

Spot Market Recap

Turmeric:

- Turmeric markets remained weak as buying activity declined over the week. Demand weakened and most participants were inactive.
- Markets may move lower in the next week as higher arrivals are expected from farmers and a continuing weak demand from most of the market participants.

Cumin Seed:

- Cumin Seed markets remained steady supported by reports of firm export demand and a lower Syria and Turkey crop.
- Arrivals will start to decline in all trading centers and this may push the markets higher.

Coriander Seed:

- Coriander Seed markets ended on the lower side this week as demand weakened and market participants and users Masala Makers were absent in the market.
- Supply could increase in the coming week which may pull markets lower in the short-run.

Black Pepper:

- Black Pepper markets remained firm as buying activity improved due to shortage of stocks in the market.
- Markets may move lower in the next week as arrivals are expected in the international markets.

Cardamom:

- Cardamom markets remained firm as buying activity improved and arrivals were lower last week.
- Markets may move lower in the next week as arrivals are expected in the international markets.

Red Chilli:

- Red Chilli markets remained closed last week and will remain closed till June 1st week due to summer vacations in the market.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (11-18 May 2011) in bags	Arrivals during Previous week (03-10 May 2011) in bags	Arrivals during last year (11-18 May 2010) in bags
Nizamabad (Andhra Pradesh)	-16.1	15,500	-	18,000

1 bag = 90kgs

Turmeric cash markets remained weak in the last week amid lower arrivals compared to last year. With the arrivals totalling of 15,500 bags over the last week markets remained lower. Arrivals were lower last week due to other factors like the Telengana agitation in A.P. Prices might fall further as production this year is higher than last year. Production this year is expected to touch 60-65 lakh bags compared to last year production at 50 lakh bags.

Turmeric Price Outlook

Turmeric was trading in the price band of Rs. 11,000-13,000 per quintal indicated by the blue lines) which is expected to drop considerably on pressure from crop arrivals in the next week. We are expecting that prices may drop to the extent price band of Rs. 8,000/quintal (indicated by the red line. Prices may fall further as more arrivals expected in the next week or so as traders speculate that farmers want to release their stock before the markets come down further.

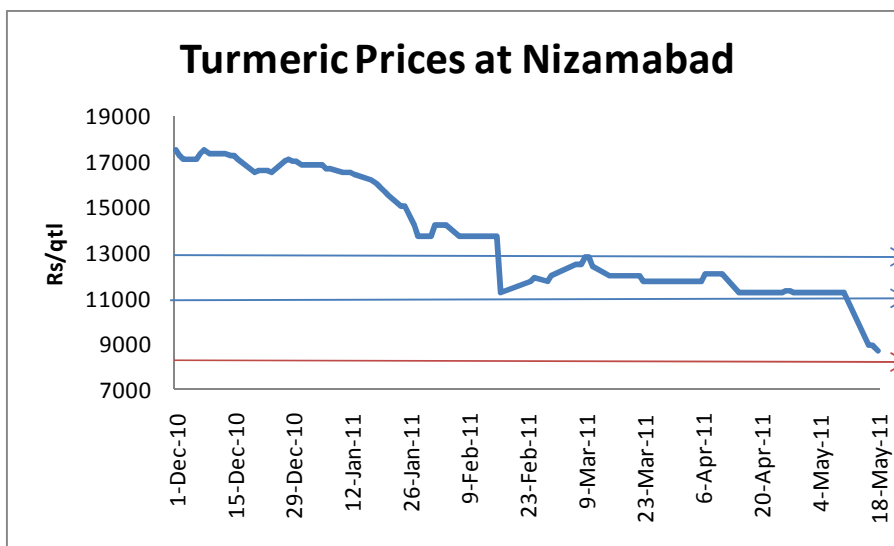
Expected Price range of Turmeric Prices for next week

Markets	Expected Range of Turmeric
Nizamabad	8000-8100
Erode	8500-8600

Prices-Rs/quintal

Nizam prices- Nizam quality

Erode prices-Gattah quality



Fundamental analysis
Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (11-18 May 2011) in bags	Arrivals during Previous week (03-10 May 2011) in bags	Arrivals during last year (11-18 May 2010) in bags
Unjha (Gujarat)	32	61,500	97,000	46,500
Jodhpur (Rajasthan)	493.75	950	1,300	160

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

Taking Unjha cash markets as indicative market, arrivals remained higher at 61,500 bags during the week of May 11- 18, 2011 as against 46,500 bags in the same period last year.

Arrivals were higher this year as production in the Rajasthan was is expected to be ranging from 7-8 lakh bags in 2010-11 compared to 3-4 lakh bags in 2009-10.

Jeera Price Outlook

Jeera was trading in the price band of Rs. 12,500-13,500 per quintal (indicated by the blue lines) which is expected to move up considerably on pressure from lack of crop arrivals in the next week. We are expecting that prices may move higher to the extent price band of Rs. 14,500/quintal (indicated by the red line). Prices might improve in the next week as arrivals decline in the coming week. Production in Gujarat is lower at 21-22 lakh bags this year compared to 30 lakh bags last year.

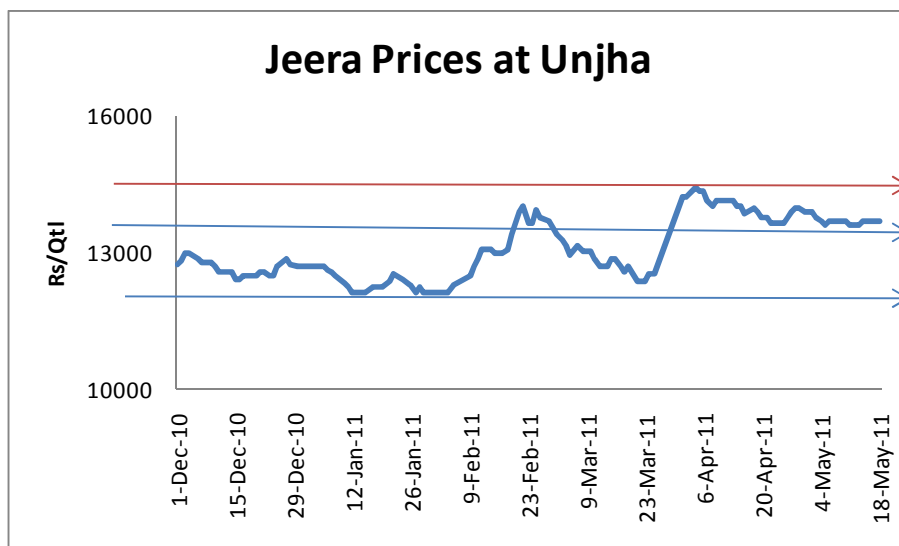
Expected Price range of Jeera Prices for next week

Markets	Expected Range of Jeera
Unjha	14100-14200
Jodhpur	14200
Nagaur	14000-14200

Prices-Rs/quintal

Unjha prices- Loose quality

Jodhpur and Nagaur-Unpolished quality



Fundamental analysis
Coriander Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (11-18 May 2011) in tonnes	Arrivals during Previous week (03-10 May 2011) in tonnes	Arrivals during last year (11-18 May 2010) in tonnes
Ramganj (Rajasthan)	-122.69	434.1	627.33	966.75
Kota (Rajasthan)	51.98	654.5	422	314.27
Baran (Rajasthan)	-	-	-	93.67

Kota, Ramganj and Baran 1 bag = 40kgs

Taking Kota cash markets as indicative market, arrivals remained higher at 654.5 tonnes during the week of May 11- 18, 2011 as against 314.27 tonnes in the same period last year. Arrivals were higher this year as production in the Rajasthan was quoted between 90 lakh-1 crore bags in 2010-11 compared to 75-80 lakh bags in 2009-10.

Coriander Price Outlook

Coriander was trading in the price band of Rs. 3200-4,500 per quintal (indicated by the blue lines) which is expected to move down considerably on pressure from crop arrivals in the next week. We are expecting that prices may move lower to the extent price band of Rs. 2,700/quintal (indicated by the red line). Sources also added that prices might decline in the next week further as arrivals may improve in the coming week due to peak arrival season in Rajasthan.

Expected Price range of Jeera Prices for next week

Markets	Expected Range of Coriander
Kota	3100-3200
Ramganj	3200-3300
Baran	3300-3400

Prices-Rs/quintal

Kota, Ramganj and Baran prices- Badami quality

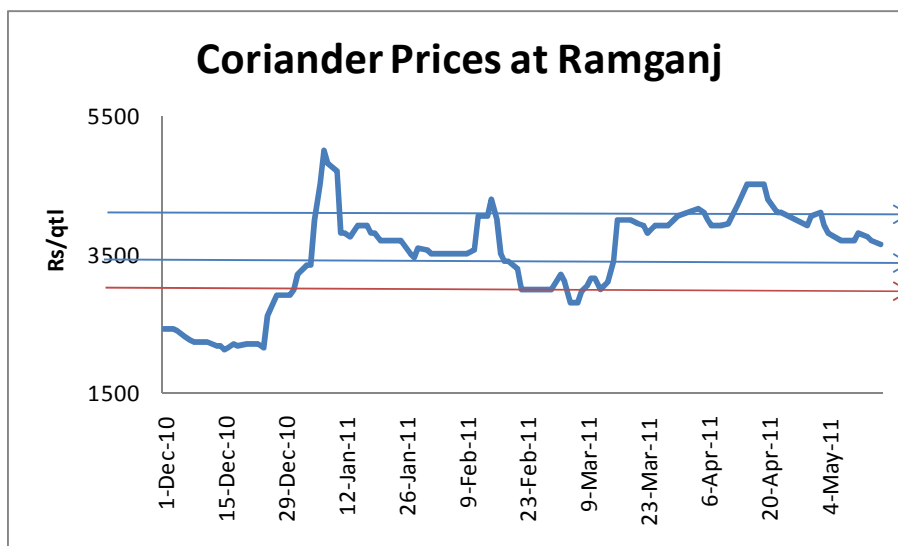
Coriander Statistics for 2010-11

Year	Production
2009-10	80
2010-11	60

Production in Lakh Bags

Coriander seed production in 2009-10 was 80 lakh bags and in 2011-11 production is 60 lakh bags with a consumption of 65 lakh bags in 2010-11. Carry forward for the 2009-10 was 13 lakh bags. This suggests a 20% decline in production in 2010-11.

Long term impact: This will create shortage situation and in the long run markets may move higher and buying can be done at lower support levels at Rs. 2,800-3,000 quintal levels.



Fundamental and News Analysis

Black Pepper

Markets this week moved sideways as buying activity declined at highs of the markets. In the initial half of the week pepper sentiments remained weak amid concern about demand at higher levels. The current uptrend may only last till June as new crop is expected from Malaysia, Brazil and Indonesia.

Vietnam is still to release about 65% of its produce so shortage in the long term may not be a factor. Sources added that harvest will be completed in Kerala, Tamil Nadu and Karnataka and that farmers may bring in their stock due to good returns. Production in the two states of Assam and Meghalaya has increased to 5,000 tonnes which may not compensate fully for the reduced production in the South Indian States, but supply may be seen in the coming weeks.

Sources said that sentiments may remain firm in the next week supported by tight supplies and a firming trend overseas. Markets also moved higher as farmers are holding back stocks in anticipations of better prices. Due to the lack of stocks in the international and domestic markets prices are expected to remain bullish.

IPC released the export figures of Lampung a province of Indonesia. In April 2011, Lampung exported 4,416 mt of black pepper valued at USD 20.6 million. The export was almost doubled, from the previous months export of 2,368 mt. Major share of Lampung black pepper was shipped to the United States (43%) and Vietnam (33%), followed by India and China by 12% and 8% respectively. During January – April 2011, total exports from Indonesia was 10,821 mt as against 7,025 mt in the same period last year, registering a significant increase of 54%.

IPC also said that Vietnam with current year's production of 120,000 metric tonne and 20,000 metric tonne imports of last year and 10,000 metric tonne carry-over stocks has exported only 37,000 metric tonne of pepper in the first four months of this calendar year and this according to certain market sources may hit Vietnam business due to an increase of interest costs and demand may shift back to India in the coming weeks.

Expected Price range of Black Pepper Prices for next week

Markets	Expected Range of Black Pepper
Kochi	27500-27700
New Delhi	28500-28700

Prices-Rs/quintal
Kochi- Ungarbled quality
New Delhi-Unpolished quality
Cardamom

Cardamom markets remained weak last week and markets have been falling in the ongoing lean season which is worrying traders and farmers. However, this could lead to higher exports in the coming few months which leading to slight rise in prices. Markets fell due to adequate supply from the growing regions. Weather may also play a part this year as early monsoon could lead to early harvest to June which may bring down the markets in the coming weeks.

However, Spices Board said that arrivals during the current crop season increased by 5 percent to 9,461 tonnes as against 8,975 tonnes during the corresponding period a year ago. The increase of arrivals does not account for the fall in prices.

Sources added that the speculative selling may be due to the Ramzan season beginning towards the end of August when demand for cardamom increases in the Gulf market. This demand is met by Guatemala and India. However, this year production in Guatemala may decline to 20,000 tonnes from the previous 27,000-30,000 tonnes. So this may cause a shift of demand to India whose production is expected to be good and domestic prices may rise at that time.

Expected Price range of Cardamom Prices for next week

Markets	Expected Range of Cardamom
Vandanmettu	685-700
Bodinayakanur	600-610
Santhanpara	680-690

Prices-Rs/Kg
Vandanmettu, Bodinayakanur and Santhanpara - Loose quality
Spot Prices Weekly Change

Commodity	Centre	Variety/Type	Price Rs/Qtl		Change
			18.05.11	11.05.11	
Black Pepper	Kochi	Ungarbled	28400	28400	-
		Garbled	29200	29200	-
	New Delhi	Unpolished	29200	29200	-
		Number 11.5	32500	32500	-
Turmeric	Erode	Finger	9200-10200	9700-10700	-500
		Gattah	8700-9700	9200-10200	-500
	Nizamabad	Nizam	8550-8650	11150-11250	-2600
Cumin Seed	Unjha	Loose	13700	13700	-
		Machine Cut	14275	14275	-
		NCDEX Quality	14775	14775	-
	Jodhpur	Loose	14000	13500-13800	-
	Nagaur	Unpolished	14000	13800	-
Red Chilli	Guntur	LCA 334	Closed	7500-8500	-
		Bedki	Closed	7500-8500	-

Coriander Seed	Ramganj	Badami	3600-3700	3700-3800	-100
		Eagle	3900-4000	4000-4100	-100
Price Rs/Kg					
Cardamom (Small)	Kochi	Small			
		Max Auction Price	963.5	712.5-1006.5	-43
		Average Auction Price	790.74	633.03-788.69	+2.05

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