

Spices Market Report

MAR-APR 2022



Dear Friends,

I am back the Ide's of March, to bring to you the latest situation on the various crops .

But before that, I would like to share with you a Piece of Good News. The undersigned has been Honoured by the Federation of Spice Stake Holder - with a

Life Time Achievement Award, for my contribution to the Export Spice Industry for the last 50 years. – As also a “**LEGENDS OF SPICE**”

This would not have been possible, without the support and Hard Work of **Harjiv & Parneet alongside** with me and our Team at Swani.

Needless to say

No Farmer – No Produce

No Customer Support. – No Orders & No Business.

I also wish to say a BIG THANK YOU , all for your Good wishes and Support all throughout my Career in the Spice World. In General most of Important crops are now under harvesting, and being marketed as always it's a very interesting time of the year. So much to do , and so much to Buy also for the season. Needless to say, but External factors like Climate Change, Energy Crisis of 2022, Inflation , Unlocking Post Covid in 2022 , and resultant Revenge Buying and Travel will play an important Role this year on Demand and availability . Specifics are discussed below.



CHILLIES



Quite a Disaster this year, (***Blame it on Climate Change !!!***) with the untimely and heavy rains ,at the wrong time of the year played HAVOC. Crop planting for 2022 crop was estimated to be 30% higher than 2021, but with such heavy damage , the crop will be about 30% lower than last year. Prices have jumped by nearly 45 to 50% over last year. Despite the high prices, arrivals have not improved, which also shows Paucity of Material.

IPM Chillies is going to be a serious challenge this year. Our view is that the arrivals of the farmers will more or less finish by mid April. Already quantity of daily arrivals are now starting to taper off from 100,00 bags daily to 50-55,000 bags. Farmers are not holding back their produce- unlike the previous years , as prices are very good for them and they see no point in holding back .

Yields: Last year was around 2000/2500 kg per Acre - this year is around 1200kg at best. There will be no fruits beyond the 3rd picking this season, as Summer is coming on quickly and suddenly, again this year. Farmers will now start also uprooting the chilli plants to make way for other crops to be sown now in May for their Monsoon Crops.

Result : Stocks going into cold stores also are very restricted this season, so Honestly I am really worried as to how will we all survive the current season with such restricted availability also, especially on IPM materials.

Every body this year, will have to Bite the Bullet and go on for the rest of the year. Looking ahead, I am also a bit apprehensive of prices rising further in the next couple of months, considering that prices are already so high this year.



My advise : Cover whateve you can ***before 15th April*** for the next 6 months and then wait for the situation to evolve and let water find its own levels there after.

CORIANDER



Firstly I just want to share some data with you , which as published by the Trade recently at a Seminar.

REGION	CROP IN 2021	CROP IN 2022
Gujarat	2,60,000 MT	1,92,000 MT
Madhya Pradesh	1,40,000 MT	1,00,000 MT
Rajasthan	60,000 MT	40,000 MT
Others	20,000 MT	32,000 MT
Carry over	1,60,000 MT	1,40,000 MT
TOTAL	6,40,000 MT	5,04,000 MT
Less Domestic Consump	4,40,000 MT	
Exports	40,000 MT	

Now , I ask you to judge the above figures and be the best judge.

Farmers this year allocated much lower acreage to Coriander because they were getting better yields and profits on Mustard, Wheat , Chick Peas , etc compared to Coriander, which we had mentioned in our earlier reports also. Prices which ruled around 60/65/kg during the 2021 season have now already touched 105/110, and I expect price will touch 125 also very soon. If It does happen then I think the next pit stop will be at 140 only. Pls don't stay short on Coriander and stay covered. A lot our European buyers are facing issues for supplies from Russia & Ukraine now. Please reach out if you need any further assistance from us.



TURMERIC

Crop is being harvested now and dried. Arrivals in the Markets of Sangli have started. Nizamabad had started some time back, as it is always traditionally the first to start. Prices have eased off a bit now. Pressure of arrivals will start to pick up now only in End MARCH.

There has been damage in about 30% of the areas and yields have dropped about 20%, again due to too much rain which damaged some of the Rhizomes. Overall, I see no reasons for concern, because even areas like Erode have a much larger crop this season compared to earlier years. (I can share the area wise details to any one who wishes more information).



Prices currently are stable and I think it will languish at these levels atleast until October. Domestic demand should be good this year – All centres have opened up after the Unlocking Post Covid , Restaurants also have all opened up and people are just happy to go out for an evening. Some analysts said that consumption will increase by 20% this year (Domestically) but I take this with a pinch of Salt. Quality is best at this time of year and one should seriously consider coverage now – Call us for offers when you are ready.



CUMIN



CUMIN HARVEST

At the recent Meet of the Spice stake Holders in Udaipur, there were various figures and predictions thrown around. What is a common point is that the planting this year has been sharply reduced- due to the low prices, and far better prices & yields, for competing crops like Mustard, Psyllium etc .

Our estimate of the crop is :

AREA	QTY
Gujarat	99,000 MT
Rajasthan	165,000 MT
Carry Over	99,000 MT

Prices have already jumped this season from the earlier levels from 150/kg to Rs 215/kg in anticipation of a lower crop. Traders are talking stupid. Numbers of upto 270/kg also but everybody is free to express their views. Again erring on the side of Caution.

Arrivals will be at their peak in March and April , as Farmers will happily sell at these prices. Post arrival, when stocks move into the Hands of the traders, what will the market do. Exports will continue as they do every year and if the Chinese buying gets aggressive then I really don't know where the market will go.



GINGER



Crop is safely harvested and again Karnataka has been the star performer , with consistant quality and good quantity also. Prices are really reasonable now and I always believe that its best to buy a crop when its being harvested – especially if prices are sensible (Which is the case in Ginger this year also). There is nothing to be gained by waiting, but this is everybody's individual Choice to make. My Recommendation would be to buy now.

FENNEL

Acreage allocated this year was about **30% lower than 2021**.

Resultant – Jump in prices already seen from levels of 80/82, today to 125/kg – again depending on the quality (& Greenness) of the seeds. Indian Market is happy to pay the heavy premiums for the Greener materials. Overall barring some damage of Aphids in certain pockets, the quality is good and likewise not much change in the yields either. Crop last year was about 45,000 tons and we don't expect to see more than 37,000 tons this year . Trade is very bullish and are expecting prices to jump another 15/20% by the End of Q3. If this does happen then Export demand will take a plunge too, as trade will have other options to turn too.

My view: To cover at these prices – you don't stand to loose anything. Also quality is at its best at this time of year, so if you really need Indian Fennel this season – Why wait and increase risks .???



**FRESHLY HARVESTED
FENNEL DRYING UNDER
SHADE**

FENUGREEK

FENUGREEK HARVEST



Crop planting has been good and crop is safely harvesting also now. Prices have eased about 10% from the peak, and I expect to see these prices prevail now for the rest of the Season with minor fluctuations of about 5 – 8 % , either ways. It's a cheap commodity, so what do we gain from waiting anyways ???

CELERY

Planting this season was good, about **10% higher** and the crop seems to be shaping up well. Now that Winter is fading and there is a sudden spurt in heat. If temperatures start to get warmer in April, this comes with risk that this can attract Dust Storms, which can seriously affect the yields of the standing crops which harvest in End May. Just keeping our Fingers crossed now and hoping for the best. Some coverage of 2021 crop would also work as a Hedge now.



CARDAMOMS



Crop this year was about **15% higher** than last year and prices also did react a bit when the crop started to roll in. Prices are holding stable for now and should do so for the rest of the season. Ramadhan also starts very soon now, which is the period of higher consumption in the Middle East. This will keep the prices stable also with just some minor corrections now. Its a good time now to buy some quantities if you need for the next Quarter. Crop of 2022 will all depend on how the Monsoon shapes up after Mid/End April.

Finally, should you need more information on any of the other crops etc., please contact us on marketing@swanispice.com.

With Our Best Regards

Sincerely,
Kirandip Swani