



SWANI SPICE
SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates

July - 2024



Dear Friends,

I am back again to start my fresh reports on the Various Spice Markets.

SHIPPING CRISIS



By *Angelo Mathais, India correspondent*
04/07/2024

Indian shippers are being hit by a wave of late vessel arrivals and port call omissions, as Red Sea-linked schedule disruptions continue to wreak havoc on container supply chains. The majority of schedule disruptions are tied to connections serving Asia and Middle East trades, due to congestion plaguing leading hub ports in the region.

CMA CGM has also announced a flurry of other port omissions, including Singapore, Port Klang, Colombo and Hamburg on various routings.

Amid the schedule disruptions, Indian shippers and forwarders are also reporting serious space problems on vessels through July. *"Congestion continues to create havoc in the supply chain,"* one executive at a Mumbai-based industrial group told *The Loadstar*. *"Deteriorating schedule reliability has added to the longer transit times linked to the Red Sea crisis,"* the executive said.

However, Sunil Vaswani, executive director of the Container Shipping Lines Association, noted that while carriers were making every effort to mitigate shipper pain points, formidable obstacles remained. *"Some of the lines have started skipping Singapore and transshipping containers at other hubs like Port Klang instead, while some have resorted to ad-hoc vessel calls to increase the capacity and push out the containers,"* Mr Vaswani told *The Loadstar*.

He suggested that shippers and consignees should plan their shipments in sync with current market conditions, **as buyers have begun placing peak-season orders earlier than usual.**

At the same time, with carriers cherry-picking freight that offers higher profitability, there are also concerns that some shipping lines are increasingly relaying third-country cargo via Indian ports, which shipper sources argue has the potential to squeeze space allocations for local export loads.

That concern seems to have some merit, as there has been a sharp spike in freight rates and transshipment volumes handled at the ports of Nhava Sheva and Mundra in recent months.

Contact the writer angelo@theloadstar.com

WEATHER:

Fortunately, the Heat Wave has abetted now and there are good rains happening in the Country, especially on the West Coast and Peninsular India and all over the Country. More details I will try and share with each individual crop now.

TURMERIC:



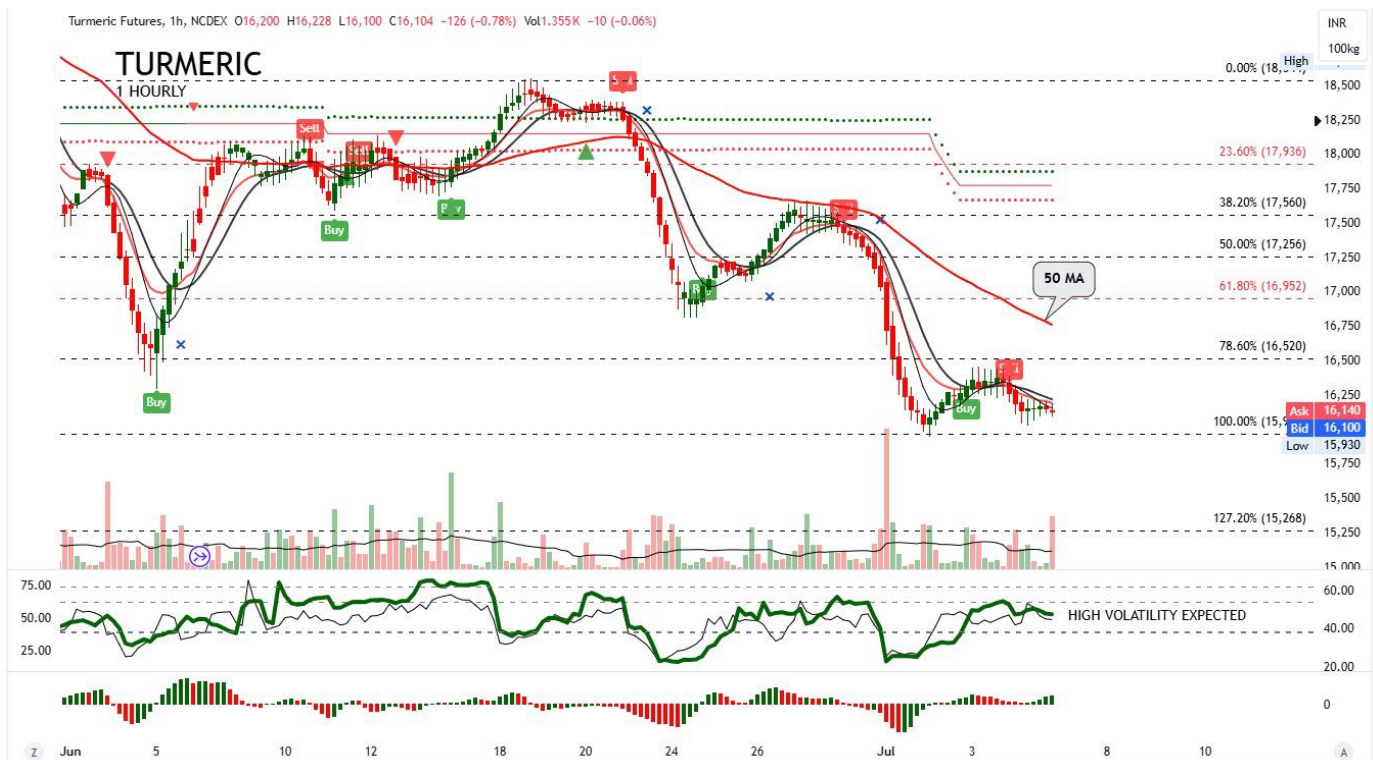
Contrary to what I commented in the last report things have taken a strange twist.

Rains in the growing areas of Maharashtra have been good and Farmers have already started their Planting.

Acreage has improved from the 2023-24 season. The prices of Seed Material went up so high that it was not affordable for a lot of Marginal farmers to plant for the 2024-25 season.

These smaller farms will be but somewhat compromised for the coming season. Market unfortunately, for the Speculators has turned negative as the Sentiment has been damped by the Good Rains for the moment.

Whether it will turn around later in the year when the squeeze in stocks starts getting felt is anybody's guess, but my advice to you is that at these dips you should be taking coverage rather than trying to play out the Market.



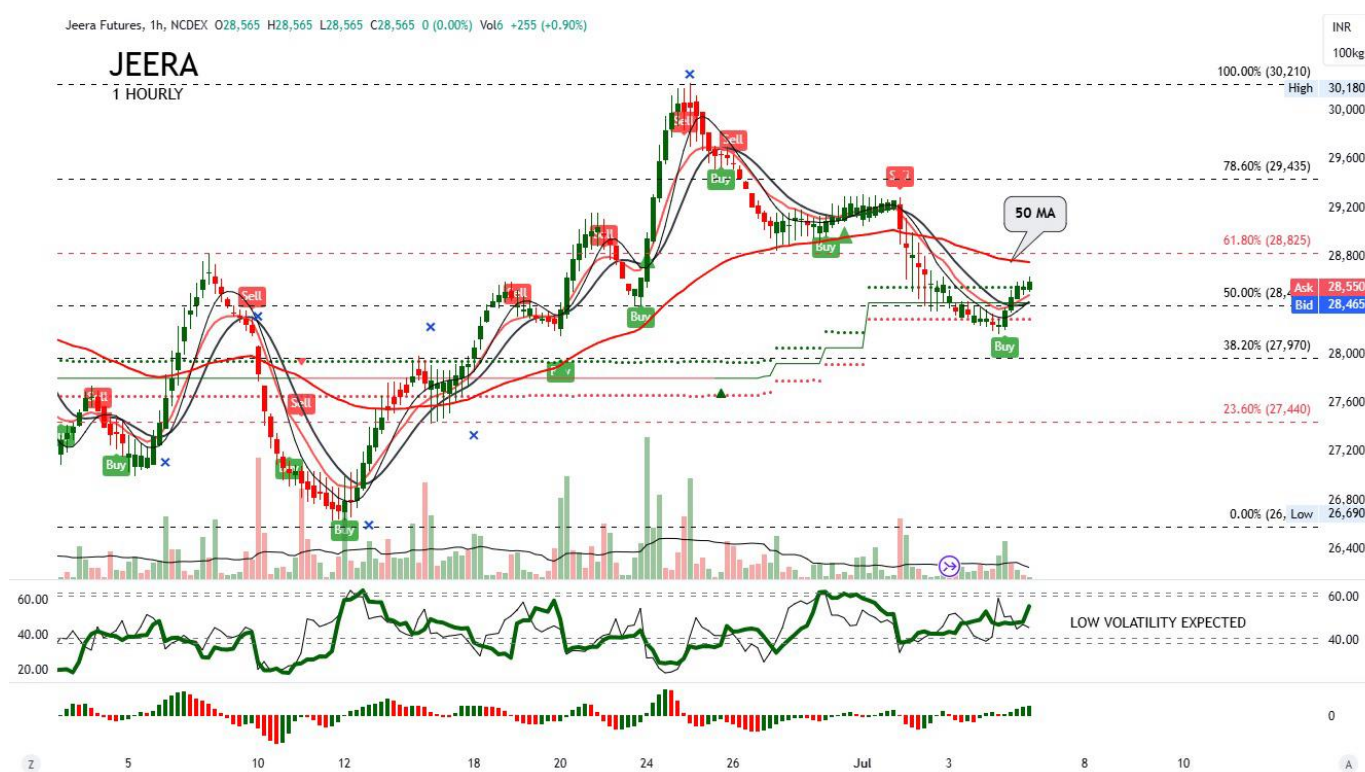
CUMIN:

I am now resigned to the fact these current levels will be the Order of the Day/Season.

I am now inclined to stay covered for at least the next 3 months because there can come up a lot of uncertainties in the near future viz. ETO issues, Rainfall issues/disruptions etc. So far there have been some good rains in the growing belts, but much more rain is needed still for the rest of the season.

Daily arrivals also have now declined to <10,000 bags/day because farmers are preferring to hold on to their stocks in the Vain Hope that they will get much higher prices later in the season. Also in the same token, demand Domestically has tapered off, (Probably everyone is buying Hand to Mouth) and export buying is also sporadic now.

A lot of people are also watching for offers from China by the end of this month, because I believe that due to the Astronomical prices last year, every Origin has doubled their planting. Yields and safe harvest are the big question Mark now for the Chinese and Middle Eastern crops now. It is a very interesting space now to watch.



CELERY:

Crop Harvesting has started now. There were earlier reports that the acreage is down but on the other hand we are also seeing in some areas that the yields have been better than last year. Prices for now are holding very stable honestly, I do not any risk in covering your needs for new crop as Crop has been safely harvested. Pls talk to us for your coverage whenever you are ready.

CHILLIES:

There is really no excitement to report now. Markets have reopened after the summer break. Cold stores are still quite full and brimming with material.

Farmers in Karnataka are definitely likely to divert some acreage out of Chilies in 2024/25 season because they didn't get very good prices that they expected and when the Cold stores got full they had to sell at whatever price they could get in the Open markets which also left a lot of them very disgruntled. Also, good rains this season have given these farmers now options for Many other crops like Bengal Gram, Peanuts, etc etc.



What the story in Andhra is also similar. Planting will cut by 25% in the coming season because Tobacco prices are very high and farmers find this more remunerative compared to Chilies. Rains have been good so far and it should be a season of Bountiful Rains too this Season.

CORIANDER:

Crop has been safely harvested in all growing centers without any issues. Prices are now being stable now and everybody says prices will improve when demand comes but I don't see any movement since the last so many weeks.

Hangover of the large carry over is also sitting on the market. My thought is again to stay covered at these cheap levels.

That is my advice – Rest is your call based on your internal situations. East European crops are harvesting now and prices are also quite reasonable which will keep a lid on Indian prices.



FENNEL:

Crop has been quite large this year and arrivals also through the Season have been very good. Most of the Domestic demand now seems to have been taken care of.

Crop in 2023 - 1,800,000 bags – 50 kgs bags = 90,000MT
Crop in 2024 - 3,800,000 bags – 50 kgs bags. = 190,000MT

It's safe to say that the crop is double of last year and prices which ranged from 140 – 200 /kg in 2023 have now dropped to levels of around 85-to 93 depending on quality and color etc. Farmers have sold out about 60% of their produce and now will only sell on a need basis or if prices jump (Which I think is quite unlikely).

Quality and Color presently is nice and green and it is definitely a good time to look at coverage.

Over a period of time as Humidity etc start to come in, it will take a toll on the color of the seeds, so we always advise our clients to cover their needs until August itself otherwise the color starts to fade.



Fennel Planting

CARDAMOMS:

New Crop is now round the corner. Crop is delayed this season and we should start to see good arrivals from around 15th August. Earlier trade was reporting damage of about 25/30% because of very Dry Season in April & May even up to 10th June, there were no rains.

Fortunately, the rains have now picked up after 15th June and plants are recovering well. So far trade estimates that the damage is down now to around. 10/15% only, if good rains continue then this figure could change further downwards. Prices this season have been much higher than 2023 so I am hoping that there will be some slide after 10th August when New material starts to show up in the Auctions.

Should you need any further information or guidance, on any specific crop please feel free to reach out.

Sincerely,

Kirandip Swani



Cultivating a Greener Future

At Swani Spice, we're dedicated to not just reducing our environmental footprint but also actively contributing to the well-being of people and the planet through our "Green Footprint" program. Since 1864, our unwavering commitment to quality and service has defined our legacy in the Spice and Agri industry.

Under this program, we launched AAIRA, our Tree Planting Initiative, on July 1, 2022, with the ambitious goal of planting 10,000 trees across the nation by 2030 to combat climate change and promote reforestation. Our farmers recently made a significant contribution by planting 50 trees, taking little yet impactful strides towards our goal and demonstrating their commitment to sustainability and responsible practices. We commend their efforts and pledge to continue supporting initiatives that benefit our planet.



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