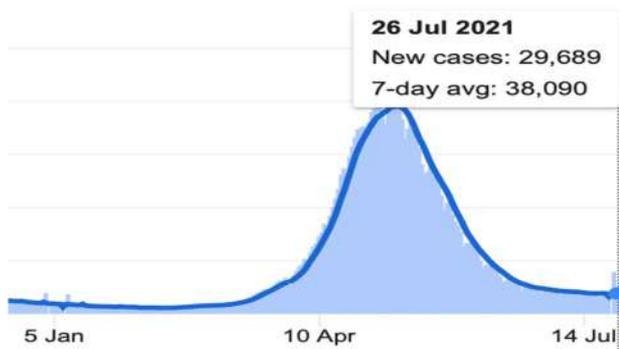


Spices Market Report

July – 2021



COVID 19 = 2nd Wave



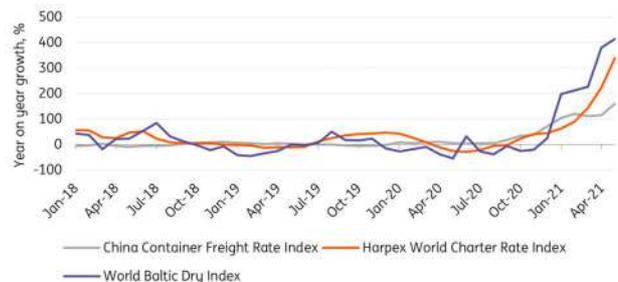
Further to our last reporting - Happy to say that things have now started to turn around. From the peak of 475,000 cases daily, in April, we are now down to around 35,000 cases /day (Which is still a high figure) Mortality rates have still not dropped as much as it would have been expected and hovers around 3%. Positivity rates are ranging from 3% to as high as 10% in Kerala. Most States have now been gradually starting to lift restrictions since 15th June, and I am hoping that more easing is on its way. Mumbai continues to remain in Level 3 restrictions. In Mumbai – commuters are still not allowed to get on the Local/Suburban Trains, which is also affecting the ability of our Staff from coming to Work in the office, and Work from Home continues to be the “Norm of the Season “

Media and Govt officials are also predicting a 3rd wave in September, so keeping our Fingers Crossed, and hoping for the best.

New Safety Guidelines of Social Distancing also brings its own constraints and challenges.

Shipping Rates to stay Sky High. 5 Reasons Why...

Global shipping costs



No short-term relief

Shipping costs have been growing strongly since the autumn of 2020, but the first months of this year have seen a new surge in prices across different freight rates (dry bulk, containers) along major trade routes. Prices for several trade lanes have tripled compared to last year, and charter prices for container vessels have seen similar rises.

There is little sign of relief in the short term, and rates are therefore likely to continue spiking in the second half of this year, as rising global demand will continue to be met with limited increases in shipping capacity and the disruptive effects of local lockdowns.

Even when new capacity arrives, container liners may continue to be more active in managing it, keeping freight rates at a higher level than before the pandemic.

Here are five reasons why costs aren't going to come down anytime soon.

Please click on the link, enclosed Article from IMG...

<https://think.ing.com/articles/the-rise-and-rise-of-global-shipping-costs>

Dear Friends,

We hope that you are keeping well and healthy.

CHILLIES

Here are some Statistics to give you a clearer insight into the Current crop scenario.

Year	Crop	Carryover	Total (MTS)
2019	720,000	72,000	792,000
2020	800,000	40,000	840,000
2021	960,000	120,000	1,080,000

Current stock position as under (in Cold storage)

Karnataka. – 55,00,000 Bags
 Guntur – 75,00,000 Bags.
 Warangal - 50,00,000 bags.

Including all centers etc. and Farmer stocks = 200,00,000 bags.
 (Each bag of 30 kilos each)

Markets had also gone into Lockdown in the 2nd wave and started opening after 15th June.

There are no Arrivals in the market, so all stocks are now coming out of the Cold. Storages only. Market Is steady and holding and I expect this to continue for the Rest of 2021. Thereafter will depend on the extent of planting for 2022 crop and its condition, which will determine the sentiment thereafter.

I won't be surprised if prices do fall a bit after October by about 7-10%.

No arrivals of good quality coming to the Market now, (except stocks in the Cold Stores).

Eventually the Stockholders will have to liquidate their inventory as New crop in Karnataka will start in Oct/November.

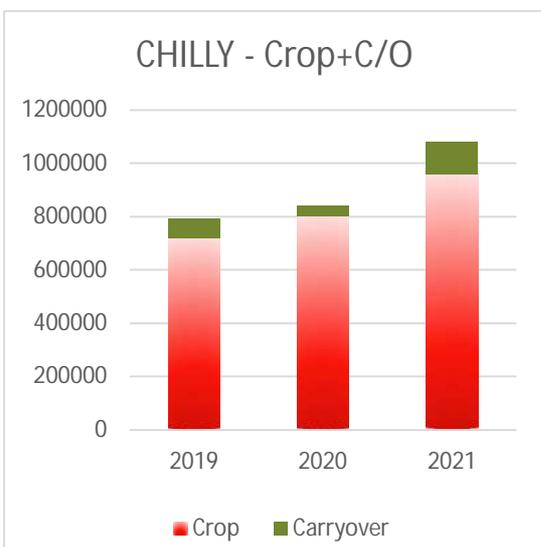
Recently there have been good rains so hopefully it will encourage better acreage for 2022 season as prices are favorable and so is the weather.

IPM chillies it's a completely different story. There were untimely rains on the standing crop in the IPM growing belts, which has resulted in Leaf Curl Wilt & Virus. See enclosed pic.

Result of this is that the yields have dropped drastically in some of the Belts. Where the Normal yield would be 2.5-3 Tons/Acre, have dropped this year to around 1.5-2 Tons/Acre.

Also in some areas farmers had panicked and sprayed various cocktails of Chemicals to save their fields, which will further affect We will see two separate Parallels running with different availability and pricing.

IPM on an upward track due to shortage of material which will not clear on Aflatoxin and Ochratoxin, even though it will clear on Pesticide Residues.



1 New Crop planting in MP.



NON IPM On a stable or maybe downward track.

Stemless Chillies – Due to the prolonged plucking and drying season this year, along with extended arrivals in Guntur, there will be also be a shortage of labour for De-steaming work so crushed chillies will also take longer than normal to ship out.

Speculative buying in Chillies, by External traders and investors also has already started happening, which might also change the long term sentiment on the market. (Something we can't predict as yet) .

Recommendation :

Stay cautious. And stay covered for this season now. Too many disruptors in the Market place this year.



CORIANDER

Despite a lower crop in Rajasthan and Madhya Pradesh, prices have not really moved up significantly, however the uptrend seems to have started.

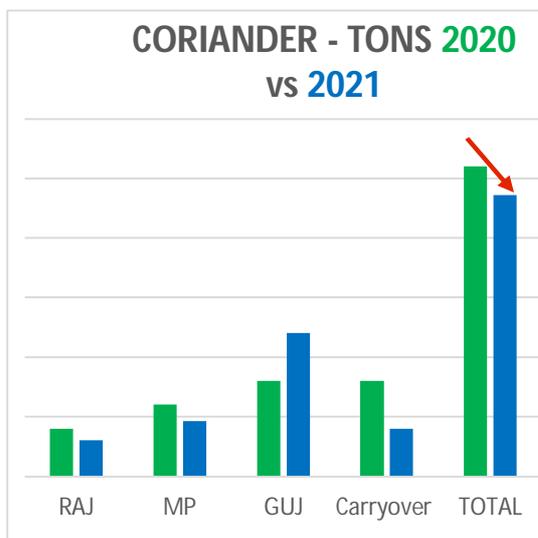
Bumper crop in Gujerat has held the Lid on the market. Crop figures were shared with you again as below.

Prices have now slowly started to improve – Albeit slowly only and I expect – based on Domestic demand prices will improve a bit further.

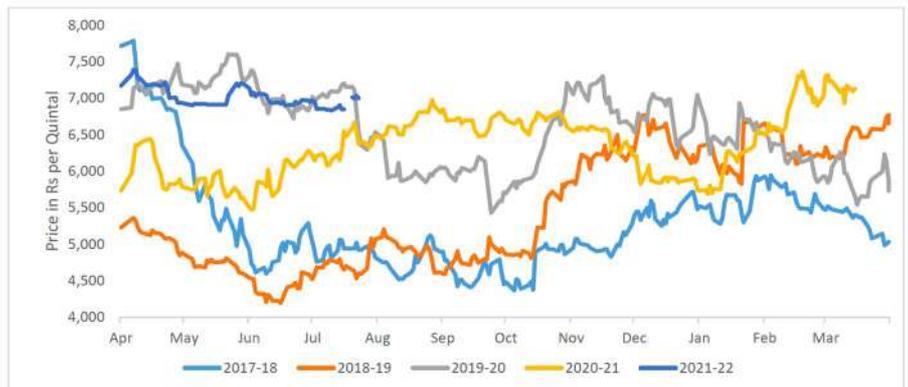
Prices from East Europe have been quite aggressive - below \$ 800 from CIS Countries, but nobody is yet willing to sell on EEU. MRL guarantee's as yet. Let's see how this fans out. Prices from East Europe (Romania & Bulgaria) are still awaited.

Speculators are active and trying to drive up the prices also now, on the back of lower crops in Rajasthan and Madhya Pradesh.

There is still no real data coming from the East European traders , but my Gut feeling is Bullish for the season.



Prices are slowly and steadily moving up.



Crop Details are below:

Crop	2020 MTS	2021MTS
RAJ	85,000	68,000
MP	145,000	123,000
GUJ	160,000	200,000
Crop Size	390,000	391,000
Carryover	160,000	80,000
TOTAL	550,000	471,000



This is the reason why I am not bearish on Coriander this year at all .

Recommendation

Consider to start your Coverage now onwards for the season, and you can divide your buying in 2 or 3 phases to buy some quantities every month.

TURMERIC

Sentiment is weak all around.

Market has declined about 15 – 20% from its peak. Demand has slackened off – as the Main domestic buying period is over. Lockdown in Consumption centers also had affected the Seasonal demand which remained weak in the Peak consumption periods. In the smaller Markets like. Cuddapah and Duggirala – only 30% of the production so far has been marketed.

Prices in Nizamabad also have softened.

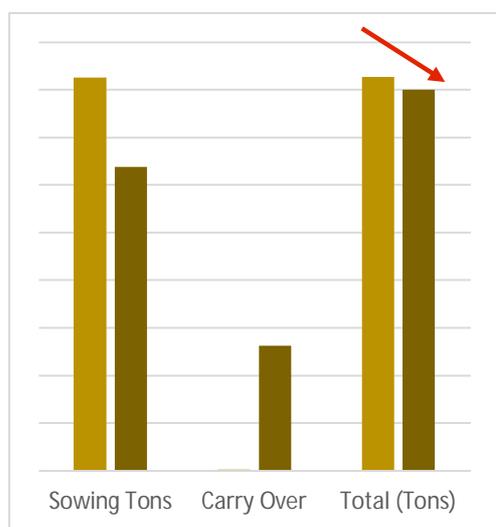
Good rains in Maharashtra and Telangana (though sporadic and intense at times) area have encouraged planting for the 2022 Crop as prices this year also have been much higher than 2020.

Personally, from what I hear from our Agri Team planting will be up about 20% this season. However, the recent flood damage cannot be accessed or ascertained until the next 2 weeks.

Crop this year was more than 9,500,000 bags, and there is still more 60% of this yet to be Marketed.

What now concerns me is that the Trade is ignoring the fact that production this year took a hit with lower yields. Granted that the 2nd Wave of the Pandemic disrupted the supply chain, Consumption and Milling processes up country.

The concern is that now things are returning to Near – Normalcy, and Domestic demand will pick up, after End August for the Festival Season in East India & Bangladesh. August and Sept will be critical months to watch out for, for the domestic demand.





Exports continue to be good, but slightly lower than last year.

YEAR	Sowing (Bags)	Carry Over (Bags)	Total Bags (75Kgs)	MTS
2020	7,200,000	3,000,000	10,200,000	765,000
2021	6,700,000	2,800,000	9,500,000	712,500

I don't rule out a Mild reaction to the current prices, but I am not willing to bet on it, looking at the Current Scenario. Historically Turmeric has always been driven more by Sentiment and less by reality of Supply Demand. Similar things also happen to Cumin & Chillies, as they are always supported by Domestic buying.

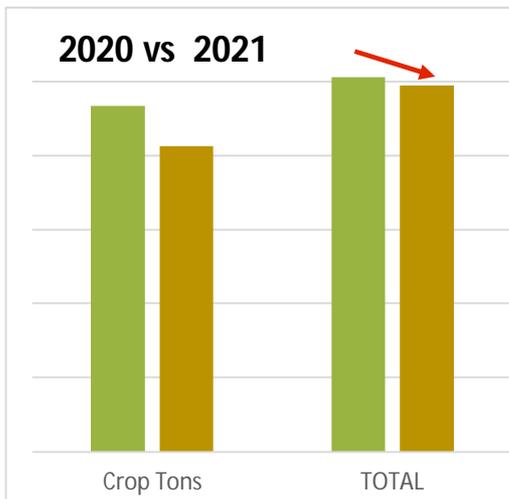
Forward Curve



Recommendation :

Cover your requirements Until Dec, 2021.

If rains are good, farmers will definitely plant more turmeric for the 2022 crop as they have realised good returns on Turmeric this season.



CUMIN

Crop has average – Late sowing plants took a hit (In terms of yield) due to no Spring season ,as the Heat came prematurely not allowing the Late season planting to grow properly , and it. Ripened too fast – affecting the yields. Notwithstanding this price are holding steady, despite Record exports this year again. Prices are likely rule stable for the coming Months. IPM Cumin again this year is a serious challenge, and a lot of

Recommendation

Overall our view is that there is a strong chance of firmness this season. Prices are still so attractive that honestly, I can't see any reason to wait and not cover this now itself.

Forward Curve



Cumin is still green in the late sowing (left) while early sowing (right side) is brown and matured for harvest.



FENNEL

As reported earlier, that the crop was lower, and that played its part now in bring up the prices, which have jumped about. 15% in the last 3 weeks.

Further demand and its pattern will determine how the market behaves because farmers have already sold-out bulk of their crop, which is now mostly in the hands of traders and bigger farmers now. Green quality Fennel now is becoming a challenge as the crop already arrived in April and sat in bags during the Summer Months (Temp: approx. > 40.C). I expect prices to start firming up as the season moves along – Albeit gradually.

Recommend coverage to be done for the rest of the year.

Getting ready for the Winter harvest in Fennel.

CELERY

Crop has been Harvested already – Planting was about 20% higher but Dust Storms, and untimely Rains have damaged about. 15% of the crop.

Prices have been holding their current levels. Farmers are In no Rush to sell either, so I expect the demand to be Normal, and prices also to hold steady for the next few months atleast. Shortly the farmers will get busy with their Paddy fields ,so won't be in rush to sell Celery either .

Recommendation: Near term coverage would not be a bad idea at the moment.





GINGER

Prices have dropped a lot this year, due to a good crop in Karnataka, weak Winter, so domestic consumption took a big hit, and lower export demand this year also.

Prices should hold steady now at the current reduced levels with. Minor fluctuations till the end of the year.

Recommendation :

Plan for coverage for 2021 should be considered now at current levels. Exports in 2020 have also jumped by 15%.

FENUGREEK

Crop is looking good so far. Prices are already cheap, and I expect prices to remain fairly stable this year at the current levels.

Recommendation : cover now from New Crop for the rest of the year.

CARDAMOMS

New crop is coming in the next Few Months so there is a Tendency now with the planters to start reducing their Inventories, and this will keep the market stable for now. There is no big demand in sight. Ramadhan is over, Middle Eastern Countries are well into the summer heat, so demand is slack too. I can already now sense the Urgency to sell inventory from the Trade, as new crop is round the Corner in the next. 30/45 days' time.

NUTMEGS

Prices have started to come down now from the earlier peaks we saw a few months ago, and hopefully by August we should see a clearer picture and Trend once the arrivals start to increase. Monsoon disruptions on Harvesting and Drying also will play their role in keeping supplies restricted too. Prices have held their own in July so hoping to see some decline in prices in August (Maybe wishful thinking – but demand will determine this)





On a final Note, I know that I have not covered all products, but what has been relevant for now , I have reviewed above, but needless to say that you are always free to call for the information.

Always here, at your Service. Stay protected and Stay Safe.

Kirandip S Swani
Managing Director

Sustainability & Zero Wastage Program: *From the CEO's Desk.*

We are also happy to announce that some of our customers have joint hands under our banner of The Green Footprint, participating in community upliftment programs where in trainings on Good Agricultural Practices have been implemented.

A small personal note from my travels this time, which is close to me personally.

In a year when water is freely available nobody wants to spend money, resources or even spare a thought to conserve water. However, year 2020 we have all seen the effects of excess rainfall in one side & the scarcity of rainfall on the other.

Undoubtedly, we are unable to change or control the weather. What we need to do on a continued basis is to conserve water, irrespective of the year having adequate or poor rainfall. Using the best methods of irrigation i.e., sprinkler or drip, adequate focus must be given to these methods. All our programs are currently on sprinkler or drip irrigation techniques.

An appeal to all our readers, customers & friends to be their own life.

Any further information required on the above or any other commodities – please feel free to write or ask us.

With best wishes for your Good Health, Stay Safe.

