

## SPICES

October 11 - 17, 2005

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- **Pepper Growers and Traders Upset with Delay in Announcement of Export Subsidy**

### News Highlights:

#### Chilli Prices Up Over Festival Demand

Chilli prices increased significantly due to festival demand from domestic markets, Chilly prices have seen a significant improvement of about Rs. 200-300 per quintal at Guntur Mandi, which is largest mandi of Chilli in India. Last week Market was closed due to Dushehra holidays and continuous rain for two-three days. Arrivals at mandi came at lower level. Now a day maximum trading is going on in AC grades as Non-AC grades are coming is very meager quantity. This week AC grades are at Rs. 2600-2800 per quintal, which were at Rs.2400-2600 per quintal previous week. Market sources reveled that now there is no chance of further increase in chilli prices, prices would remain firm at least upto Diwali.

#### Poor Arrivals and Expectation of Lower Output making Chilli Dearer

Poor arrivals, Festival demand and expectation of lower output in coming season pushed the chilli prices further higher today too in both the spot and futures market today. Market sources reported that, This year chilli crop production is estimated at 12 million bags, down from last year's bumper 39.5 million bags (1 bag=40-45 kg) because farmers switched to other crops on the recommendations of the Andhra government.

#### Turmeric Prices may Improve in Tamil Nadu-TNAU Study

The Domestic Market and Export Intelligence Cell (DEMIC) of the Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University (TNAU) conducted a study on the Turmeric Crop situation in Tamil Nadu. The Study concluded that due to the festival season, the demand for turmeric would be higher in the state during the period between August and October. This will result in an upward trend in turmeric prices in the

forthcoming season. The study declared that the price at Erode Mandi will be around Rs 2900 per quintal during September 2005 to January 2006 compared to Rs 2478 - 2627 per quintal in July 2005. The study also reported that the area under turmeric cultivation in and around Erode region will be less than the normal area in 2005-06 crop, as a significant area of turmeric crop replaced by Sugarcane crop. The high returns expected from sugarcane crop, high investment required for turmeric cultivation and labour shortage are considered the main reasons for farmers shifting to sugarcane cultivation this year. This shift would have a major impact on prices of turmeric in the coming season.

#### Cardamom Prices Bearish Over Supply Pressure

Cardamom prices decreasing continuously from last two years over supply pressure. Prices decreased by 25-30 percent in the last two years and the fall is expected to continue this year too. This is due to the abundant supply from producing centres such as Mysore, Kerala and Tamil Nadu. Cardamom varieties are now quoted at Rs 400 per kg (bold), Rs 200-250 per kg (medium quality used in spices) and Rs 150-200 per kg (low quality used by gutkha manufacturers). The demand for the commodity has increased by 15-20 per cent due to the festivals season. However, supply too has surged proportionately offsetting any possible increase in prices. The country had produced approximately 11000 tonne of cardamom last year. The output is expected to grow by 15 per cent this year. Last year, the country exported 750 tonnes of cardamom. The figure this year is expected to be 1000 tonne as there is an increase in the cultivated area and yield in the high ranges. Indian cardamom is a favourite in the Middle East where it is used for preparing Gahwa - a strong coffee drink. Japan and Russia are the other two countries where the

commodity is a favourite. Cardamom is harvested during July-August. A supply short fall props up every May since farmers and stockists start clearing their old stocks on expectations of the new crop. The modern storage techniques have helped increase the life span of cardamom. This enables a steady supply for 11 months. So in near future prices would remain on weaker side.

#### **Turmeric Prices Slightly Down at Nizamabad Mandi**

Prices weakened slightly in comparison with previous week levels at Nizamabad Mandi. Prices for Nizamabad Finger and Gattah were at Rs.2850 and 2800 per quintal respectively through out the week. According to trade sources, stock of turmeric in different producing markets like Erode, Nizamabad and Sangali etc is aggregated at 12 lakh bags. Apart from that, sufficient stock is reported in terminal markets. So, off take from producing centers till fresh harvest is likely to remain around 8 lakh bags. Arrivals in Nizamabad were reported about 1000 bags daily during the week. Prices would remain steady in coming week.

#### **Cardamom Prices Declined Significantly on Heavy Arrivals**

Cardamom prices declined significantly on heavy arrivals at the auctions held during the week in Kerala and Tamil Nadu. A bumper crop coupled with decline in direct sales has increased the arrival at the auction centres. During October 7 to 12, the arrivals stood at 321 tonnes, probably the highest ever. After having bought enough quantity by North Indian buyers now slowed down their activity, while the exporters probably for want of orders are not active. Except for one major exporter others did not buy any substantial quantity. In the starting of the week the prices declined sharply by Rs 50 but rose by Rs 20 on Wednesday at Kumily auction. The downward trend in prices has also discouraged traders to buy on the fear that prices may fall further. Trade sources reported that those who bought at higher prices in previous weeks were delaying payments and it had also adversely affected the trade. In the overseas markets, the carryover stock was said to be available to meet the demand there. However, the devastating impact of the hurricane Stan in Guatemala, where 30 per cent of all crops reported to have been destroyed, might push up the demand from foreign markets. The harvesting of cardamom in Guatemala is to begin in late November and early December. The drop in production there coupled with the possible delay in transportation due to destruction of communication facilities in Guatemala is likely to result in short supply in the world market. Amazingly, despite the prices being at bottom level for the good quality cardamom the exporters were not buying in expectation of further decline in prices.

#### **Spices Board Going to Launch Flavourit Brand in US Market**

The Spices Board's 'Flavourit' brand premium Indian spices in the US market will now be launch on October 17. The launch will be made at Fremont, San Francisco. The Board's attempt to establish the Indian brand in the US follows recommendations made by a US consultant appointed for conducting a market study. We are targeting initially the large number of high-income Indo-American families concentrated in various parts of California State, such as the Silicon Valley, reported Mr C.J. Jose, Chairman, Spices Board. The products slated for launch include four types of mixed spice boxes, each containing four different spices; 17 organic spices and spice products consisting of whole spices. The launch is organized through M/s Miracle Spices, Fremont, which has been appointed as

marketing company for the Flavourit products in the US. The launch at Hotel Golden Peacock, Fremont, would be attended by the Joint-Secretary in the Union Ministry of Commerce, Mr Rahul Khullar; Chairman, Spices Board, Mr C.J. Jose; Chairman, STC, Dr Aravind Pandalai; and Managing Director, STCL, Mr K.C. Ponnana. Mr Jose also told that the Board had launched the Flavourit brand in March last through e-marketing of superior quality Tellicherry Garbled Extra Bold (TGEB) black pepper and Alleppy Green Extra Bold (AGEB) cardamom and vanilla. The Board would promote and offer guarantee for the brand, while the Spices Trading Corporation Limited (STCL) would market it. The launch of Flavourit was an attempt to re-establish the identity of rich Indian spices. To provide a fair share of the value realized for our spice growers in the spice trade. It would also provide a marketing channel for growers of cardamom, vanilla and pepper, especially the organic produce. The spices would be directly procured from farmers' groups. This would give a boost and maximum share to the organic spice growers of India.

#### **Current Black Pepper Export Decline Globally**

The World pepper exports have come down by 16 per cent during January-August 2005 in comparison with previous year same period. The total exports in the period have come down to 122230 tonnes from 145515 tonnes in January-August 2004. The Indonesian exports recorded the highest decline of 41 per cent, followed by Brazil, 15 per cent and Vietnam, 13 per cent. On the other hand, Sri Lanka, India and Malaysia registered increase in pepper exports by 30 per cent, 6 per cent and 3 per cent respectively. With expected improved production from Lampung, it is probable that pepper exports from Indonesia will pick up in the coming months. However, in the case of Vietnam total exports for the year will be less, may be by around 10000 tonne, owing to the decline in production in 2005. The crop from Brazil has already hit the market and exports are likely to increase in the current quarter of the year. The final export figure for 2005 will depend mainly on the quantity of stock held in the major consuming markets. Also, the expectations regarding the 2006 crop, mainly in Vietnam would be a deciding factor. Normally, black pepper constitutes around 85 per cent of total pepper exports. The producing countries exported 103869 tonne of black pepper during January-August 2005, compared with 128484 tonne in the corresponding period last year. In the case of black pepper, exports had dropped every month in 2005 while this was very sharp in February, April and July. As Indian export showing some increasing trend in addition to announcement of approval of Export subsidy on pepper in near future would improve the domestic prices significantly.

#### **Turmeric Crop Loss Around 20000 Bags due to Continuous Rains**

The continuous and heavy rains in major turmeric producing centres such as Dugirala and Sangli have damaged almost 20000 bags of turmeric. The total loss owing to rains in carryover stock would be around one lakh bags, reported K S Swani, chairman, Indian Spice and Foodstuff Exporters Association. The carryover stock of turmeric for 2006 is expected to be five lakh bags (1 bag=70 kg). The price of export quality polished fingers in Mumbai and Erode is Rs 28-29 per kg. In Cudappa and Dugirala the price is Rs 24-25 per kg. In Nizamabad the price is Rs 26-28. There is no shortage of turmeric in the market and the export is also moving on without any disruption. Andhra Pradesh contributes 40-50 per cent in

the total turmeric production. But the Godavari river belt of the state suffered a little higher loss in stock due to over flooding.

#### **Festival Demand Making Chilli Prices Firm**

Chilli prices are likely to remain firm due to festive demand with an upward sentiment at least until Diwali in the first week of November, reported market sources at Guntur. Unconfirmed reports of possible crop damage in Andhra Pradesh due to floods are also pushing prices up. Traders at Guntur told that they are seeing a good festive demand. Moreover, arrivals in the mandis are low as most farmers are busy replanting the crop lost due to the Andhra Pradesh floods. Unconfirmed reports suggest about 10-20 per cent of chilly crop is likely to be damaged in the key chilly growing regions of Krishna, Khammam, and Warangal in Andhra Pradesh. Also, after the floods, farmers have been encouraged to sow the varieties such as 273 and No 5, which are hybrid seeds instead of variety 334. Variety 334 also known as default quality is likely to remain scarce owing to the fall in sowing, which is likely to fuel prices upwards. Moreover, the crop yield that is due in the next season (January) is likely to remain low owing to the flood damage. Reports also suggest that there might be a delay in the crop coming next season. In the year starting November, chilli crop is estimated at 12 million bags, down from last year's bumper 39.5 million bags (1 bag=40kg) because farmers switched to other crops on the advise of the Andhra government. Almost 30-35 per cent of the stocks in cold storage's have been sold out but there are almost 50 lakh bags (1 bag=40kgs) lying in the warehouses. Overall arrivals have been lower from the week earlier and the movement in prices is more of wait and watch situation. Prices are likely to remain stable with an upward trend until Diwali.

#### **Vanilla Green Beans Procurement Started at Rs 250 per Kg**

Vanilla Harvesting season started and Vanilla India Producer Company (Vanilco) - a growers society based in Kerala has started procuring green beans for Rs 250 per kg. Paul Jose, managing director said Vanilco aims to procure 250 tonne of green beans. As the harvesting season would be in full swing within a week, total production estimated for the current year is 500 tonnes (around 80 tonne of cured beans). Total production in 2004 stood at 300 tonnes. In the last harvest season, Vanilco had procured 60 tonne and sold it in the form of super critical fluid extract (SCF extract), vanilla powder and vanilla tea in the domestic market though a small quantity had been exported. The company plans to operate in the same line of business this year too. Vanilco has bagged an export contract from Mexico for SCF extract and will explore the possibility of further exports in order to attract more overseas demand. In order to create promote Indian vanilla in the international markets, Vanilco will participate in "Vanilla - 2005", a conference scheduled to be conducted in Mexico from November 16 onwards. He also said that US evinced interest for importing cured beans for

a price tag of \$30 per kg, as the current global price is low. As the global production remains steady, the market may be on a bull run in the ongoing season, which ends by March 2006. Total production in Madagascar, the world's largest exporter of vanilla is at the level of 1700 - 1800 tonne and Indonesia, the second largest producer, is expected to have production to the tune of 300 tonne of cured beans. According to chairman of Spices Board, the availability of vanilla during this season might be slightly higher as demand is picking up. He also said that the rising demand might lead to an increase of prices of processed beans by 30 - 40 per cent in the global market. During 2004-05 total exports from India was to the tune of 43 tonne and 27 tonne in the preceding year, almost 90 per cent increase. The highest price fetched by Indian variety was \$80 per kg for processed beans and the average price was \$30-32.

#### **Pepper Growers and Traders Upset with Delay in Announcement of Export Subsidy**

Union Commerce Ministry's delay in announcement of WTO compatible subsidy for export of black pepper even after clearance from all the concerned ministries and the expert committee has upset growers and traders. Trade sources told that a delayed announcement would not yield expected results, as harvesting of the new crop is expected to commence next month. Besides, the grinding industry and wholesalers are said to have gone for imported pepper already. If the announcement is made without further delay, an estimated 10000-12000 tonnes of unsold stock with the exchanges would get absorbed. It can also create a positive impact on the domestic pepper prices. Once the new crop enters, liquidating the old stock in the market might become a problem. According to sources in the Ministry, it is working on the scheme amount, the volume to be exported and the scheme validity, etc. They added that the proposal would be announced soon. The expert committee seems to have excluded cardamom for export subsidy, besides deleting certain components relating to pepper. As a result, the total amount agreed upon is about Rs 140 million from Rs 21 million proposed originally. The WTO compatible subsidy would make the Indian produce competitive in terms of price in the overseas markets. It would also help in regulating the supply, which in turn would hold the fall in prices while the farmers would get a remunerative price. The Kerala Government had procured around 4800 tonnes of black pepper directly from the growers through its agency Kerala Marketfed at Rs 75 a kg. If the entire quantity is released in the domestic market at the prevailing price of Rs 56-60 a kg, that would not only cause heavy losses to the Marketfed, but would also lead to sharp fall in prices. Hence the Government had decided to export the entire quantity, but holding the stock for long in warehouses would lead to loss in weight and deterioration in quality. State Government sources told that the subsidy has become unavoidable to make the price competitive in the international market.

### Domestic Prices For the week ending 08.10.2005:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (8.10.05)	Price (RS/KG) For The Week (1.10.05)	Last Month (RS/KG)Same Week (10.09.05)	Last Year Same Week (RS/KG) (8.10.2004)
Black pepper*	Malabar garbled (mg-1)	Cochin	64.10	63.92	63.30	65.00
Cardamom	(Small) Ungraded	Vandanmettu	238.31	255.40	252.59	323.90
Cardamom	Cardamom (large)	Gangtok	102.50	102.50	83.75	101.25
Chilli	Non -cold storage Cold storage	Guntur	12.40 21.20	12.75 19.25	12.33 18.33	22.00 22.00
Ginger	Unbleached (new)	Cochin	100.00	120.00	120.00	140.00
Turmeric	Alleppey finger (AFT)	Cochin	50.00	50.00	50.00	55.00
	Rajapuri	Mumbai	56.50	53.50	52.75	57.25
	Duggirala	Mumbai	28.38	28.75	-	35.50
Coriander	Indori 5%	"	18.38	18.50	18.88	18.00
Cumin	4%	"	65.00	66.50	66.88	72.75
Clove	Grade 1	Cochin, Nagarcoil	230.00	230.00	234.17	250.00
			230.00	230.00	235.00	275.00
Cinnamon		Delhi	46.50	46.50	46.50	50.50

### International Spot Prices for the week ending 07.10.2005:

Spice	Origin/Grade	Market	Price For The Week (07.10. 05) (US\$/TON)	Price For The Week (30.09. 05) (US\$/TON)	Last Month Same Week (09.09.05) (US\$/TON)	Last Year Same Week (01.10.04) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1720	1720	1698	1632
Cardamom * (small)	Fancy green Indian Asta (8 mm)	New York	8820	8820	8820	9922
		Saudi Arabia	8740	8910	9320	9740
Chillies	Indian sannm-4 (stem less)	New York	1257	1257	1213	1300
Ginger	India cochin	New York	3484	3484	3484	5181
Turmeric	Chinese peeled Indian ground India Alleppey finger	New York	3462	3462	3462	2426
		New York	1213	1213	1213	1213
			2050	2050	2050	1985
Garlic	Chinese	New York	2822	2822	2822	1566
Coriander	Canada	New York	772	772	770	816
Cumin	Syrian		1808	1808	1808	1918
	India	New York	2029	2029	2029	2182
Fennel	Indian Asta Egyptian	New York	1455	1455	1455	1234
			1411	1411	1367	1300
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	3925	3859	3859	3748
			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	4740	4740	4630	4630

## Market Analysis:

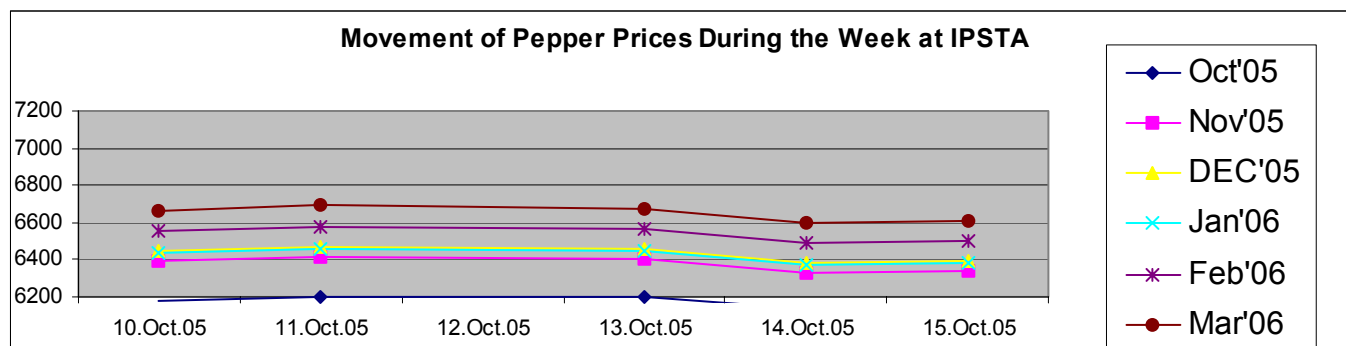
### Price Trends Analysis:

#### Pepper:

#### A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The graph below is showing the closing prices for the different contract months at the IPSTA in the week. No final notifications on export subsidy and increase duty on import

from Sri Lanka were the main factors behind downward movement of prices. Prices taken downward trend from the third day of the week in every contract, Till the news of export subsidy not confirmed, there would be a bearish movement in all the contracts.



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

Pepper	11.10.05	12.10.05	13.10.05	14.10.05	15.10.05	17.10.05
Ungarbled	5900	-	5900	5900	5900	5950
Garbled	6300	-	6300	6300	6300	6350

The prices of garbled and ungarbled varieties of pepper remain at lowest level upto Saturday and improved Rs.50 per quintal on Monday in Kochi market during the week. Production of Black Pepper in the country is expected to be around 65000 tonnes. Demand for black pepper remained confined from local consumption centres. Arrivals and off takes were nil here at Kochi market as traders and producers are not interested in trade till the confirmation of the export subsidy except 10 quintals on 13<sup>th</sup> October. There is no official notification on approval of export subsidy yet received from Union Ministry. Market sources reported that prices would bounce back when notification on export subsidy comes.

#### Delhi terminal mandi

In Delhi market prices remained firm with slight lower side. Prices of black pepper firm due to festival demand. Prices at Delhi Market would remain firm in coming week.

Pepper	Oct 03 - 10	Oct 11 - 17
Golden Unpolished	68-69	68
11.5	85	83-85
No. 12	95	93-95

Note: Prices are in Rs. Per Kg.

#### Turmeric:

**Erode mandi:** Turmeric prices decreased slightly in comparison with previous week level. Arrivals of turmeric in the Erode were reported between 2500-3000 bags daily during the week. Since, demand is increasing from north India due to festivals of deepawali and Dushehra, trade sources reported that prices would remain firm with slight upper side in near future.

DATES	Oct 03 - 10	Oct 11 - 17
Loose Finger	2850	2800
Bilty	3000	2950
Loose Gattah	2750-2800	2750
Bilty	2900	2900
Loose SP Gattah	2900-2950	2850
Bilty	3100-3150	3100
Loose DP Gattah (Salem)	3000-3050	3000
Bilty	3300-3450	3300
Kolkata Quality Bilty (75 kg)	2150-2200	2100-2125

Prices are in Rs/ Qtl.; NR: Not Reported;(1 bag=75 Kg)

#### Nizamabad Mandi

Prices improved significantly in finger but steady in gattah grades in comparison with previous week levels. Daily off take in Nizamabad were reported about 1000 bags daily during the week. Prices would remain steady in coming week.

DATES	Oct 03 - 10	Oct 11 - 17
Nizamabad Gattah	2800	2950
Nizamabad Finger	2850	2850

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

**Warangal mandi:** Market demand and prices improved due to festival demand i.e. 250-300 bags daily. Prices for turmeric in the market continued to hold steady levels. Prices of gattah and finger were quoted at Rs 2800-2850 per qtls.

**Delhi Mandi:** Demand for turmeric was slightly improved due to increased demand of spicy stuff with the weather

change and starting of festive seasons in North India. Prices remained steady in all grades of turmeric. However, talks of sufficient stock and steady demand would keep the movement of prices steady in coming week too.

DATES	Oct 03 - 10	Oct 11 - 17
Nizamabad finger	3200-3300	3200-3300
E.Finger mini Selam	3600-3700	3600-3700
E. Single polish Gattah	3200	3200
E. Double polish Gattah	3500-3600	3500-3600
Warangal polish	2950-3050	2950-3050
Selam Finger	4100-4200	4100-4200

Note: Prices are in Rs/ Qtl.

#### Clove:

##### Delhi mandi

Delhi clove market prices and demand remains firm. Traders are expecting improvement in its prices in coming week or so following the low production reports from the origin countries. Prices would remain firm in coming week

DATES	Oct 03 - 10	Oct 11 - 17
Indonesia	200	200
Ketan	205	205
Colombo	178-185	178-180
Madagascar	190	190
Zanzibar	205	205

Note: Prices are in Rs/Kg

**Hyderabad mandi** continued to see the declining trend following poor demand from the retail end. Indonesian clove grade was offered at Rs. 188-190 per kg. While Colombo grade was traded at Rs. 178-180 per kg. The price of Zanzibar was recorded at Rs 195 per Kg.

#### Cumin:

**Unjha Mandi:** Cumin market seen some improved trend in demand and Prices and arrivals are still seeing sluggish trend. Average trade of cumin in Unjha were reported at 6000-7000 bags daily with average arrivals of 2000 bags per day. Stock of cumin is about 6 lakh bags and 3 lakh bags with commodity exchanges, which is more than total estimated demand of 4.5 lakh bags. Prices would see some improvement, when this October contract going to settle at bottom level prices next week.

DATES	Oct 03 - 10	Oct 11 - 17
Kisan Mal-FAQ	1050-1450	1150
Ganesh	1280-1300	1250
M/c. Cleaned	1325-1400	1250-1300
Sup. M/c. Cleaned	1425-1500	1400

Note: Prices are in Rs/20 Kg

In **Hyderabad mandi** the rates of Kisan mal-FAQ grade was reported between Rs.1200-1280/20kg.during this week. Prices are likely to remain firm in the coming week.

##### Delhi Mandi:

Cumin prices remained steady at lower side in different grades, as demand is slightly picking up. Prices would

remain steady in next week as chances of increase in demand due to coming festivals.

Grade	Oct 03 - 10	Oct 11 - 17
Chalu	62-63	62
Ganesh	66-69	66
M/Cleaned	65-80	65-80
Best	82-90	82-90

#### Red Chillies:

**Guntur Mandi:** Daily average arrivals were in the range of 15-20 thousand and off take 20000 bags per day. Chilly prices improved significantly due to festive demand from north India and the news of crop damage due to excess rain. prices had seen a significant increase of Rs.200-400 per quintal from the previous week. Market sources reported that prices would remain steady in coming week.

DATES	Oct 03 - 10	Oct 11 - 17
COLD	2400-2500	2600-2000
UNCOLD	1400-1700	1500-1800
WHB	2600-2750	2700-2750
Byadgi	3000	3000
Sannam Best	2500	2500
Sannam Med. Best	2100-2300	2400-2500
Namdhari	2300-2400	2800
273	2200-2400	2800
Guntur Fullcut	3600-3800	4000
Ankur	3000	3200
Phatki	900	1100
Indo5	2500	2800
Tejaseed	2800	3000-3100
Roshni	2300	2600

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

#### Delhi Mandi:

Delhi market on demand of chilly prices improved s by Rs.1-2 per kg in different grades. News of chilly crop damage due to excess rain in producing areas of AP and Karnataka give a push to the prices. Traders are expecting slight bullish trend to persist in short to medium term. Price would see some more bullish movement in coming week.

DATES	Oct 03 - 10	Oct 11 - 17
Guntur Pala	2600-2800	2600-2800
Guntur Fullcut	4200-4300	4000-4400
Guntur Packing (new)	3100-3400	3200-3400
Nagpur Pala	2400-2500	2450-2700
Nagpur Fullcut	3200-3300	3200-3400
Nagpur Packing	2800-3400	2900-3400

Note: Prices are in Rs/Qt

#### Cardamom:

##### Delhi mandi

Cardamom prices weaken , even good festive demand is on. Traders in Delhi have done aggressive buying from the



sources markets and build up inventory ahead of festivals. The prices would remain slightly weak to firm in coming week.

DATES	Oct 03 - 10	Oct 11 - 17
Panwali	205-210	200-205
Colour Robin	210-215	205-210
C Bold 6.5mm	220-230	215-230
Extra Bold 7mm	290-310	260-280
Ex Bold 7.5mm	330-350	325-350
Handpicked	430-470	430-465

Note: Prices are in Rs/kg

#### Hyderabad Mandi

Prices declined significantly in Hyderabad, as demand is checked due to laden,s message on Al-Zazzira Channel about not to celebrate Eid this year due to Earth quake in POK; prices were declined by Rs 30-40 per kg in comparison with previous week. Downtrend in global markets also had negative impact on the prices. Harvesting of Current crop in Guatemala is expected to start in December. Prices would remain steady at these bottom level prices in coming week.

DATES	Oct 03 - 10	Oct 11 - 17
Colour Robin	210	180
C Bold 6.5mm	230	195
Extra Bold 7mm	240-245	215-220
Ex Bold 7.5mm	300	260
8.00 mm	450	390-400

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

#### Coriander:

##### Delhi Mandi

Delhi market continued to see moderate trade. Prices of coriander weakened in comparison to previous week. In coming week prices would remain steady.

Coriander Grade	Oct 03 - 10	Oct 11 - 17
FAQ (Chalu)	2000-2250	1900-2250
Medium	2800-3150	2100-3150
Green	3500-3700	2800-3700
Extra Green	4400-4600	4000-4600

Note: Rate Per Quintal

##### Rajasthan Mandi

Demand for coriander started picking up in Rajasthan markets. Prices remain on weaker side of Rs 50 per quintal in loose grades. Arrivals of coriander in Ramganj, Kota and Baran mandi were reported about 3000 bags daily. Arrivals in Guna mandi remained 1500 bags daily. Arrivals over shadowing the demand as only half of the arrivals off take going on in the mandis. Prices would see some improvement, as demand will also improve in coming week.

DATES	Oct 03 - 10	Oct 11 - 17
Kota Badami (40 kg)	680-690	660-670
Kota Eagle (40 kg)	720-730	700-710
Ramganj Badami (loose per qtls)	1250-1400	1250-1350
Ramganj Eagle (loose per qtls)	1350-1500	1350-1450
Kota Badami (loose per quintal)	1250-1325	1250-1350
Kota Eagle (loose per quintal)	1350-1425	1350-1450

#### Methi

##### Kota mandi:

Methi markets also observed declining trend in prices this week. Daily average arrivals were in the range 200-250 bags per day during the week. Arrivals at Neemuch mandi were 400 bags daily with firm prices and demand. Market sources expecting improvement in demand and prices in near future. Prices would remain firm in coming week.

##### Methi price at Kota Mandi

Methi Grade	Oct 03 - 10	Oct 11 - 17
Methi (Uncleaned)	1200-1350	1100-1250
Methi (Cleaned)	1350-3150	1300-3000

Note: Rate Per bag (90 Kg. each)

Prices of Methi remain steady throughout the week. Delhi market witnessed firm trade. There were slight decline in prices of Jabara and Better quality grades. The prices would remain firm on positive side in coming week.

##### Methi price at Delhi Mandi

Methi Grade	Oct 03 - 10	Oct 11 - 17
Chalu	1500-1600	1500-1575
Jabara	2400-2700	2350-2700
Better	2800-3000	2750-3000

Note: Rate Per quintal

#### Prices of Major Spices available in Major Rajasthan Mandi as on 17<sup>th</sup> October, 2005:

The prices of major spices in major Rajasthan mandis remain steady to increasing trend this week as compared to the last week. At the Jaipur grain mandi the prices of Jeera showed steady trend and Chilly dry increasing trend throughout the week. Arrivals of Chilli (dry) and cumin remain nil in Jaipur mandi. Arrival of Methi was also recorded nil during the week with slight decline in prices.

##### Prices of Major Spices

Name of Spice	Place	Rate (Rs. qtls)
Chilly Dry	Jaipur (Grain) Mandi	3000
Jeera (Cumin)	Jaipur (Grain) Mandi	5750
Methi	Jaipur (Grain) Mandi	1225

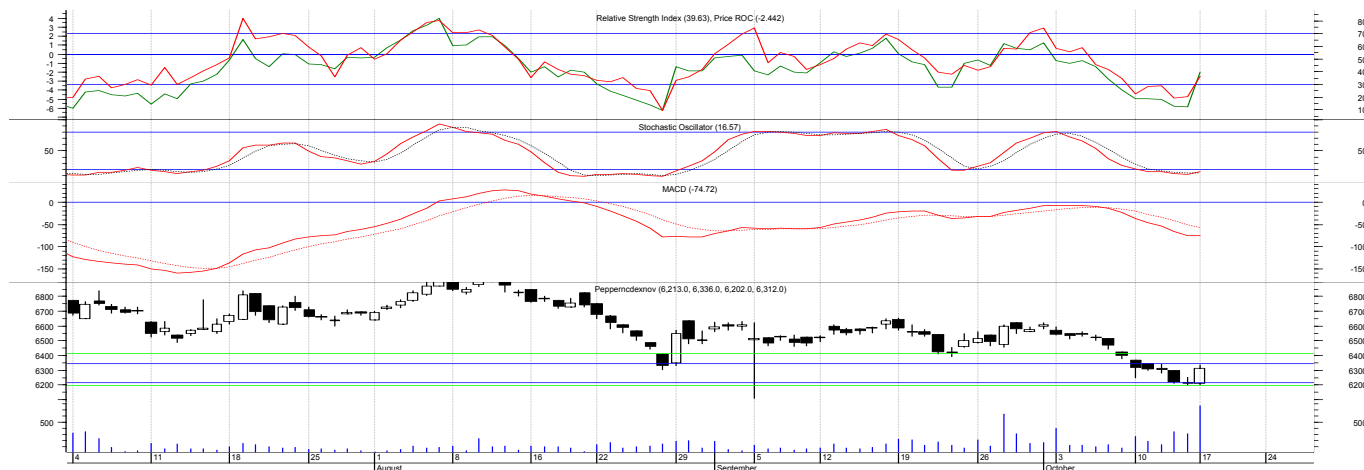
##### Other Minor Spices during week at Delhi Mandi

At the Delhi mandi the prices of other minor spices remained steady during this week as compared to the last week It is expected that the prices of other spices in Delhi mandi would maintain steady trend in the coming week too.

**Technical Analysis:**  
**Commodity: Black Pepper**  
**Contract Month: November 2005**  
**Exchange: NCDEX**

The all indicators are showing improvement in the market, candlesticks are showing bullish sentiment with maximum i.e. positive correction today and stochastic oscillator in oversold region started moving upward towards neutral region sign of bullish sentiment. RSI is in neutral zone and

taken upward movement. MACD is also bullish but in negative zone. Overall there are chances of upward movement on the basis of technical and fundamental prices are likely to go up in this week.



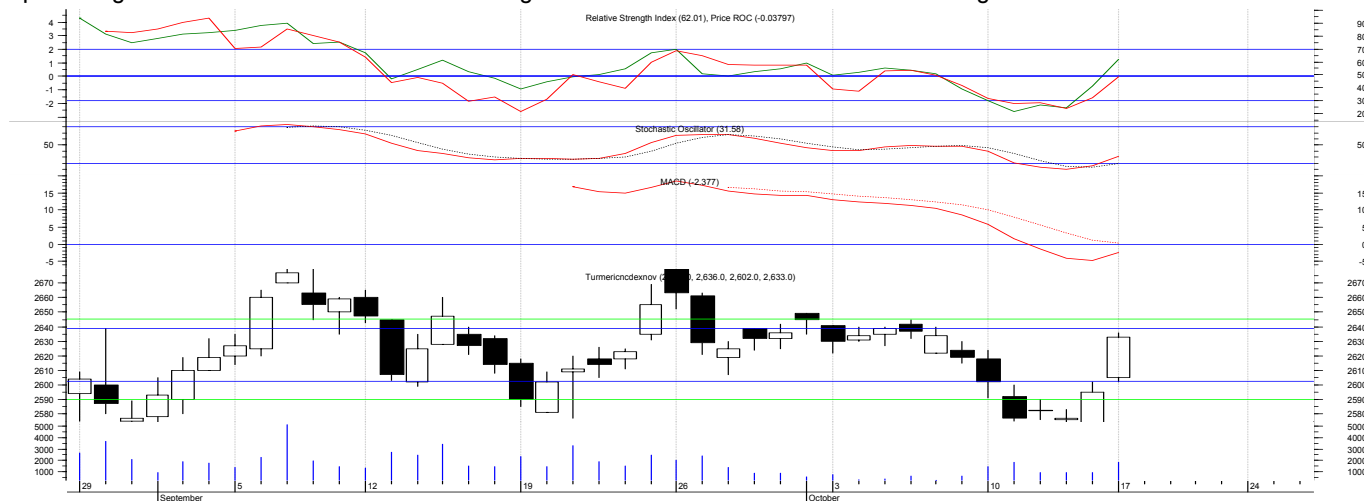
**Recommendation:** As there are maximum chances of bullish sentiment in the week in prices so one can maintain

the medium position as well as make profit in short term too. The prices would be in the range of 6200-6412 in this week.

**Commodity: Turmeric**  
**Contract Month: November 2005**  
**Exchange: NCDEX**

All the indicators are showing Bullish sentiments in the market. Prices would see more increase in the coming days. Stochastic oscillator is in neutral region and moving upward sign of bullish sentiment. MACD is in negative zone

but approaching towards neutral region sign of bullish movement. RSI and PROC also showing upward movement. So overall bullish sentiment prevails in prices with fair chances of negative correction at weekend.



**Recommendation:** As market is overall bullish with fair chances of negative correction at weekend. Go for

Short term as well as intra day buying in the week. The prices would be in the range of 2590-2645 in this week.



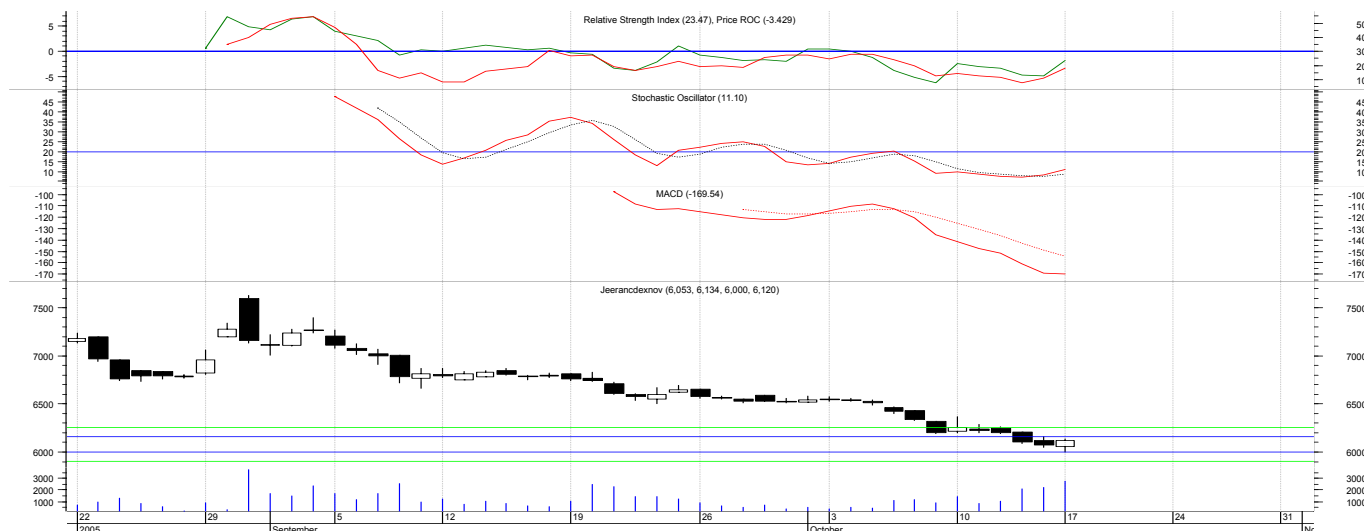
### Commodity: Cumin (Jeera)

Contract Month: November 2005

Exchange: NCDEX

All the indicators are showing some improvement in the market. RSI and PROC are indicating bullish sentiments in the prices but located in oversold region. Stochastic oscillator at 11.10 point is also in oversold region and

bullish. MACD is already in Negative zone showing the weakness in market also bearish. Overall all the technical indicators showing bullish movement in the prices.



**Recommendation:** As the market fundamentals as well as technical showing bullish sentiment in the market. So one

may go for buy in short run. Market would move in the range of 5900-6259 in this week.

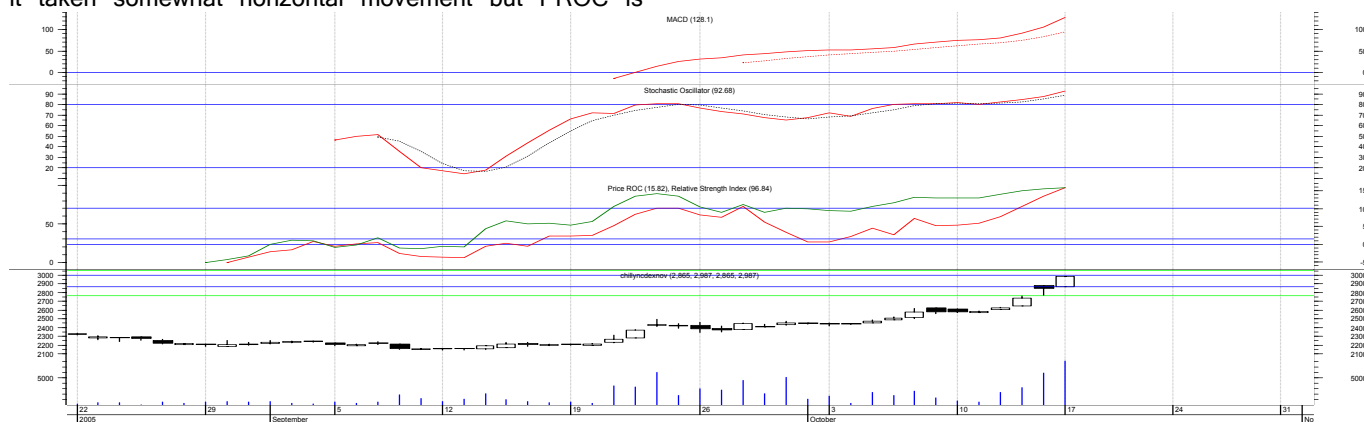
### Commodity: Red Chili

Contract Month: November 2005

Exchange: NCDEX

Stochastic Oscillator, %K line is below the % D line at 92.68 point just cutting it from above and in overbought region there but having some horizontal inclination shows the range bound bearish sentiments. RSI is slightly bearish as it taken somewhat horizontal movement but PROC is

bullish. Candlesticks indicating the bullish sentiment. Overall technical and fundamentals showing the bullish sentiments with maximum chances of negative correction in the prices on 3-4<sup>th</sup> day of the week.



**Recommendation:** As per Fundamental and technical analysis, market would move upward for first 2 days then most likely negative correction would take place. So one

can go for short-term profit by selling at resistance levels. Prices would be in the range of 2763-3051 in this week.

## WEATHER WATCH (As on 16.10.05)

### ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

#### Weather Outlook

Rainfall has been of light to moderate in nature for the last 24hrs over parts of Lakshadweep, Andaman & Nicobar Islands, Konkan & Goa, Madhya Maharashtra, Marathwada, Vidarbha, Madhya Pradesh, Chattisgarh, Bihar, Jharkhand, Gangetic West Bengal, coastal Orissa, Assam & Meghalaya, north coastal Andhra Pradesh, Telangana, Rayalaseema, interior parts of Karnataka (south & north). Yesterday's well marked low pressure area is now located as a less marked cyclonic circulation system over Madhya Maharashtra and Konkan & Goa with associated upper air cyclonic circulations extending upto mid-tropospheric level and trough extending laterally eastwards upto Chattisgarh. Further, as expected yesterday, a mid-latitude westerly trough in the middle troposphere has gained amplitude in north-south today (located at 68°E and 25°N). It is now expected that an interaction scenario between the tropical (less marked cyclonic circulation over Maharashtra) and mid-latitude (westerly trough) circulations is beginning to develop with the trough from the Maharashtra circulation already extending eastwards till Chattisgarh. Under this scenario, the circulation is to move very slowly in easterly / northeasterly direction towards Bihar and Sikkim in coming days traversing through east Madhya Pradesh, Chattisgarh, Jharkhand. As per our continued assessment of this evolving scenario, in coming days rainfall intensity over Rayalaseema, coastal Andhra Pradesh and south interior Karnataka is expected to decrease (to isolated to scattered type) and is expected to increase over Telangana (at least for 24), north and western Orissa, north interior Karnataka, and Maharashtra, east Madhya Pradesh (to scattered to fairly widespread type with some pockets of heavy rainfall). Further, isolated to scattered rainfall activity is expected over parts of hilly regions of J&K, Himachal, Uttaranchal, Chattisgarh, Jharkhand and Bihar for next 4-5 days. However, rainfall activity over the north coastal regions of Orissa, Gangetic

West Bengal and NE States would only be of isolated type. The model predictions indicate that a fresh cyclonic circulation could possibly develop over the south central Bay of Bengal by around 18-19 Oct., 2005. The existing low pressure area over the Arabian Sea is likely to move in northwesterly direction now due to the possible tropical-midlatitude interaction developing over north India.

#### **NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]**

Hilly regions of north India and NW India (J&K, HP, UTTARANCHAL) are likely to experience isolated to scattered rainfall/snowfall activity and mainly dry weather is likely to prevail over rest of the regions.

#### **EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]**

While West Bengal & Sikkim, NE states, north coastal Orissa are likely to experience only isolated spells of rainfall activity, Bihar, Jharkhand, western Orissa can experience isolated to scattered rains for 1-2 days and experience scattered to fairly widespread rains subsequently. Mainly dry weather is likely to prevail over rest of the regions.

**CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]** are expected to have scattered to fairly widespread showers during next 3-days and isolated to scattered type rains might prevail subsequently.

#### **SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]**

Interior Karnataka, Rayalaseema, coastal Andhra Pradesh, Andaman & Nicobar and Lakshadweep are likely to experience isolated to scattered rainfall activity. On the other hand, parts of Telangana are likely to experience scattered to fairly widespread rainfall. Isolated rainfall activity is expected over rest of the regions.

#### **WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]**

North Konkan, Maharashtra and parts of south Gujarat are likely to experience scattered to fairly widespread rainfall activity in coming 2 days. Mainly dry weather is likely to prevail over rest areas of the region.

Source: GOI (NCMRWF & IMD)

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