



SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates

February - 2023



Dear Friends,

Am happy to share some thoughts and comments with you this Month, on the various Markets of our Mutual Interest.



ISC 2023 was a Good Event, and it was really nice to catch up with so many of you, for a Face to face interaction, discussions and we are hoping to meet more of you in September at the WSC, which will be held in Mumbai this year.

For more details on WSC, pls visit:
<https://www.worldspicecongress.com/index.php/site/>

Our Dinner Hosting for the WSC, still stands and Venue will be shared closer to the Event.



Weather Updates:

There has been An Alert sounded for 2023, about an oncoming El-Nino this year, which is also partly the reason for the Early Onset of Summer this year. The vanishing spring appears to be moving from a vagary to a more enduring facet of the Indian season. Last year, an unprecedented heatwave in March wilted the wheat crop, forcing the government to make a public U-turn and ban wheat exports after belatedly realizing that production was tipped to fall short of estimates. This year, temperatures have begun rising even earlier and more sharply. As a report in this newspaper noted late last week, in states along the western coast, days recorded 5-10 degrees Celsius warmer than normal, and meteorologists said the trend was as bad, if not worse than the conditions in 2022. In seven states, including Punjab, the third largest wheat producer, the average maximum temperature on at least one day reached levels usually seen in the middle of March. In another 10 states, including Uttar Pradesh and Madhya Pradesh, the largest wheat producers, the maximum was around two weeks ahead of schedule. (Source : Hindustan Times)

As I like to share information with you as things happen, I thought it's only fair to update you on some of the Core crops.

CUMIN:

To summarize from our comments in the Jan report, Gujarat Planting was about 10% lower compared to 2022, but the weather was favorable all along, which benefitted the Early sowings. The late sowings which are about 40% of the planted areas will be somewhat impacted due to the Early Onset of Summer. Daily arrivals in Unjha market are around 7/8000 bags a day of new crop and this is only Gujarat crop material.



Cumin Plant

Rajasthan: Planting has been higher by about 15% compared to 2022 and from Parneet's survey last week with some clients – the Early Sowing plants are doing well. The late sowings will be a question mark because Temperatures are suddenly rising and touching 35°C in the day now. This will impact the plant to Mature earlier than Normal and will compromise the yield also. (This will only be known to what extent after about 2/3 weeks and I will report on this in the next report too). Harvesting will only commence in the next 2/3 weeks' time now. Prices which had peaked to levels of 375/kg due to speculative trading have now been coming down and having bottomed out at 300/kg, prices are now going to play in the +-10% range from the current levels. Off course, a lot will also demand on the Tempo of the Domestic Demand. Crop is being estimated this year at around 330,000 tons with a carryover of about 33,000 tons.

CHILLIES:

A Happy story this year !!!



Chilly Crop

Crop is looking good and weather too is favorable. Cool Nights and warm days, which is ideal for the Capsicum Fruits on the plants. Yields this year are ranging between 1500kgs to 2000kg per Acre, against only 500kg/Acre last year (When the crop got hit by Black thrips). Arrivals are in the range of about 150,000 bags/day – 4500 tons /day, which is getting sold out every day. Domestic pipeline is completely Empty because nobody wanted to keep high priced inventory when the crop was round the corner.

Cold Stores are also empty, so farmers have the option to putting in the Cold store, if they do not want to sell now. Prices of course have come down from the Peaks, but are still holding stable for now, and I expect that at least until End March, you won't see any respite in the prices, until all the pipe lines are sufficiently supplied with Material. IPM Material will only commence arriving in March, and Post testing we will have a more accurate assessment of the availability of Stocks for 2023 season. Our advice now, is stay Hand to Mouth for the next 60 days and then we will review again.

CORIANDER:

Another Happy story this season !!!

Acreage has increased by about 40% and Harvesting in Gujarat is already in progress. Crop is estimated to be around 175,00,000 bags – 700,000 tons. Result is that prices that had peaked at 120/kg are now down to levels of 70/kg and I am sure if we have hit the bottom yet or not (Though I think it's almost there now) -Unfortunately, not a happy situation for the Farmers, but this is the reality of today. Buying should be considered at these levels now, at least for the next 3 /4 month's needs. The downside is really very limited now.



Coriander Harvested & kept for drying

A lot of material from Russia & Ukraine also has found its way into the Market here, which is increasing the availability also now.

FENNEL:

Another happy story as what we are seeing in the pictures from our Field Teams, the plants are looking good and healthy, even though the area has also gone up quite a lot this year. In Some areas Early Harvesting has commenced and we now see new crop coming to the Market for the Extra Green Materials. Wait for about 4 weeks before you consider buying new crop now. Prices are quite high and due for a correction, from the Current very High levels.



Fennel Harvest

TURMERIC:



Crop is looking good, but in some areas, we are seeing Rhizome Rot and Leave curling also probably due to excessive and prolonged rains in this Belt. There is no reason to panic because most of the other areas are still looking normal. Farmers are already now starting to Harvest their crops in certain Belts like Nizamabad. Arrivals in Nizamabad now are around 15-18,000 bags /day (70 kgs/bag) and arrivals will continue to increase gradually. Availability will of course again be plentiful and prices will remain. Range bound within the 10/15% price band only. Farmers are now starting to complain that at these prices it's a loss for them to grow Turmeric, so I suspect that there will be a resistance from farmers to sell if prices drop any lower. My view is that prices are cheap enough now, so there is no reason to wait but one should start buying now and keep averaging it out through the season.

New Arrivals of Turmeric

FENUGREEK:

Planting this year has taken a hit and its down about 20%, mainly because Farmers had better options in Chick Peas, Coriander, and Wheat compared to Fenugreek. Let's not forget that we have seen quite low prices for the last 2 years also, so Farmers have found better options now. Crop will come in April only.



CELERY:



Our estimates of the crop done by our Field teams are indicating that acreage in Amritsar Region have been impacted for various reasons and some farmers even uprooted the plants and planted Wheat (As prices are very good this year). Other regions are showing an increase in Acreage, so overall, to us it is still a bit of a question Mark, as we need to see how the plants develop through the rest of the growing season (Harvest is in May). Prices are stable with some fluctuations. As I have mentioned earlier, that El NINO impact, will happen this year (which Normally Impacts the Monsoon and Extends the Summer), so we will have to keep a Close Eye on the crop as the season Progress's.

CARDAMOMS:

Prices have been rising since the Start of the New year and we understand that the demand from Saudi Arabia has been strong, and also planters are saying that Excess Rain in Sept/Oct and then prolonged Dry Spells has affected the yields and Liter weight of the cardamoms this year. Pls stay cautious and well covered for the season now. Overall, prices have almost doubled from last year , so I think we are already at the peak of the season now.



Stay Safe and Stay Healthy.

Yours Sincerely,

Kirandip Swani



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