

SPICES

July 18 - July 23, 2005

Overview:

- Quality of Black Pepper from Sri Lanka Under Scrutiny
- Cardamom Prices Firm on Steady Domestic Demand
- Black Pepper Prices steady in Domestic Market
- Pepper bullish on low supply pressure from Sri Lanka
- Pepper, Cardamom Expected to Get Export Subsidy From Govt
- CARDS Suggests Chilli Farmers to Downsize Acreage
- Black Pepper Prices Steady in Domestic Market
- Spices Export Declined Significantly in Q1

News Highlights:

Quality of Black Pepper from Sri Lanka Under Scrutiny

The quality of black pepper being imported from Sri Lanka has come under scrutiny from the trade as the shipments value is far below the current prices in the global market. According to trading sources, Sri Lanka pepper is being imported at \$1175-1275 a tonne. Currently, global pepper prices are being quoted at \$1400 a tonne. Traders alleged that this gave room for suspicion on the quality of the imports. They alleged that each bag of 50 kg imported pepper contained 1.5 kg of dust and the moisture content was 14 per cent, a level that is not permitted. As per Prevention of Food Adulteration (PFA) Act, the permissible level of moisture in pepper is 12 per cent. Trading sources said pepper with moisture content above the PFA norm was unfit for human consumption. When contacted, Spices Board officials said the issue had been referred to the Commerce Ministry. Trading sources said the imports from Sri Lanka should have been subject to a quality check as per PFA specification. This could have been possible if import of pepper is permitted only through selected ports, having plant quarantine office. Sri Lankan pepper is reported to be available in the domestic market at Rs 55 a kg, the sources claimed. Import of pepper in to the country has been steadily increasing from mid 1990s and reached 17725 tonnes last fiscal from 2292 tonnes in 1996-97. The rise comes at a time when the country produces around 65000-70000 tonnes of black pepper annually. As against 5654.18 tonnes in January-May 2004, imports in the same period in 2005 stood at 7526 tonnes. Of this 1972.7 tonnes of black pepper, mostly from Vietnam and Sri Lanka, were imported through the Kochi port. Around 65 per cent of the import was by the oleoresin industry, while the rest for value addition and re-export. According to trading sources, the requirement of the oleoresin industry in January-May 2005 might come to around 3000 tonnes and if that is the case over 4500 tonnes of pepper must have been imported for

positive value addition and re-export. Since grading, simple cleaning, re-packing of the imported spices under the Advance License Scheme requires only 30-45 days, permitting a period of 180 days for fulfilling the export obligation that too with only positive value addition disturbed the domestic market for spices. Hence, a minimum period should have to be fixed for fulfilling the export obligation.

Cardamom Prices Firm on Steady Domestic Demand

Cardamom prices ruled steady at auctions during the week held in Kerala and Tamil Nadu on buying support and there were good arrivals. Market sources reported that, the prices of graded varieties at Bodinayakannur on Thursday were: AGEB Rs 390-Rs 400 a kg as against Rs 375-Rs 385 on July 16, while AGB Rs 260-Rs 270 (Rs 255-Rs 265), AGS Rs 250-Rs 260 (Rs 240-Rs 250) and AGS1 Rs 245-Rs 250 (Rs 235-Rs 245) a kg. Price of running bulk ranged between Rs 270-Rs 300 a Kg. The first round of picking is going on and in which bold varieties such as 8mm and 7mm capsules are of negligible quantity. However, superior grade capsules are expected to arrive from mid-August. Absence of these varieties had kept the exporters away from the auction at present. Ever since the resumption of the auctions on July 7 exporters bought only around 4 tonnes of cardamom. Meanwhile, demand from North India was very good as the pipeline is been empty. During July 16-20, arrivals stood at 88 tonnes, of which 87.5 tonnes of cardamom were sold. Mr P.C. Punnoose, General Manager of the auctioning company, Cardamom Processing and Marketing Company (CPMC) told that at the Kumily auction on Wednesday, 31.46 tonnes of cardamom arrived and the entire quantity was sold. He also told that, the price of 8mm bold was Rs 455 a kg, while that of 7mm was Rs 375-Rs 385. There has been a shortage of these varieties at present and the situation would improve from the second round of picking from mid-August onwards. Mr Punnoose said 62 dealers participated at the Kumily auction and buying activity was good, as the traders as well as the planters were not holding any stock of the previous crop.

Trade sources reported that, unlike last year, the early rains this year well spread in the growing areas had been ideal for the agricultural crops and this would result in a good cardamom crop during the current season. Total arrivals during August 1, 2004 to July 20, 2005 stood at 5273 tonnes and of this 4924 tonnes were sold. The weighted average price was Rs 302.35 a kg. During the corresponding period the previous year, arrivals stood at 5764 tonnes and 5324 tonnes were sold while the average price was Rs 361.18 a kg.

Black Pepper Prices steady in Domestic Market

Black Pepper prices ruled steady during the week with marginal improvement on Friday, as buying activity was limited due to increased availability of imported pepper in the domestic market. The market intervention exercise of the Kerala Government by procuring 4800 tonnes had so far failed to create any noticeable impact on the market due to increase in imports, market sources here claimed. Spot pepper prices on Friday were MG 1 Rs 6150 and ungarbled Rs 5750 a quintal as against Rs 6050 and Rs 5650 respectively at the beginning of the week. Futures prices were: August Rs 6342 as against Rs 6197 on July 18, September Rs 6351 (Rs 6207), October Rs 6291 (Rs 6148), November Rs 6515 (Rs 6367), December Rs 6579 (Rs 6429).

Pepper bullish on low supply pressure from Sri Lanka

Sri Lankan black pepper has lost its charm in the Indian market after exporters increased its prices by \$125. An exporter told that, only few sellers in Sri Lanka sell pepper at an increased price of \$1325 per tonne. Most of them have shifted their attention to the Middle East and Pakistan due to price advantage. Sri Lanka's export to India has been almost nil in the last one week. This has badly affected sales in the north Indian market. This, coupled with reports of lower production next year, has made the local market slightly bullish. Black pepper price increased to \$1500-1525 from \$1450. Trade sources told that, the price increase may adversely affect exports. Countries like Canada, Poland and Australia have shown some interest in the Indian product. Currently, around 750 tonne is being exported in a week. Indonesia, at present, is also active in the global market. It is offering pepper at a price tag of \$1350 till December 2005. It is reported that they had a total production of 21000 tonnes. Vietnam's rates are on par with Indonesia while Brazil is offering pepper at \$1500 but is hardly aggressive in the global market. According to preliminary estimates, production in the next season will be short by 10-15 per cent locally. Some growers said the loss in production would be more in southern districts of Kerala. These reports have also resulted in an increase the spot prices to Rs 6150 a quintal (garbled) Rs 5750 (un-garbled) in Kochi. There are fair chances that prices may improve further in near future.

Pepper, Cardamom Expected to Get Export Subsidy From Govt

Commerce Ministry is likely to clear the export subsidy proposal for pepper and cardamom soon to increase exports and arrest fall in the domestic prices of these commodities. Market sources told the Ministry is favourably considering the proposal and a final decision can be expected soon. The subsidy would cover costs such as local transportation, processing and export freight. The Kerala Government is said to have demanded a subsidy of

around Rs 20 a kg for exporting the pepper procured by it. The WTO compatible subsidy would make the Indian produce competitive in terms of price in the overseas markets. Besides, it would help regulate the supply, which in turn would arrest the fall in prices while farmers would get a remunerative price. The State Government had procured around 4800 tonnes of black pepper directly from growers through the Cooperative Marketing Federation (Marketfed) at Rs 75 a kg. If the agency releases the entire quantity in the domestic market at the prevailing price of Rs 56 - Rs 60 a kg that would not only land up the Marketfed in heavy loss but also lead to a sharp fall in the prices. Given this situation the Government had decided to export the entire quantity. Ever since the entry of new producers in the world market, the Indian exports of pepper had dropped gradually from 42824 tonnes in 1999 - 2000 to 22877 tonnes in 2001-02 and 16635 tonnes in 2003-04 and 14150 tonnes last fiscal. According to market sources, the Marketfed could sell the pepper to 100 per cent export-oriented processing units in the Special Economic Zones (SEZs) at the prevailing market price. These units could then process and undertake value-addition and export. Similar situation is prevailing in cardamom exports also. The Indian produce is out priced in major world markets. Other producers are offering cardamom at prices much lower than that of the Indian produce leading to sharp decline in exports. Exports from the country, which stood at 3272 tonnes in 1985-86 gradually dropped to such a level that the shipments last fiscal was 650 tonnes as against 757 tonnes the year before. Guatemala is said to be offering at almost half the Indian price in the international markets. The comparative freight advantage enjoyed by other producers coupled with the cost involved in quality improvement has to be compensated, this could be possible by extending WTO compatible subsidy for exports of these commodities. However, some traders here have questioned the logic behind the Indian Government subsidizing these commodities to sell at prices lower than that of the domestic price to the overseas customers.

CARDS Suggests Chilli Farmers to Downsize Acreage

Domestic and Export Market Intelligence Cell at the Centre for Agricultural and Rural Development Studies (CARDS) has advised the farmers to size down the area under chillies to contain production during the next harvest to minimum. The CARDS Director, Dr N. Raveendran, told to media that chilli production had shot up in the last three years, resulting in stock overflow in the cold storage godowns. Over 65 cold-storage godowns in Guntur belt and over 10 in Tamil Nadu are reported to be holding stock up to the maximum storage capacity. Trade sources said the current stock level in the cold storage centres is around 60 lakh bags (of 20 kg/each). The Andhra Pradesh Government is understood to have procured huge quantities in the last and current seasons. The planting season commences in August and extends till October. Harvesting begins from December. Peak arrivals are reported in February-March and the market remains active till May. The total acreage is marginally less than 9 lakh hectares, with Andhra Pradesh accounting for almost 50 per cent of this area. The other chilli growing States are Karnataka, Orissa, Maharashtra, West Bengal, Rajasthan and Tamil Nadu. Besides having the largest acreage under chilli in the world, India is also the largest producer (10.6 lakh tonnes), consumer and exporter of the red, dry chilli. The popular varieties are Sannam (highly pungent), LC

334, Byadgi, Wonder Hot and Jwala. Market sources estimate the annual exports to range between 0.8 and 1 lakh tonnes in different forms, such as whole, fresh and dried capsicum, powder, oils and oleoresins. It is being exported to the US, Sri Lanka, Bangladesh, West Asian and Far-East countries. Market reports reveal that chilli, as a commodity displays high volatility in price movement, which is dependent on season, production, demand from exporters, stock available in cold storage and Government's price intervention policy. The rates have not looked up after 2000 and all the major markets have reported a 30-40 per cent fall in price levels in 2005 compared to 2004. The price has dropped from around Rs 30/kg to the prevailing rate of Rs 15-20/kg. "This has created displeasure and unrest among chilli growers in Tamil Nadu," says Dr Raveendran. He attributes the steep decline in the price in the last one year to a phenomenal rise in market arrivals of up to 200 per cent compared to the previous season. The spot prices of chilli in Chennai market during the first July fortnight ranged between Rs 12 and Rs 35 a kg. Byadgi chilli, which is a less pungent variety was quoting at Rs 35/kg (maximum), while the Ramnad (non A.C) quoted the least at Rs 12/kg. Dr Raveendran said most of the exports from Tamil Nadu (Ramnad Gundu variety) was oriented towards Sri Lanka and Andaman and Nicobar Islands. But the export prospect turned bleak due to tsunami, on uncertainty over assured payment. So there are meager chances of big improvement in prices of chilli in near future.

Black Pepper Prices Steady in Domestic Market

Black Pepper prices running steady with marginal improvement in spot and futures trading in Kochi. Spot prices of MG 1 and ungarbled on Monday were Rs 6050 and Rs 5650 a quintal respectively as against Rs 6000 and Rs 5600 on Monday last week. The futures prices on Monday were August Rs 6197 as against Rs 5850 on July 11. September Rs 6207 (Rs 5910); October Rs 6148 (Rs 6055); November Rs 6367 (Rs 6150) and December Rs 6429 (Rs 6200) a quintal. The upward trend is resultant from the increase in prices of Sri Lankan pepper and the reported decision of the Kerala Government not to sell the pepper procured by its agency in the domestic market. Market sources here reported that, exploiting the buying pressure from India; sellers in Sri Lanka have not only raised the price from \$1175 a tonne to \$1300 a tonne but also stopped offering consignments till August 15. This has resulted in the landed price more or less equal to domestic price. Last week, prices had slid on rumours that the State Government agency might sell the 4800 tonnes of pepper it had bought as part of its market intervention operations to arrest the price fall. However, the Government, which has been trying to secure an export subsidy for pepper from the Centre, is reported to have decided against sell it in the domestic market and the entire quantity could be exported.

This made a positive impact in the market. The buyers were seen active in the market. In addition to this arrival of monsoon in the north Indian states were expected to pick up the demand in the coming days. Presently, there is no selling pressure here as the growers are not interested to part with their produce at the prevailing prices. Meanwhile, imports continued to rise. In May, around 2000 tonnes of pepper were imported, and of this, about 90 per cent was from Vietnam. A major portion of the imports was by the oleoresin industry. There is no demand from overseas as the international players are waiting for the prices to drop. Vietnam pepper has been quoting \$1450 a tonne, while Brazil at \$1500 a tonne. However, confusing reports are originating from the US markets that Indonesia has reduced its price to \$1350 a tonne. Indian parity is at \$1450-1500 a tonne. So there are maximum chances of steady prices in near future.

Spices Export Declined Significantly in Q1

Spices Export during the first quarter of this fiscal decreased 11% in quantity and 10.4% in value, chilli in particular responsible for this decline. Total exports amounted to 90278 tonnes worth Rs 538.23 crore compared to 101337 tonnes worth Rs 600.9 crore in the same period last year. Chilli exports fell to 34000 tonnes worth Rs 115.98 crore as compared to 39844 tonnes worth Rs 145.28 crore last year. Spices Board marketing director Mr.Kannan reported that, these figures were being compared with the best performance of last year. Also, China, which normally produces 7-8 lakh tonnes of chilli, had a low production of 2.5 lakh tonnes last year that gave India the edge. However, this year, the Chinese production was up to 5 lakh tonnes leading to a lower demand for Indian chillies. Also, adding to the decline were other seeds whose export of 3450 tonnes fetched Rs 7.91 crore, while last year they were 6936 tonne worth Rs 13.52 crore. Better crop this year in countries like Turkey, Morocco and Egypt made this commodity uncompetitive in the global market. Pepper export continued to be on the low with just 3400 tonnes worth Rs 31.57 crore being shipped out as compared to 3489 tonnes worth Rs 31.63 crore last year. However, the unit price was slightly up this year to Rs 92.86 per kg compared to Rs 90.69 the previous year. Cardamom exports remained at 110 tonne, but the low unit value saw it fetching just Rs 3.67 crore compared to Rs 4.26 crore last year. The exports of ginger, turmeric, nutmeg and garlic were better this quarter, while fennel, fenugreek, vanilla, cumin and coriander saw a decline.

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	Jun 2005
Pepper	16700	14150	3450	3400	1200
Cardamom (Small)	690	650	130	110	40
Cardamom (Large)	800	950	205	310	100
Chilli	81,500	138,000	39,000	34,000	12,000
Ginger	5,000	13,000	1,050	1,325	375
Turmeric	34,500	43,000	13,000	14,500	5,000
Coriander	21,000	33,750	15,000	7,250	2,000
Cumin	6,700	13,750	4,000	2,000	500
Celery	4,400	4,100	1,125	750	350
Fennel	5,200	7,100	3,050	1,650	400
Fenugreek	7,500	13,750	5,150	5,000	2,050
Other Seeds*	10,000	11,100	7,000	3,450	500
Garlic	3,500	2,250	275	5,050	1,200
Nutmeg & Mace	1,450	1,250	190	350	120
Vanilla	26	38	9	8	2
Other Spices**	24,000	16,000	5,000	5,750	2,000
Curry Powder	7,600	7,750	2,100	1,850	650
Mint Oil	11,250	9,300	2,375	2,100	750
Spice Oil and Oleoresins	4,750	5,600	1,300	1,425	500
Total	246,566	335,488	103,409	90,278	29,737

* 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 16.07.2005:

Spice	Grade/Variety	Market	Price For The Week (16.07.05) (RS/KG)	Price For The Week (09.07.05) (RS/KG)	Last Month Same Week (18.06.05) (RS/KG)	Last Year Same Week (17.07.2004) (RS/KG)
Black pepper*	Malabar garbled (mg-1)	Cochin	60.25	60.00	63.67	72.33
Cardamom (small) (auction price)	Ungraded	Vandanmettu	283.63	273.18	292.11	339.00
Cardamom (large)	Cardamom (large)	Gangtok	95.00	88.75	77.50	107.50
Chilli	Cold storage non -cold storage	Guntur	15.00	16.00	16.00	20.50
			23.00	22.20	-	-
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	51.25	56.25
Coriander	Indori 5%	"	19.25	18.63	18.00	20.13
Cumin	1%	"	69.38	70.63	71.88	78.75
Fennel		"	55.00	55.00	53.75	45.00
Fenugreek	No. 1	"	15.63	15.63	15.63	16.38
Garlic	Medium	"	14.75	14.75	12.50	22.50
Clove	- Grade 1	Cochin, Nagarcoil	225.00	215.00	220.00	275.00
			250.00	240.00	240.00	260.00
Nutmeg	With shell	Cochin	75.00	75.00	75.00	80.00
	With out shell	Cochin	136.76	132.50	132.50	142.50
Cinnamon		Delhi	47.50	47.50	47.50	52.00
Cassia		Chennai	51.50	51.00	49.50	53.00

International Spot Prices for the week ending 15.07.2005:

Spice	Origin/Grade	Market	Price For The Week (15.07. 05) (US\$/TON)	Price For The Week (08.07. 05) (US\$/TON)	Last Month Same Week (17.06.05) (US\$/TON)	Last Year Same Week (16.07. 04) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1698	1698	1698	1698
Cardamom * (small)	Fancy green Indian Asta (8 mm)	New York, Saudi Arabia	8820	8820	8820	9922
			10010	9750	10610	11260
Chillies	Indian sannm-4 (stem less)	New York	1213	1213	1213	1301
Ginger	India cochin	New York	3418 (*Future)	3518 (*Future)	3418* (Future)	4851
	Chinese peeled	New York	3087	3087	3087	2095
Turmeric	Indian ground India	New York	1213	1213	1213	1213
	Alleppey finger		2051	2051	2051	1985
Garlic	Chinese	New York	2536	1874	1654	1125
Coriander	Canada	New York	772	772	772	816
Cumin	Syrian India	New York	1810	1810	1810	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:

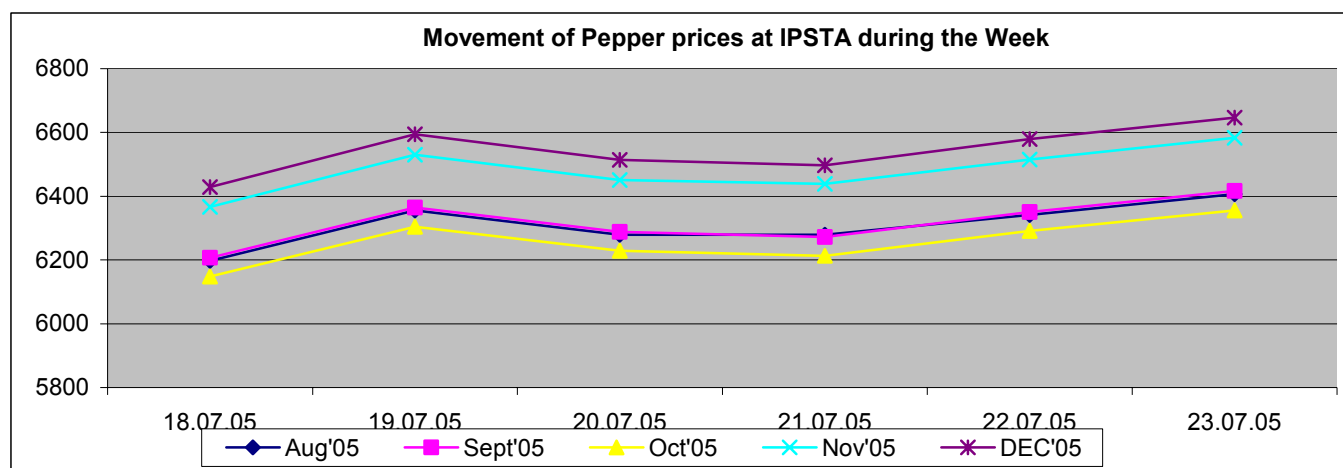
Price Trends Analysis:

Pepper:

A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

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

Shown upward sentiment on first day then range bound downward trend for two days then range bound upward trend upto the weekend. Reported improvement from US\$ 1450 per tonnes to 1500 per tonnes in fresh quoting likely to give boom to domestic market also. The difference in competitive prices of Indonesian pepper 1325 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 6415 point on 19th July, and reached at a

low of 6250 point on 21st July upto the weekend. There is likely to be range bound mixed movement in prices during coming week. August contract will trade in the range of 6251-6370 point in coming week.

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

Pepper	18.07.05	19.07.05	20.07.05	21.07.05	22.07.05	23.07.05
Ungarbled	5650	5750	5700	5700	5750	5800
Garbled	6050	6150	6100	6100	6150	6200

Monday and Friday there was no arrivals as well as trade reported, Tuesday 10 tonnes, Wednesday 25 tonnes, Thursday 15 tonnes, and Saturday 10 tonnes arrivals and traded on the respective day. Prices were increased by Rs. 50 on Tuesday then decreased by same amount on Wednesday, again steady upto Thursday then increased @ 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	16.07.05	23.07.05
Golden Unpolished	64-66	63-66
11.5	73-75	73-75
No. 12	85-88	85-92

Note: Prices are in Rs. Per Kg.

Turmeric:

Erode mandi

Arrival in mandi recorded 3000-3500 bags daily. The price were increased by Rs. 50 per quintal 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	11July - 16 July	18 July - 23July
Loose Finger	2450-2600	2500-2625
Bilty	2650-2750	2700-2825
Loose Gattah	2250-2350	2275-2350
Bilty	2450-2550	2475-2550
Loose SP Gattah	2350-2425	2400-2450
Bilty	2550-2625	2600-2650
Loose DP Gattah (Salem)	2500-2550	2550-2600
Bilty	2800-2900	2750-2900
Kolkata Quality Bilty (75 kg)	1850-1925	1925-1950

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 2300-2450, which was down by Rs 25-50 per bag in lower side in comparison to previous week. Prices for unpolished grades were in the range of Rs. 2100-2250 per bag. There are fair chances that prices may likely to remain firm in coming weeks.

DATES	11July - 16 July	18July - 23 July
Nizamabad Gattah	2400-2500	2375-2450
Nizamabad Finger	2300-2400	2325-2350

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 same as in previous week.

Delhi Mandi

Delhi terminal mandi arrivals are about 24 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 prices were more or less same in all grades in comparison with previous week.

DATES	11July - 16 July	18July - 23 July
Nizamabad finger	2650-2750	2650-2750
Erode Finger mini Selam	3100-3200	3100-3200
Erode single polish Gattah	2600-2650	2600-2650
Erode Double polish Gattah	3150-3250	3150-3250
Warangal polish	2700-2800	2700-2800
Selam Finger	4000-4100	4000-4100

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi now days coupled with firm demand and short supply. The prices were more or less same 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	11July - 16 July	18 July - 23 July
Indonesia	220-225	222-225
Ketan	230	228-230
Colombo	200-202	200-202
Madagascar	205	205
Zanzibar	230	230

Note: Prices are in Rs/Kg

In **Hyderabad mandi** Indonesian clove grade is fetching Rs. 215 per kg. While Colombo grade is for Rs. 180-192 per kg. Prices to likely to move firm during coming week due fair amount of domestic demand.

Cumin:

Unjha Mandi : Prices were down in Ganesh grade by Rs. 60 per quintal over the previous week. The average arrivals of only around 1500-2000 bags per day same as in previous week. This arrival comprised of 1300-1500 quintals from Gujarat and remaining 500-700 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	11July - 16July	18 July - 23 July
Kisan Mal-FAQ	1350-1700	1350-1700
Ganesh	1400-1460	1400
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.1500-1600/20kg.during the week.

Delhi Mandi:

In Delhi mandi the Cumin price is ranged between Rs. 68 to 95 per 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.

Delhi Mandi during week

(Rs/Kg)

Grade	11July - 16 July	18 July - 16 July
Chalu	68.00-74.00	68.00-69.00
Ganesh	76.00-77.00	76.00
M/c Cleaned	75.00-84.00	73.00-84.00
Best	86.00-94.00	85.00-95.00

Red Chillies:

Guntur Mandi:

Guntur mandi opened all the days in week prices for uncold were in the range of Rs 900-1500 per quintal and for cold were in the range

DATES	11July - 16 July	18 July - 23 July
COLD	1500-2200	1700-2200
UNCOLD	800-1500	900-1500
WHB	2200-2300	2300-2400
Byadgi	2300-2400	2300-2400
Sannam Best	2100-2200	2200-2250
Sannam Med. Best	1600-2000	1700-2000
Namdhari	1800-2200	1800-2200
273	1800-1900	2000-2100
Guntur Fullcut	3300-3400	3300-3400
Ankur	1800-1900	2400-2500
Phatki	600-700	600
Indo5	2000-2100	2200-2300
Tejaseed	2300-2400	2400-2500
Roshni	1800-1900	1800-2000

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

of Rs 1700-2200 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 15000 bags of cold and 10000 bags per day for un cold up to the weekend. Prices were improved by Rs. 100-150 per quintal in some grades as domestic demand is picking up. In coming week market will move with steady prices.

Warangal mandi: Mandi getting daily arrival of 1000 bags comprises of 500 bags cold and uncold per day. Prices are more or less same from the previous week except in case of some grades where prices down by Rs 50 per quintal due to poor 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	11July - 16 July	18 July - 23 July
COLD	1700-2200	1700-2200
UNCOLD	850-1550	850-1550
Red Top	1900-2500	1500-2100
Phatki	200-750	150-600
WHB	1700-2250	1600-2300
Indo 5	1900-2150	1800-2150
Ankur	NR	NR
Chapata	2800-3300	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 some grades of Guntur as well as 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	11July - 16 July	18 July - 23 July
Guntur Pala	2400-2800	2300-2400
Guntur Fullcut	3900-4100	3900-4000
Guntur Packing (new)	2600-2900	2600-3000
Nagpur Pala	2000-2200	2100-2200
Nagpur Fullcut	3000-3100	3000-3200
Nagpur Packing	2200-2500	2000-2500
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 30000 kg daily on an average daily. The prices more or less same different grades in comparison with 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 August first week.

DATES	11July - 16 July	18 July - 23 July
Panwali	240-245	240-245
Colour Robin	245-255	245-255
C Bold 6.5mm	255-275	255-275
Extra Bold 7mm	300-325	300-325
Ex Bold 7.5mm	350-371	350-370
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 more or less same in comparison to previous week in due to arrival of new crop in the market. There are chances that prices will remain steady in next week.

DATES	11July - 16 July	18 July - 23 July
Colour Robin	240 (IO)	240 (IO)
C Bold 6.5mm	280 (IO)	280 (IO)
Extra Bold 7mm	310 (IO)	310 (IO)
Ex Bold 7.5mm	330 (IO)	330 (IO)
8.00 mm	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	11July - 16 July	18 July - 23 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 2000 bags average daily. The Kota mandi arrivals of 2500-3000 bags are recorded; Baran mandi 1000 bags daily while at Guna 1000 bags and Kumbhraj mandi 500 bags daily arrivals

were recorded. The prices were declined by Rs.50-100 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	11July - 16 July	18 July - 23 July
Kota Badami (40 kg)	760-770	730-740
Kota Eagle (40 kg)	830-840	780-790
Ramganj Badami (loose per quintal)	1350-1550	1350-1475
Ramganj Eagle (loose per quintal)	1500-1700	1500-1600
Kota Badami (loose per quintal)	1350-1550	1350-1475
Kota Eagle (loose per quintal)	1500-1700	1500-1600

Methi

Kota mandi: The arrival at the Kota mandi this week about 50-100 quintals for first three days then continuous raining, arrivals in Neemuch mandi was 400-500 quintal per day. Which is just 10 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. The demand and prices both will pick in coming week if weather condition remain normal.

Methi Grade	11July - 16 July	18 July - 23 July
Methi (Uncleaned)	1250-1450	1250-1450
Methi (Cleaned)	1400-3200	1425-3200

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	11July - 16 July	18 July - 23 July
Chalu	1350-1500	1350-1500
Jabara	2100-2375	2100-2375
Better	2400-3000	2400-3000

Note: Rate Per quintal

Others Spices during week at Delhi Mandi

Rs. Per quintal

Other Spices	11 July - 16 July	18 July - 23 July
Bishop's weed (Ajwain)-Jawara	4000-4400	4000-4400
Bettlenut (Mettapalayam)	8800-9200	8800-9200
Cardamom brown (Jhundiwali)	10500-10600	11000-11100
Cardamom brown (Kanchicut)	11500-14500	12500-15000
Tamarind (seedless)	1800-3200	1800-3200
Dry ginger (superior quality)	16000-16500	16000-16500
Amchur (Khapta)	1800-2000	1800-2000
Mace (Jabetri)-(Cochin)	330-335	330-335
Nutmeg (Jaifal)-(Cochin)	175-185	175-185
Kalaunji	3700-4500	3700-4500
Poppy seed (Turkey)	162 per kg.	160 per kg.
Saffron (Irani)	15000-16000	15000-16000

During week prices in Delhi mandi recorded decrease in Poppy seed (Turkey) and increase in Cardamom brown Jhundiwali and kanchicut. Other minor spices prices were more or less same in comparison to previous week.

Prices of Major Spices available in Major Rajasthan Mandi as on 23rd July, 05:

An arrival of chilly at Jaipur was on Tuesday 19th 21 qtls, Saturday 23rd 36 qtls, on other days there was no arrival and at Jodhpur mandi no arrival recorded during weekdays except on Monday 63 qtls, Wednesday 21 qtls and Thursday 24 qtls. Prices of chilly were same at Jaipur and Jodhpur Mandi but at as on the previous week. Nimbaheda (Raj.) mandi arrival of Ajwain on Monday 15 qtls and Saturday 3 qtls, rest of days arrivals were nil during the week prices were in the range of Rs 3700-4170 per qtl. There was no arrival of cumin in Jaipur mandi during the week, but decrease in prices seen in the range of Rs 50-100 per quintal. Arrival of Methi in Jaipur mandi was nil in all weekdays. Prices were same as previous week. In case of cumin prices will pick up with improvement in domestic demand in coming weeks.

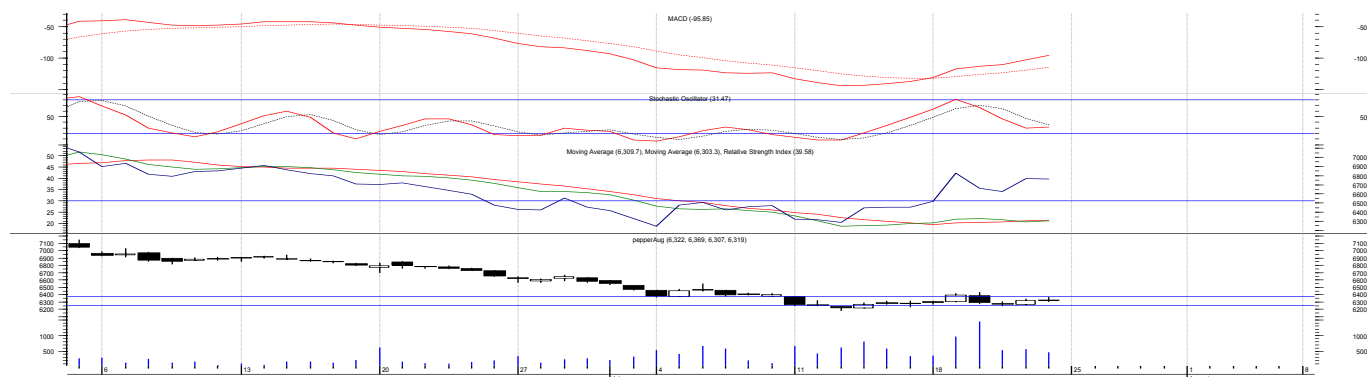
Name of Spice	Place	Rate (Rs. Per quintal)
Chilly Dry	Jaipur (Grain) Mandi	2800-3000
Chilly Dry	Jodhpur (Grain) Mandi	2800
Bishop's weed (Ajwain)	Nimbaheda Mandi	3700-4170
Jeera (Cumin)	Jaipur (Grain) Mandi	6350-6600
Methi	Jaipur (Grain) Mandi	1200-1250

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 neutral region horizontally with range bound downward trend. MACD still



Recommendation:

Technical analyses are indicating toward the range bound mixed sentiment in the coming week. The fundamental are giving range bound upward trend in prices due to picking up of domestic demand coupled with no improvement in global

July 23rd, 2005
Exchange: NCDEX

running in negative zone but moving upward region was showing the sign bullish trend in trade. The stochastic is at 31.47 point with % k line below the % D line but started moving upward below sign of range bound bullish movement in neutral region. These all indicators showing mixed sentiment in trade and prices.

prices. 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 mid-week. The Technical support is at 6251 point and resistance at 6377 point for the coming week.

Technical Analysis:

Commodity: Turmeric

Contract Month: August 2005

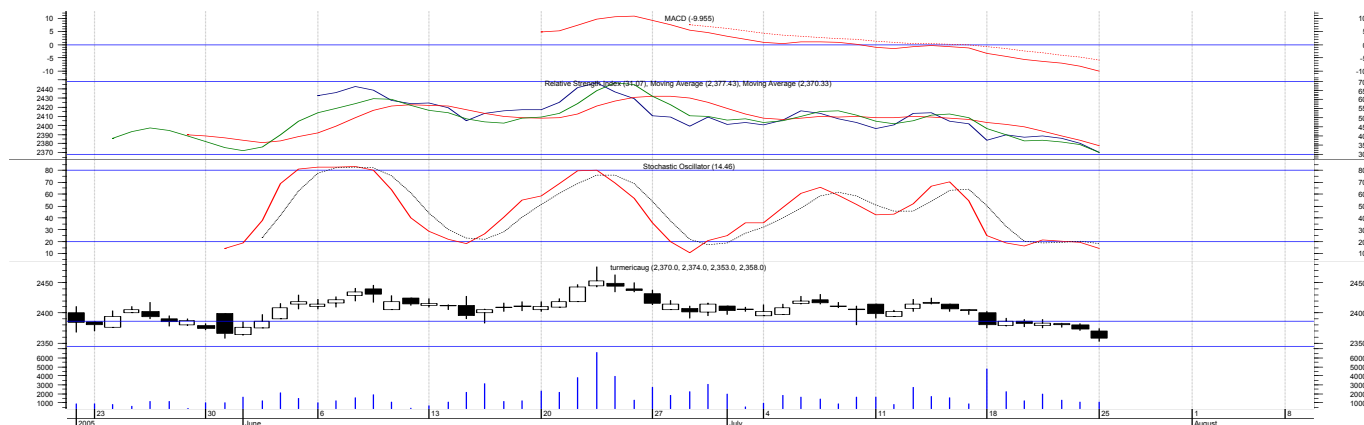
Candlesticks: The Candlesticks pattern indicates towards downward trading movement in the coming week.

Stochastic: The % K-line at 14.46 is below the % D after cutting it from above line bearishness in the market. So in

July 23rd, 2005

Exchange: NCDEX

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 with fair chances of positive correction, 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 with positive correction in coming week. The technical support is at 2364 and resistance at 2386 for the coming week.

Technical Analysis:

Commodity: Cumin (Jeera)

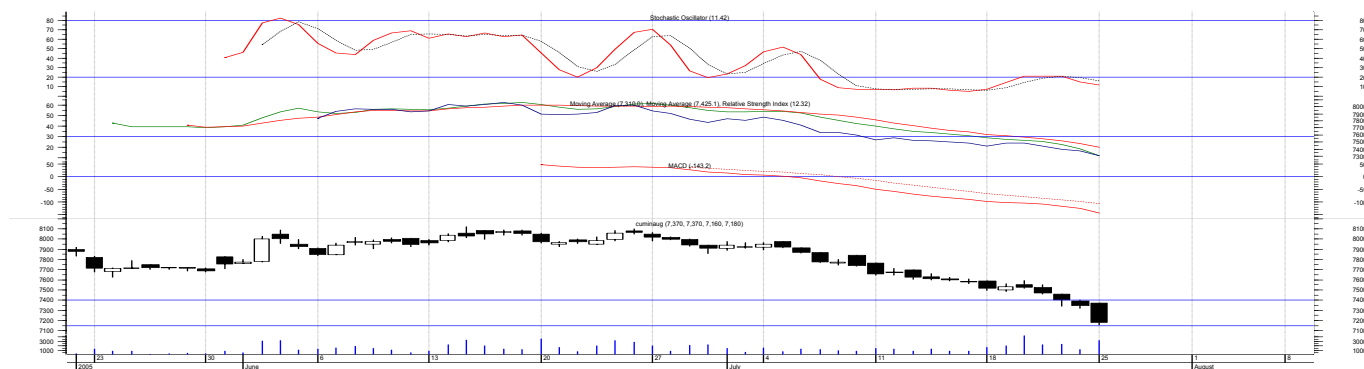
Contract Month: August 2005

Candlestick patterns are indicating downward movement for coming days. The MACD is also moving downward in negative zone than 3 day's MV's indicating bearishness in the market. The stochastic are in the at 11.42 point with % K below the % D line take indicating the bearish movement for first one two days in coming week. RSI moving in over

July 23rd, 2005

Exchange: NCDEX

sold region and downward movement sign of bearish sentiment in the market. As all major indicators are moving in oversold region, which indicates downward trading movement for first two days of the week then sure chance of positive correction.



Recommendation: The technical analyses are indicating towards the downward trading for first two days with positive correction from second or third day 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 7150 point, the resistance at 7403 point level. Fundamental are supporting the bearish run for the first 2 days then maximum chances of positive correction on 2-3 days in coming week.

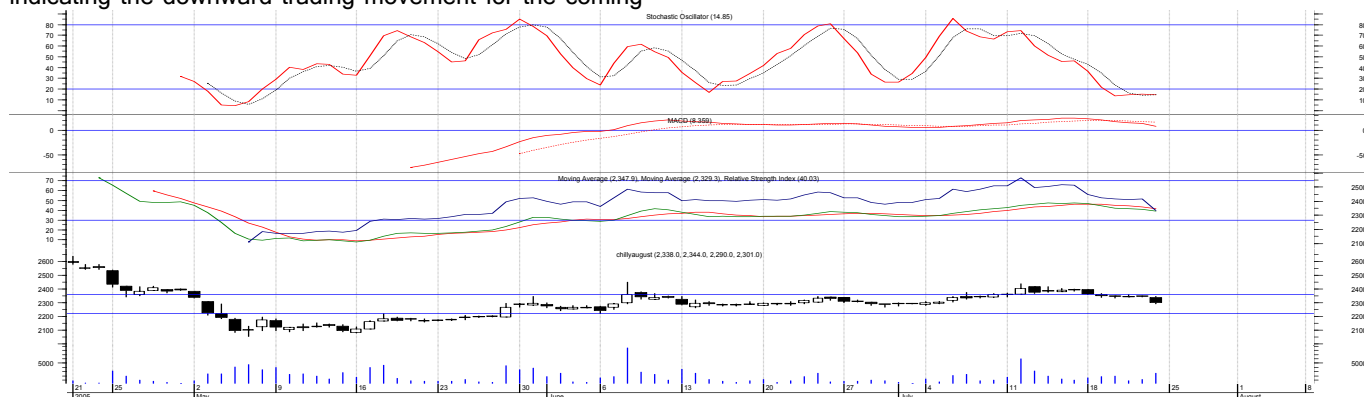
Technical Analysis:

Commodity: Red Chili
Contract Month: August 2005

July 23rd, 2005
Exchange: NCDEX

Red chilli in August contract Candlestick patterns are indicating range bound movement for coming days. The MACD is moving downward but still in positive zone in positive zone than 5 day's exponential MV's indicating bullish sentiment in the market. The stochastic are in the at 11.29 point with % K line below the % D in neutral region indicating the downward trading movement for the coming

week. RSI also moving in neutral region and taken downward movement sign of bearish sentiment in the market. So the overall technical outlook for the coming week is range bound downward trading movement for first two days with chances of positive correction on wednesday in next week.



Recommendation: Technical are for the range bound downward movement with chances of positive correction for the coming 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 2220 point and resistance at 2358 point for the coming week.

Weather Watch for the week 25th July to 31st July

Monsoon Watch

Monsoon rainfall activity remained subdued over most parts of NW India, East and Central India during the week except over the West Himalayan region, Sub-Himalayan West Bengal & Sikkim, Bihar, East UP, East Rajasthan, Interior Karnataka where in its activity was found to be active to vigorous. While monsoon rainfall activity was found to be active for 1-2 days only during the week over parts of Gangetic West Bengal, Orissa, Jharkhand, Haryana and West Madhya Pradesh, West Rajasthan, Coastal Karnataka, Rayalaseema and Coastal Andhra Pradesh, its activity was largely found to be moderate over most parts of NE India. Hence, All India weekly rainfall scenario was found to be below normal by 6% and cumulative seasonal rainfall till 20th July, 2005 was found to be near normal of the seasonal quantum of rainfall. The All India rainfall for the period 1June-20 July has come to 0% from 1% above normal during the previous week.

Monsoon Outlook for Next Week

A monsoonal low pressure area that has formed over North Bay of Bengal off Gangetic West Bengal and Orissa coast yesterday has further intensified in to a well marked low today thus bringing the monsoon trough to its normal position. This system is expected to intensify further in to a monsoon depression over the same region during next 24-48hours. Subsequently, it is expected to move slowly in west-northwesterly direction. Under the influence of these circulation features, most parts of central India and peninsular India are likely to experience enhanced rainfall activity in coming 4-5 days.

A mid-troposphere cyclonic circulation is likely to form over NE Arabian Sea and adjoining regions of Sourashtra and Kutch around 28 July, 2005. Subsequent to its formation rainfall activity may enhance over north Konkan and adjoining regions as well.

Zone-wise weather forecast for next 5 days

North & North-West India [J&K, HP, Uttranchal, Punjab, Haryana, west UP]

The region is likely to receive scattered rainfall over Himachal Pradesh and Uttranchal during next 3-4 days. Over the remaining sectors of J&K, Punjab, Haryana, Delhi and West UP are likely to experience isolated showers.

East and NE India [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE states]

Fairly wide spread rainfall with isolated heavy rain spells is expected over Orissa and Gangetic West Bengal during next 4-5 days.

Scattered to fairly widespread rainfall activity is likely over Bihar, Jharkhand, sub-Himalayan West Bengal and NE states during next 3 days.

Central India [MP, Chhattisgarh, Vidarbaha]

With the revival of monsoon, fairly wide spread rainfall is likely over the areas of Chhattisgarh and East Madhya Pradesh during next 4 days. Vidarbaha and West Madhya Pradesh may experience scattered rainfall activity.

South India [Tamilnadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Widespread rainfall activity is likely over coastal Karnataka, south interior Karnataka and Telangana and fairly widespread over Kerala and North Interior Karnataka during next 3 days. Isolated to Scattered rainfall is likely over Tamilnadu and Rayalaseema for coming 5 days.

West India [Maharashtra other than Vidarbaha, Gujarat, Rajasthan]

Scattered rainfall is likely over Konkan & Goa, Madhya Maharashtra, and Marathwada during next 2 days that is likely to get enhanced in to a fairly widespread rainfall activity starting from 28th July, 2005. Isolated to scattered rainfall is likely over north Gujarat and Rajasthan during next 3 days.

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