



SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates

May - 2023



Dear Friends,

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

General: This is going to be a Year of El-Nino, even though Our Govt is trying to down play this to avoid Panic and fear. Overall rainfall expected is likely to be around 85% of the Normal Long-term average. How much the overall Climate Change factors will also play into this, is still anybody's guess.

CHILLIES:



Chilly Arrivals

Further to my comments in the report, at the present moment we are starting to see a dip in the Daily arrivals in the market. In Guntur the peak arrivals would exceed 200,000 bags a day but this has now come down to around 125,000bags per day. Cold stores here are also filling up quickly. We also need to keep in mind that from Mid-May the Market Yard will be shut for the Summer, as it's impossible to work in the High Heat period of Temp ranging close to 40.C, and handle Chillies there.

Thereafter, we will have to rely only on Cold store stocks. In Karnataka the Market yard has reduced the Auctions now to once a week only, against what was earlier at 2 auctions a week, and despite that fact the arrivals per auction now are only 100,000 bags per day against what we saw was 200,000 bags per Auction day.

The good story is that the Cold Stores are nearly full in Karnataka Chilli belt but on the other hand the arrivals now are only the 3rd picking fruits which are smaller and only suitable for Grinding. Covering of IPM Chillies this year is a serious challenge and even the Premiums for IPM material are much higher this season and availability is very tight this season.

CUMIN:

It's a completely Crazy situation here and honestly, it's really gone beyond my comprehension. In the earlier report I had mentioned that Traders would take the market to 390/kg, I was seriously wrong. Traders have now taken the market up to 455 today and God knows what lies ahead. Arrivals too have now shrunk from 35,000bags a day down to around 15,000 bags /day and over a period of time I see this reducing even further. Farmers actually saw very good prices and this year they did not hold back any stocks but were happy to sell and encash these record high prices. Traders are estimating that about 70% of the crop has been sold out now.



Despite these prices demand for Exports continues to come in from China and other regions because other alternatives are also limited. A report which I got says that China has a lot more buying to be done – so far they have only covered about 17,000 tons and their requirements are going to be closer to 50,000tons – irrespective of the prices. Middle East crops do not start before July, so India is the only source until then. Please stay covered as we really don't know where this market end up at.

TURMERIC:



Arrivals have been good and the crop is also good. Bulk of the arrivals in Nizamabad are slowing down. Arrivals in the other Centers in Maharashtra are quite good. There have been intermittent rains in some centers, only the standing material in the fields, which were left there to Dry, so some discoloration in local pockets is being seen. Overall, there is really no concern, because Quality is good and prices continue to be very cheap now. My only concern is that if prices don't improve later on, we are definitely going to see Farmers cutting acreage for the 2024 crop.

Also how the likelihood of EL Nino will impact the crop growing for the coming season needs to be seen. Planting usually happens after the first Monsoon rains around second Half July to End August. My suggestion is that just stay covered and protected at these cheap prices and you can't really go wrong.

FENNEL:

Despite a good crop this year, prices have increased in the last few weeks. We had anticipated that prices would come down but the reverse is what happened. Unexpected demand from China, which has now finally come out of Covid lock downs has spurred up a lot of pent-up demand and their buying is giving support to Higher prices too. Rumors that I hear is that China has a lot more buying to be done, so Caution needs to be exercised now. Honestly, I can't predict what will really happen to the prices but my advice would definitely be that you don't wait and please cover your requirements for the current season. My Gut feeling says we will see much higher prices this season. Crop is around 110,000 tons for 2023. Crop sold out until date is already 77,000 tons.

Now we are left with a balance of 33,000 tons to take us through the next 9 months at least add to the fact that the domestic pipe Lines are full. If the Chinese demand continues to pound the market, prices will start firming up.

CORIANDER:

The happy situation continues. Prices are holding very low because the crop is good and safely harvested now. Supply overhang is quite large presently, so I don't see prices running away either and market will play in a 10% range (Mostly upwards). Supplies are good and quality too is satisfactory, so for those are going need material going forward, you would be well advised to take cover at these low prices and lock in your stocks.

CELERY:



Celery Harvest

Prices are holding stable for now. New crop is now just a few weeks away and we are all waiting for New crop arrivals to start and see what's in store. Conflicting reports from all over. Some areas are saying that the acreage is down by 15%, but on the other hand we are also seeing that the yields are quite good, compared to last year, it's now just a waiting game to see how the Market fans out. Keeping our Ear to the ground and we will keep you informed about how the arrivals and crop develops.

GINGER:

As reported Earlier, planting has been lower and prices also have slowly but surely improving. Domestic buying season is over now as Summer has set in already so consumption has also now come off the Winter peak buying. Prices so far are holding stable but I don't rule out a temporary decline at which time you should take advantage and cover your needs.

FENUGREEK:

New crop arrivals have been good and prices are quite stable for the moment. Prices are cheap in my view and I would recommend coverage for the rest of the Year now.

Incidentally, I would also like to inform you that Harjiv & Parneet will be attending the "European Spice Association "meeting in Windsor, England and would look forward to meeting up with you there.

Parneet & Myself will be at the ASTA meeting in San Diego next week also.

Stay Safe and Stay Healthy.

Yours Sincerely,

Kirandip Swani



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