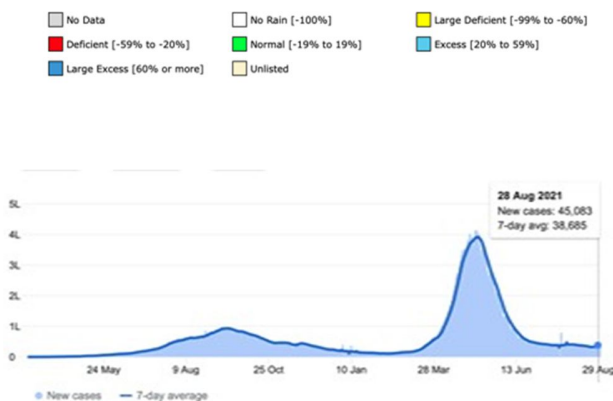


Spices Market Report

SEPT – 2021



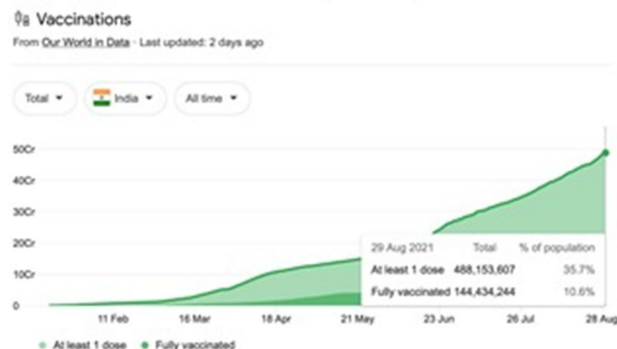
COVID 19 = 2nd Wave



In the last few weeks cases were declining, but now again we are starting to see a slight jump again. Whether this is just an Anomaly or is this the beginning of the 3rd Wave – only time will tell. Kerala continues to see a *high Number of cases even today*.

New Safety Guidelines of Social Distancing also brings its own constraints and challenges.

India Hit a World Record with over 10 million Vaccine Doses in a Single Day.



Shipping Rates to stay Sky High.
No short-term relief.

Container shipping on track to **\$100 billion** 2021 profit: Drewry

News & Analysis

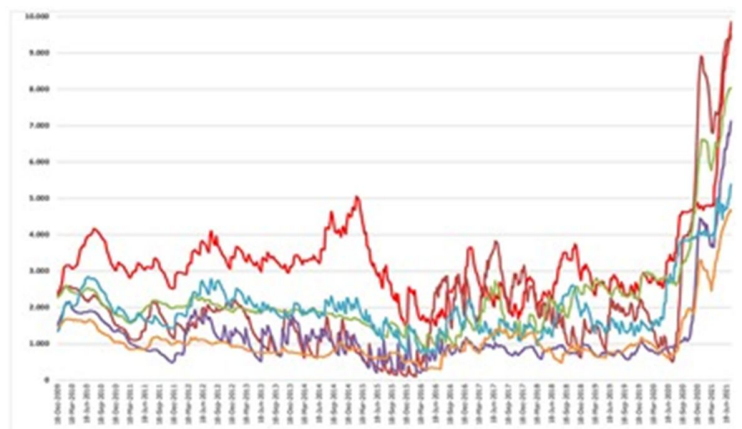


CMA CGM latest carrier to predict continued congestion amid record earnings

27 Aug 2021

Carriers expect another increase in profit in the second half of the year as a lack of available vessel capacity and port and landside congestion, particularly in North America and Asia, continues to push rates up.

In a major upgrade to its *\$35 billion forecast* of earnings before interest and taxes (EBIT) *made in March*, the shipping research and consultancy firm said spot and contract rates through the second quarter reached record highs, with worsening supply chain disruptions continuing to stoke prices.



Dear Friends,

We hope that you are keeping well and healthy. Unfortunately, the News is not very good in some Spices.

Let's address the **Bad news** first.

What is of serious concern to us today is that our Critical Growing areas, which lie in North Gujarat, and West Rajasthan have had NO Rains this Monsoon season and in Western Rajasthan this is the 2nd consecutive year of no rainfall. Water Tables which used to be around 600 ft, for the Bore Wells have now touched 1100 ft.

Now, I would like you to also see the Factual position from the above Rainfall map which I have just downloaded today from the Indian Met. Dept.

This is a Govt controlled Body, who tends to downplay the Bad News, but if you were to look at the Sky met chart it is more realistic.

Prices of these commodities across the Board have shot up in the recent 10 days, by about 20/25% and the market and NCDEX Exchange is in the firm grip of the Bulls, who have all the factors playing out in their favor now.

Just wanted to forewarn you to expect to see higher prices in the coming days and weeks.

Freights also surging on one side and commodity prices too running up. Just to outline to you the crops are their growing areas which we need to be concerned about.

CORIANDER:

Growing Areas are East Rajasthan, Madhya Pradesh and Gujarat. (Drought affected regions)

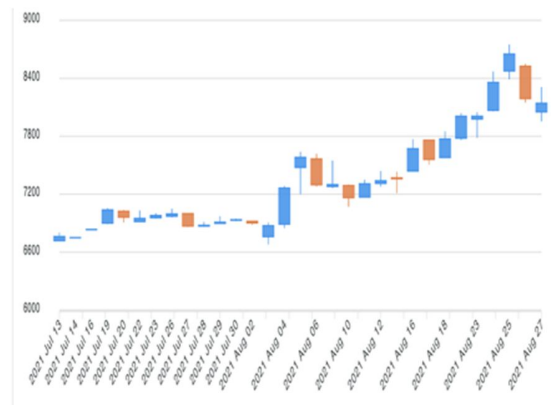
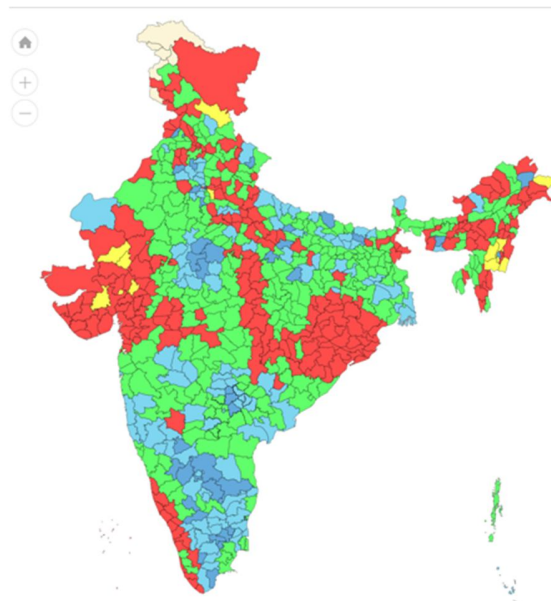
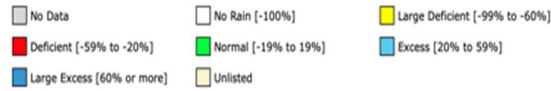
In July we told you that the prices had not moved much because of the total production. Situation has turned...

No Rains as we are now coming into September, which is the end of the Monsoon Season. Prospects for the 2022 planting are looking bleak. Carryover stocks will now go into strong hands who will not sell until they reap good profits.

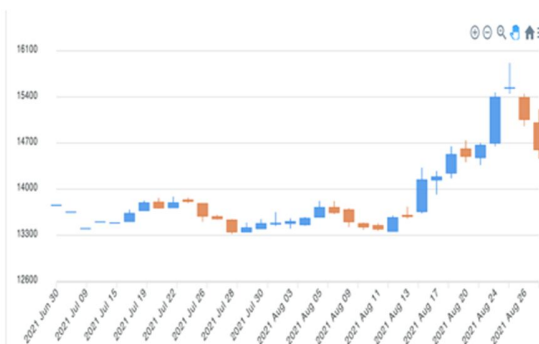
EXPORTS also have shown a good rise to about 57,000 tons against 47,000 tons last year. On the other side, Prices from East Europe have dropped with the advent of their new crop, so Imports into India are very likely to happen.

On the planting side, farmers options for other crops and Coriander are much lower down the priority which is as follows Mustard, Chickpeas, Wheat, Coriander. Reason for this is that the above crops are Hardy, and the farmers believe that in years of lower rainfall – the Winter is more Severe, and this means Dew and sometimes Frost like conditions – so options are always for Sturdier crops.

Overall, the sentiment is bullish and you are well advised to please extend your coverage now. Prices have jumped already from INR 60 to now 74 and I won't be surprised if it crosses 85 before November.



CUMIN:



Grows in the Regions of North Gujarat and West Rajasthan. (Drought conditions prevail here). Markets are taking the Cue from lack of rains and have brought back the Bulls. Markets have risen from the low of INR 135/kg to now 148/kg (ex-market for conventional products). Long term on the NCDEX Exchange the forwards are quoting at Premiums, which is reflecting the current mood of the Trade.

Exports have also jumped to about 300,000 tons this year against 215,000 tons last year which is a jump of about 85,000 tons. Fortunately, at the low price also farmers just sat on their produce and did not sell. Now, with the increase in prices Farmers are starting to slowly release their stocks, so the supply line will remain adequate for the near term.

Overall, the sentiment has changed, so coverage is recommended. What the planting scenario will be in December is a big guess.

The only positive I see is that in Sparse rain years, farmers' choices are limited only to Cumin. The negative also is that in 2022 sourcing of IPM Cumin will become a very serious challenge too.

FENNEL:

Grown in North Gujarat and South Rajasthan is Drought affected Region. Prices have already jumped up a lot, because the crop was also smaller than 2020. Sure, enough the market prices did move up, and from the low of INR 65/kg, which came up and stood for a while at 72/kg the market has jumped up and today we are looking at a rate of Rs 92/kg. Personally, I think that the market has now seen whatever jump was anticipated and prices should now hold at the current levels. Whether, the overall bullish sentiment will fan the prices further remains a big question now. Strongly suggest Caution, and sufficient coverage at least for the next 6 months or so. Exports this year are up at. 32,000 tons against 24,000 tons last year.



New crop 2022.

Growing seedlings in Nurseries is common and often gives the best quality. However, post transplanting into the soil and due to the lack of rain & high temperatures, growth has not been very good. It has rained over this weekend (while I was writing this report). Due to this rain, some recovery will take place however, how much is too early to comment just now. Rates have been good during the sowing seasons, so farmers were positive about planting Fennel as per our last survey. Acreage will not fall in our areas however, yields may be lower this time. The recovery will depend on the winter seasons.

FENUGREEK:

Grown in Rajasthan and Gujarat. (Again, the drought affected Regions) Similar story as above. Bulls have taken their cue from the facts This year the crop was lower and now with the lack of Rains, there is every likelihood that that planting also will take a serious hit in 2022.

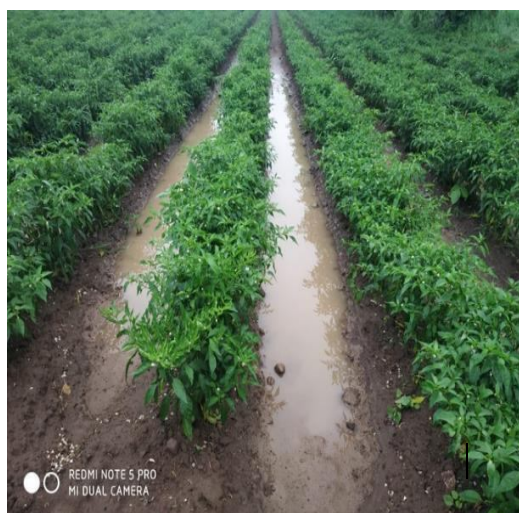
Prices which were around 62/kg at the start of the season have now touched levels of. 82/kg, and personally I won't be surprised if this also touches around 95/kg by November.

Please take coverage and stay protected at least until End of the year. There is really no down side factors on this commodity for now.

Grown Eastern Rajasthan and Gujarat. (Partly drought affected)
Again, prices here have not jumped a lot, but again this is a smaller crop, and probably on the Radar of the Bulls because it is not really a large commodity - Not listed on the NCDEX so not really visible to them. Nevertheless, I would consider that you take coverage now and protect yourselves. It is a cheap commodity and there is no downside risk either.

ON THE GOOD SIDE

CHILLIES:



Rains in Andhra and the surrounding regions have been very satisfactory, and with the prevalent prices the farmers are likely to increase acreage on Chillies, so I would hope that at the End of the year, we could see some softening of prices.

Stay covered for your needs until the End of the year and then wait and watch to see what transpires with the planting on how it progresses and the market prices too. There is no panic so cover on need basis for now.

MP – Chilly survey done shows higher planting of 15% – 20%. Overall weather conditions are good; however, the lack of rain was beginning to tell on the plants. The recent rainfall will have a positive impact on the chilly plants and bring back some of the lost smiles on the faces of our farmer's friend. Last year in September the crop was hit with a virus attack, due on account of poor weather. If the cool temperatures post the monsoon continues, things will be looking more under control.

TURMERIC:

Likewise, the Turmeric growing Belts have had good rains and we should also see another good crop in 2022, which will keep prices now on a Even Keel till the rest of the year.

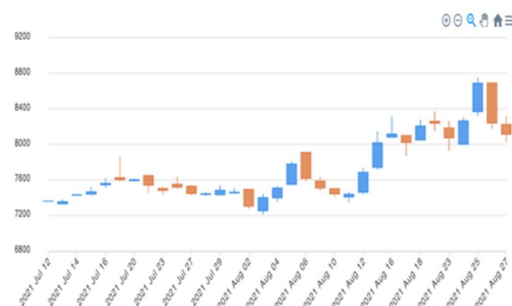
Erode region will definitely see a higher acreage, and about 50% more crop compared to 2021.

Planting in Maharashtra has also been good, because of sufficient rains.

Likewise in the Nizamabad region the rains have been good, so planting will definitely not take a hit either.

Whilst there are all kinds of stories to be heard of the higher planting in different growing belts, I would definitely like to wait and see how their crops now develop.

Keep yourself covered, and whilst I don't see a down side until New crop in March 2022,(If at all) there is a limited upside , although speculators might try to bump up the prices, but it won't sustain in the long term .





GINGER:

Crop in 2021 has been very good in Karnataka. Unfortunately, a lot of the Main areas of Kerala have moved away for. Ginger to Pineapple plantations, and this slack has been taken up by the farmers in Karnataka.

Recently we have seen some planting In Maharashtra also, but this product lacks the Pungency compared to Karnataka ginger. There are still plenty of stocks lying in Karnataka so I don't see prices running up until End of 2021 also.

How the planting for 2022 will fan out is a good question, because prices have fallen from 200+ to levels now in the 130/140 range depending on the quality. How this will impact the Minds of the planters is yet to be seen when the planting starts to take place in a couple of weeks' times.

Rains have been very good in Karnataka, so this is a positive for the region going forward.

CARDAMOMS:

Harvesting will start shortly now. Planters are claiming that due to the untimely Rains in May, there was some damage to the panicles, which broke off.

Generally, the trade is saying that the 2021 crop will be about 25% lower than 2020, but personally, I would like to wait and watch the tempo of arrivals to make a somewhat educated Guess.

Prices on the other hand are considerably lower than the Peak of Each 2020.- Almost down by 50%. Now comes the big question that for the festival season which commence in a couple of weeks in the Country, will the demand be higher, as price are more reasonable and affordable, is the big question, which only time will answer.
Stay covered for the near term, is our suggestion.

Celery:

Market is holding steady, and there is a steady demand which is keeping prices at the current levels now. There is a serious challenge this year on getting. IPM Celery, but our Agri Team is working hard to try and collect larger quantities from the current crop.

Finally, I am sorry not to be the bearer of these tidings, but its best to keep you informed on time.

We are always at your Service. Stay protected and Stay Safe.

Kirandip S Swani
Managing Director



Sustainability & Zero Wastage Program: *From the CEO's Desk.*

We are also happy to announce that some of our customers have joint hands under our banner of The Green Footprint, participating in community upliftment programs where in trainings on Good Agricultural Practices have been implemented.

A small personal note from my travels this time, which is close to me personally.

In a year when water is freely available nobody wants to spend money, resources or even spare a thought to conserve water. However, year 2020 we have all seen the effects of excess rainfall in one side & the scarcity of rainfall on the other.

Undoubtedly, we are unable to change or control the weather. What we need to do on a continued basis is to conserve water, irrespective of the year having adequate or poor rainfall. Using the best methods of irrigation i.e., sprinkler or drip, adequate focus must be given to these methods. All our programs are currently on sprinkler or drip irrigation techniques.

An appeal to all our readers, customers & friends to be their own life.

Any further information required on the above or any other commodities – please feel free to write or ask us.

With best wishes for your Good Health, Stay Safe.

