

### BLACK PEPPER

#### **Fundamentals:**

#### **Today's Update:**

- Continued steady to weak sentiment was witnessed in Black pepper spot market on Thursday.
- Vietnam Pepper prices today (September 29) were all flat after dropping all yesterday. Currently, the domestic market is recording a price range of 63,500 - 66,000 VND/kg. Currently, localities are purchasing pepper in the range of 63,500-66,000 VND/kg. In which, the lowest price of 63,500 VND/kg was recorded in Gia Lai province. The three provinces of Dong Nai, Dak Lak and Dak Nong are currently purchasing at a common price of 64,500 VND/kg. Similarly, pepper prices today in Binh Phuoc and Ba Ria - Vung Tau were also stable at 65,000 VND/kg and 66,000 VND/kg, respectively.
- Vietnam exported 160,891 tons in the past 8 months, but over the same period Vietnam's exports have dropped sharply by 18.6%. Similarly, the pepper exports of Brazil and Indonesia also decreased by 7.4% and 12.5%, respectively.
- In August, the top importers of Brazilian pepper include Vietnam (1,482 tons), Egypt (826 tons), the United Arab Emirates (754 tons) and India (513 tons). By the end of August, Vietnam had imported a record 10,732 tons of pepper from Brazil increasing 2.2 times in volume over the same period.
- Vietnam is leading in importing Brazilian pepper, accounting for 21% of the country's total exports. In addition, Brazil's pepper exports to Morocco and India also increased strongly by 74.3% and 57.8%, respectively. On the other hand, Brazil's pepper exports to many other major markets such as the US, Germany, Egypt, Pakistan, etc., dropped sharply. The presence of Salmonella bacteria on pepper is still the biggest obstacle for the Brazilian pepper industry, especially the European Union (EU). Therefore, some sources believe that Brazil has exported pepper to Vietnam and India, countries with the most modern pepper sterilization technology in the world for further processing before re-exporting it back to Europe and other countries.
- Currently, Brazil is entering the pepper harvest, output is expected to increase by 10% compared to 2021 to 98,000 tons in 2022. Indian pepper production is expected to increase slightly. However, Vietnam's pepper production is expected to decrease due to unfavorable weather factors, while it is expected to be stable in other pepper producing countries.

#### **Previous Update:**

- India imported around 7,866.68 MT garbled black pepper from January 2022 to July 2022 highest from Brazil- 3,894 MT followed by Vietnam- 2,347.60 MT.
- However, it is up by 10.63% from the same period last year. During the last year from January 21 to July 21, total imports were 7110.97 MT, highest from Vietnam- 3,038 MT followed by Brazil- 2,816.78 MT.
- India imported around 236.80 MT ungarbled black pepper, down by 80.97% from the same period last year, at 1,244.19 MT.
- Sri Lanka's pepper harvest is in its final stages.
- 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	29-Sep-22	28-Sep-22	Change
Kerala	Kochi <b>Benchmark market</b>	Ungarbled	49200	49300	<b>-100</b>
		Garbled	51200	51300	<b>-100</b>
Karnataka	Chikmagalur	Ungarbled	50000	50000	<b>Unch</b>
Delhi	New Delhi	Unpolished	54000	54000	<b>Unch</b>
		550 GL	55000	55000	<b>Unch</b>
		Number 11.5	56000	56000	<b>Unch</b>

Arrivals & Off-take in Tons					
State	Centre	Parameter	29-Sep-22	28-Sep-22	Change
Kerala	Kochi	Arrivals	32	21.5	10.5
		Off-take	32	21.5	10.5

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
22-09-22	2750	6406	3878	5900	3350	3600
23-09-22	2750	6374	3877	5900	3350	3600
26-09-22	2750	6316	3856	5900	3350	3600
27-09-22	2750	6309	3846	5900	3350	3600
28-09-22	2650	6313	3824	5900	3350	3600
29-09-22	2650	--	3823	5900	3350	3600

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