

SPICES

July 11- July 16, 2005

Overview:

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- **Indian Spices Exports Declined in April-May**

News Highlights:

Pepper Prices may Rise Globally Next Year

Black pepper prices may go up next year in anticipation of lower production in Vietnam and India, reported trade sources. Lower production in the two major pepper producing countries may result in short supply in the global market, though there is a glut situation at present. Plantations in Vietnam, especially in the Central Dak Lak province where the major chunk of pepper is produced annually, have been affected by quick-wilt disease. Even if till now the loss in production is not quantified, it may affect the crop seriously. Kerala also had an attack of the same disease a few years back, causing serious damage to pepper plantations. The disease destroys the plant completely, re-planting being the only solution. Harvesting season in Vietnam will begin by January 2006 and effect of the disease will decide the course of action in the pepper market next year. Total average production in that country is 85000-90000 tonne, which is the largest in the world. India too may face a production loss in the next season. The break down in prices has affected pepper cultivation badly in the current year, since the growers have not taken the crop seriously. During the year, the average price has been Rs 6500 a quintal. Three major exporting companies have decided to take stock of the situation and a high-level team of these players will pay a visit to the production centers next week. Meanwhile, Vietnam had exported 55000 tonne during the January-June 2005 period and its stock would be around 35000 tonne now. At present, the global market situation is advantageous to India as the prices are at par with the international level. The current domestic prices are \$1450-1475 per tonne. The prices in Indonesia and Brazil are almost at the same level. Exporters also reported that, the demand is up from countries such as Poland, Germany, Australia and Canada. The monthly average export is to the tune of 750 tonne, including around 500 tonne value added products.

Chilli prices declined sharply in TN due to higher arrivals, grim demand

Favourable weather conditions i.e. timely and adequate rainfall in AP and Tamil Nadu, resulted in higher arrivals and huge stocks of red chillies, have pushed down prices in the Tamil Nadu market. The prices of the Guntur, Ramnad, Parikai and Byadgi varieties in the Chennai market for July declined 30-40% compared to the previous year, according to a study conducted by the domestic and export market intelligence cell of the Tamil Nadu Agricultural University(TNAU). Sources say that the direct procurement operations being undertaken by the Tamil Nadu Co-operative Marketing Federation (TANFED) are not expected to make much of a difference to the overall price scenario. Due to heavy rains in the harvest season in Ramnad, the main cultivation area, quality has deteriorated substantially. The chillies from this area will fetch very low prices. As most of the arrivals during the current season were of 'second-grade quality', they would not get a remunerative price. Due to this, many farmers in Ramnad, Vilathikulam, Kovilpatti and Virudhunagar centres are demanding that the grading system be done away. Nearly 70% of the state's requirement is met by the Ramnad Gundu variety while the Guntur Sannam caters to about 20% of the needs. Market sources have confirmed that more than 65 cold storage godowns in Guntur and over 10 godowns in Tamil Nadu were filled with red chillies. About 60 lakh bags (20 kg each) were being stocked. Large stocks of chillies procured by the Andhra Pradesh government as part of the price stabilization policy were lying in these godowns. While the prices were around Rs 30 per kg during the last season, it is now ruling at Rs 15-20 per kg. So, the traders and government are not able to clear the mounting stocks. All the cold storage facilities in and around major markets are filled with chillies causing the prices to crash. Even chilly exports are not picking up in the state. Export prospects to Sri Lanka are bleak due to the uncertainty following the tsunami disaster and those to Bangladesh slowed down because of good arrivals from nearby states. The study commissioned by the Centre for

Agriculture & Rural Development Studies of TNAU predicted that there would be no upward price movement in the forthcoming season.

Cardamom Auctions Commence with Good Domestic Demand

Cardamom auction for the current season started earlier this year on July 7 following advancement of harvest due to early crop. Early rains in May have advanced the crop and fresh green capsules have started arriving in the market. At the first auction at Bodinayakannur, 3.5 tonnes of cardamom arrived while at Vandanmedu on July 8 it was nine tonnes. At Bodinayakannur on July 11, Nedumkandam on July 12 and Kumily on July 13, the arrivals were 4 tonnes, 7 tonnes and 30 tonnes respectively. The total arrivals stood at 53.5 tonnes, of which 51 tonnes were sold. Buyers were active as there is demand from north Indian markets picking up. The green bold capsules fetched Rs 10 more on Wednesday, auction sources at Kumily reported. Maximum price of the present bulk was Rs 470, while minimum was Rs 196 a kg. The average price at individual auctions ruled between Rs 241.84 and Rs 285.40 a kg. Export buying was negligible with around four tonnes from the Kumily auction. Exporters were found to be inactive probably because of the high price, which made the commodity un-competitive in the overseas market with Guatemala cardamom. Spices Board sources said that Normally, for official accounting the cardamom season is from August to July, this year, the favourable weather conditions that prevailed in the growing areas have advanced the crop and the season. Total arrivals as on July 14 stood at 53.5 tonnes and of which 48.33 tonnes were sold. During the same period last season the arrivals stood at 57.62 tonnes while the sales were at 53.51 tonnes. The over all weighted average price was 302.80 a kg as against 361.19 last season. Market sources said that, the prices of graded varieties as on July 9 were AGEB Rs 365 - 375, AGB Rs 280 - 290, AGS Rs 260 - 270 and AGS 1 Rs 250 - 260 a kg. The prices had moved up by around Rs 20 a kg in the subsequent auctions. The main cardamom belt in the country in Kerala's Idukki and Wayand districts is receiving good southwest monsoon this year and if the favourable weather prevails the crop would be good taking the total production to last year's level of around 9000 tonnes in Kerala. According to trading sources, the crop in Karnataka is estimated at around 2000 tonnes.

FTA/PTA Misused for Spices Dumping

Free Trade and Preferential Trade Agreements (FTA/PTA) between India and its neighbours from its inception misutilized by member countries. Spices that are not even grown in these countries are landing here as produce of those nations. Spices qualified for import under FTA/PTA such as pepper, cardamom (small), clove, star anise etc, are arriving in the Indian market as produce of Nepal, Pakistan and Bangladesh, despite the fact these are not produced in these countries. Meanwhile, Sri Lanka is allegedly shipping pepper in quantities over and above its production levels to India under the FTA. Such imports are depriving the country of revenue and the growers of remunerative prices, besides negatively affecting the trade. Official sources reported that, the Import of cloves had come to the notice of the Spices Board late last year when the Kochi Customs detained a consignment of 24 tonnes of cloves imported from Pakistan by a Bangalore-based company, suspecting its country of origin, and sought clarifications from the Board. It was confirmed later that

cloves are not grown in Pakistan. In similar manner cardamom (small) is arriving from Nepal and Bangladesh as their produce. Indian traders who import such commodities for domestic consumption from their neighbours get 90 per cent concession on the 70 per cent duty imposed by the Government. Given this scenario, the time has come now that import under FTA/PTA from the neighbouring countries should be limited to their produce and any thing other than this should not be permitted under the trade agreements. Besides, the concerned notified agency needs to be advised not to issue the country of origin certificate for export under FTA/PTA. Another tactic to deprive the country of the revenue is the under valuation of the spices imported under OGL. Based on reports, even the Spices Board had suggested to the Union Commerce Ministry to fix import tariff instead of levying the import duty on c.i.f value of the import consignment on similar duty structure the country has for importing almonds. According to official sources, during April, it was reported that Mumbai customs had cleared around 22 tonnes of cardamom at Rs 88.98 per kg and Tuticorin customs had cleared around 22 tonnes at Rs 82.31 per kg as against the average auction price of Rs 300.84 a kg during April. More consignments (small cardamom) were also cleared at very low price from other ports viz, Kochi and Nhava Seva during April and May. Hence, the Board had suggested that the average auction price be taken as the base price for levying the import duty. Official sources also told that, a Delhi-based company had imported 303 tonnes of cloves and 206 tonnes of steam cloves through the Kochi port from March 15 to June 29, 2004 under Advance Licence scheme. The value of 103 tonnes of cloves imported through this port during June 22-29, 2004 was assessed as per bills of entry and that came to around Rs 1.39 crore. The value of the produce given in the invoice was Rs 74.92 a kg and at a normal duty rate of 70 per cent, the import duty amounted to Rs 52.44 a kg. However, under concession, the importer has to pay only at Rs 5.25 a kg. At this rate, there was a tax evasion of Rs 11.32 lakh. The lacuna in the policy is that when grading, simple cleaning, re-packing of the imported spices under Advance Licence Scheme requires only 30-45 days. And yet, permission has been given for a period of 180 days for fulfilling the export obligation that too with only positive value addition, which disturbs the domestic market for spices. Therefore, they urged the authorities that a minimum period may be considered for fulfilling the export obligation. Meanwhile, a Delhi based company not registered with the Spices Board had imported spices under Advance Licence for value addition and re-export violating the EXIM policy provision. The Board had initiated action against the company, as under the policy provisions. There is a rule in this context that, any manufacturer, who wishes to process clove oil/cassia oleoresin/masala should obtain a manufacturing capacity certificate (after assessing the processing facilities) from the Spices Board for import of these under the Advance Licence Scheme.

Black Pepper Imports From Sri Lanka Affecting Domestic Market

Black Pepper prices continued to decrease on flooding of the domestic market with imports from Sri Lanka under the FTA in recent months. Imports during January-May 2005 stood at 7526 tonne as against 5654.18 tonne in the same period last year, registering an increase of 33.11 per cent. It was 3470.62 tonne in January-May 2003. If this trend is any indication, the imports in January-December 2005 would cross 20000 tonne as against 15923.87 tonne in 2004 and

11877.65 tonne the year before, according to market analysts. The Government intervention did not arrest the price fall. The current monthly domestic demand of around 3000 tonne, which used to come to Kerala is met by Sri Lankan supply, while the Coorg region has been meeting the remaining demand of about 1500 tonne a month. As the Sri Lankan production, projected to be about 17000 tonne this year, has reached its full swing, the island nation has reduced its price of 550 GL to \$1175 a tonne for July second-half shipments, i.e., Rs 50 a kg delivered anywhere in India. In fact, the pepper imported at this rate is sold in the markets here at the prevailing domestic price, they alleged. The North Indian centres such as Indore, Delhi, Mumbai, Jaipur and Jalgaon were receiving Sri Lankan pepper in substantial quantity. On Saturday, spot prices for MG 1 and un-garbled were Rs 6000 and Rs 5600 quintal as against Rs 6100 and Rs 5700 a quintal respectively on July 2. The futures prices also continued its declining trend. July shipments were offered at Rs 5843 a quintal on Saturday against Rs 5993 on July 2. August Rs 6021 (Rs 6176), September Rs 5990 (Rs 6144), October Rs 6192 (Rs 6351), November Rs 6329 (Rs 6491) and December Rs 6328 (Rs 6490) a quintal. There is no selling pressure here. Supply in Kerala is tight, as the growers do not want to sell at the current price levels," Mr Kishor Shamji, President, India Pepper and Spice Trade Association (IPSTA) reported. He also told that, the farmers here are able to hold 15000-20000 tonnes of pepper. The total availability in the country, with a production of 70000 tonne and a carry forward stock of 10000 tonnes, would come to 80000 tonnes. Of this, an estimated 55000-60000 tonnes of black pepper is easily absorbed by the domestic market leaving a balance of 20000-25000 tonne. While the farmers are holding around 15000 tonnes, an estimated 12000 tonnes of pepper is lying in the Central and State warehouses for several months. Thus, the demand is, in fact, larger than the availability indigenously. Hence, if the demand and supply position were to determine the price then the domestic price should not have fallen. But, it is happening because of the dumping of the Sri Lankan pepper in the market. The requirement of the oleoresin industry in January-May 2005 might be around 3000 tonne and in that case over 4500 tonne of pepper must have been imported for positive value addition and re-export. The market sources alleged that matured pepper was landing under the brand light berries, which had been entering the domestic market. As several episodes of imported pepper being sold in the domestic market and re-export of Indian pepper as value added imported pepper had come to light last year, ruling out such practices again might become difficult. Meanwhile the international market remained almost inactive. Some export buying, albeit negligible, was there to meet the demand from certain selected pockets overseas. Brazil, which was offering June/July shipments at \$1475-\$1500 a tonne has reportedly quoted \$1375-\$1400 a tonne for September-November shipments. Indonesia was quoting \$1400 a tonne, while Indian parity was \$1475-\$1500 a tonne. Virtually, there is no demand from overseas as the major players are waiting for the price to drop further.

DGFT Calls Meet on Cheap And Illegal Spices Import Issue

The Directorate-General of Foreign Trade (DGFT) is planning to convene a meeting soon to resolve the issues pertaining to cheap import of spices under the cover of advance licence and FTA, following charges of free flow of such materials from countries where they are not grown.

The situation was reviewed at a recent meeting chaired by the DGFT, KT Chacko. It was decided to hold a meeting soon which would involve the Spices Board, the commerce and finance ministries and members of the spice industry so that some concrete decisions could be taken, a top commerce ministry official reported. While it had been proposed that a cap be fixed on import of pepper from Sri Lanka under FTA as there were fears of cheap materials from other places finding their way to India via the Lankan FTA route. A DGFT official told that, it is learnt that the meeting was not in favour of imposing such a limit as 'it goes against the spirit of the agreement'. Among those who attended the meeting convened by the DGFT included officials at the joint secretary level from the commerce ministry, the revenue department and the customs. Several organizations, including the India Pepper and Spice Trade Association (IPSTA) and spice exporter forums had made representations to the commerce ministry earlier as cheap cardamom, pepper, cloves and cinnamon were flowing in from Nepal, Bangladesh, Bhutan and Pakistan, where these commodities were never grown. It had been alleged that these materials were entering the domestic market and pushing down prices. The Spices Board had earlier taken up this issue alleging there was every possibility of the cheap Guatemalan cardamom coming into the country from neighbouring ones. It would not only enter the domestic market but would get mixed in the material exported, thereby tarnishing the country's image. It had recently been told to the commerce ministry that 1209 tonne of cardamom, 774 tonne of pepper and 2432 tonne of cloves had gone to Nepal through the Kolkata port. This could surely have entered the domestic market. According to official Information, the total import of pepper into the country during the last fiscal was 17725 tonne, of which 4865 tonne was from Lanka, 2123 from Indonesia and 10101 from Vietnam. The total demand of the oleoresin industry, the main consumer of light berry pepper, that is not available here, is estimated to be around 7000 tonne. While the industry had been claiming that it favoured Lankan material, there is a view that it could go in for cheaper varieties from Indonesia or Vietnam. The meeting to be convened would consider demands like imposing a quality parameter for import from Sri Lanka based on PFA standards. Strict country of origin certification could ensure that such spices, never ever grown in countries like Pakistan or Nepal, entered the country. The meeting was also expected to look at setting up a short time limit as also a value addition level while fulfilling the export obligation for imported material.

Cardamom Prices Touching Bottom Level at Start of Auction Season

Cardamom auction season has begun on a bottom level of prices. The first of the auctions for this season was held by the Cardamom Planters Association (CPA) at Bodinayakanur in Tamil Nadu where the average price fetched was Rs 241.85, much lower than the Rs 320 fetched during the start of the last season. The auctions this season have been advanced by a month owing to the early pickings. The well-distributed rains towards the end of summer had helped in an early harvest and the resultant early auction season. Indications are that the production this year will be slightly higher than last year's 11451 tonne, though official estimates are yet to be made. The auction at the Kerala Cardamom Processing and Marketing Co-operative (KCPMC), Kumily, is to begin on 13th July and that at the Cardamom Marketing Corporation at

Vandanmedu on Saturday. The auction at STCL in Bodinayakannur is scheduled for Thursday. The offer at Monday's auction was just 4000 kg and the highest price fetched was Rs 241.85 a kg and the lowest Rs 111. Sources at KPCMC said the arrival for the Wednesday auction was expected to be around 15000 and 20000 kg. Arrival at CMC would be in the 25000-30000 kg range. Another 4000 kg was expected to be offered at the STCL auction at Bodinayakannur. Market sources told that, a better flow was expected after a gap during the first three to four weeks. During the start of the last auction season the average ruling price was Rs 320 a kg. However, the present price was around Rs 270 and the price of Rs 241 fetched at the first auction of this season showed a declining trend, mainly on account of lower demand. Flow of cheap Guatemalan material coupled with little enquiries from outside buyers is said to be the cause for the fall in demand. With the crop situation better, the total crop was estimated to touch the 11500 tonnes level. However, this would be lesser than the crop of 11580 tonnes in 2003-04 and 11900 tonnes in 2002-03.

NMCE Launching Futures in Ginger, Arecanut, Bold Pepper and Maize

The National Multi-Commodity Exchange of India Ltd plans to introduce futures trading in four new commodities soon. This includes arecanut, maize, dry ginger and bold variety pepper. Mr Kailash Gupta, Managing Director, NMCE, reported that, the new commodity contracts would be introduced within a month's time. NMCE was working on the modalities of launching new contracts. The futures trading in these commodities would pick up without any major efforts. All the four new commodities are grown and traded extensively in Karnataka and Kerala. Karnataka is the largest producer of arecanut and accounts for close to 50 per cent of the country's total annual output of around five lakh tonnes. Though ginger is predominantly grown in Kerala, the cultivation has picked up in Karnataka off late and is largely confined to the southern districts of the State.

The bold pepper variety again is largely grown in Karnataka, whereas the State was also among the largest grower of maize. Mr Gupta said about 63 commodities were currently traded on NMCE of which around 20-25 of them were actively traded. NMCE is also considering the launch the south delivery contract of gold. We are awaiting approval from the Forward Markets Commission for launching the gold futures with Bangalore and Cochin delivery. Mr Gupta also said though the proposed directive from the Forwards Market Commission to make delivery mandatory would impact the volumes on the exchange, it was good for the futures trading in the long run.

Indian Spices Exports Declined in April-May

Supply pressure from other origins seems to have pushed down the exports of chilli, coriander, cardamom etc in April-May 2005-06 compared to the 2004-05 same period. Export of chilli had dropped to 22000 tonnes valued at Rs 75.90 crore from 26762 tonnes worth Rs 98.42 crore in the same period last year. Export of coriander fell to 5250 tonnes worth Rs 13.86 crore from 9017 tonnes worth Rs 20.58 crore. Celery, fennel, fenugreek, other seeds, pepper, cardamom, mint products are some others that showed a decline. However, export of garlic went up sharply to 3850 tonnes in April-May 2005-06 from 227 tonnes in the same period in 2004-05 on short supply from other producing countries. Turmeric, in which India has a monopoly, maintained its upward trend. Mr Thomas Philip, Chairman, All India Spices Exporters Forum reported that Improvement in chilli production in China this year has resulted in the drop in chilli exports, as its price is on declining trend buyers are waiting for it to fall further. He also told that a good crop in other producing countries hit coriander exports from India. Oleoresins and spice oils exports rose to 925 tonnes in comparison to previous year 904 tonnes for same period. The total exports in the first two months of this financial year declined to Rs 350.19 crore from Rs 389.68 crore in previous year.

India Spices-Export Sales Summary

(Metric tons)

Name of the Spices	2003-04 Apr-Mar	2004-05 Apr-Mar	Apr-May 2004-05	Apr-May 2005-06	Apr 2005
Pepper	16,700	14,150	2,300	2,200	1,100
Cardamom (Small)	690	650	90	70	40
Cardamom (Large)	800	950	130	210	135
Chilli	81,500	138,000	25,000	22,000	9,500
Ginger	5,000	13,000	350	950	500
Turmeric	34,500	43,000	10,500	9,500	5,000
Coriander	21,000	33,750	9,250	5,250	2,750
Cumin	6,700	13,750	1,500	1,500	1,000
Celery	4,400	4,100	475	400	250
Fennel	5,200	7,100	2,550	1,250	750
Fenugreek	7,500	13,750	2,600	2,950	1,750
Other Seeds*	10,000	11,100	5,500	2,950	1,750
Garlic	3,500	2,250	200	3,850	3,100
Nutmeg & Mace	1,450	1,250	115	230	130
Vanilla	26	38	8	6	3
Other Spices**	24,000	16,000	3,250	3,750	2,250
Curry Powder	7,600	7,750	1,350	1,200	550
Mint Oil	11,250	9,300	1,900	1,350	600
Spice Oil and Oleoresins	4,750	5,600	900	925	450
Total	246,566	335,488	67,968	60,541	31,608

* Include Aniseed, Bishops Weed (Ajwanseed), Dill Seed, Poppy Seed, Mustard, etc.

** Include Tamarind, Asafoetida, Cinnamon, Cassia, Kokam, Saffron, etc.

Source: DGCI&S data and India Customs

Domestic Prices For the week ending 02.07.2005:

Spice	Grade/Variety	Market	Price For The Week (02.07.05) (RS/KG)	Price For The Week (25.06.05) (RS/KG)	Last Month Same Week (04.06.05) (RS/KG)	Last Year Same Week (03.07.2004) (RS/KG)
Black pepper*	Malabar garbled (mg-1)	Cochin	61.75	62.83	63.42	72.85
Cardamom (small) (auction price)	Ungraded	Vandanmettu	259.83	No Auction	301.19	335.57
Cardamom (large)	Cardamom (large)	Gangtok	90.00	91.25	62.50	103.75
Chilli	Cold storage non -cold storage	Guntur	10.00	22.30	-	28.00
			16.00	15.50	-	21.00
Ginger	Unbleached (new)	Cochin	120.00	120.00	120.00	150.00
Turmeric	Alleppey finger (aft)	Cochin	50.00	50.00	50.00	55.00
	Rajapuri	Mumbai	51.25	51.25	50.50	56.50
Coriander	Indori 5%	"	18.63	18.38	17.88	18.25
Cumin	1%	"	70.63	71.63	65.63	80.00
Fennel		"	55.00	50.63	53.75	45.00
Fenugreek	No. 1	"	15.50	15.63	14.50	15.63
Garlic	Medium	"	14.75	13.00	12.50	22.50
Clove	- Grade 1	Cochin, Nagarcoil	219.16	220.00	220.00	228.33
			245.00	250.00	230.00	245.00
Nutmeg	With shell	Cochin	75.00	75.00	85.83	82.50
	With out shell	Cochin	132.00	132.00	147.50	142.08
Cinnamon		Delhi	47.50	47.50	47.50	52.00
Cassia		Chennai	52.50	52.50	51.50	51.00

International Spot Prices for the week ending 01.07.2005:

Spice	Origin/Grade	Market	Price For The Week (01.07. 05) (US\$/TON)	Price For The Week (24.06. 05) (US\$/TON)	Last Month Same Week (03.06.05) (US\$/TON)	Last Year Same Week (02.07. 04) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1698	1698	1698	1720
Cardamom * (small)	Fancy green Indian Asta (8 mm)	New York, Saudi Arabia	8820	8820	8820	9922
			9760	10630	10350	11540
Chillies	Indian sannm-4 (stem less)	New York	1213	1213	1213	1411
Ginger	India cochin	New York	3418 (*Future)	3418 (*Future)	3528* (Future)	4410
	Chinese peeled	New York	3087	3087	3198	2095
Turmeric	Indian ground India	New York	1213	1213	1213	1213
	Alleppey finger		2051	2051	2051	1985
Garlic	Chinese	New York	1874	1808	1632	1125
Coriander	Canada	New York	772	772	772	816
Cumin	Syrian India	New York	1810	1810	1764	2029
			2029	2029	2029	2183
Fennel	Indian Asta Egyptian	New York	1411	1411	1411	1213
			1367	1367	1367	1257
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	3859	3859	3859	3638
			7166	7166	7166	7717
Cassia	Vera c/w a volatile oil content	New York	1455	1455	1455	1455
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	4630	4630	4630	4630

Market Analysis:

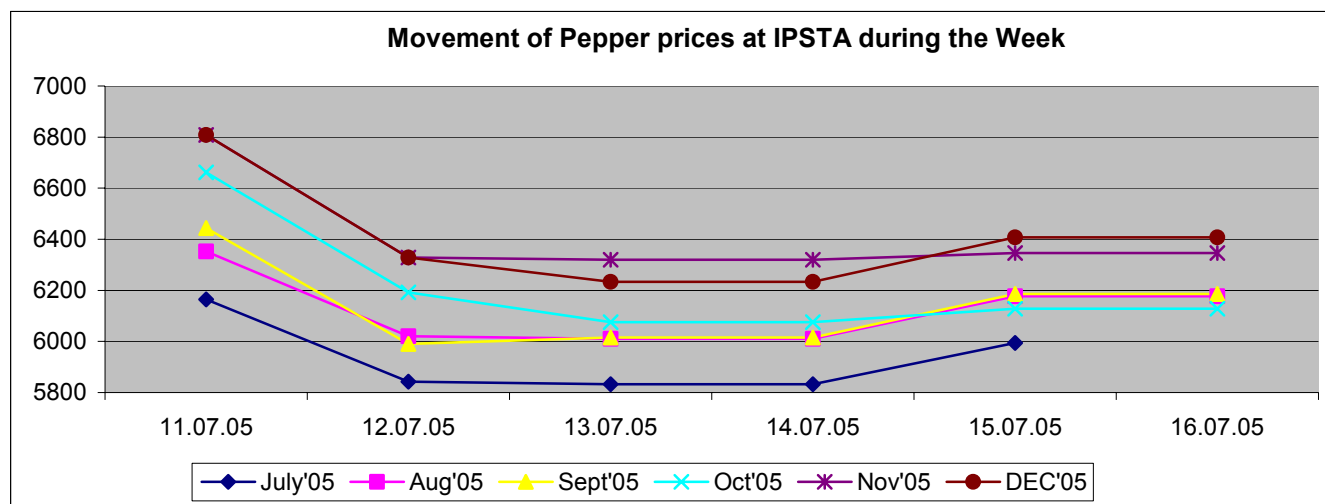
Price Trends Analysis:

Pepper:

A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The pepper prices at Indian Pepper and Spice Trading Association (IPSTA) Vayda

Showed downward sentiment on first day then range bound downward trend for two days then range bound upward trend upto the weekend. Reported down sliding from US\$ 1425 per tonnes to 1325 per tonnes in fresh quoting likely to affect the Indian market also. The difference in competitive prices of Indonesian pepper 1300 to 1450 US\$ per tonne in world market. The DGFT's meet for checking the dumping from neighbouring countries and news of lower production estimates of Vietnam may help the prices to remain steady.



Prices at the National Commodities and Derivatives Exchange (NCDEX) pepper movement continued in the range bound with declining trend upto Wednesday in prices after that started moving upward. August contract, which touched a high of 6375 point on 11th July, and reached at a

low of 6180 point on 13th July upto the weekend. There is likely to be range bound upward movement in prices during coming week. August contract will trade in the range of 6243-6373 point in coming week.

Movement of Garbled and Ungarbled prices at Kochi during the week (Rs/quintal):

Pepper	11.07.05	12.07.05	13.07.05	14.07.05	15.07.05	16.07.05
Ungarbled	5600	5600	5600	5650	5650	5650
Garbled	6000	6000	6000	6050	6050	6050

Friday and Saturday there was no arrivals as well as trade reported, Monday 15 tonnes, and Wednesday 15 tonnes arrivals and traded on the respective day itself, Tuesday 15 tonnes, Thursday 10 tonnes only trade and nil arrivals. Prices were steady upto Wednesday then increased by Rs. 50 per quintal upto the weekend in comparison with previous week. Now there are fair chances of range bound upward movement of prices in coming week

Delhi terminal mandi the prices during early weekdays were in the firm movement due to steady demand in the north Indian markets. Prices were more or less same in all the grades over previous week. Prices may move slight upward

in coming weeks as chances of increase in domestic demand.

Pepper	09.07.05	16.07.05
Golden Unpolished	64-66	64-66
11.5	73-75	73-75
No. 12	85-88	85-88

Note: Prices are in Rs. Per Kg.

Turmeric:

Erode mandi

Arrival in mandi recorded 3000 bags daily. The price were more or less same on upper side in all grades as in the previous week. This time production projections are about 43-45 lakh bags, which was previous year about 36 lakh bags, About 1.5-2.0 lakh bags are still in mandi as old stocks. So there are still more chances of upward movement in prices when demand will increase in coming Months. The firmness in prices is mainly due firm demand in the mandi. Prices would likely remain steady in coming week.

DATES	04July - 09 July	11July - 16 July
Loose Finger	2400-2450	2450-2600
Bilty	2650	2650-2750
Loose Gattah	2250	2250-2350
Bilty	2450	2450-2550
Loose SP Gattah	2350	2350-2425
Bilty	2550	2550-2625
Loose DP Gattah (Salem)	2500-2550	2500-2550
Bilty	2800-2850	2800-2900
Kolkata Quality Bilty (75 kg)	1850	1850-1925

Note: Prices are in Rs/ Qtl.; NR: Not Reported;(1 bag=65 Kg)

Nizamabad Mandi

Daily arrival in mandi is about in the range of 500-700 bags per day. Production is Nizamabad area about 25-30 percent less than the previous year. Prices were in the range of 2300-2500, which was down by Rs 100 per bag in lower side in comparison to previous week. Prices for unpolished grades were in the range of Rs. 2100-2300 per bag. There are fair chances that prices may likely to remain firm in coming weeks.

DATES	04July - 09 July	04July - 09 July
Nizamabad Gattah	2450	2400-2500
Nizamabad Finger	2400	2300-2400

Note: Prices are in Rs/ Qtl.; NR: Not reported

Warangal mandi: Turmeric crop daily arrivals in the market with 500-700 bags. Coming day's arrivals may be range bound. The prices are at Rs.2300 for gattah and finger, which were Rs. 100 less than the previous week.

Delhi Mandi

Delhi terminal mandi arrivals are about 20 tonnes per day in week days. The prices were observed between 2650 and 4100 per Qtl. Erode polish gattah were traded between 2600 and 3250 per Qtl. While Nizamabad finger is spotted between 2650 to 2750 per Qtl. Due to low demand prices were down by Rs 50-150 per quintal in all grades.

DATES	04July - 09 July	11July - 16 July
Nizamabad finger	2650-2950	2650-2750
Erode Finger mini Selam	3050-3150	3100-3200
Erode single polish Gattah	2600-2700	2600-2650
Erode Double polish Gattah	3100-3200	3150-3250
Warangal polish	2500-2600	2700-2800
Selam Finger	4000-4200	4000-4100

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi now days coupled with firm demand and short supply. The prices were down in the range of Rs 15-25 per kg in comparison to previous week and remain steady for whole week. The news of Government's decision to check on import from the Sri-Lanka, Madagascar, Indonesia created up trend in prices. In coming week there are chances of firm prices.

DATES	04July - 09 July	11July - 16 July
Indonesia	215-245	220-225
Ketan	222-250	230
Colombo	182-205	200-202
Madagascar	185-210	205
Zanzibar	222-240	230

Note: Prices are in Rs/Kg

In **Hyderabad mandi** Indonesian clove grade is fetching Rs. 220per kg. While Colombo grade is for Rs. 180-195 per kg. Prices to likely to move firm during coming week due fair amount of domestic demand.

Cumin:

Unjha Mandi : Prices were down in the range of Rs. 10-20 per quintal over the previous week in all grades. The average arrivals of only around 2000 bags per day same as in previous week. This arrival comprised of 500 quintals from Gujarat and remaining 1500 quintals from Rajasthan. The trade was 4000-5000 quintals per day. Due to floods in other parts of India Cumin traders are not able to send deliveries to other places. Market sources told that there is not much export demand coming, only small tit bit amount export demand from Middle East, which may effect positively on prices in coming weeks. The prices may see steady sentiments in coming days but will pick up in when the weather condition communication and ultimately domestic demand will improve i.e. most probably in the month of August.

DATES	04July - 09 July	11July - 16July
Kisan Mal-FAQ	1350-1700	1350-1700
Ganesh	1400-1460	1400-1460
M/c. Cleaned	1500-1600	1500-1600
Sup. M/c. Cleaned	1600-1700	1600-1700

Note: Prices are in Rs/20 Kg

In Hyderabad mandi the rates of kisan mal-FAQ grade was reported between Rs.1450-1550/20kg.during the week.

Delhi Mandi:

In Delhi mandi the Cumin price is ranged between Rs. 68 to 94per kg based on grade, which were more or less same as in lower side from the previous week. Trade was range bound sentiment during this week with firm trading during coming week expected due to firm demand. Next week prices likely to see some improvement in coming week.

Delhi Mandi during week

(Rs/Kg)

Grade	04July - 09 July	11July - 16 July
Chalu	70.00-74.00	68.00-74.00
Ganesh	77.00-78.00	76.00-77.00
M/c Cleaned	75.00-85.00	75.00-84.00
Best	87.00-95.00	86.00-94.00

Red Chillies:

Guntur Mandi:

Guntur mandi opened all the days in week prices for uncold were in the range of Rs 800-1500 per quintal and for cold were in the range

DATES	04July - 09 July	11July - 16 July
COLD	1500-2200	1500-2200
UNCOLD	800-1500	800-1500
WHB	2200-2300	2200-2300
Byadgi	2300-2400	2300-2400
Sannam Best	2100-2200	2100-2200
Sannam Med. Best	1600-2000	1600-2000
Namdhari	1800-2200	1800-2200
273	1800-1900	1800-1900
Guntur Fullcut	3300-3400	3300-3400
Ankur	1800-1900	1800-1900
Phatki	600-700	600-700
Indo5	2000-2100	2000-2100
Tejaseed	2300-2400	2300-2400
Roshni	1800-1900	1800-1900

Note: Prices are in Rs/Qt, NR-Not Reported

of Rs 1500-2200 per quintal based on the quality of chilly and the moisture percentage. Regarding stock market is over stock from the beginning. Daily arrivals were in the range of 10-15000 bags of cold and 10000 bags per day for un cold up to the weekend. Prices were more or less same as domestic demand is not picking up. In coming week market will move with steady prices.

Warangal mandi: Mandi getting daily arrival of 1000 bags per day. Prices are more or less same from the previous week except in case of some grades where prices increased by Rs 50 per quintal due to good quality arrivals. In near future there are fair chances of firm prices due to arrival coming down drastically day-by-day and demand also picking up, as it was silent earlier. So there was no

more downfall expected in near future. Price sentiment will remain steady with more chances of slight improvement.

DATES	04July - 09 July	11July - 16 July
COLD	1700-2200	1700-2200
UNCOLD	800-1500	850-1550
Red Top	1700-2500	1900-2500
Phatki	150-700	200-750
WHB	1700-2300	1700-2250
Indo 5	1900-2100	1900-2150
Ankur	NR	NR
Chapata	2800-3200	2800-3300

Note: Prices are in Rs/Qt NR-Not Reported

Delhi Mandi: opened all the day in the week. Prices were improved by Rs.100 per quintal in different grades of Guntur but down in case of Nagpur grades during week than the previous week. Now arrivals mostly coming from (MP), Guntur, Nagpur and are of 3500-4500 bags daily. Trading is around of 2100 bags daily. Mostly trading confined to Guntur and Nagpur grade. There are chances that price may remain steady due to increase in demand in coming week.

DATES	04July - 09 July	11July - 16 July
Guntur Pala	2300-2800	2400-2800
Guntur Fullcut	3800-4200	3900-4100
Guntur Packing (new)	2600-3200	2600-2900
Nagpur Pala	2200-2400	2000-2200
Nagpur Fullcut	3000-3300	3000-3100
Nagpur Packing	2400-2600	2200-2500
Indore Pala	NR	NR
Indore Fullcut	NR	NR
Indore Packing	NR	NR

Note: Prices are in Rs/Qt; NR-Not Reported

Cardamom:

Delhi mandi was on firm demand. Arrival was about 25000 kg daily on an average daily. The prices declined by Rs. 5 - 10 in different grades except in handpicked grade to previous week due to fair amount of imports entering into the domestic market and sluggish demand. In coming week there are expectations of firmness in prices in coming week when demand will pick up in July last week.

DATES	04July - 09 July	11July - 16 July
Panwali	240-250	240-245
Colour Robin	245-260	245-255
C Bold 6.5mm	260-280	255-275
Extra Bold 7mm	310-325	300-325
Ex Bold 7.5mm	350-380	350-371
Handpicked	450-490	450-490

Note: Prices are in Rs/kg

Hyderabad mandi prices of cardamom during week showed buying only in the new produce of Indian grade. The bulk prices for Indian origin were Rs.270 Per kg. The GM grades have limited buying support. The 7.5mm GM grade floating spotted at Rs. 300 per kg while the Indian origin one at 340 per kg. GM grade of 8.00mm spotted at Rs. 370 per kg. While of Indian origin found at Rs. 430 per kg. Guatemala (GM) cardamom is finding its way into the Indian market very easily as they are much cheaper than Indian one and their appearance are very similar to Indian produce. The prices were up by Rs 10-20 per Kg in some grades during the week in comparison to previous week in due to arrival of new crop in the market. On Thursday arrival were 30000 kg and on Friday 8000 kg. There are chances that prices will remain steady in next week.

DATES	04July - 09 July	11July - 16 July
Colour Robin	240 (IO)	240 (IO)
C Bold 6.5mm	260 (IO)	280 (IO)
Extra Bold 7mm	280-300 (IO)	310 (IO)
Ex Bold 7.5mm	330-340 (IO)	330 (IO)
8.00 mm	410-430 (IO)	430 (IO)

Note: Prices are in Rs/kg; IO=Indian origin

Coriander:

Delhi Mandi during week

Prices were remain firm and more or less same in each grade at Delhi mandi in comparison to previous week. The arrivals are coming in sufficient quantities from the

Coriander Grade	04July - 09 July	11July - 16 July
FAQ (Chalu)	2200-2300	2200-2300
Medium	2700-2800	2700-2800
Green	3200-3500	3200-3500
Extra Green	4200-4500	4200-4500

Note: Rate Per Quintal

Rajasthan and Gunna & Jabra mandi from Madhya Pradesh. Chances of slight upside Prices in coming week when the demand is expected to pick up.

Kota Mandi

Total arrivals at Ramganj mandi remained at 1200-1500 bags average daily for first three days. The Kota mandi

arrivals of 2000-2500 bags are recorded; Baran mandi 700 bags daily while at Guna 1000 bags and Kumbhraj mandi 700 bags daily arrivals were recorded. The prices were improved by Rs.50-125 per quintal in comparison to previous week. This year the production likely to be of 50 lakh bags and Old stock will be around of 25-30 lakh bags. Stocks are about 10 lakh bags in Ramganj, 4 lakh bags in Kota, 3.5 lakh bags in Guna and 2.5 lakh bags in Baran mandi. Thus total availability will be around of 80 lakh bags, which is sufficient to tackle the 80-lakh bags annual consumption. Prices are going remain slight up due increase in demand and decline in arrivals. There are chances of some more improvement in prices during coming weeks domestic demand will pick up.

DATES	04July - 09 July	11July - 16 July
Kota Badami (40 kg)	700-740	760-770
Kota Eagle (40 kg)	760-800	830-840
Ramganj Badami (loose per quintal)	1375-1465	1350-1550
Ramganj Eagle (loose per quintal)	1550-1625	1500-1700
Kota Badami (loose per quintal)	1375-1465	1350-1550
Kota Eagle (loose per quintal)	1550-1625	1500-1700

Methi

Kota mandi: The arrival at the Kota mandi this week about 50-60 quintals for first three days then continuous raining, arrivals in Neemuch mandi was 200 quintal per day. Which is just 15-20 percent than the previous year as well as week, which was in the range of 1000 quintal per day. Prices were increased Rs. 25 per quintal in different grades as compared to last week. Chances of further improvement in prices in the coming weeks as there are chances of increase in demand due to after stopping of continuous rains at Kota. The demand and prices both will pick in coming week if weather condition remain normal.

Methi Grade	04July - 09 July	11July - 16 July
Methi (Uncleaned)	1225-1425	1250-1450
Methi (Cleaned)	1400-3200	1400-3200

Note: Rate Per bag (90 Kg. each)

Methi at **Delhi mandi** remained steady as was during the previous week. This year expected of one and half Lakh bags. The prices were more or less same as previous week. There are fair chances of improvement in prices in coming week.

Delhi Mandi Methi price

Methi Grade	04July - 09 July	11July - 16 July
Chalu	1350-1500	1350-1500
Jabara	2100-2350	2100-2375
Better	2400-3000	2400-3000

Note: Rate Per quintal

Others Spices during week at Delhi Mandi

Rs. Per quintal

Other Spices	04July - 09 July	11July - 16 July
Bishop's weed (Ajwain)-Jawara	4000-4400	4000-4400
Bettlenut (Mettaplayam)	9200	8800-9200
Cardamom brown (Jhundiwali)	10200-10300	10500-10600
Cardamom brown (Kanchicut)	11500-14500	11500-14500
Tamarind (seedless)	1800-3200	1800-3200
Dry ginger (superior quality)	16500-17500	16000-16500
Amchur (Khapta)	1800-2000	1800-2000
Mace (Jabetri)-(Cochin)	335-345	330-335
Nutmeg (Jaifal)-(Cochin)	175-185	175-185
Kalaunji	3700-4500	3700-4500
Poppy seed (Turkey)	162 per kg.	162 per kg.
Saffron (Irani)	15000-16000	15000-16000

During week prices in Delhi mandi recorded decrease in dry Ginger, Mace (Jabetri) and bettlenut (Mettaplayam) and increase in Cardamom brown Jhundiwali. Other minor spices prices were more or less same in comparison to previous week.

Technical Analysis:

Commodity: Black Pepper

Contract Month: August 2005

Black candlestick patterns are indicating toward the range bound downward trading during coming days. The positions are indicating toward down side movement during mid and last days of the coming week. The RSI in August contract showing that trading is going on in oversold region with range bound downward trend. MACD still running in

Prices of Major Spices available in Major Rajasthan Mandi as on 16th July, 05:

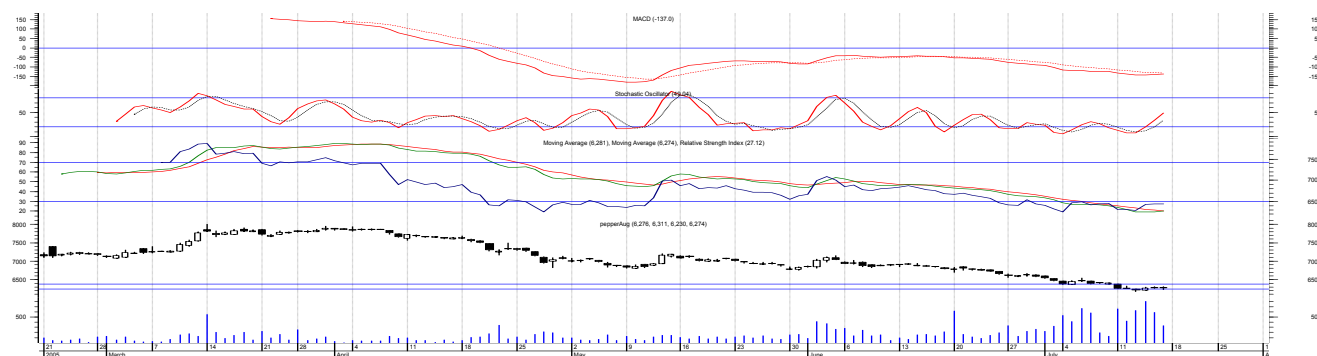
An arrival of chilly at Jaipur was on Monday 11th 41 qtls, on other days there was no arrival and at Jodhpur mandi no arrival recorded during weekdays except on Monday 46qtls, Wednesday 10 qtls and Friday 8 qtls. Prices of chilly were same at Jaipur but at Jodhpur Mandi increased Rs.300 per quintal after Monday as on the previous week. Nimbaheda (Raj.) mandi arrival of Ajwain was for first three days was 18,6 and 2 qtls respectively rest of days arrivals were nil during the week prices were in the range of Rs 2650-4202 per qtl. There was no arrival of cumin in Jaipur mandi during the week, but decrease in prices seen in the range of Rs 6400-6700 per quintal. Arrival of Methi in Jaipur mandi was nil in all weekdays except on Tuesday 2 qtls. Prices first decreased then again came at same place after decrease of Rs 25 per qtl. In case of cumin prices pick up with chances of more improvement in coming weeks.

Name of Spice	Place	Rate (Rs. Per quintal)
Chilly Dry	Jaipur (Grain) Mandi	3000
Chilly Dry	Jodhpur (Grain) Mandi	2500-2800
Bishop's weed (Ajwain)	Nimbaheda Mandi	2650-4202
Jeera (Cumin)	Jaipur (Grain) Mandi	6400-6700
Methi	Jaipur (Grain) Mandi	1200-1250

July 16th, 2005

Exchange: NCDEX

negative zone but moving slightly upward region was showing the sign slight bullish trend in trade. The stochastic is at 49.04 point with % K line above the % D line after cutting it from below sign of bullish movement in neutral region. These all indicators showing mixed sentiment in trade and prices.



Recommendation:

Technical analyses are indicating toward the range bound mixed sentiment in the coming week. The fundamental are giving range bound downward trend in prices due to supply pressure coupled with no improvement in domestic

demand. Cashing the profit in short term as well as medium term is hold good. These all indicators showing downward trend with fair chances of positive correction in midweek or at weekend .The Technical support is at 6243 point and resistance at 6377 point for the coming week.

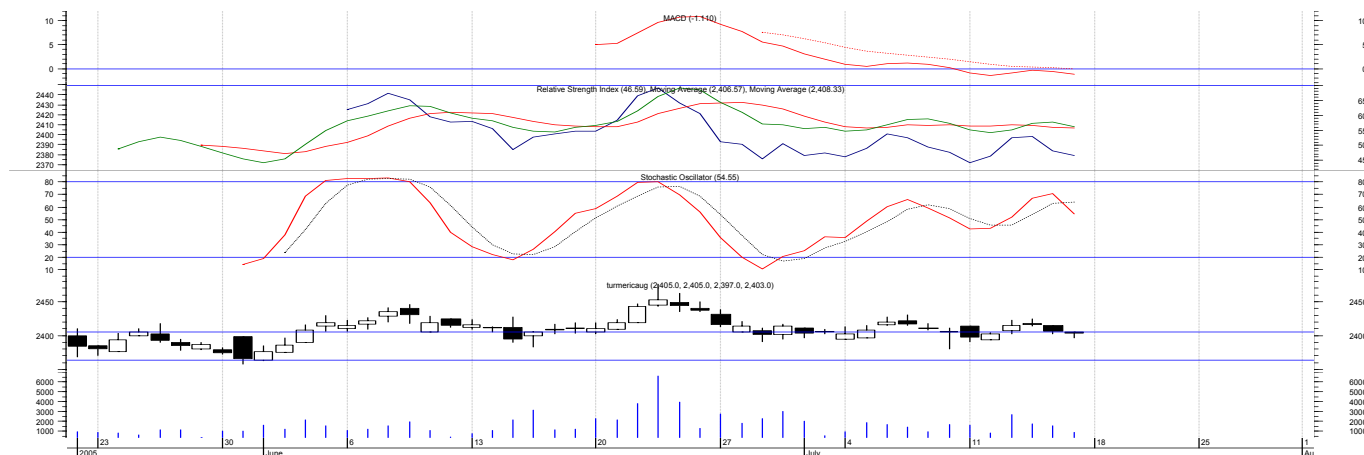
Technical Analysis:
Commodity: Turmeric
Contract Month: August 2005

July 16th, 2005
 Exchange: NCDEX

Candlesticks: The Candlesticks pattern indicates towards downward trading movement in the coming week.

Stochastic: The % K-line at 54.55 is below the % D after cutting it from above line bearishness in the market. So in

coming week market going to take downward movement in prices as well as in trade in the coming week. MACD is bearish and RSI also showing downward movement in trade but MACD is still negative that means trade should be range bound.



Recommendation:

Technical is for range bound downward movement in the coming week, overall prices likely to remain steady. As due to floods in some parts of north India domestic as well as export demand is not picking up so maximum chances of

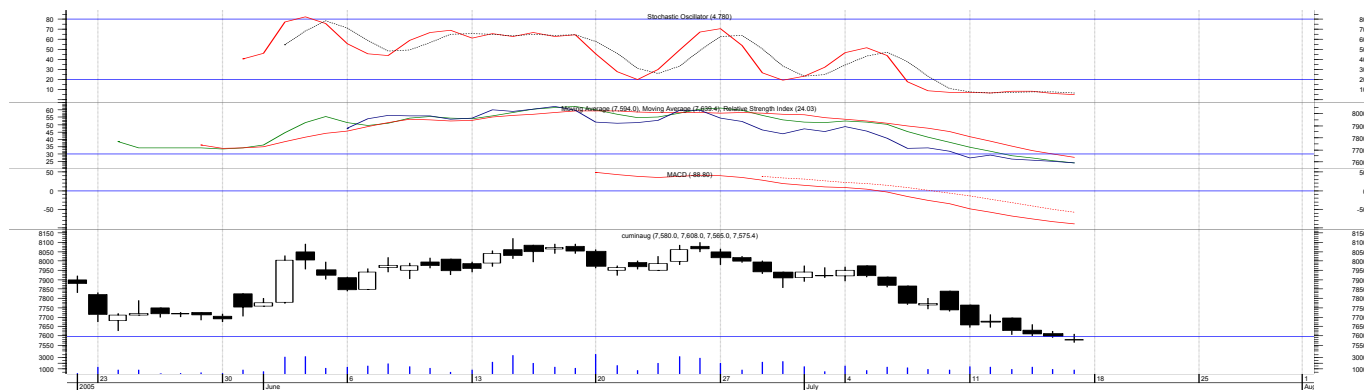
range bound downward trading movement in coming week. The technical support is at 2364 and resistance at 2405 for the coming week.

Technical Analysis:
Commodity: Cumin (Jeera)
Contract Month: August 2005

July 16th, 2005
 Exchange: NCDEX

Candlestick patterns are indicating range bound downward movement for coming days. The MACD is started to move downward in negative zone than 3 day's MV's indicating bearishness in the market. The stochastic are in the at 4.78 point with % K below the % D line take some what

horizontal way indicating the range bound trading movement in coming week. RSI moving in over sold region and downward movement sign of bearish sentiment in the market. So the overall technical outlook for the coming week is range bound downward trading movement.



Recommendation: The technical analyses are indicating towards the range bound downward trading in next week. The arrival position at present is far less at present situation over the previous year during same period. The technical

support is at 7490 point, the resistance at 7599 point level. Fundamental are supporting the range bound bearish run for the first 3-4 days then chances of positive correction on 5-6 days in coming week.

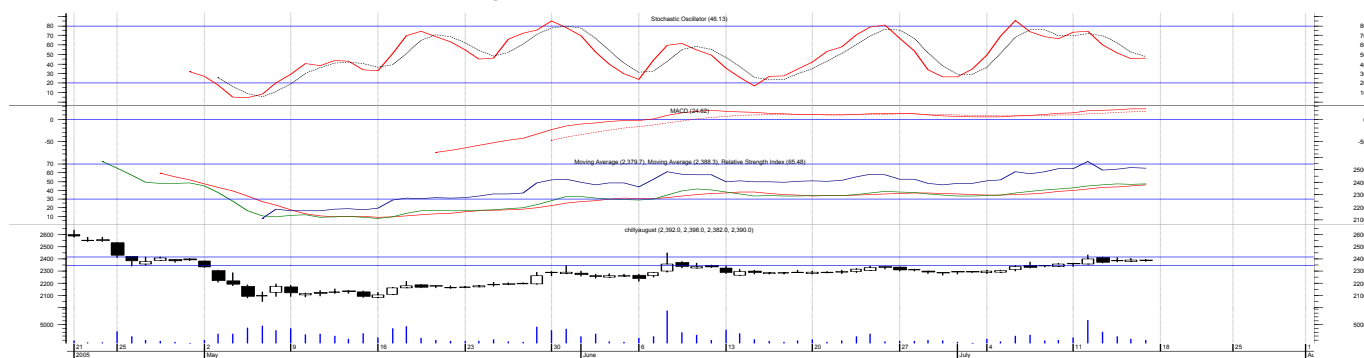
Technical Analysis:

Commodity: Red Chili
Contract Month: August 2005

July 16th, 2005
Exchange: NCDEX

Red chilli in August contract Candlestick patterns are indicating range bound movement for coming days. The MACD is moving upward in positive zone than 5 day's exponential MV's indicating bullish sentiment in the market. The stochastic are in the at 46.13 point with % K line just below the % D line but it has taken slight horizontal

movement in neutral region indicating the range bound upward trading movement for the coming week. RSI also moving in neutral region and taken upward movement sign of bullish sentiment in the market. So the overall technical outlook for the coming week is range bound upward trading movement in next week.



Recommendation: Technical are for the range bound upward movement for the week. The news of export demand from Sri Lanka and Domestic demand too pick up after the on set of monsoon in North India serving support to the falling price.

The technicals are indicating support at 2347 point and resistance at 2417 point for the coming week.

Weather Watch for the week 18th July to 23rd July

A. Weather Systems:

The active monsoon conditions prevailed over most parts of northwest India and central India due to the prevalent monsoon depression. During the week, monsoon rainfall activity has been quite extensive and in excess of normal over the Arunachal Pradesh,

West Uttar Pradesh, Haryana/Chandigarh/Delhi, Punjab, Himachal Pradesh, J&K, Marathwada, Vidarbaha, Telangana, North Interior Karnataka and Lakshadweep that resulted in contributing about 3% above normal rainfall and 32% of the seasonal quantum of rainfall for the country. The All India rainfall scenario has transformed from deficit regime to the above normal rainfall regime during the week thus raising the total quantum of monsoon rain for the period 1June-13 July to 1% above normal from 2% below normal during the previous week.

Forecast for next 5-6 days

The upper air cyclonic circulation over north-interior Karnataka and neighbourhood is likely to cause scattered to fairly widespread rains in South Peninsula viz. Kerala, Tamilnadu, Andhra Pradesh and Karnataka during next 2-3 days.

The interaction between the upper air cyclonic circulation over west Uttar Pradesh and the Western disturbance in the form of an upper air cyclonic circulation over Punjab, is expected to cause scattered to fairly widespread rains over North West India during next 24-48 hours. The activity is expected to reduce thereafter. NE and eastern parts of the country viz., NE States and, West Bengal, Bihar, Jharkhand and Orissa are likely to receive widespread rains during next 4-5 days.

Zone-Wise Rainfall Forecast for Next 5 Days

NORTH & NORTH-WEST INDIA [J&K, HP, UTTANCHAL, PUNJAB, HARYANA, WEST UP]: Scattered to Fairly widespread rainfall is likely over many parts of NW India viz., West Uttar Pradesh, Haryana, Punjab, Uttranchal, and Himachal Pradesh during next 24-48 hours and reduce thereafter.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]: Scattered to fairly widespread rainfall is expected over East Uttar Pradesh, Jharkhand and Orissa and fairly wide spread to wide spread rainfall with isolated heavy rains over Bihar, West Bengal, and NE States during next 4 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]: Isolated to Scattered rainfall is expected over Chhattisgarh, Madhya Pradesh and Vidarbha during next 2 days.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]: Scattered to fairly widespread rains are also likely over entire south peninsular India viz., Kerala, Karnataka, Andhra Pradesh and Tamilnadu. during next 2-3 days.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]: Fairly wide spread rains are expected over Konkan & Goa during next 2-3 days. Madhya Maharashtra, Marathwada Gujarat and West Rajasthan may receive isolated to scattered rains during above period. East Rajasthan may receive scattered to fairly wide spread rains during next 48 hours.

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