

## Spot Market Recap

### Turmeric:

- Nizam prices improved during the week under review on thin arrivals.
- Prices also improved as domestic and export demand remained firm this week at lower prices.
- Turmeric prices at Erode stay range bound to weak as arrivals remained higher in the markets.
- Buying activity from Masala Millers remained firm at lows.
- Sowing in turmeric producing state is under progress; however rainfed areas could see slowdown in sowing due to lower rainfall.
- Overall productivity will be dependent on the actual precipitation received during July.

## Fundamental analysis

### Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (23 <sup>rd</sup> – 30 <sup>th</sup> June 2011) in bags	Arrivals during the week (16 <sup>th</sup> – 22 <sup>nd</sup> June 2011) in bags	Arrivals during last year (23 <sup>rd</sup> – 30 <sup>th</sup> June 2010) in bags
Nizamabad (Andhra Pradesh)	-28.57	12,500	17,500	2,300
Erode (Tamil Nadu)	Unchanged	28,000	28,000	25,000

**1 bag = 90kgs**

Supply in Nizam has declined as peak arrival season is over and this pushed the prices. In Nizam, arrivals during the week recorded at 12,500 bags down by 28.5 per cent as compared to last week's supply. In Erode, arrivals during the week were recorded at 28,000 bags unchanged when compared to last week's supply.

Rainfall over the turmeric growing states of Tamil Nadu and A.P so far remain lower which lead to anticipation of overall deficit of monsoon by the traders and stockists. This could result into expectation marginal decline in turmeric area especially in rainfed region i.e. Telengana in AP if it unable to receive adequate precipitation during July.

However as per the trade assured canal irrigation might cap significant decline in acreage however total turmeric area will be dependent on the actual rainfall received during July. Turmeric in A.P is usually grown

in Karimnagar, Nizamabad, Guntur and Duggirala districts and according to IMD the rains in all districts is either diffident or scanty.

Comfortable stocks in the mandis have kept prices weak for the commodity over the last few weeks. The total carryover stocks of turmeric for next season is projected at 13-15 lakh bags (1 bag = 60 kg) against 4-5 lakh bags that were reported last year. However, with expectation of surge in demand with the onset of active precipitation across the nation shall stand supportive for the prices going ahead.

At the same time, scattered inquiries from exporters with expectation of booking of export orders from Europe, US, West Asia and Japan during July – Aug period is likely to lend underlying support to the prices. At the same time festival demand during Aug might help to keep demand at higher levels and shall stand supportive for the prices.

#### **Weather Watch**

According to IMD scattered to isolated rainfall would occur over Madhya Maharashtra, Marathwada, Andhra Pradesh and Tamil Nadu during next week. Weak rainfall over the region is currently slowing down the sowing progress. With expectation of better rainfall during July we expect plating to gain momentum.

#### **Actual rainfall and % Departure for the period of 01<sup>st</sup> – 28<sup>th</sup> June**

<b>Regions</b>	<b>Actual Rainfall (mm) 01<sup>st</sup> – 28<sup>th</sup> June</b>	<b>Normal Rainfall (mm) 01<sup>st</sup> – 28<sup>th</sup> June</b>	<b>% Departure from LPA 01<sup>st</sup> – 28<sup>th</sup> June</b>
Madhya Maharashtra	125.8	131.5	-4%
Coastal A.P	73.9	95.2	-22%
Telengana	76.8	124.8	-38%
Rayalaseema	51.2	64.5	-21%
Tamil Nadu and Pondicherry	35.0	43.9	-20%

**Source: IMD**

Deficit rainfall in turmeric growing regions as shown in the above table indicates sluggish sowing pace which is likely to gain momentum with active precipitation expected during July.

### **Sowing Progress:**

Turmeric has been sown in 0.056 lakh hectares in A.P has as of 29<sup>th</sup> June 2011. Turmeric sowing witness marginal improvement week on week basis but is likely to gain momentum during July. The comparative sowing is tabulated below:

### **Turmeric Crop Sowing Progress: Andhra Pradesh**

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 29/06/11	% Sown to	
Crop	Season	As on date	As on 29/06/09	As on 29/06/10		Season	As on date
Turmeric	0.63	0.070	0.056	0.07	0.056	9	81

### **Turmeric Price Outlook**

Turmeric prices stay in the range of Rs. 7,600-8,000 per quintal in the Nizam market and expected to continue within the range during coming week. Price range is tabulated as follows:

### **Expected Price range of Turmeric Prices for next week**

Markets	Expected Range of Turmeric
Nizamabad	7,600-8,000
Erode	8,600-9,800

### **Prices-Rs/quintal**

#### **Nizam prices-Nizam quality**

#### **Erode prices-Finger quality**

### **Turmeric Prices at Nizamabad**



Price-Rs/qlt

## Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/QtI)			
			Current (29-06-2011)	Week Ago (23-06-2011)	Month Ago (29-05-2011)	Year Ago (29-06-2010)
Turmeric	Nizamabad-Nizam Cold	4.00	7700-7800	7400-7500	8050-8150	15125
	Erode-Finger	-4.02	8400-9400	8800-9800	8650-9650	14000-14800

## Spot Market Recap

### Jeera:

- Jeera prices remained firm this week backed by demand at lower quotes.
- Prices derived bullish cues from overseas market backed by talk of 25% crop loss from Syria and Turkey.

## Fundamental analysis

### Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (23 <sup>rd</sup> – 30 <sup>th</sup> June 2011) in bags	Arrivals during the week (16 <sup>th</sup> – 22 <sup>nd</sup> June 2011) in bags	Arrivals during last year (23 <sup>rd</sup> – 30 <sup>th</sup> June 2010) in bags
Unjha (Gujarat)	41.3	65,000	45,000	46,000
Jodhpur (Rajasthan)	16.6	350	410	300

**Unjha 1 bag = 55kgs**

**Jodhpur 1bag = 80kgs**

Taking Unjha cash markets as the indicative market, arrivals were higher at 65,000 bags during the period of 23<sup>rd</sup>- 30<sup>th</sup> June 2011 as compared to previous year same period when arrivals were reported at 46,000 bags. Farmers and stockists continued to release stocks however greater buying interest prior to Ramadan helped to lend underlying support to the jeera prices. Prices derived additional strength on report of crop losses to the tune of 25% from Syria and Turkey owing to adverse weather during harvest with fear of deterioration of quality from these nations. As per the trade sources, combined production of Jeera from Syria and Turkey stay close to 60,000 tonnes and with expectation of losses during the current period it could go down towards 45,000 tonnes.

With lower stock position with the farmers and most of the stocks in strong hand we expect arrivals to decline during coming couple of week which is likely to keep Jeera prices at firm levels going ahead with the festival demand during Aug.

### Jeera Price Outlook

Jeera is trading in a price band of Rs.13,200-13,450 per quintal in the Unjha market which is acting as good support. Short term looks remain positive as firm domestic and export demand could continue lend support at lows. However higher prices would prompt farmers to bring in stock. Considering the above facts we

expect range to keep intact for coming week as well. Next week trading range is illustrated in the following table:

## Expected price range of Jeera during coming week

Markets	Expected Range of Jeera
Unjha	13,200-13,500
Jodhpur	13,000-13,500

## Prices-Rs/quintal

### Unjha prices- Loose quality

### Jodhpur- Loose quality

## Jeera Prices at Unjha



## Price-Rs/qtl

**Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (29-06-2011)	Week Ago (23-06-2011)	Month Ago (28-05-2011)	Year Ago (29-06-2010)
Cumin Seed	Unjha-Loose	1.32	13375	13200	13600	12350
	Jodhpur - Loose	3.84	13500	12500-13000	14000	12400-12500

**Spot Market Recap**
**Coriander Seed:**

- Prices remained firm as arrivals declined.
- Demand continues to stay weak.
- Higher carry-out stocks at 25 lakh bags continued to cap aggressive gains.
- Price might soften in case of any sharp jump as relatively higher stock is likely to weighing on prices.
- However, over the last week arrivals have declined due to the lean season and onset of monsoon in NW region which hinders transportation.

**Fundamental analysis**
**Coriander Arrival Scenario:**

Market	% Change during corresponding period last year	Arrivals during the week (23 <sup>rd</sup> – 30 <sup>th</sup> June 2011) in bags	Arrivals during the week (16 <sup>th</sup> – 22 <sup>nd</sup> June 2011) in bags
Kota	-73.46	3,900	14,700
Ramganj	-59.39	8,000	19,700
Baran	-76.75	4,650	20,000

1 bag=40 kg

Taking Kota cash markets as the indicative market, arrivals remained lower at 3,900 bags during 23<sup>rd</sup> -30<sup>th</sup> June as against 14,700 bags during same period last week. Arrivals were lower as heavy rains in Rajasthan

results into lower arrivals. However carry-in stocks remains high at 20-22 lakh bags and may continue to weigh on prices in the long run. On the other side, traders have reported waning demand at current levels with the anticipation of further price correction in the coming days. Masala Millers have stopped buying in anticipation of lower price quotes. However, we expect demand to gain momentum before the festivals during Aug which is likely to lend support to the prices.

**Coriander Price Outlook**

Coriander was trading in a narrow price band of Rs.3150-3250 per quintal. We expect prices to stay range bound to weak and might slip to Rs. 3150 per quintal.

**Expected Price range of Coriander Prices for next week**

Markets	Expected Range of Coriander
Kota	3275-3300
Ramganj	3150-3200

**Prices-Rs/quintal****Kota and Ramganj- Badami quality****Coriander Prices at Ramganj**





Price-Rs/ql

## Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (29-06-2011)	Week Ago (23-06-2011)	Month Ago (28-05-2011)
Coriander Seed	Ramganj-Badami	0.75	3275-3325	3250-3300	3550-3650
	Kota-Badami	1.46	3475	3425	3850
	Baran-Badami	1.33	3700-3800	3650-3750	3900-4000

## Spot Market Recap

### Black Pepper:

- Black Pepper prices declined significantly on lower domestic and export demand.
- Liquidation of stocks by growers/stockists weighs on the prices.
- Quality concern owing to higher immature berry content raise concerns among US importers.

## Fundamental Analysis

### Black Pepper Arrival Scenario

Market	% Change during corresponding period last week	Arrivals during the week (23 <sup>rd</sup> – 30 <sup>th</sup> June 2011) in Tonnes	Arrivals during the week (16 <sup>th</sup> – 22 <sup>nd</sup> June 2011) in Tonnes	Arrivals during last year (23 <sup>rd</sup> – 30 <sup>th</sup> June 2010) in Tonnes
Kochi (Kerala)	35.08	154	114	205

Arrivals were seen high at 154 tonnes during the period of 23-30 June 2011 as against 114 tonnes during last week. Arrivals improved as stockists and farmers liquidated their stock fearing lower prices. Stringent quality norms by US importers and relatively higher immature berry content during recent past raise concerns among the importers. Fear of cancelation of few export consignment further pull down the prices. At the same time relatively lower export pace during June might continue to keep weighing on the market sentiments. Meanwhile, Indian import for black pepper is likely to stay in the range of 4500 to 4600 tons as that happened during the month of May. Higher availability of competitive imported black pepper might keep domestic prices range bound to weak during coming week.

### Black Pepper Price Outlook

Black Pepper was trading in the price band of Rs. 26100-27500/quintal (indicated by the blue lines) which is expected to decline towards Rs.25500 /quintal (indicated by the red line).

### Expected Price range of Black Pepper Prices for next week

Markets	Expected Range of Black Pepper
Kochi	25500
New Delhi	27000-27500

Prices-Rs/quintal

Kochi- Ungarbled quality

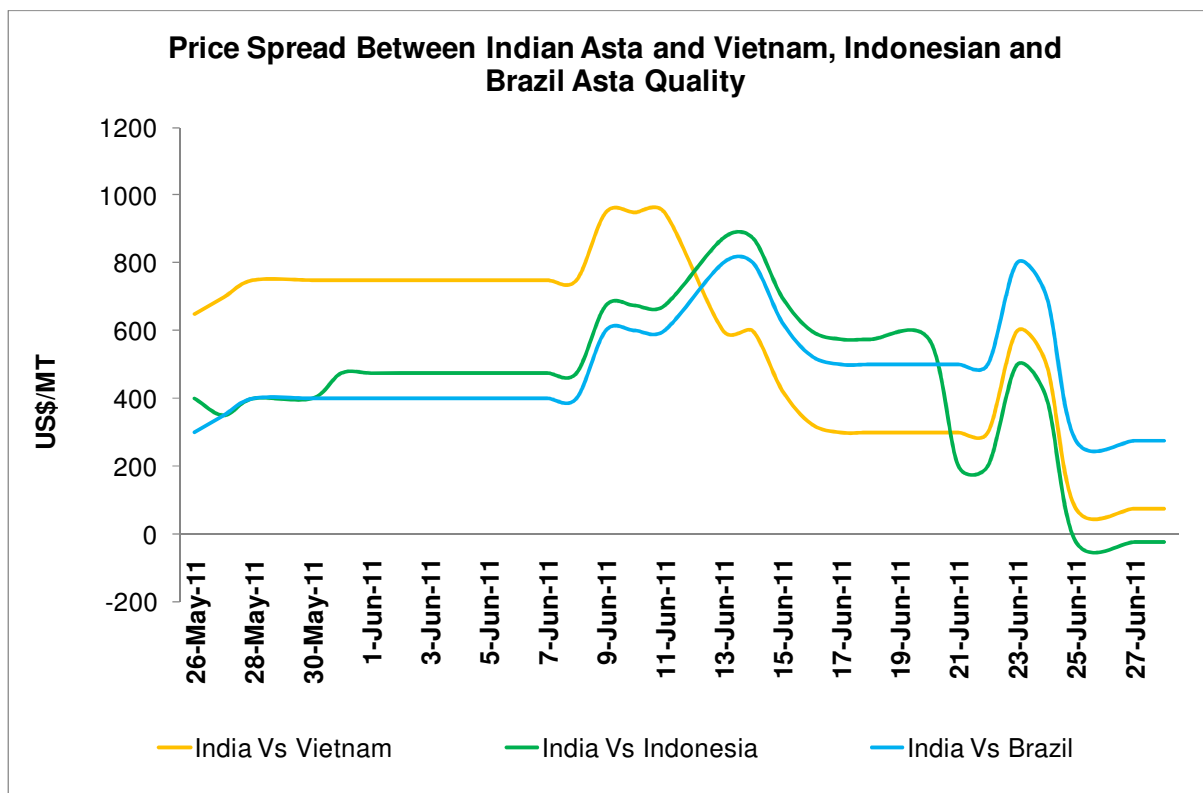
New Delhi-Unpolished quality

## Domestic Pepper Prices



Prices-Rs/quintal

Comparative Global Pepper Prices



Current spread between Indian Asta and Vietnam Asta declined to US \$75/MT during the week under review compared to the previous week when the spread was seen at US \$300/MT. The spread continued to narrow due to demand shifting to Vietnam and higher prices of the Indian Asta. We expect the spread to move up towards US \$ 210/MT as we expect international demand to shift towards Indian ports during August and likely to lend support to the prices going ahead with the festival demand.

## Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (28-06-2011)	Week Ago (23-06-2011)	Month Ago (28-05-2011)	Year Ago (28-05-2010)
Black Pepper	Kochi-Ungarbled	-6.07	26300	28000	27500	17200
	Kochi-Garbled	-5.20	27300	28800	28300	17700
	New Delhi-	-3.59	27500	28500	28000	19000

	Unpolished					
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### Spot Market Recap

#### Cardamom:

- Cardamom prices continued to trade lower on higher arrivals from the growing regions.
- Prices also fell due to weak domestic and export demand.
- However, Ramadan demand may support prices at lower levels.

### Fundamental Analysis

#### Cardamom Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (23 <sup>rd</sup> – 30 <sup>th</sup> June 2011) in Kgs	Arrivals during the week (16 <sup>th</sup> – 22 <sup>nd</sup> June 2011) in Kgs	Arrivals during last year (23 <sup>rd</sup> – 30 <sup>th</sup> June 2010) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	16.58	391,523	335,827	34,165

Arrivals remained higher at 391,523 Kg during the period of 23<sup>rd</sup> -30<sup>th</sup> June, 2011 as against 335,827 Kg in the last week. Prices fell on account of weak export and domestic demand along with liquidation of stocks by stockists and farmers which weigh on the market sentiments. However demand is expected to resurface at lower quotes as Ramadan demand in August may lend support to prices.

#### Cardamom Price Outlook

Cardamom was trading in the price band of Rs. 642-770/Kg (indicated by the blue lines) which is expected to move higher. With initial marginal decline, we expect the cardamom price to move up towards 800/Kgs (indicated by the red line).

#### Cardamom Prices



Prices-Rs/quintal

Expected Price range of Cardamom Prices for next week

Markets	Expected Range of Cardamom
Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	680 on lower side and 800 at higher levels

Prices-Rs/Kg

Loose quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Year	Prices (Rs/Kg)			
			Current	Week	Month	Year

			(29-06-2011)	Ago (23-06-2011)	Ago (28-05-2011)	Ago (26-05-2010)
<b>Cardamom</b>	<b>Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara &amp; Bodinayakanur -Loose</b>	<b>-47.79</b>	748.03	743.37	615.59	1432.73

### Spot Market Recap

#### Red Chilli:

- Red Chilli prices remained steady to firm as domestic demand remained supportive.
- Lower arrivals lend additional support to the prices.

### Fundamental Analysis

#### Red Chilli Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (23 <sup>rd</sup> – 30 <sup>th</sup> June 2011) in Bags	Arrivals during the week (16 <sup>th</sup> – 22 <sup>nd</sup> June 2011) in Bags	Arrivals during last year (23 <sup>rd</sup> – 30 <sup>th</sup> June 2010) in Bags
Guntur(Andhra Pradesh)	<b>-22.5</b>	155,000	150,000	200,000

**1 Bag=45 Kgs**

Arrivals in Guntur were 155,000 bags in June compared to 200,000 bags in same period last year. Arrivals declined during end of the season. This pushed the Chilli prices higher this week supported by firm domestic and export demand. Exporters have started buying and continue to do so as Ramadan demand in August could continue to support prices at lower quotes.

#### Chilli Sowing Progress:

As of 29<sup>th</sup> June 2011 chilli sowing area covered is 0.006 lakh hectares as against normal sowing of 0.046 lakh hectares. However, active sowing will now depends on the rainfall in the state of A.P which is likely to

gain momentum going ahead with the monsoon showers. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 29/06/11	% Sown to	
Crop	Season	As on date	As on 29/06/09	As on 29/06/10		Season	As on date
Red Chilli	1.61	0.046	0.031	0.01	0.006	0	13

## Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous year	Prices (Rs/Qtl)			
			Current (28-06-2011)	Week Ago (23-06-2011)	Month Ago (28-05-2011)	Year Ago (28-05-2010)
Red Chilli	Guntur-334	78.43	8000-9100	8000-9200	Closed	4500-5100
	Guntur-Teja	51.61	8700-9400	8700-9400	Closed	6000-6200

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