

Spot Market Recap

Turmeric:

- Lower arrivals reported in Nizamabad owing to closure of market towards weekends.
- Lower export demand was reported during the week under review.
- Sluggish demand was reported from Masala Millers at higher price levels.
- Higher stocks were reported in domestic market.
- Sowing activity already started in turmeric growing regions mostly in Tamil Nadu. However, in Andhra Pradesh farmers are waiting for active precipitation.

Fundamental analysis

Turmeric Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (1 st – 7 th July 2011) in bags	Arrivals during the last week (23 rd – 30 th June 2011) in bags	Arrivals during last year (1 st – 7 th July 2010) in bags
Nizamabad (Andhra Pradesh)	-68	4000	12,500	50750
Erode (Tamil Nadu)	-7.14	26,000	28,000	26,000

1 bag = 90kgs

As depicted from the above table, arrivals in Nizam have declined to 8,500 bags as w-o-w due to strikes during the weekend which lend some support to the prices. In Erode, arrivals during the week were recorded at 26,000 bags which are lower by 2,000 bags as compared to last week's supply. As per trade sources, at around 50 – 60 percent of new crop arrivals already traded in the spot market.

Rainfall activities getting momentum in TN with overall precipitation increased during the week under review. This prompted farmers to go for active turmeric planting. As per sources sowing area of turmeric in T.N. is expected to improve by 10 – 15 percent when compared to previous year owing to better return y-o-y. However, Andhra Pradesh deficit rainfall was noticed and consequently sowing activity was delayed in these regions. Trade anticipate lower turmeric acreage from AP as deficit rains continue to pose problem for turmeric sowing. If the rainfall during coming couple of weeks is not pick up then there is high possibility for turmeric area to decline significantly. 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.

On supply front, there are ample stocks lying in the warehouses and along with growers. Higher stocks was reported from Erode and Selam which stay close to 10 – 12 lakh bags (1 bag = 75kg) compared to previous year stock of 4 – 5 lakh bags continue to weigh on the market sentiments. This is mainly due to higher carryover stocks amid higher production y-o-y. As per trade information, the total turmeric production in the current year is estimated at 65-68 lakh bags against 47 lakh bags of the last year.

On demand front, exporters activities are reported at lower price quotes and most of the time seen waiting for the prices to soften. Total turmeric export during April- March 2010 - 11 was reported 49,250 tonnes which was lower by 1500 tonnes as compared to same period last year. Quality also remains a concern during current period for export as inferior quality is reported both from Dugirrala and Erode. Currently, Pakistan and Bangladesh are the major importers for turmeric via Calcutta port and this year mostly North East Region fulfils the export requirement for these countries. Sources revealed that, exports from NE regions are increased this year as compared to the last year. Exporters are expecting higher export demand during.

Weather Watch

Fairly widespread rainfall may occur over Northeast and adjoining East India thereby brightens the turmeric cultivation in these regions. Scattered rainfall activity is likely over remaining parts of the country. Turmeric requires adequate rainfall for sowing and germination. If adequate rainfall will not be received during next 20 days period the same might delay germination and possibly no sprouting. Weather outlook seen favourable for the crop as rainfall is forecasted over Telengana and adjoining regions and over Karnataka, T.N and other turmeric growing regions.

Actual rainfall and % Departure for the period of 1st June – 5th July

Regions	Actual Rainfall (mm) 1 st June – 5 th July	Normal Rainfall (mm) 1 st June – 5 th July	% Departure from LPA 1 st June – 5 th July
Madhya Maharashtra	144.8	182.4	-21%
Coastal A.P	99.9	129.5	-23%
Telengana	107.2	170.9	-37%
Rayalaseema	64.1	77.5	-17%
Tamil Nadu and Pondicherry	59.0	53.9	9%

Source: IMD

As depicted from the above table, most of the turmeric growing regions deficit rainfall noticed from the period of 1st June – 5th July and farmers are still waiting for normal rainfall in coming days. With favourable weather expected over turmeric growing region in south, we expect rapid expansion of turmeric sowing during the coming week.

Sowing Progress:

Turmeric has been sown in 0.07 lakh hectares in A.P has as of 6th July 2011. Turmeric sowing witness marginal improvement week on week basis but is likely to gain momentum during second fortnight of 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 06/07/11	% Sown to	
	Season	As on date	As on 06/07/09	As on 06/07/10		Season	As on date
Turmeric	0.63	0.11	0.16	0.19	0.07	12	69

Turmeric Price Outlook

Turmeric prices might stay in the range of Rs. 7,111-8,018 per quintal in the Nizam market and expected to continue within the range during coming week. Price range is tabulated as follows:



Fig- 1- Turmeric Weekly Spot Prices (Nizamabad) Technical Analysis

Expected Price range of Turmeric Prices for next week

Markets	Expected Range of Turmeric
Nizamabad	7,111-8,018
Erode	8,400-9,100

Prices-Rs/quintal

Nizam prices-Nizam quality

Erode prices-Finger quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (06-07-2011)	Week Ago (30-06-2011)	Month Ago (06-06-2011)	Year Ago (06-07-2010)
Turmeric	Nizamabad-Nizam Cold	-	Closed	8200-8300	7950-8050	12850
	Erode-Finger	-1.12	8350-9350	8450-9450	8700-9700	13850-14650

Spot Market Recap
Coriander Seed:

- Higher arrivals were reported during this week period.
- Sluggish demand was reported at higher price level and buyers/stockists are having enough quantity of stocks. Inactive response from masala millers in domestic market also continue to pull markets lower in coming days.
- Lower export demand was reported in the domestic market during this week period.

Fundamental analysis
Coriander Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (1 st – 7 th July 2011) in bags	Arrivals during the last week (23 rd – 30 th June 2011) in bags
Kota	+120.33	6,500	2,900
Ramganj	+80.00	11,700	6,500
Baran	+507.84	15,500	2550

1 bag=40 kg

Taking Kota cash markets as the indicative market, arrivals were reported at 6,500 bags during the week under review higher by 3,600 bags compared to the same period last week as stockists offloading their stocks at higher price level in the domestic market. As per trade information, in Rajasthan and Madhya Pradesh total stocks was reported at around 20 – 25 lakh bags (1 bag = 40 kg) which might keep prices under pressure. Trade participants are expecting that, waning demand from masala millers at current price level keep coriander prices at subdued price levels. However, with expectation of demand to improve during Aug we expect prices to inch up backed by supportive demand.

Coriander Price Outlook

We expect Coriander prices for the coming week to stay in the range of 4236-4672.



Fig- 2- Coriander Weekly Spot Prices (Kota) Technical Analysis

Expected Price range of Coriander Prices for next week

Markets	Expected Range of Coriander
Kota	4236-4672
Ramganj	3450-3720

Prices-Rs/quintal
Kota and Ramganj- Badami quality
Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (06-07-2011)	Week Ago (30-06-2011)	Month Ago (06-06-2011)
Coriander Seed	Ramganj-Badami	+12.12	3650-3750	3275-3325	3200-3300
	Kota-Badami	+33.34	4500-4900	3475-3575	3525-3525
	Baran-Badami	+5.34	3900-4000	3700-3800	3750-3850

Spot Market Recap
Red Chilli:

- Sluggish demand was reported for Chilli at higher prices level.
- Higher stocks were reported in cold storage warehouses in domestic market. Sources revealed that, at around 45 lakh bags (1 bag = 45 Kg) of stocks lying in cold storage. Meanwhile, weak demand featured in the spot keeping in view hefty stock position.
- However, at lower price level higher export demand was found improving year on year which might limit the excessive fall of red chilli prices.

Fundamental Analysis
Red Chilli Arrival Scenario:

Market	% Change Over Previous Week	Arrivals during the week (1 st – 7 th July 2011) in bags	Arrivals during the week (23 rd – 30 th June 2011) in bags	Arrivals during last year (1 st – 7 th July 2010) in bags
Guntur(Andhra Pradesh)	-41.9	90,000	155,000	150,000

1 Bag=45 Kgs

Arrivals in Guntur were 90,000 bags in the week compared to 155,000 bags in same period last year. Due to lean season lower arrivals were reported in the cash market. Lower arrivals y-o-y and stocks with strong hand is expected to land underlying support to the chilli prices during coming couple of weeks. Exporters are active at lower price level and are seen purchasing at current prices. Optimistic export outlook and greater demand expected going ahead with the monsoon will keep chilli prices steady to firm.

Chilli Sowing Progress:

As of 6th July 2011 chilli sowing area covered is 0.01 lakh hectares as against normal sowing of 0.046 lakh hectares. In Andhra Pradesh farmers are still waiting for normal rainfall for active sowing which may likely to gain momentum in coming days with the monsoon progress. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 06/07/11	% Sown to	
Crop	Season	As on date	As on 06/07/09	As on 06/07/10	Crop	Season	As on date
Red Chilli	1.61	0.07	0.05	0.04	0.01	1	21

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (06-07-2011)	Week Ago (30-06-2011)	Month Ago (06-06-2011)	Year Ago (06-07-2010)
Red Chilli	Guntur-334	-3.2	8000-8800	8000-9100	Closed	4700-5300
	Guntur-Teja	-1.07	8500-9300	8700-9400	Closed	6000-6200

Spot Market Recap

Jeera:

- Jeera prices remained firm due to low arrival in the market.
- Prices derived bullish cues from overseas market owing to talk of crop damage in Syria and Turkey.
-

Fundamental analysis

Jeera Arrival Scenario:

Market	% Change during corresponding period last year	Arrivals during the week (1 st – 7 th July 2011) in bags	Arrivals during the week (23 rd – 30 th June 2011) in bags	Arrivals during last year (1 st – 7 th July 2010) in bags
Unjha (Gujarat)	+190%	63750	65,000	22000
Jodhpur (Rajasthan)	+180%	180	350	0

Unjha 1 bag = 55kgs

Jodhpur 1bag = 80kgs

Taking Unjha cash markets as the indicative market, arrivals were seen higher at 63750 bags during the period of 01-06th July 2011 as compared to previous year same period when arrivals were reported at 22000 bags,. It is expected that Turkey crop will hit the international market by mid of July .As per the trade sources, nearly 40,000 tons of the spice is expected to produce by Syria & Turkey which is lower by 15000-20000 tons in comparison to previous years.

Jeera Price Outlook

Jeera is trading in a price band of Rs.14425-15000 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 to lend support at lows. However higher prices would prompt farmers to bring their stocks. Next week trading range is illustrated in the following table:



Fig- 3- Jeera Weekly Spot Prices (Unjha) Technical Analysis

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

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (6 -07- 2011)	Week Ago (30- 06-2011)	Month Ago (06- 06-2011)	Year Ago (06-07- 2010)
Cumin Seed	Unjha- Loose	+12%	15000	13375	14250	12150
	Jodhpur - Loose	Unchanged	13500	13500	13800	12300

Spot Market Recap

Black Pepper:

- Black Pepper price is steady during this week.
- Due to lean season lower arrivals was reported in the spot market during this period.
- 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 (1 st – 7 th July 2011) in Tonnes	Arrivals during the week (23 rd – 30 th June 2011) in Tonnes	Arrivals during last year (1 st – 7 th July 2010) in Tonnes
Kochi (Kerala)	-19%	125	154	135

Arrivals were seen high at 125 tonnes during the period of 1st-6th July 2011 as against 154 tonnes during last week. Arrivals declined as lower domestic and export demand but prices remains steady during the week.. better parity with Vietnamese pepper attracting overseas buyers to India market Vietnam has exported majority of its crop (72000 tons) in international market now Indian exporter are looking for international market with reasonable price. Pepper from Indonesia is also coming in the international market but low production and inferior quality in comparison to India pepper will provide benefit to India pepper market .it is expected that god export demand from Middle East countries will keep the prices up.

Black Pepper Price Outlook

Black Pepper was trading in the price band of Rs. 26300-27300/quintal (indicated by the blue lines) which is expected to decline towards Rs.25500 /quintal (indicated by the red line).



Fig- 4- Black Peeper Weekly Spot Prices (Kochi) Technical Analysis

Expected Price range of Black Pepper Prices for next week

Markets	Expected Range of Black Pepper
Kochi	25500-27550
New Delhi	27000-27500

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

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (06-07-11)	Week Ago (30-06-2011)	Month Ago (06-06-2011)	Year Ago (06-07-2010)
Black Pepper	Kochi- Ungarbled	Unchanged	26300	26300	27300	17600
	Kochi- Garbled	-1%	27100	27300	28100	18100
	New Delhi- Unpolished	Unchanged	27500	27500	27500	19300

Spot Market Recap

Cardamom:

- Mixed tone in prices was seen for Cardamom.
- New crop arrival might hit the market from first week of July in the last days of week but corresponding export demand increase the prices
- Export demand from gulf countries during Ramzaan might stand supportive for cardamom prices.

Fundamental Analysis

Cardamom Arrival Scenario:

Market	% Change during corresponding period last week	Arrivals during the week (1 st -7 th July 2011 in Kgs)	Arrivals during the week (23 rd – 30 th June 2011)) in Kgs	Arrivals during last year (1 st -7 th July June 2010) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	-47%	207367	391523	23998

Arrivals remained low at 20736 Kg during the period of 1st-6th July, 2011 as against 391,523 Kg in the last week. In the first half of weak prices fell on account of weak export and domestic demand along with liquidation of stocks by stockiest. With new crop arrivals started into the market and picking up export demand coinciding with new crop arrivals, we expect prices to get underlying support moving forward.

Cardamom Price Outlook

Cardamom was trading in the price band of Rs665-744/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



Expected Price range of Cardamom Prices for next week

Markets	Expected Range of Cardamom
Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur	690-900

Prices-Rs/Kg

Loose quality

Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Year	Prices (Rs/Kg)			
			Current (06-07-2011)	Week Ago (30-06-2011)	Month Ago (06-06-2011)	Year Ago (06-07-2010)
Cardamom	Vandanmettu, Thekkady, Kochi, Kumily, Nedumkandam, Santhanpara & Bodinayakanur -Loose		716.52	763.79	640.69	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd.