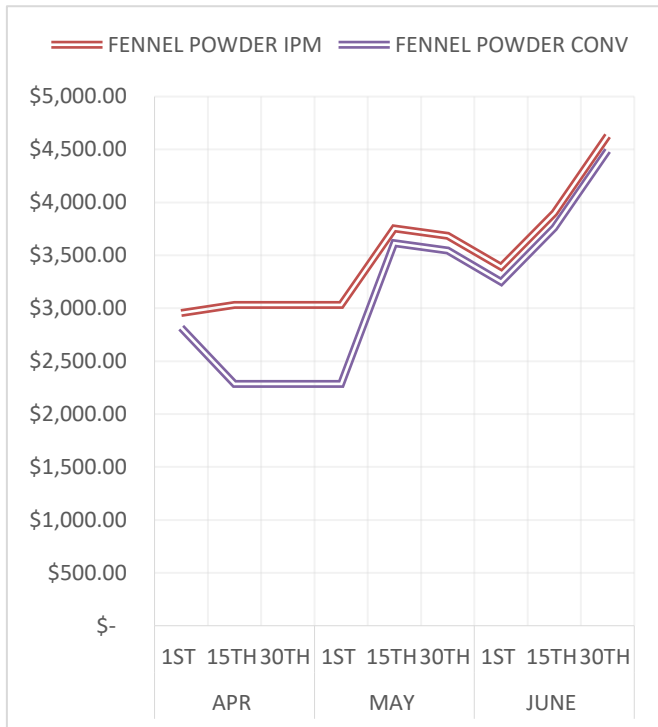


The effect of the El-Nino can be felt in the planting of turmeric as well this year. New crop planting has not yet started on account of insufficient rainfall. Currently those farmers who have access to underground water have been able to complete a small part of the sowing. The larger mass number of farmers who are dependent on rainfall, have not yet been able to sow. Feedback from our Agri division is that the rainfall he is nowhere close to the required 100 centimeters of rainfall before which sowing will commence. Lands are prepared and seeds ready waiting for the rain Gods to make up their mind.

Typical planting time is middle June to middle July. At this stage we are raising the caution flag, maybe a little in advance, given the climatic conditions. If we get rainfall within the desired window, things will look considerably different. Prices are steady to firm, slowly moving upwards given the fact that everyone’s attention has been on Chilly & Cumin.

**Our recommendation** - Turmeric is quite reasonably prices and worth staying covered albeit largely. Once there is more surety on the weather / rainfall, you can decide to cover or less depending on your needs / Stock positions.

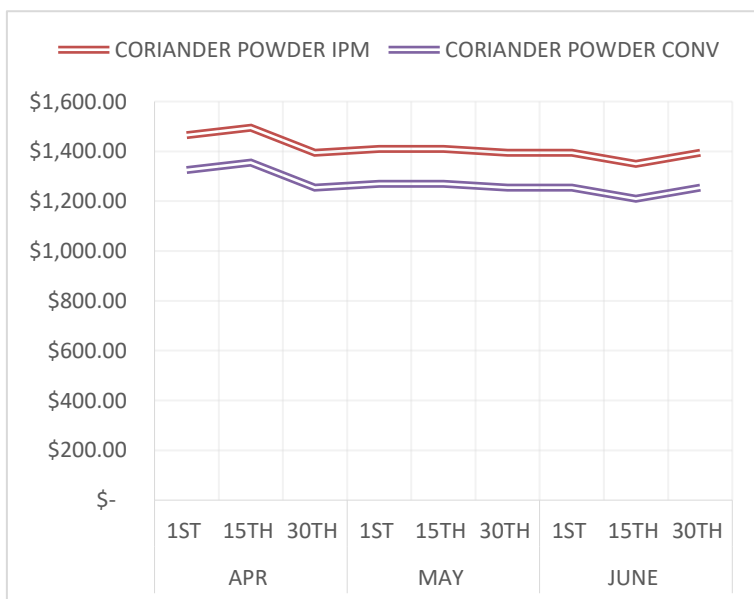
**FENNEL:**



Larger than normal demand for fennel seed has moved to market upwards to new highs. It almost looks like fennel is following its cultivation partner cumin seed this year. From the original estimates of the crop, I have a feeling that the crop was overestimated, being one of the reasons for supply not being able to match the demand. Unusually high demand from China approximately 1200 tons in the early part of the crop has pushed markets high followed by domestic and normal export demand giving it support.

New lifetime highs for this commodity have also been reached this month. Early preparations of the fennel seed nursey have not done well in the heat. Prices are very high & have given the farmer courage / good reason to restart nursery activities hopefully giving us good news in 2024.

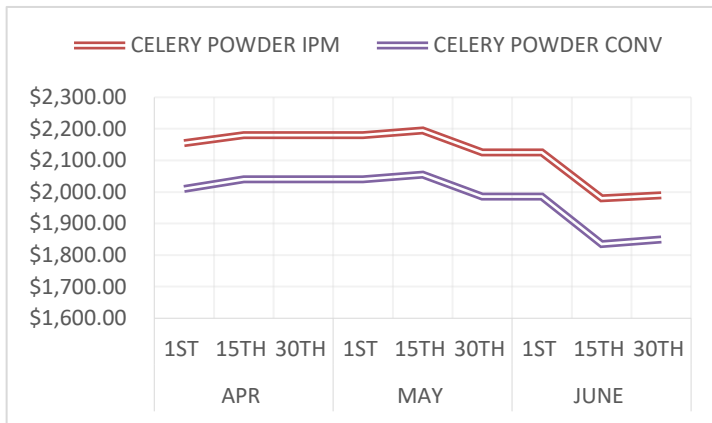
**CORIANDER:**



Coriander seeds this year is a happy scenario. Demand is steady and supply here is not an issue. India has a healthy crop & is sustaining domestic and international demand comfortably. Recent rains in the growing areas are another piece of good news for coriander farmers. Although prices are inching up slowly while everybody’s attention is occupied by chilli and cumin. Our advice on coriander is to stay covered for the long term.

Our backward integration project on coriander is giving us good results on pesticide residue testing this year.

**CELERY:**

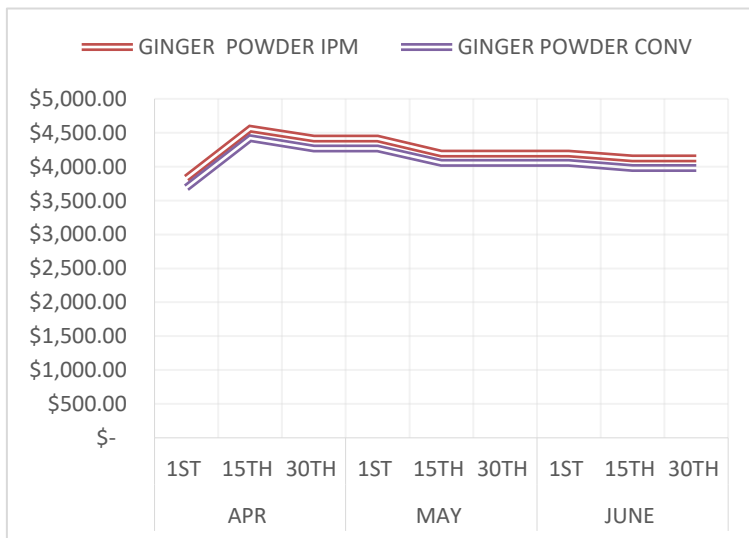


Celery seed planting has been less this year by about 40%. The farmer's we are getting a higher minimum support price for wheat made them divert land away from celery seed. Unseasonal rains this year have proved to be beneficial for the celery crop.

The unexpected rain, in the summer months that proved damaging to other crops have actually increased the yield for celery by 10 to 15%, thereby reducing to shortage to approximately 25% over last year. Harvest is completed and stock is now in hands of Farmers.

Initial demand has been quite good from the from exporters and his tapered off since. Currently prices for Celery seed are lower than the same time last year given the fact that the current crop is smaller. As it is advantageous to cover the crop long this year adding to the price advantage in the portfolio spices our recommendation is to cover yourself early this year.

**GINGER:**



Ginger this year has been another strange commodity. Prices for ginger were low last year, prompting the farmers to reduce their acreage. Result of this reduction in acreage has been seen in the reflection of Indian prices this year. Prices for fresh ginger have soared this year making the price of Ginger Powder more expensive than some of the other origins.

Fresh Ginger prices in the recent months have moved very high to the point of 180-210 per kg (at wholesale market), which is higher than the price of Ginger Powder in the early part of the season.

Seeing such an attractive price (5 times more than normal), farmers are selling their crop (expected) but are also selling their Ginger reserved for Sowing for the next crop. Their logic is we have never seen prices so high, so better to cash out. We will sow some other crop next year instead of Ginger.

International demand is luke warm due to the pricing, however given the scenario at hand, Indian Ginger should be a long coverage product. We are currently holding some stocks of Rainforest Alliance certified "Sustainable Ginger" from our backward integrated program. Please email us for further information / prices for your specifications.

Stay Safe and Stay Healthy.

Yours Sincerely,  
Kirandip Swani



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