

SPICES

March 27 - April 01, 2006

Overview:

- Jeera: Exports Declined on Higher Prices
- Black Pepper Market Waiting for Export Subsidy Decision
- Union Commerce Ministry Extends Pepper Export Subsidy
- Ginger Prices Fall on Increased Production
- Coriander Prices on the Rise

News Highlights

Jeera: Exports Declined on Higher Prices

The exports of jeera in the first half of this fiscal year declined. During this time period exports worth 4300 tonnes of cumin with a value of around Rs. 33.44 crores were recorded. This was against 8500 tonnes with a value of Rs. 62 crore in the previous year. The exports are declining on higher prices offered by India as against its major competitors Syria and Turkey. The crop this year is good and climate so far has remained favourable for it.

Black Pepper Market Waiting for Export Subsidy Decision

Black pepper exporters are waiting for Governments decision to extend the date for subsidy on export of black pepper from India. Earlier the centre approved WTO compatible subsidy scheme for export of black pepper and its value added products that was applicable from October 27, 2005 to March 31, 2006. The subsidy was allowed on export of a maximum 20000 MT. The total exports that have availed this subsidy has been recorded at 4000 tonnes. In this regard the exporters are keeping an eye on the result of today's meeting to be held in Delhi.

Union Commerce Ministry Extends Pepper Export Subsidy

On repeated requests by exporters of black pepper, the Union Commerce Ministry yesterday allowed extension of pepper export subsidy to exporters of black pepper and its value added products. The subsidy will be available till it touches the target of 20000 tonnes.

Ginger Prices Fall on Increased Production

Ginger crop this year is expected to be high by around 30 – 40 percent as against last year. The crop estimates this year reveals a figure of approximately 700000 tonnes. World Production of ginger is also expected to increase and China, Ethiopia and Nigeria could be the major participants. The ginger markets

of world can see a fall in global prices due to this. Indian parity is higher by \$125 per tonne as compared to China which is offering at \$1,100. Nigeria is offering its ginger at \$850. Harvesting in India is in progress and first crop of ginger has already been harvested, the market is expected to hit by the second ginger crop in April month. Presently in Karnataka green ginger is trading at Rs. 7 – 8.5 per Kg as against Rs. 27 – 28 last year. According to trading sources the prices of ginger traded upto Rs. 120 per Kg last year. Ginger at Dimapur market is trading at Rs. 10 – 12 per Kg as against last years Rs. 31 – 32 per Kg. The daily arrivals are of around 30 – 40 motors and off take is of 20 – 22 motors. In Tinsukhia market of Assam ginger is trading at Rs. 9 – 10 per Kg as against last years Rs. 16 – 17 per Kg. The combined carry over stock of Bangalore and Tinsukhia is around 20 – 25 percent of total production. India has a carry over stock of 20 percent.

Coriander Prices on the Rise.

Coriander prices are on an upward journey these days in Delhi markets. In the last, fortnight prices have gained Rs. 450 - 500 to Rs. 3500 per quintal on spill over impact of the firmness seen in Guna and Kumbharaj mandis of Madhya Pradesh. Major Mandis of Madhya Pradesh are witnessing higher prices due to lower production of coriander this year. While prices may initially ease somewhat as arrivals pick in the coming days, hefty off-season premiums are expected to dominate prices in subsequent days. According to market participants, the recent rains in the major coriander producing areas of Madhya Pradesh have affected crop quality. According to them, excessive rain has caused blackening in green-shiny (*hari chamakdar*) coriander. Though most of the harvesting had been completed in the region before the unexpected rains, about 25 percent of the standing crop was still severely affected. The resulting losses as also the lower crop due to reduced acreage on account of below normal rains, is

expected to sweep away almost 50 percent of normal production in these areas. A similar situation is prevailing in major coriander growing areas of Rajasthan, where acreage this year is down by 30 – 35 percent. The situation has been compounded by rain and frost, which damaged the maturing crop. Looking at the prospects of higher prices due to supply shortage this year, stockists are not hesitating to pay a premium to pick up coriander. Green shiny coriander, which is mainly grown in Guna and Kamraj area, has good export demand from countries like Malaysia, Pakistan and Dubai. But as the quality of around one – fourth of the crop has been affected by the recent rains, prices for good quality green shiny

coriander for export are seen moving higher. Shortage of good quality, green shiny coriander is now being felt by exporters in Mumbai, Chennai and Ahmedabad ports. Thus prices are already higher by Rs. 6 – 7 per Kg arrival pressure might lower these prices in the short run a movement that stockists are certain to take advantage of to beef up stocks. Once export gains momentum, prices might shoot up further. Supply shortage due to lower production is also likely to trigger increases in the prices of other varieties of coriander.

Domestic Prices For the week ending 25.03.2006:

Spice	Grade/Variety	Market	Price (RS/KG) For The Week (25.03..06)	Price (RS/KG) For The Week (18.03.06)	Last Month (RS/KG)Same Week (25.02.06)	Last Year Same Week (RS/KG) (26.03.05)
Black pepper*	Malabar garbled (mg-1)	Cochin	70.80	71.67	72.30	70.33
Cardamom	(Small) Ungraded	Vandanmettu	196.71	211.60	218.61	297.03
Cardamom	Cardamom (large)	Gangtok	95.00	95.00	100.00	68.75
Chilli	Non -cold storage	Guntur	35.40	35.25	27.00	25.00
	Cold storage		33.60	32.75	28.00	NIL
Ginger	Best	Cochin	48.50	51.25	55.00	120.00
	Medium	Cochin	38.80	41.25	45.00	105.00
Turmeric	Alleppey finger (AFT)	Cochin	47.50	47.50	47.50	50.00
	Rajapuri	Mumbai	51.50	51.50	53.50	42.00
	Duggirala	Mumbai	26.75	26.75	25.75	35.50
Coriander	Indori 5%	Mumbai	28.75	29.50	22.25	26.50
	Kanpuri M/C	Mumbai	29.00	29.00	22.38	23.50
Cumin	1%	Mumbai	60.00	60.00	62.50	73.50
	4%	Mumbai	53.75	53.75	56.88	NIL
Clove	Grade 1	Cochin, Nagarcoil	285.00	285.00	235.00	230.00
			275.00	275.00	265.00	235.00
Cinnamon		Delhi	50.00	50.00	51.00	52.50

International Spot Prices for the week ending 24.03.2006:

Spice	Origin/Grade	Market	Price For The Week (24.03.06) (US\$/TON)	Price For The Week (17.03. 06) (US\$/TON)	Last Month Same Week (24.02.06) (US\$/TON)	Last Year Same Week (24.03.05) (US\$/TON)
Black pepper	Malabar garbled (mg-1)	New York	1720	1720	1720	1676
Cardamom (small)	Guatemala Fancy green	New York	7950	8820	8820	8820
	Indian 7mm bold	Saudi Arabia	7720	7720	8000	10830
Chillies	Indian sannm-4 (stem less)	New York	1654	1610	1477	1257
Ginger	India cochin	New York	2381	2536	3197	3528
	Chinese peeled	New York	1985	2072	2456	3197
Turmeric	Indian ground India Alleppey finger	New York	NIL	1213	1213	1213
			1852	NIL	2051	1985
Garlic	Chinese	New York	2845	2756	2756	1610
Coriander	Canada	New York	772	772	772	772
Cumin	Syrian India	New York	1764	1764	1808	1940
			1808	1808	2021	2073
Fennel	Indian (Asta) Egyptian	New York	1698	1742	1521	1300
			1610	1610	1477	1300
Fenugreek	India/turkey	New York	750	750	750	750
Clove	Mad/zanz/com/ Indo Sri Lanka (hand picked)	New York	4740	4740	4851	4123
			7166	7166	7166	7166
Cinnamon	Ceylon h2 cinnamon (soft bark)	New York	5843	5843	5843	4630

Market Analysis:

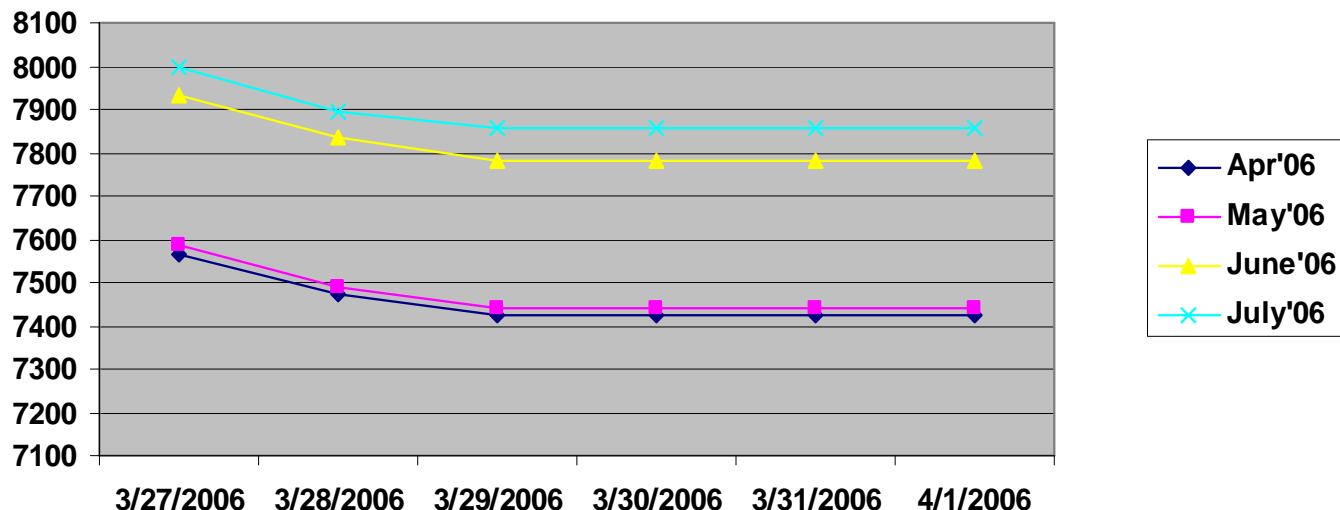
Pepper:

Kochi Market:

A Brief Weekly Fundamental Analysis of IPSTA Pepper Futures Trading

The graph below is displaying the closing prices for different contract months at the IPSTA during the week. Prices followed spot market sentiments and remained steady with slightly bearish sentiments throughout the week. The prices would most likely to move range bound in coming days.

IPSTA Futures Price Movement during the Week



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

Pepper	3/27/2006	3/28/2006	3/29/2006	3/30/2006	3/31/2006	4/01/2006
Ungarbled	6700	6700	6700	6700	6750	6750
Garbled	7100	7100	7100	7100	7150	7150

The prices of both Garbled and Ungarbled grades remained mostly steady during the whole week with a slight improvement at the weekend. The prices remained steady on waiting for union government's decision to extend export subsidy. However market did not react much to this news and continuous harvesting in Karnataka is not letting the prices move up. This is further supplemented by higher prices offered by India in international markets when compared to its competitors and harvesting of pepper crop in Vietnam. However export subsidy might enable Indian exporters to offer their pepper at acceptable prices. According to trading sources the crop is less by around 50 percent this year. In coming week market may see range bound to slightly bullish movement in prices in expectation of slight improvement in demand.

Delhi Market

Black Pepper prices at Delhi Mandi remained steady to slightly weak this week also. The prices declined on less demand and harvesting in pepper growing regions of Karnataka. The traders are expecting the pepper prices to show mixed sentiments and move range bound in coming days.

	Mar20 - Mar25	Mar27 - April1
Golden Unpolished	78 – 80	78 – 80
11.5	85 – 90	85 – 90
No. 12	108	100 – 105

Note: Prices are in Rs. per Kg.

Turmeric:

Erode Mandi:

Turmeric prices at Erode market remained steady to slightly firm this week on high demand due to ending of financial year and ahead of some local festival. The market remained closed from Thursday. Arrivals of turmeric in Erode were reported to be around 25000 bags during this week. The demand for turmeric was high and daily average off take was of around 70 - 80 percent. The market will be closed from March 30 to April 10. The supply of turmeric is expected to increase once market reopens. The prices are expected to trade weak once the market reopens.

	Mar20 - Mar25	Mar27 - April1
Loose Finger	2400 - 2500	2400 - 2525
Bilty	2600 - 2650	2600 - 2650
Loose Gattah	2350 - 2400	2300 - 2425
Bilty	2600 - 2550	2550 - 2600

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

Nizamabad Mandi:

Turmeric market at Nizamabad mostly remained closed this week due to closing of financial year and in celebration of Ugadi festival. On Monday Turmeric prices at Nizamabad market traded firm as against previous week. The surge in prices was seen mainly as an outcome of increased demand in the market and slightly reduced arrivals as against previous week. The arrivals reduced to around 8000 bags during the week. Once the market reopens arrivals might increase this might lead to slight fall in prices.

	Mar20 - Mar25	Mar27 - April1
Nizamabad Gattah (New)	1650 - 2035	2200 - 2250
Nizamabad Finger (New)	1700 - 2200	2350

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

Delhi Mandi:

Turmeric prices at Delhi market remained steady to slightly firm for most of the grades. However a slight decline in price was seen for Erode Double polish Gattah. The demand for turmeric helped the prices to recover. The prices are expected to remain steady to weak in the coming week.

	Mar20 - Mar25	Mar27 - April1
Nizamabad finger	2650	2750
E.Finger mini Selam	3000	3100
E. Single polish Gattah	2700	2800
E. Double polish Gattah	3200	3100
Warangal polish	N.A.	N.A.
Selam Finger	4000	4000

Note: Prices are in Rs/ Qtl.

Clove:

Delhi mandi:

Clove prices at Delhi market remained steady for most of the grades. Clove Indonesia traded slightly firm this week on improved demand. According to trading sources crop in Srilanka this year is less by

around 25 percent and in Indonesia and Zanzibar less by 40 – 50 percent. India is an importer of Cloves and with lower production the prices are expected to improve in coming days. Traders are expecting prices to remain steady to slightly firm in the coming days.

	Mar20 - Mar25	Mar27 - April1
Indonesia	260 – 275	273 – 280
Ketan	280 – 265	280
Colombo	245 – 255	250
Madagascar	255 – 240	250
Zanzibar	275 – 280	280

Note: Prices are in Rs/Kg

Cumin:

Unjha Mandi:

Cumin prices at Unjha market traded slightly firm during the week. However market remained closed from Wednesday through Saturday due to closing of financial year. According to trading sources recent rains have deteriorated the quality of jeera crop in Gujarat and some damage to the crop has been reported from Rajasthan. Harvesting of Fresh Jeera crop is in progress and arrivals this week were in the range of 10000 – 19000 bags as against previous year's 20000 – 23000 bags of 55 Kg each. The demand for jeera is high and stockists are buying jeera. Buying from domestic and international markets was visible. On the reopening of markets the supply might increase along with increase in demand thus prices of jeera might remain steady to range bound.

	Mar20 - Mar25	Mar27 - April1
Kisan Mal-FAQ (New)	1150 - 1230	1160 - 1250
Ganesh	1130 - 1230	1140 - 1250
M/c. Cleaned	1250 - 1350	1250 - 1350

Note: Prices are in Rs/20 Kg

Delhi Mandi:

Cumin prices at Delhi market mostly remained steady to slightly firm on stockists buying. The demand for jeera is increasing. The prices for jeera might remain steady to slightly firm in coming days.

	Mar20 - Mar25	Mar27 - April1
Ganesh New	62	62
FAQ	55	56
M/c. Cleaned	59 - 62	59

Red Chillies:

Guntur Mandi. :

Red Chilli prices for different grades at Guntur Chilli Market traded slightly weak during this week. The prices declined on increased arrivals this week. The market remained closed from Thursday through Saturday on closing of financial year. The daily arrivals during this period were in the range of 40000 to 100000 bags as against 35000 – 80000 bags previous week. According to trading sources chilli crop this year is less by around 40 – 50 percent. With increasing supply and moderate demand the prices might be decline.

Grades	Mar20 - Mar25	Mar27 - April1
Fresh (LCA 334)	3200 - 3600	3100 - 3550

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

Delhi Mandi:

Chilli prices in Delhi market continued to remain steady to range bound during this week. The demand for Chili was moderate. According to market sources the supply figures this year are less as the crop is likely to be less by around 40 percent this season and the carry over stock is high. This has further become worse due to recent rains in chilli growing areas of South India. The traders are expecting the prices to remain steady to slightly bearish for few days.

	Mar20 - Mar25	Mar27 - April1
Guntur Pala	4500	4500
Guntur Fullcut	5500	5500
Guntur Packing (new)	4600 – 4700	4600 – 4700
Nagpur Pala	4300	4300
Nagpur Fullcut	5200 – 5300	5200 – 5300
Nagpur Packing	4400 - 4500	4400 - 4500

Note: Prices are in Rs/Qtl

Cardamom:

Delhi mandi

This week Cardamom prices for most of the varieties continued to trade steady to range bound. The

demand for Cardamom remained moderate during the week. In India the crop outflow this is year is more and most of the major markets in Karnataka witnessed heavy inflow of Cardamom. The trading sources are expecting total production to be of around 15000 tonnes as against 12000 tonnes estimated by spices board. Harvesting in Kerala is continuing and is expected to increase in coming days. Recent rains in Kerela might be beneficial for crop; therefore the prices may fall further. Cardamom prices are expected to remain steady to weak in coming days.

	Mar20 - Mar25	Mar27 - April1
Panwali	180 - 195	180 – 185
Colour Robin	180 - 185	180 – 185
C Bold 6.5mm	190 - 210	190 - 210
Extra Bold 7mm	205 - 240	200 – 240
Ex Bold 7.5mm	235 - 340	320 - 340
Handpicked	350 - 465	350 - 465

Note: Prices are in Rs/kg

Coriander:

Delhi Mandi

Coriander prices at Delhi market remained steady to range bound this week. Coriander seed crop has started arriving in the primary markets as harvesting in Rajasthan, Bihar and Uttar Pradesh is under progress. The harvesting in Madhya Pradesh is about to complete. According to traders the crop quality has been damaged due to rains in major growing areas and production this year is less. The prices of Coriander during the week may remain steady to slightly firm.

Coriander Grade	Mar20 - Mar25	Mar27 - April1
FAQ (Chalu)	3100 - 3300	3100 - 3300
Medium	3500 - 3400	3400 - 3500
Green	4200 - 4800	4200 - 4800
Extra Green	5000 - 5400	5000 - 5400

Note: Rate Per Quintal

Technical Analysis:

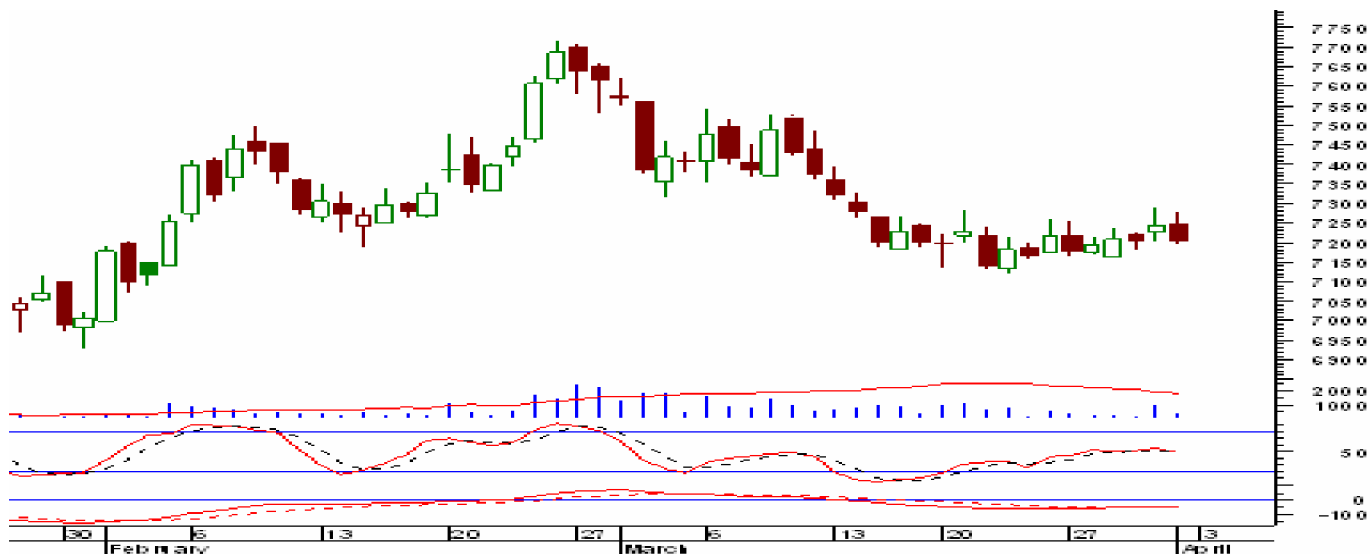
Commodity: Black Pepper

Exchange: NCDEX

Contract Month: April 2006

Candlesticks are showing bearish sentiments. Stochastic oscillator is in neutral region and has made bearish crossover. MACD is in negative zone and bullish. Black pepper April contract might witness

mixed sentiments. It is most likely that in the beginning of the week it may trade slightly bearish and thereafter recover and again see slight fall in prices.



Recommendation: Buy at lower levels in the beginning of the week or sell at higher levels at the mid week when prices recover. The prices would be in the range of 7408 – 7121 in this week.

Commodity: Turmeric

Exchange: NCDEX

Contract Month: April 2006

Candlesticks are reflecting bearish sentiments. MACD is in positive region and bearish. Stochastic has just entered oversold region. Moving averages are indicating bearish sentiments. The Prices are

most likely expected to remain bearish. However slight recovery in prices can be seen before mid week.



Recommendation: Go for Short position at higher levels. The prices would be in the range of 2299 – 2175 this week

Commodity: Cumin (Jeera)

Exchange: NCDEX

Contract Month: April 2006

Candlesticks are reflecting bullish sentiments. MACD is in negative zone. Stochastic oscillator is in oversold region and has made bullish crossover. The

prices may move bullish in the beginning of the week and lately may observe a slight fall in prices due to profit booking.



Recommendation: The prices are expected to recover go for Long positions. Prices may move in the range of 5851 - 5610 in this week.

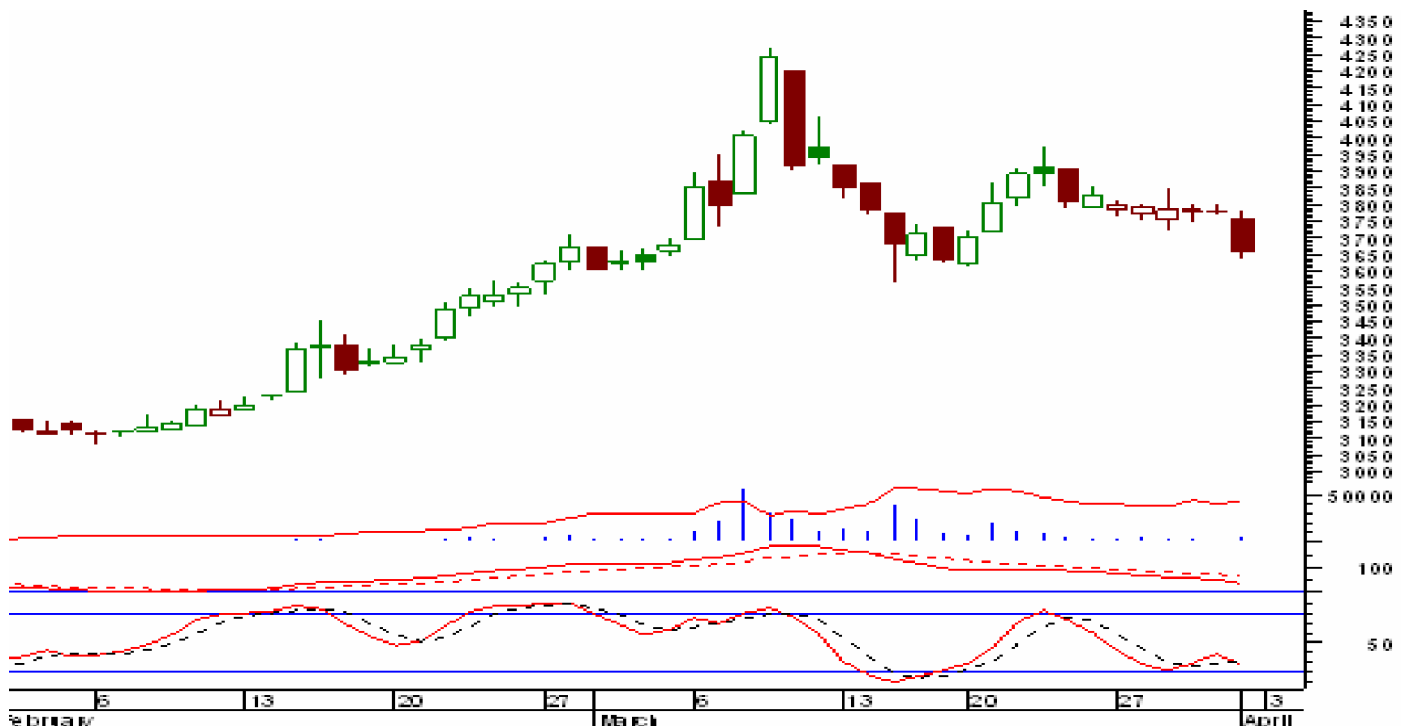
Commodity: Red Chili

Exchange: NCDEX

Contract Month: April 2006

Candlesticks are indicating bearish sentiments. Stochastic is bearish and MACD is in positive zone.

Moving averages are indicating bearish sentiments. The contract might trade at low prices.



Recommendation: Go for short position. The prices might range between 3802 – 3528 during this week.

WEATHER WATCH (As on 01.04.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

A western disturbance is now moving across J&K and adjoining hilly region of NW India. Under its influence ongoing rainfall/snowfall activity over hilly regions of northwest India are likely to continue in next 24 Hrs. and reduce thereafter. Isolated thundershowers activity are likely over Bay Islands and south coastal Tamilnadu and isolated to scattered thunderstorms are expected over north Telangana, Vidarbha, Chhatisgarh, Orissa, West Bengal, NE States and Kerala during 2-5 April 2006. Rest of the regions are likely to experience mainly dry weather conditions. Temperatures over northwest and central India may further increase by about 2-3°C in 24 Hrs and over eastern parts of the country during next 2-3 days. Thereafter, the regions may experience fall in temperatures by about 1-2 degree C.

NORTH & NORTH NORTHWEST INDIA [J&K, HP, UTTANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Scattered rain/snow is expected over hilly regions of northwest India viz. Jammu and Kashmir, Himachal Pradesh and Uttranchal during next 24-36 Hrs. Cloudy

sky with isolated shower is expected over adjoining plains of northwest India viz. Punjab, Haryana and Delhi

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

Mainly dry weather may prevail over the region during next 24-48 Hrs. Subsequently, isolated to scattered rainfall/thundershower is expected over Orissa, West Bengal, and NE states.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Vidarbha and Chattisgarh is likely to experience isolated thunderstorm activity during next 24-48 Hrs.

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

Isolated to scattered rainfall is expected over Bay Islands, north Telangana, coastal Tamilnadu and Kerala in coming days.

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

Mainly dry weather may prevail over the region except over Vidarbha where isolated to scattered thundershower may occur during next 24 Hrs.

Source: GOI (NCMRWF& IMD)

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