

**BLACK PEPPER****Fundamentals:****Today's Update:**

- Steady to firm sentiment was witnessed in Black pepper spot market on Monday.
- Vietnam Pepper prices as on last trade ranged from 58,000 to 61,000 VND/kg. Last week, the pepper market continuously went up. Compared to the beginning of the week, the key provinces recorded an increase of 1,500-2,000 VND/kg. The lowest price is currently 58,000 VND/kg recorded in Gia Lai province, an increase of 2,000 VND/kg. Next is Dong Nai with 58,500 VND/kg, an increase of 1,500 VND/kg. After increasing by 2,000 VND/kg, the two provinces of Dak Lak and Dak Nong are purchasing pepper at the same rate of 59,500 VND/kg. Similarly, pepper prices in Binh Phuoc and Ba Ria - Vung Tau increased by 2,000 VND/kg and 1,500 VND/kg, respectively, to 60,500 VND/kg and 61,000 VND/kg, respectively.
- Indonesia is one of the leading producers of white and black pepper in the world. The pepper harvest in Indonesia usually takes place from July to October every year. Lampung is Indonesia's main black pepper growing region, while Muntok white pepper is concentrated mainly in Banka Belatong. The East Kalimantan and Sulawesi regions also produce white pepper, but mainly for domestic consumption.
- In the context of low pepper prices, black pepper farmers in Indonesia are turning to alternative crops such as cassava, rubber and palm oil. Indonesia's pepper area has decreased by nearly 25% from the 120,000 ha recorded in the 1990s. Indonesia's pepper quality problems may be exacerbated by ongoing water shortages.
- Indonesia's pepper production decreased due to consecutive droughts for many years and unsatisfactory prices. Forecasting, the 2023 crop production will be about 48,000 tons, lower than 52,000 tons in the previous crop year. Vietnam continues to be the largest pepper importer of Indonesia (37%), followed by China (20%), the US (12%), India (9%) and Germany (3%).

**Previous Update:**

- According to data from Cambodia's Ministry of Agriculture, the country's pepper exports in 11 months of 2022 reached 8,303 tons, down more than 70% over the same period. Currently, Cambodia is exporting pepper to 20 countries and territories with the main products being ordinary pepper and Kampot pepper, a geographical indication product.
- According to Govt. official, pepper exports fell because the global economy has not yet recovered from the impact of the COVID-19 pandemic. The lack of tourists has led to a decrease in orders for consumer goods such as pepper. Cambodia's annual pepper production is about 20,000 tons with an area of nearly 7,000 hectares, but this output has decreased by about 10-20%.
- Pepper is grown mainly for export because domestic consumption only accounts for 5-7% of production each year. Sales have decreased significantly from the beginning of 2022 until now. As of November, Kampot pepper exports reached just over 80 tons, while the same period was over 114 tons.
- The main harvest season of Vietnam lasts until the end of April. The Vietnam Pepper Association (VPA) predicts that in 2023 production will increase by about 5% compared to 2022 to 180,000-185,000 tons.
- In 2022, Vietnam pepper export reported 228,000 tons, a decrease of 12% in volume compared to the same period in 2021.
- As per current situation, AgriWatch expects India's pepper production for 2022-23 likely to be around 52,000 to 53,000 MT. Last year production was 57,000 to 58,000 MT.

Black Pepper Spot Market Prices (Loose): (Rs/Qtl)					
State	Centre	Grade	13-Feb-23	11-Feb-23	Change
Kerala	Kochi Benchmark market	Ungarbled	48800	48700	100
		Garbled	50800	50700	100
Karnataka	Chikmagalur	Ungarbled	48500	Closed	-
Delhi	New Delhi	Unpolished	55000	55000	Unch
		550 GL	54500	54500	Unch
		Number 11.5	58500	58500	Unch
	Arrivals & Off-take in Tons				
State	Centre	Parameter	13-Feb-23	11-Feb-23	Change
Kerala	Kochi	Arrivals	58	24.5	33.5
		Off-take	58	24.5	33.5

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
06-02-23	2900	6300	3671	4900	3250	3350
07-02-23	2900	6300	3642	4900	3250	3350
08-02-23	2900	6300	3628	4900	3250	3350
09-02-23	2900	-	-	4900	3250	3350
10-02-23	2900	-	3624	4900	3250	3350
13-02-23	2900	-	3531	4900	3250	3350

#### 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.php> © 2023 Indian Agribusiness Systems Ltd.