



# Spices Market Report

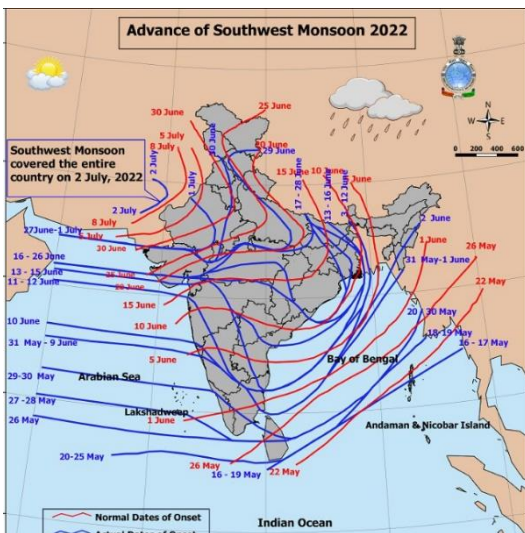
## AUGUST 2022



Dear Friends,

I know that a lot of you will be out on your Summer Holidays and trust you will all have a good time and thaw out this Summer, despite extreme heat days that a lot of regions have experienced. It's just another sign of what to expect into the Future with Global warming.

### Monsoons



So Far, the Country has received a good Spell of Monsoon rains and fortunately Rajasthan also has received some Good rains, which were lacking in the earlier years, so this should bode well for the Current crops and eventually also into the Winter crops. Keeping our fingers crossed that more good spells of Rain should be forthcoming in **August & September** also.

Covid has again started raising its Nasty head, and infections are starting to rise, even though it is not as severe as in the earlier Waves etc.

Container movements continue to be slower than Normal, partly due to paucity of vessels –delays and even Blank sailings sometimes. Fortunately freights are not rising anymore and we are still waiting to see when the slide in rates will eventually start to come around.

## Cumin

Market had been languishing for many weeks in June & first half of July, as a lot of traders on the NCDEX had started to offer deliveries. These got picked up very fast by the Exporters– who had taken a lot of exposure into China and the demand continued to be brisk, which then started to stimulate the market again and prices started improving. I do believe that as prices show a firmer trend the Local demand will also start to come back now. Caution is strongly advised and **coverage** until the **End of 2022 is recommended**. There after we watch and see how the planting for the 2023 crop starts to emerge.

EEU has again thrown in another Spanner into the Gears and imposed new regulations on **PA**. Testing for accurate results still seems to be a **serious challenge** that we face with these laboratories and I think it will take some time for this also to settle down – Just the way the ETO testing went earlier.

## Turmeric



Market is stable and I expect it to continue into the next few months. Rains in the growing areas are good and farmers have been satisfied with the prices, so I expect the **planting** for **2023** should be **good**, it is a bit early to speculate on that. Hangover from the large inventory of 2022 crop will also play a serious role in holding the prices stable for now.

Going forward– procuring raw materials that are **EEU** Compliant will continue to be a **serious challenge** as farmer inventory is practically finished and we can now only source from traders– where there is no traceability etc. Early reports on Sowing are quite promising – I won't say that it is excessive compared to the current year, but there will not be any cut in the Acreage. But we have to wait and watch how the Monsoon Rains will progress as we have just entered into August and Aug & Sept are critical Months to watch on the progress of the Monsoon.

## Chilies

Prices have **hit an all-time high**. I could never have imagined that we would see such high and ridiculous prices for Chilies, but this is a reality now. On the other hand, we continue to hear from Origin that Farmers are not willing to increase acreage, because they suffered damages by Rains to their standing crops in the last 2 years.(I can't blame them for this) but we are just hoping that looking at the current prices, we hope it lead to a rethink in their position. My advise at these prices is that just stay Hand to mouth only this season until the end of the year and pray that this year weather does not play – **Spoil sport** – with the Chili Crop. **ETO** Residue testing continues to be a **serious challenge** for Chilies, for the EEU.



## Madhya Pradesh



Due the lack of rains in the early part of June, the planting was on the lower side. Farmers have been hit by 2–3 years of **poor crops** and **lower yields**. Although the prices are at historic highs, the farmers do not benefit as they have lost out on the yields in a large way where the price correct does not result in a 1:1 compensation scheme. The farmers are the first to sell out their crop as they need a regular cash flow & income etc. With the recovery of the July monsoons, farmers who missed out on the “**chilly bull run**” have thrown their hat in the ring. Net result is an increase in total acreage and we are back to the numbers of the previous year.

As the world is full contrasts and paradigms, here is another one, where the simple assumption is that Higher prices means the larger next crop. However, the changing weather patterns and increased risk there in is leaving the farmers to be more cautious. Is this going to be a lesson well learnt on balance and risk-management by hedging the crops or will we see a brave call by the farmers for a larger return???

## Coriander

Rains are good in the Coriander Belt, which is good news. Planting will begin only in the End of the year, so we must wait and see what comes ahead. Prices have been gradually firming up as Domestic demand continues to be good. East European crops have been harvested and offers are starting to come around now. My advice is that you should take **cover at least until the end of 2022** and then watch how the planting goes, because prices this year have been good and farmers will be tempted to allocate more acreage to Coriander – Unlike last year.

## Celery

Nothing much to add from our earlier report, but prices continue to remain stable. Demand is also good and is fully supporting the current levels. The main thing here is that the Celery farmers make a lot of money on the other crops like Rice, wheat etc., so they are never financially stressed to have to sell their produce. This also helps to support the prices.

## Ginger

Prices have been stable for a while now and honestly, I can't see prices rising at all this current season, as there is a lot of overhangs of stocks from the Current crop also, especially because the Crop from Maharashtra was good and kept a lid on the market. It now remains to be seen what will happen to the planting for the 2023 season, at the current prices. Today your guess is as good as mine.



## **Fennel**

Rains in the fennel areas have good for other rain-fed crops but for Fennel the ground requirement of water has not been adequate. Transplanting from the nursery stage to the fields has just begun and is approx.30% complete. If the rains pick up in the next 3-4 weeks, the area for fennel is sure to increase as the prices have been high.

Prices have spurred lately as crop was lower, and demand was Normal, so who so ever had inventory is smiling now. Farmers also are seeing that prices have now actually double from what we saw in 2021, and I am hoping that this is spur greater planting. Rains have been good in North Gujerat and South Rajasthan. We will keep you updated as we get closer to the planting periods.

## **Cardamoms**

Market has been holding stable and steady for a while now. This market is primarily now ruled by the Domestic demand and some from the Gulf countries like Kuwait and Saudi Arabia. Recently the rains in the higher ranges of the growing areas in the Nilgiris's have been quite good, so now hopefully the Pinnacles will bear good quality fruits also.

Harvesting, picking and drying should start now at the end of this month and New crop arrivals will be also been seen in Early September. Crop will be similar to last year - around 25,000/30,000 tons, so there is shortage. Its only that the crop will be about 3 weeks delayed so traders are trying to look for opportunities to raise prices. Festival demands this year also will be earlier than Normal as Diwali will be in October this season compared to November in the usual years.

Should you need more information on any of the other crops etc., please feel free to ask and we are always – **Happy to Help**.

With best Wishes, & regards

Sincerely

Kirandip S Swani  
Managing Director.