

# Spices Market Report

NOV – 2021



## Ocean Freight



Europe - Congestion across Rotterdam's inland waterways continues to worsen where wait times on the Dutch waterway are now at 124 hours. Barges with containers on board again being left to stand idle for a week.

UK - The Port of Felixstowe has become severely congested as it struggles to cope with the volume of cargo. HGV driver shortages, the pre-Christmas peak, congested inland terminals, poor vessel schedule reliability and the pandemic, has resulted in a build-up of containers. The port's management has said that they are taking steps to improve the flow of traffic but is considering turning vessels away unless the situation improves. A knock on effect is being seen at London Gateway where they have shut the gates to some empty container flows after receiving an influx of boxes diverted from Felixstowe.

USA - One or more ocean carriers have issued notices stating that they wouldn't be able to take back empty containers. CMA CGM, Ocean Network Express, and Maersk also issued notices in September about the lack of available space for returning certain types of containers.

Asia - Container spot rates from Asia to the US are seemingly easing slightly, while short-term rates to Europe ticked up by a small percentage. It is reported that supply and demand restrictions and the subsequent freight rate correction will not occur until at least the third quarter of next year which is an updated prediction on the original timeline of Chinese New Year.

Canada - Vancouver port is experiencing serious congestion which has sparked concern that retailers could miss out in the peak shopping season. The port was hoping it could accommodate traffic from shippers looking to avoid the logjam at US west coast ports. The congestion is a knock on effect of the surge of imports experienced in late September where warehouses were filled and boxes piled up at marine terminals. Delays in vessel arrivals have not helped the situation where on-time arrivals have slumped to 16%, coupled with the lack of appointment slots for trucks has slowed down the flow of containers at the port.

## Air Freight



We have seen some airfreight rates climb by ten times in a single week, caused by the imbalance between supply and demand. Many airlines are now operating at nearly 100% capacity, which means airports are heavily congested.

USA - An increase on the number of freighters landing at major US gateways is putting pressure on every link in the supply chain. Covid bottlenecks are easing at Chinese hubs which has resulted in the number of freighters heading to the US quadrupling. Dallas and Los Angeles are seeing a particularly large increase of cargo, from two or three freighters a week to around 11.

## Road Freight



As the haulage crisis continues to cause havoc with supply chains across the country, the UK Government have announced an extra 2,000 training places in a bid to increase the number of lorry drivers. Candidates who choose to participate in the "skills boot camps" are guaranteed an interview post training.

This is backed by £17m of Government funding and goes some way to reduce the shortfall but is unlikely to have any effect before Christmas.



## COVID

Happy to report that the situation in India is getting better and better every day - What stood normally around 35/40,000 cases a day has dropped to 20,000/days.

India has now crossed the Landmark figure of 1 billion vaccinations for its Population.

Vaccinations continue to be given across the cross section of Society and hopefully by the end of the year, at least 60% will have been covered with the 1st Dose, and more than 40% would have also got the 2nd Dose. Safety Rules are still in place and being practiced by our Factory and Staff vigorously.

**COVID UPDATE FROM REGIONS WHERE OUR MAJOR SUPPLIES ARE :**

Sr. No	State/UT	Material coming from these states	Cases when lockdown happened in India	SWANI's safety No.	Cases as on 29.10.21	Swani comments with regards to crop	Top News	% of people given at least one dose	% of people fully vaccinated
1	Andhra Pradesh	Chilli, Turmeric, Tamarind, Pepper, Curry Leaf	13276	6638	4777	Stemless chilly supply may be affected	Active cases drop to 4.5K , the gov has decided to pay Rs 50,000 each to families of Covid deceased	60%	33%
2	Gujarat	Chilli, Turmeric, Tamarind, Pepper, Curry Leaf	18684	9342	173	No concern in supplies so far	Govt gives relaxations on the night curfew, it will now be imposed from 1 am to 5 am rather than 12 am to 6 am. This will come into effect from 30 October.	67%	29%
3	Karnataka	Pepper, Chilli, Cardamom, Ginger, Turmeric, Kokam, Coriander	49273	24637	8459	Stemless chilly supply may be affected	Slight increase in cases in Karnataka, 478 new Covid-19 cases, 17 deaths	63%	26%
4	Kerala	Black Pepper , Cardamom, Turmeric	31806	15903	77158	Despatches can be affected as incoming trucks are from Red Zone	The daily Covid test positivity rate last week came down to 10.44 per cent	73%	31%
5	Madhya Pradesh	Garlic, Coriander, Fenugreek, Nigella	26059	13030	108	No concern in supplies so far	Post-Navratri there has been rise in covid cases. 27 Covid cases in a day	64%	19%
6	Maharashtra	Turmeric, Chilli	502982	251491	23096	No concern in supplies so far	No fresh Covid-19 cases in nine of Maharashtra's 36 districts	49%	20%
7	Punjab	Celery Seeds	25855	12928	246	No concern in supplies so far	Only 30-31 cases in the last week.	50%	17%
8	Rajasthan	Coriander, Fenugreek, Fennel, Cumin	18146	9073	20	No concern in supplies so far	Active cases remain same as last week, vaccinations to open for under 17 children	58%	21%



## **CORIANDER:**

Prices have been holding steady and stable for a while Domestic demand has been more or less stable, which has kept the Market on an even Keel.

From our last report where we had said about lack of Rainfall. Fortunately, in Second Half Sept a lot of the deficit was recouped.

As the sentiment stands today for the 2022 crop details as below:  
Gujerat : Planting will be as same as last year .

Madhya Pradesh: At best we can expect that it will be similar to 2021 crop, because prices for other commodities are more remunerative.

Rajasthan : There could be a cut in acreage because now that there is good rains, farmers are more inclined to plant products like Mustard, Psyllium (Due to record high prices) and Chick Peas.

I am mildly bullish until the end of the year, but a lot will depend on the final acreage that gets planted this season. East European crop has been better than 2020, and prices have again started now to move up because bulk of their crop is already sold out now Prices today are at Par with Indian, so there is no incentive to import this.

## **CUMIN :**



As you also might have noticed that the prices have moved up about 8% from the bottom that it was sitting on.

Result of this was that farmers who were holding back part of their inventory are now happy to start selling again .

Rains were good in Second Half Sept so there is no issue on lack of water . Notwithstanding this, farmers are certainly looking to curtail acreage this season towards other crops like Mustard, Castor etc, which are more remunerative for them now.

(Mustard is a very low risk crop with good yields – Contrary to Cumin which is a very delicate plant )

I can't really predict much now because there is an overhang of inventory, but I would definitely look to see firmer prices around the end of the year, when the trade would have actually seen the reduced acreage, and market will turn Bullish too.

Stay covered is my advise to you all. At these reasonable prices, it's better to lock in your costs and inventory. IPM Cumin continues to be a serious challenge this season too.



### **TURMERIC:**

Nothing exciting to share – Market is holding at an even keel, and the planting too has been good this season again. Monsoon also has now withdrawn from the Country, so there are no Weather risks anymore for the crop for this season now. Prices are really at bargain levels so it would be a great idea to stay covered until FQ 2022.



### **CHILLIES**

Planting is definitely looking promising in South India, and we are hearing of increase acreages of anywhere between 15 to 30% depending on districts.

Karnataka should be ready to start harvesting in the next Fortnight or so, for the Low heat, and high Color varieties.

Madhya Pradesh : Whilst there was no Virus attack this year, the first picking was damaged due to prolonged Rains , so Farmers are hopefully for a better yield on the 2nd and 3rd pickings later in the year . Planting has been limited only to the High heat varieties this season, as it is more resistant to virus attacks.

Overall – No rush, no panic, just keep buying Hand to mouth till the end of the year and then we will review again in January, closer to the crop being ready to harvest. Just stay covered until the end of the year.



### **CARDAMOMS**

Crop was recently harvested, and reports are suggesting that the crop this year is higher by about 5000 tons at least.

Demand continues to stay brisk ahead of the Diwali Season too, and with No lockdown restrictions, we expect demand to be Robust this season. So given this season I can't see any decline in prices at least until the End of 2021, and thereafter all remains to be seen on the Supply & Demand . Prices off course are much more reasonable compared to last year, so I would not bet on still lower prices for this season too.

## FENNEL

Planting this year has taken a hit, because of a few reasons

- Fennel needs a lot of water and is a longer duration crop.
- Prices have not been very attractive to the farmers this season again.
- Prices of other commodities are more remunerative compared to Fennel as listed earlier on Cumin.
- Whatever planting we have seen, so far is progressing well and we are now hoping for a good and prolonged Winter which will improve the yields – but this is really up to Mother Nature, and Climate changes.

Stay covered and risk free.

## CELERY

Crop has been good in June and since then the prices have held stable and solid.

Demand has also been good that has assisted the market, but the Bulls were disappointed as they did not see any price rise this season. Farmers who had held back part of their crop are now happily selling as they have seen no price rise in the off season either.

Stay covered – Planting for 2022 will only begin in End Nov/Early Dec, when we will know what the farmers have actually done in terms of acreage allocation to Celery.

## FENUGREEK

Due to good rain and attractive prices, farmers will be inclined to grow more Fenugreek this season. How the crop will Fan out in Early 2022 remains to be seen, but there is no Rush to cover as prices are stable and likely to stay this way for the coming months now.



## GINGER

Whilst the crop this Year was very good, prices this season remained stable and sensible, (probably about 40% lower than 2020). There is still an overhang of carryover stocks of about 5000 tons still. New crop planting for 2022 will certainly not be lower than the current year, so I expect that prices will remain steady and stable at least for the first half of 2022. There after all demands on how our Winter fans out which determines the Domestic consumption, and Export demands will be the other factor to see which will determine the trend of pricing, - Either stable or slightly upwards. No reasons for any Alarm either - just stay covered until End 2021 and be happy.

Whilst I have tried to cover most of the Major commodities, should I have missed something - please feel free to ask.

We are always here to serve you.

Also don't forget to check ISC 2022 details at below link.

More details to follow from us !!!!

<https://www.internationalspiceconference.com/>



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always wins*

*Have a Happy, Healthy,  
and Flavourful Diwali!*

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Wishing you and your families a very Happy Diwali and Prosperous New Year !!!

With Best regards

Kirandip Singh Swani  
Managing Director