

Annual Crop Report

New Crop
March – 2020



HOT TOPIC

COVID19 is also causing Havoc Globally and on the Local markets here, this is surely a Pandemic.

We are fighting a war against an invisible enemy.

Domestic Demand which is usually Heavy in the Spring Months, has Partly Emerged, but the Peak is yet to come in April & May Months. How this will impact trade is yet to be determined.

This has also Impacted shipping Space too, as Indian Govt has imposed restrictions that all Crew of Incoming Vessels will be checked at the outer Anchorage for CoVid19, and only Post clearance will the Vessels be allowed to Dock .

Containers, and Slots on Vessels are also now getting tight , so please plan to prepone your deliveries wherever possible.

An estimated 2 weeks delays in shipping is to be expected.

Our Response.

All possible safety & sanitary measures are being taken at the head office and factories. Visitors and service providers are being allowed on Urgent basis only.

50% of the staff are being required to work from home as per the Govt of India directly. We are striving to ensure our service levels are not affected. However, under these circumstances we ask for your patience.

Our security is screening everyone at entrance points with Thermal Imagers.

Staff, Workers, essential service providers are made to sanitize their hands at entry & other various points.

At the entrance Safety Trainings on CoVid19 are imparted with special emphasis on Social Distancing even at workplace, frequent hand washing and work etiquettes are imparted. Only then are they allowed to enter the premises.

Sorry, but visitors are not allowed at this time.

Shipments are being preponed for clients to avoid stock outs.



As per the Govt of India directive, in the prevention of CoVid19 Outbreak, all offices and processing facilities are closed till 15th April, 2020. We are working from home, so please do expect delays. Thank you for your kind understanding and cooperation.

Dear Friends,

Our Target for Sustainable products this year is estimated to range between 9-10,000 Tons.

Time to start updating you on the developments here in the Markets.

TURMERIC

Crop 2020 = 700,000 Tons Vs 675,000 Tons in 2019.
Carry-over stocks will be around 180,000 Tons

TOTAL AVAILABILITY = 880,000 Tons. Up 30%.

Crop has started to come into the Centre's of Nizamabad, with a daily arrival of about 35/40,000 bags a day.

Sangli is 15,000 Bags per day. Other Centers will also come on Stream in the next 15 days 'time.

Prices have already dipped about 12% in the last 45 days, and my personal feeling is that if prices tend to drop further, there will be a strong resistance from Farmers also to sell.

Harvesting is in full swing now, and the Boiling & Drying operations are now in full flow.

Impact of the heavy arrivals will Emerge from Early April onwards – which will also be Matched by the Peak Domestic demand, provided terminal markets don't get locked down.

Overall, my view is that prices will stabilize at the current levels with Minor Fluctuations.

Sangli markets have been closed on account of CoVid19 until 5th April, 2020.

Recommendation is that with prices being at a 5 year Low, there is a very limited Downside, and likewise there is also a limited upside too.



WHATS NEW AT QA ?

We are happy to inform you that the lab has finally taken the Plunge to Invest in enhancing and upgrading the Testing facilities and equipment and this should be up and running by June.

The microbiology lab is being renovated and upgraded.

Triple Quadrupole LC/MS/MS & Triple Quad GC/MS/MS for pesticide analysis has been ordered and we are awaiting delivery.

R&D will be expanding into a larger space as the demand for blends keep increasing year on year.

These will extend into the ISO 17025 scope, so all the results will be accredited.

Watch this space for more information.

CHILLIES



MADHYA PRADESH:

Crop 2020 = 45,000 Tons Vs 37,500 Tons in 2019. (5% of India's production)

Crop in Central India is in full swing, and although it's a much smaller and restricted Belt, this year the farmers have primarily grown the High Heat Chillies and moved away from the Low Heat /High Color varieties due to Risk of Fungal Attacks.

Arrivals in South India and Karnataka are also now gathering steam.

KARNATAKA:

Crop 2020 = 250,000 Tons vs 225,000 Tons last year. (20% of India's production but produces the much-required Low Heat and High Color Chillies).

Market arrivals are around 1,20,000bags a day (Market is only on Monday & Thursday). Prices for the High Color varieties are just going thru the Roof, which is being supported by the Local Big Brands, who will have to buy to support their products on the Supermarket Shelves for the Rest of the year. Farmers are smiling their way to the Bank now. Byadgi market has been closed on ac of CoVid19.

GUNTUR:

Crop 2020 = 830,000 Tons vs 655,000 Tons Last Year (65% of India's crop comes from Andhra Pradesh and Telangana State)

Arrivals are also now in excess 100,000 bags a day (30 kilo bags) and demand remains good. Crop is about 3 weeks late, which is also resulting in all the Pent-up demand. For the first time this year, we are seeing that Guntur Market is not able to accommodate all the Farmers Arrivals – Especially on a Monday, due to traffic Conditions in the Market Yard.

Total Crop is about **1,450,00** Tons or about **10%** higher than last year including a 45,000 Tons Carry Over.

On the other hand, I cannot understand Why farmers even at these very attractive prices not opting to sell, and instead putting their material into the Cold Stores. About 25% of the total Cold Store capacity so far has filled up and will keep increasing gradually thru the Rest of the Season.

Personally, I expect that prices should start to Gradually ease in Early April, when the Domestic pipeline also starts filling up.





However, the market pricing these days does not reflect it. Now it remains to be seen if we will actually get the anticipated decline after Early April. Chinese demand – though present – is not as aggressive as Last year.

Just a reminder that the Guntur Market shuts For Summer in Early May, but now with the CoVid19 situation, if the markets close earlier than Normal, there will be very serious disruptions In the Supply Chain. (Being Devil's Advocate here)

Coverage should be done now for April and First Half May shipments, and the balance can be done in Mid-April.

CORIANDER

It's a happy situation this year.

GUJARAT :

Crop 2020 = 100,000 Tons vs 40,000 Tons last year.
No, this isn't a typo error. Crop is up about 200-250% higher. Some figures being floated around a lot Higher, but I would prefer to Err on the side of Caution. However, the pesticide usage is substantially higher in this area.

MADHYA PRADESH (MP):

Crop 2020 = 145,000 Tons vs 115,000 Tons last year.
This area is around 20% higher.

RAJASTHAN:

Crop 2020 = 85,000 Tons vs 90,000 Tons last year.
Production is about 10% lower.

IMPORTS: Around 30,000 Tons came in from East Europe in 2019.

Total Availability this year will be around **335,000 Tons**

All India Carry over was 25,000 Tons and local consumption is around 380,000 Tons.

India's harvest actually accounts for about 75% of the Global production, and our Exports of the total Indian Crop is less than 7%.

Overall there is an increase of about 30% over last year, so the following will now happen

- No Imports from EEU as Indian product is cheaper.
- Revival in Indian Exports this season.
- Possibility of Enhanced domestic demand and buying.
- Stocking by Investors when prices come down more.

Prices overall have been easing, and I think there will now be a very Gradual decline in Prices, because at lower prices Domestic Offtake will be very Brisk.

Recommendation is that coverage should now start in lots and should be completed by the End of April/Early May.





CORPATE INFO.

In General, we wish to inform you that as per Govt Directive, and our Desire to keep our Staff and ourselves Safe, there will be staggered working from the Office - with Skeleton Staff.

We are encouraging and enabling our Team to also work from Home whenever possible.

Please expect delays in response to your Mails.

Also please expect delays in Shipping - As highlighted above.

Please also expect delays in COA's as Lab staff will also be working only staggered hours /Days.

Finally wishing you all to stay well and Stay Safe. Avoid moving out unless you have too.



CUMIN

GUJARAT

Crop 2020 = 225,000 Tons vs 165,000 Tons last year.
Planting was about 30% higher, and crop is safely harvested now.

RAJASTHAN:

Crop 2020 = 275,000 Tons vs 250,000 Tons last year.
Planting has been Marginally up by about 10%.

Harvesting is still in progress, and there have been no serious issues with the Crop this year, barring some like the Locust attack, and Some Aphid attacks during the Cloudy Weather.

This production of approx. **560,000 tons** accounts for 85% of the Global Production, and our Exports are in the range of 100,000 to 120,000 tons a year.

The yields are normal this year. Market prices had started easing, the demand from China & Bangladesh has revived, but prices are coming down slowly and steadily. China accounts for 30 to 40% of India's exports.

Daily arrivals around 70-80,000 bags (55 kg /bag).

I would wait about a week or 10 days before taking a Decision to start buying Cumin from 2020 crop.

BACKWARD INTEGRATED:

Lot samples will start coming in around Mid-April from our Farm Buying program and testing will then Commence.

Please contact us for your requirement allocations so quantities can be secured or allocated. Prices can be discussed at a slightly later stage once the tested material is available in stock.

CELERY



Crop 2020 = **5,000 Tons** vs 7,000 Tons last year.

Planting this year is down by about 25/30%.

Some traders are even claiming higher, but our own Agri Team, which Works at Grass Root levels estimate this at 25/30% only.

Weather so far is good, and now as it starts to turn warmer, we should see the plants starting to grow and mature – with Harvesting in End May.

Prices have already jumped up about 15/18%, because Traders are fuelling the Speculation in the light of a lower forthcoming crop.

Spot coverage if needed should be done now, as Farmers will start getting Busy in April for their Wheat harvest, and then supplies will get even more restricted.

Long Term aspect- I would take my chances for the rest of the year and wait for the New crop to start coming in

End May and then buy at whatever the market prices are. Unless there is a crop disaster, I can't see prices going higher than the Current levels.



FENNEL

Good rains and favorable weather had been conducive, as a result the planting has gone up by 15% this Season.

GUJARAT:

Crop 2020 = 45,000 Tons vs 37,000 Tons last year.

RAJASTHAN:

Crop 2020 = 38,500 Tons vs 32,500 Tons last year.

OTHERS: (MP & UP)

Crop 2020 = 6,500 Tons vs 6,000 Tons last year.

TOTAL CROP: 90,000 Tons vs 75,750 Tons.

It is higher by at least 10% compared to Last year.

Having said that, the arrivals this year are only 50% of what we saw last year, and the reasons are

- Extended Cool Weather – Has delayed the maturing and thus the picking.
- Cloudy Weather (Which is Normal at this time of the year) also delaying the pace of Drying.





- Farmers concentration on harvesting and selling other crops like Cumin etc.

I expect that by the End of March /Early April the tempo of arrivals to pick up, and then hopefully we will start to see sensible pricing, which is quite high at the moment, for want of Sufficient material in the Market

Recommendation: Plan the buying in Early /Mid-April only. Market is not running away either.

GINGER

TOTAL CROP: 1.5 Million Tons vs 1.75-2 million tonnes of Fresh Ginger last year. The floods have caused a consistent drop in yields since the last 2 years

Dried Ginger: 60,000 Tons vs 75,000 Tons Last Year. Down 30% from 2019.

India's Exports: Down from 40,000 Tons to 15,000 Tons

Raw ginger prices are ruling at ₹45-52 a kg at present, almost 136 per cent higher than ₹17-22 a kg, the same time last year. Prices are still holding Rock Solid Stable.

Although demand for Fresh Ginger has eased off now with the End of the Winter Season. Farmers made good Money on Fresh Ginger, so they are in no Rush to now start.

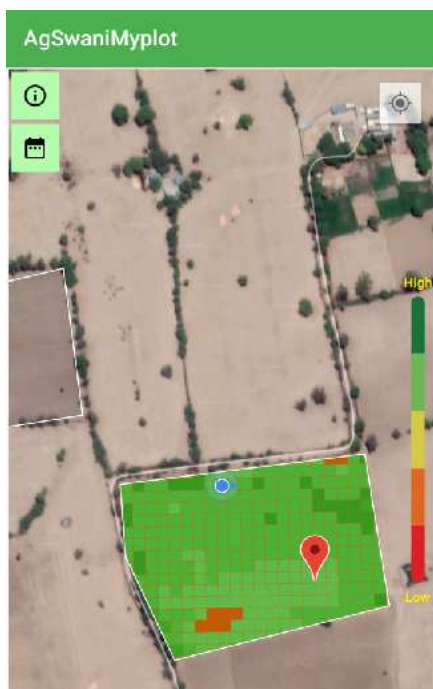
75% of the crop is sold in fresh form. Selling the Dry Ginger, which is also very Labor intensive, because yield is only 17/18% from Fresh to Dried.

This is also one of the Main reasons why Production in Kerala has shrunk so much for want of Labor, and it all moved to Karnataka.

Whilst New crop availability is good presently, the prices are just not moving, and most of the stocks of Good quality Nigerian material which were in the Market are almost gone now.

Outlook remains fully stable, notwithstanding the Fact that other Origins like Nigeria (in spite of its quality problems) is still cheaper than the Indian Ginger.

Please consider all options, and decide, if you need Indian – We are at your service.



NUTMEGS

Prices are holding very stable for now, and the New crop does not come before End of May.

Aflatoxin Free material is starting to get a bit scarce now, so Coverage should be reviewed without delay.

I don't rule out a Jump in prices if Export demand turns aggressive in the coming Weeks/Months.

FENUGREEK

Crop 2020 = **150,000** Tons vs 125,000 Tons last year.

Production this year will be higher by about 20/25%.

Fun Facts :-

95,000 Tons Domestic Consumption

40,000 Tons Global Trade

35,000 Tons India's Exports.

Prices have been softening, but the big question that comes up – With prices already so Low – how much it can fall.

Prices are attractive and good – and definitely worth considering for Coverage now.

CARDAMOMS

Finally, we are starting to see Sense prevailing and Market has dropped about 10% since the last Few weeks. The Govt of Kerala has closed all Auction centers till 1st April because of CoVid19.

When you question the traders – COVID19 has killed all the Export buying, and domestic buying has also been slow. Prices are slowly starting to come down as traders are looking to liquidate stocks.

Nobody still admits that these were artificially created and inflated prices, so am Glad to see that finally this impact has come thru.



SUSTAINABILITY PROGRAMME:

We hosted our Sustainability Program performance appreciation ceremony in Dec 2019.

This was attended by over 300 farmers from over 6 states across India.

Please do let us know if you need more information on our sustainability programs or material from this program.

We are also happy to announce that a few of our customers have joined hands with us on the Green Footprint and community upliftment programs.

With best wishes for your Good Health, Stay Safe.

Sincerely,

Kirandip Swani
Managing Director.

P.S.: - All field pictures are taken from our backward integrated program.

