



Spices Market Report

NOVEMBER 2022



Dear Friends,

We are excited and are looking forward to seeing you all soon.

If you are planning to come to India, please let us know in advance and share your dates, so that we can plan our meetings, factory, field visits etc., well in time.

International Spice Conference is finally happening in person this time it will be at Chennai, from 19th – 22nd January, 2023. You can register and book your hotels online itself here <https://www.internationalspiceconference.com>

If you are attending, we request you to reserve the evening of **Friday, 20th January** for Cocktails and Dinner with us. Please do RSVP so we can make arrangements accordingly.

World Spice Congress is taking place in Navi Mumbai from 16-18th Feb, 2023. We will be getting bulk rates from a hotel in the vicinity, so do let us know if you need help. Should you require a Hotel in downtown Mumbai (before or after the event please let us know as well.)

You can register here <https://worldspicecongress.com>

If you are attending, we request you to reserve the evening of **Saturday, 18th Feb** for Cocktails and Dinner with us, post the event. Please do RSVP so we can make arrangements accordingly.

We would be grateful for your early information on these events.

General

As we are all only too aware of the high prices for commodities this year, whether it is Crude Oil, Energy, Wheat, or any other commodity – Prices are just out of control presently. What this has also brought about is Runaway Inflation, which is hurting the Salaried Persons Pocket, with much higher Energy prices and Food prices. Eating out is something everyone is complaining about, whether it is Australia or Dubai or Europe or even the US. You are paying double of what you paid, 18 months ago. South America is a totally different story. What we are also now starting to see is Consumer resistance, and resultant slowdowns in demand. Many people deny that we are heading towards a recession, reality is there for all of us to see.

Fortunately, Freight rates have come off its peaks and coming back to more reasonable levels. We do expect them to be lower over the next few months.

MARKETS:

We are coming that time of the year, where all eyes are now what to expect for the 2023 season, so I would prefer to go through some of our Major crops and share with you, our information.

CHILLIES:



From what we are hearing from our field teams is that the planting is around 20 to 25% higher than last year. The good news is that plants are looking good this year, all around, whether it is in Madhya Pradesh, or Karnataka or Andhra. Yields also are expected to be good (unlike last year where there were Insect and Aphid attacks on the plants and flowers). We are keeping our Fingers crossed and praying for the weather to behave. There can always be surprises now with Global Warming and changing weather Patterns.

Carry over this season is around 60,000 MTS as against what we saw last year of around 105,000 MTS. We do believe that by the time the crop is ready to start in Feb 2023 – the carry-over will be almost Nil, so I don't see prices coming down in a hurry, unless there is a major shift in Sentiments, later in the year. Demand for Stemless Chillies (High Heat) has already started to emerge from Southeast Asian Countries, so I think the Chinese will also not be very far behind for their needs.



Our suggestions are that you keep buying hand to mouth only. So far new crop is looking good, and quality of the existing stocks also leaves something to be desired. We Pray that the crop is safely harvested this time around.

CUMIN:

Global: The crop report which was shared at the European Spice General Assembly, in Bodrum Turkey, had the following to say.

World Cumin harvest in 2022 is anywhere around 600-640,000 MT/year, as follows:

- India: 580-600,000 MT
- Iran: 8,500-9,500 MT
- Afghanistan: 5-5,500 MT
- Turkey: 3,500-4,000 MT
- Syria: 3-3,500 MT
- Other (incl. China & C/O): 8-10,000 MT

Challenges Faced for EU Supply By Turkey: The recent regulations for PA as well as EU pesticide compliance is pressuring Turkish cumin supply. Lack of farmer interest, rising fertilizer prices and adverse weather conditions is lowering field yields. Turkish cumin is an alternative Organic supply source, however future looks bleak. Local inflation (80%+ official figures, 150%+independent figures), lack of Access to fertilizers and lack of interest from farmers is strengthening the trend towards no cumin cultivation.

Prices in **India** have been very high this year.

What is surprising that the Planting for 2023 will not rise exponentially despite price having jumped from Rs 160 to Rs 240 this year.

1. There have been very good rains in the growing belts, and there is a lot of moisture in the soil. Farmers are worried because High Moisture in the Soil can lead to Disease to an already over delicate crop.
2. Alternative crops like Mustard, Fennel, Castor, Wheat, Coriander and Chickpeas will flourish much better and they are lower risk crops, compared to Cumin. All the above crops have much higher yields and prices are also good for the farmers now.
3. Ukrainian War has led to very high Wheat prices and farmers are seeing this too.
4. Having said the above, there is still another 15/20 days for the farmers to change their Minds, but my feeling is that Gujerat will not see any change, but Rajasthan will see a higher allocation of Land by about 30% to Cumin.

Stay covered only Hand to Mouth now and let us watch and see how prices develop as the Season moves on.



Sowing of Cumin Crop has just started

CORIANDER:

Global. The crop report, which was shared at the European Spice General Assembly, in Bodrum Turkey, had the following to say.

Estimated World 2022 Coriander harvest is around 500-600,000 MT/year, divided as follows:

- India: 350-380,000 MT
- Russia: 30-40,000 MT
- Bulgaria: 15-20,000 MT
- Romania: 15-20,000 MT
- Ukraine: 6-8,000 MT
- Other (incl Canada): 60-80,000 MT

Morocco is facing its worst draught ever. Japan is the main buyer for Moroccan coriander, followed by the EU (pesticide compliant) and the USA. -We recommend very quick coverage if special formulas/blends necessitate Moroccan origin.

- 2021 Crop Estimate: app. 22,000 MT
- 2022 Estimate: 8,000 MT

India is World's largest producer of coriander, but consumes almost all of it domestically, in curry production. In addition, Russian coriander, mostly traded to India is facing sanctions related difficulties in 2022. Alternative origins such as Canada (GMO concerns), Argentina (Freight costs), Romania and Bulgaria (limited supply compared to demand, residue concerns) make coriander a volatile commodity in 2022. Competing crop is wheat, which is seeing a Global soar in prices, attracting farmer interest around the World. We recommend early coverage in 2022.



Coriander Sowing

India

Planting is looking really promising for 2023, Indian planting for 2023 is going to be much higher this season. Reports are ranging from 35% to 50% Higher than 2022, and farmers are buying a lot of Seed for planting this season, which is a promising sign too. Gujarat traders are saying that the crop will 700,000 bags (40k/bag) against what we saw of about 370,000 bags in 2022. Overall if we see, there is an expectation that the crop will be 600,000 MTS in 2023 against 350,000 MTS in 2022.

Sentiment is going to stay bearish eventually. Even the Imported East European Materials are pressing on the market here and impacting the demand for Indian material. Our suggestion again is that you should stay Hand to Mouth and wait for prices to start dropping Feb'23 onwards.

TURMERIC:



Planting has been the same as last year for the 2023 crop. Last year, speculators tried to bump up the market by spreading Rumors of crop damage etc., but this year, the trade will easily see thru these stories if the reoccur. In spite of these low prices, the farmer still grow Turmeric for a few reasons. It's a very sturdy plant and does not get affected by minor seasonal variations of Rain & Temperature. Competing crops like Soya are out favor with the farmers as there is a risk element in planting this, and the prices are not very attractive.

My Estimates are that the crop this year will be around 750,000 MTS. Carry over as of today stands at 280,000 MTS, which I estimate will come down to about 136,000 MTS. The main reason for the market not to increase is also that Domestic demand has been surprisingly slack this season.

CELERY:

Farmers are finally free from their Paddy harvest and sales and busy now preparing their lands for the Winter crop (which includes Celery). I think closer to the End of November there should be more accurate data on the percentage of Land allocated to Celery, versus other competing crops. IPM availability is extremely low now so please cover your requirements at the soonest possible.

What is also of concern to me is that prices of Wheat are so high, that this also could impact the allocation of Land for Celery for the 2023 crop. We will keep an eye on developments. Prices continue to be quite stable for now and are likely to stay that way until the End of the Year at least.

GINGER:

New crop planting this year is taking a beating.

Reasons are simple – Prices have been low this year so farmers have planted Less Ginger all throughout, so I would look to see higher prices in 2023 when the crop starts to arrive. Winter is round the corner and demand also will start to spike up during this period too. Please stay well covered at all times.

FENNEL:



ESA estimate that World 2022 Fennel harvest around 120-160,000 MT/year, divided as follows:

- India:	120,000	MT
- Egypt:	6-8,000	MT
- Turkey:	2-2,500	MT
- Others:	6-8,000	MT

India

Another one with some Good News. Crop in 2022 was greatly reduced due low prices in 2021. Result was that in 2022 season the prices doubled. Rates which were around Rs 65-70, today are at Rs 140/145 pkg, having touched Rs 155 earlier in the season. This has also encouraged farmers to allocate a larger acreage to Fennel, also so, we should see a big crop this season, - Subject to weather staying stable.

Needless to say that one should stay Hand Mouth now, because prices are very high, despite the next crop being at least 5/6 months away now. Stay covered till then and protected.

It is possible that I might have missed out on some information, but please feel free to ask. We are always there at your Service – and Happy to Help.

Yours Sincerely,
Kirandip S Swani