

BLACK PEPPER

Fundamentals:

Today's Update:

- Continued steady sentiment was witnessed in Black pepper spot market on Monday.
- Vietnam Pepper prices today (September 9) continued to move sideways in key provinces in the country. Currently, the highest purchase price is 70,000 VND/kg. Domestic pepper price in the range of 66,500 - 70,000 VND/kg. Currently, Gia Lai province is recording the lowest price of 66,500 VND/kg.
- Dong Nai province is purchasing pepper at a stable price of 67,000 VND/kg. The two provinces of Dak Lak and Dak Nong have a common price of 67,500 VND/kg. Similarly, pepper prices today in two provinces of Binh Phuoc and Ba Ria - Vung Tau also moved sideways at 68,500 VND/kg and 70,000 VND/kg, respectively.
- According to trade sources, the crop in the **Brazilian** state of Pará is expected to be harvested in September, now stockists are liquidating before the new crop arrivals. This has pushed Brazil's black pepper prices down 12% month-on-month and down 15% year-on-year.
- In **Vietnam**, favorable weather conditions during the flowering and fruiting period in most of the main production areas support the upcoming crop. The initial estimate of the 2023 crop production is around 200,000-210,000 tons, an increase of about 10-15% compared to 2022. However, there are wide variations across production regions, with Gia Lai expected to continue its downtrend while Dak Lak appears to be recovering well from last year's decline.
- Harvests in **Indonesia** and **China** are also underway. In Indonesia, Lampung black pepper production is similar to last year while Muntok white pepper production is expected to be 15% lower.
- According to some sources, in **India**, more than normal rainfall in July may affect pepper plants during fruiting period. Meanwhile, Sri Lanka's pepper harvest is in its final stages.
- World pepper in August 2022, export prices of black and white pepper fluctuated unevenly in producing countries around the world, increasing in Indonesia and India, stable in Malaysia, but decreasing in Vietnam and Brazil. At the Malaysian port of Kuching, last week August the export price of black and white pepper was stable at \$5,900/ton and \$7,600/ton compared to July same period last year.

Previous Update:

- According to estimates, in August 2022, Vietnam's pepper exports reached 18 thousand tons, worth down 5.3% in volume compared to July 2022 compared to August 2021, an increase of 3.0% in volume. Generally, in the first 8 months of 2022, Vietnam's pepper exports are estimated at 161 thousand tons, worth 712 million USD, down 18.8% in volume, but up 8.3% in value over the same period in 2021. The average export price of Vietnam's pepper in August 2022 is estimated at USD 4,003/ton, down 5.0% compared to July 2022, but up 6.1% compared to August 2021.
- Generally in the first eight months of 2022, Vietnam's average export price of pepper is estimated at \$4,434 per ton, up 33.3% over the same period in 2021, according to the latest report from the Import-Export Department (Ministry of Industry and Trade). From the beginning of August 2022, the European, American and Middle Eastern markets showed signs of shifting their supply to Brazil to buy new crops due to lower logistics costs and prices.
- European and American importers have signed contracts with Vietnamese exporters until the end of this year. Meanwhile, purchasing power from the Chinese market is weak. Therefore, pepper prices in the domestic market are unlikely to rise again in the short term.
- As per current situations, AgriWatch expected India's pepper productions for 2021-22 likely to go down by 8 to 10% compared to last year. Last year (2020-21) India's Pepper production was 62,000 MT.

Black Pepper Spot Market Prices (Loose): (Rs/Qtl)					
State	Centre	Grade	12-Sep-22	10-Sep-22	Change
Kerala	Kochi Benchmark market	Ungarbled	50000	50000	Unch
		Garbled	52000	52000	Unch
Karnataka	Chikmagalur	Ungarbled	50300	Closed	-
Delhi	New Delhi	Unpolished	54000	55000	-1000
		550 GL	55000	56700	-1700
		Number 11.5	56000	56500	-500
	Arrivals & Off-take in Tons				
State	Centre	Parameter	12-Sep-22	10-Sep-22	Change
Kerala	Kochi	Arrivals	61.5	30	31.5
		Off-take	61.5	30	31.5

Black Pepper FOB Prices (USD/MT)						
Date	Brazil ASTA 570	ex Kochi (India) ASTA	Lampung (Indonesia) ASTA 570	Kuching (Sarawak, Malaysia) ASTA	Ho Chi Minh (Vietnam) 500g/l	Ho Chi Minh 550g/l
02-09-22	2950	6565	4065	5900	3550	3800
05-09-22	2950	6542	4137	5900	3450	3700
06-09-22	2900	6254	4146	5900	3450	3700
07-09-22	2900	6527	4135	5900	3450	3700
08-09-22	2900	--	4141	5900	3450	3700
09-09-22	2900	6532	4157	5900	3350	3600
10-09-22	2900	--	4159	5900	3350	3600

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