

June 29th, 2020.

Dear Friends,

Trust you are all Healthy and safe, whilst a lot of us are still working from Home, which seems to have now become the New Normal in our Lives.

Processing Challenges:

Increasing production is always harder in a situation, keeping in mind worker health & safety.

Any new labour that is being introduced in our production lines are going through a mandatory 14 days quarantine period under our supervision before they are allowed into our premises.

We need to ensure that our current larger work force are safe and all the units remain Covid Free.

On account of this additional safety measure, the shipments are not going out as quickly as anticipated.

We acknowledge the important balance between Safety & Shipments and expect to be at **75%** capacity by 10 July.

The Being Again 2.0 in Maharashtra has seen the lock down extended till 31st July,2020, more relaxations are being allowed. The challenge's is that as we open up the number of cases will continue to arise unabated. Localised hot spots will be sealed as and when required by the Govt.



CHILLIES :

With all the Market disruptions , with the Lock downs etc, things are now starting to show some Normalcy.

Cold Stores are by and large all full, and there is some pressure to sell with Smaller farmers which is keeping the prices under control and more sensible.

Everybody's Eyes are now on Monsoon season to see how things Fan out. Overall I would believe that prices are likely to remain steady atleast for the next Few months, so it is really now a good time to cover atleast for Q3 shipments.

Planting in Madhya Pradesh is already in progress and in a few weeks we will have a clearer idea of the Acreage this season.



TURMERIC

It was a very Happy situation for the Trade, until recently , but now suddenly the demand from Bangladesh has emerged, and prices have started to gradually Rise. I would still say that the slight upward tick, may or may not be temporary , but overall the prices are still really attractive, and I would strongly still recommend coverage atleast for the next 6 – 10 months.

Prices are at 7 year lows at the moment and below these prices the farmers will go Cash Negative as it will be below the cost of cultivation.

Planting will start next month, and we will now have to wait and watch to see if farmers will plant with the same Vigour as last year, looking at the low prices they got this year.

Off course a lot will also depend also on how the Monsoon fans out in the growing Districts.

Overall crop has been very good this year, so there is really isn't any concern on prices running away either. However, many clients have already covered their positions into April 2021 as prices were too attractive.



CORIANDER

There is really no excitement in this market either.



Crop has been good, and safely harvested Barring some of the Early sowings which were Rain damaged and colour turned dark on the seeds. Quality arrivals otherwise are good, and prices have remained stable.

Harvest in Gujarat was almost Double of 2019, which took up the slack of the smaller crops of some of the other Main/Traditional Growing regions.

Domestic demand has picked up now as a lot of the Lockdown restrictions have been lifted and normal movement of materials have started. Overall in the long term, I see that there might be a gradual increase in prices of about 10% from existing levels, as Stocks start to deplete in the Origin Centres.

Buying now would not be a bad idea at all. We do have East European in Whole, Sortex'd, Ground & Steam Treated stocks in hand as well, so please do contact us for specific requirements.

CUMIN



Crop was safely harvested, but there has been some damage with the Locust attacks in some regions.

During these attacks there were Random spraying of Chlorpyrifos by the Govt agencies, and small politicians who wanted to get into the farmers favour.

This has resulted in increased testing in our Backward Integration programs.



EU IPM complaint material still remains a challenge this season, but lots are still being tested and hopefully we should have more clear material soon.

Prices are steady for now, but there tends to be a spike every now and then when the Chinese demand surfaces, if I were in your shoes, I would consider coverage for long term because prices are already at 5 Year Low's.

Sustainable Cumin Lots in our Rajasthan facility awaiting pesticide clearances.

CELERY

Story has not really been very good this season. Planting was short by about 25/30% this year.

Add to this we had Dust Storms also which damaged the standing crop with Mature seeds getting blown away from the standing plants.

Overall we are looking at a short crop of about 40% this year compared to last year , and prices also have therefore jumped about 30% compared to last year.

Outlook for the rest of the season remains steady to firm – all depending on the demand pattern, as Crop has just started to come in, and farmers have made good Money from their Wheat Harvests in April, so there is really no pressure on them to Sell / Dispose the Celery in a Hurry.

Our backward integrated buying has staired and testing is under way, initial lots have started to clear for EU and Japan.

Coverage must be seriously reviewed now.





FENNEL

Again this is a mixed bag.

Prices have continued to be Low this season too, and frankly if the Lockdown would not have happened prices would have been at least 15/20% higher than last year, so let's see we have been lucky.

Now I would not push my Luck out too far, and would recommend an early coverage as the Crop has just come in, and the Colour and Aroma too is very good now, so you should take advantage of this.

GINGER

Ginger continues to be a problem area in the Spices Basket. Prices continue to rule high this season too, and one could put it down to various reasons.

Shortage of Labour during the Lock down period of the last 2.5 months for peeling and drying the Ginger.

Higher prices for Fresh Ginger in the Winter Season, and even today with lack of Migrant labour who traditionally work on the Ginger Yields.

Outlook does not look very optimistic for the rest of the season either. Some traders who had earlier imported Nigerian material have also stopped now because the Prices there also have now jumped up.



NUTMEGS

Crop is round the corner, and (As Usual) the farmers are citing various reasons for a smaller crop. Let's watch and see what happens, but there had been some selling pressure on the Old crop material recently, and I would assume that a lot of this already got sold out. New Crop should start arrive in Mid-July into the Market now.



CARDAMOMS

No longer Continues to still defy my LOGIC.
Prices have finally broken and declined atleast about 40 % from the Peak of the season .

New- crop arrivals will now commence in September, so there is definitely now pressure on the planters and traders to start liquidating their stocks. Middle East demand is also now as there is Peak Summer there so the trade has to rely only now on Domestic buying .

Having said that , I would now confidently say that we are now finally at Sensible levels , and would suggest coverage for the next few months now .

SHIPMENTS STATUS

We have been able to ramp up production and now shipments are back to 6 Weeks Lead for Steam Treated products.

Work from home continues to be in place & limited working at the factory.

Thank you for your kind understanding and cooperation.

#Stay Safe, Stay Healthy, Stay Home, Stop the Spread.

Yours Sincerely,

Kirandip Swani
Managing Director