



Black Pepper Monthly Research Report

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BLACK PEPPER**Spot Market Recap**

- Steady sentiment was witnessed in the pepper spot market during January.
- 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.
- Current year lower production in India supported the domestic prices. As per trade sources production down by around 10% compared to last year.
- 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.
- In 2022, Vietnam pepper export reported 228,000 tons, a decrease of 12% in volume compared to the same period in 2021.
- In 2022, global pepper demand reported decreased due to high inflation and China's "Zero COVID" policy. However, the pepper price in 2022 is higher than in 2021, leading to an increase in the value of imports from many markets. It is forecasted that in the short term, pepper imports of the German, British and French markets will remain low.
- It is forecasted that in 2023, Vietnam's pepper exports will continue to face difficulties in the context of world prices under pressure due to low consumption demand. Pepper demand will drop sharply in the first quarter of 2023 with a very difficult winter in the EU region, due to the energy crisis.
- China's pepper import demand has not been able to break through strongly, although China has relaxed its "Zero COVID" policy. It is expected that until the beginning of the second quarter of 2023, the purchasing power of the Chinese market can increase again.

Monthly Black Pepper Arrival Scenario

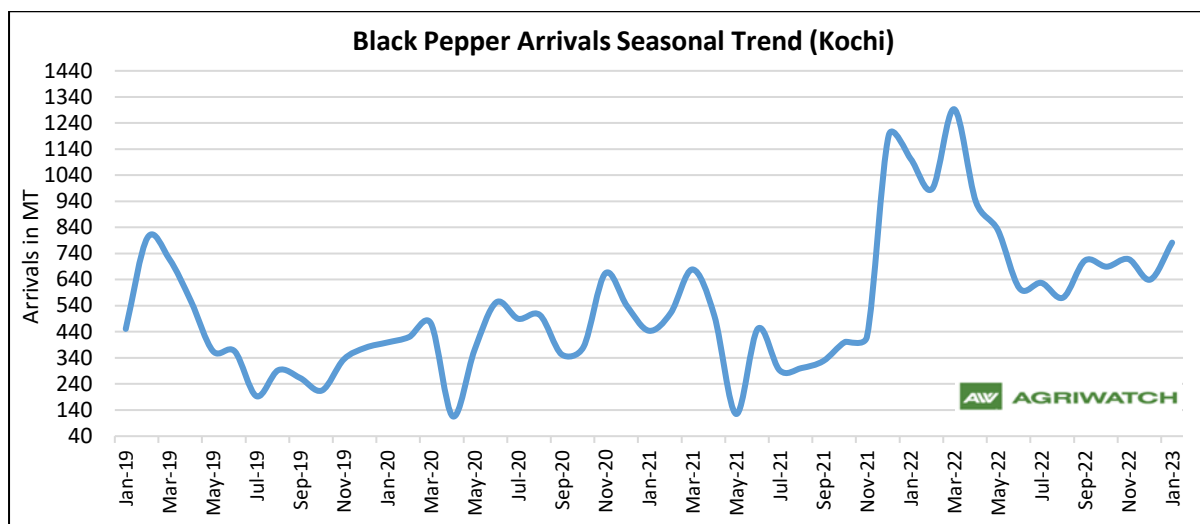
Black Pepper Arrival Scenario: (in Tons)					
State	Market	% Change Over Previous Month	Current Month Jan.23	Last Month Dec.22	Previous Year Jan.22
Kerala	Kochi	22.16	781.8	640	1103.5
Total		22.16	781.8	640	1103.5

Unit – Ton

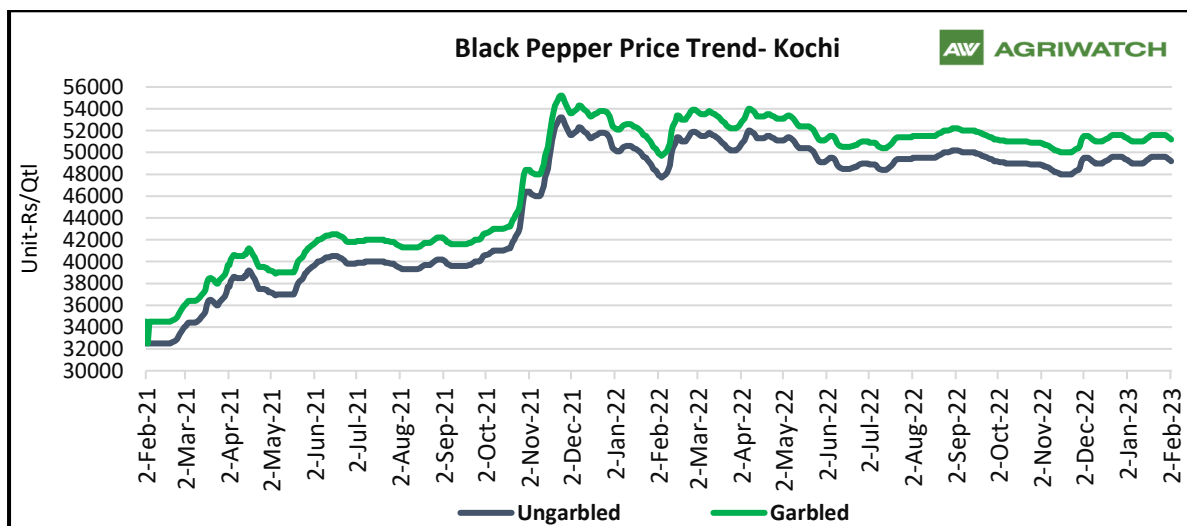
During the period (1st Jan 2023 - 31st Jan 2023) overall supply were reported at 781 MT down by 29.91% from the same period last year at 1,103 MT due to lower demand and low prices as compared to previous year, planters and stockists are not interested in releasing their stocks.

Currently, at Kochi spot market Black Pepper Garbled prices reported up by 2.19% and Ungarbled Pepper up by 2.28% as compared same period last year.

From 1st January 2022 to 31st December 2022, Black pepper supply reported 9,695 tonnes compared to last year's 5,567 tonnes, up by 74.15%.

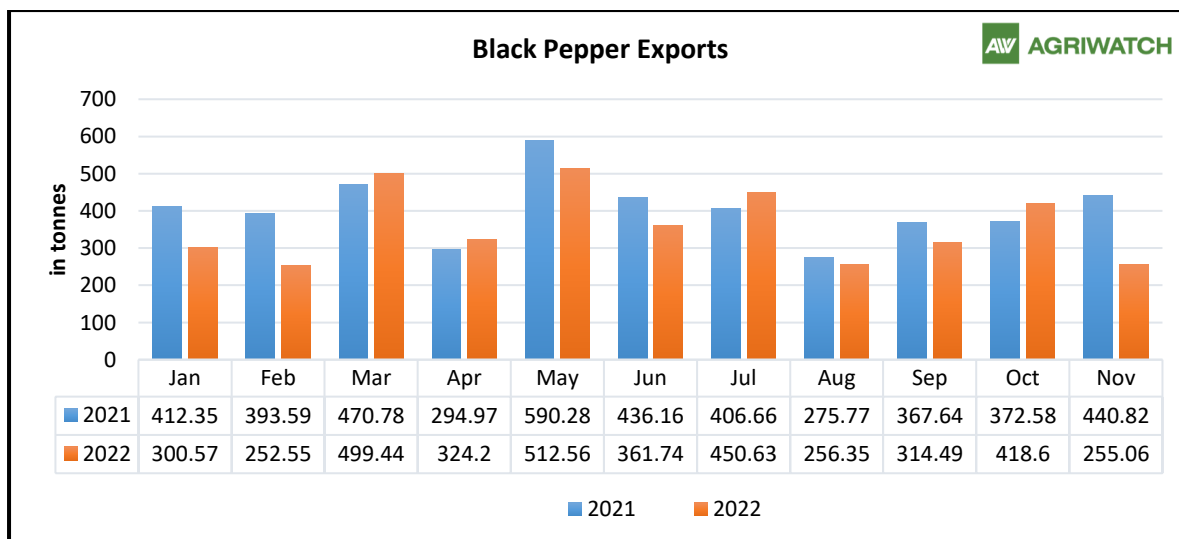


Black Pepper supply reported up in Kochi spot market in January compared to the previous month as stockists and planters were releasing their produce as spot prices reported up compared to previous year same period.



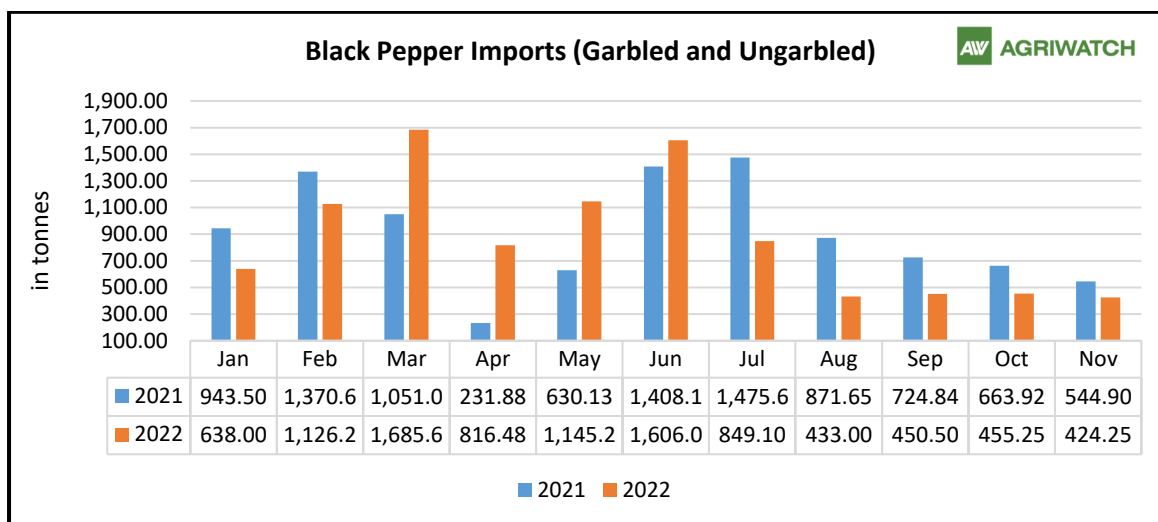
As on 2nd February 2023, Black Pepper Garbled prices were at INR 51,200 per quintal marginally down by INR 100 per quintal from the same period last month in the market. Last year same period it was INR 49,900 per quintal.

Black Pepper Export and Import Scenario



During the month (November 2022), Black Pepper exports (Garbled and Ungarbled) reported at down by 39.07% from the previous month.

Overall exports (Jan 2022 to Nov 2022) were reported at 3,946 MT down by 11.55% from the same period last year as Brazil's higher production and comparatively lower prices from India has continued to affect its exports during the year.



Its imports during the month were recorded down by 6.81% from the previous month and the overall imports (Jan 2022 to Nov 2022) were reported at 9,630 MT marginally down by 2.89% from the same period last year. The major reason for the decrease in the export and import of Black Pepper is mainly due to a decrease in demand and China's zero Covid policy has also affected the same.

Black Spot Price Outlook (Kochi, Garbled)

AgriWatch expect Black pepper Garbled prices to move in a range between INR 50,000 – 51,500 per quintal for next month. AgriWatch expects buyers likely to be active from lower price levels in coming days as India's pepper demand will remain higher in international market due to good quality.

International Scenario

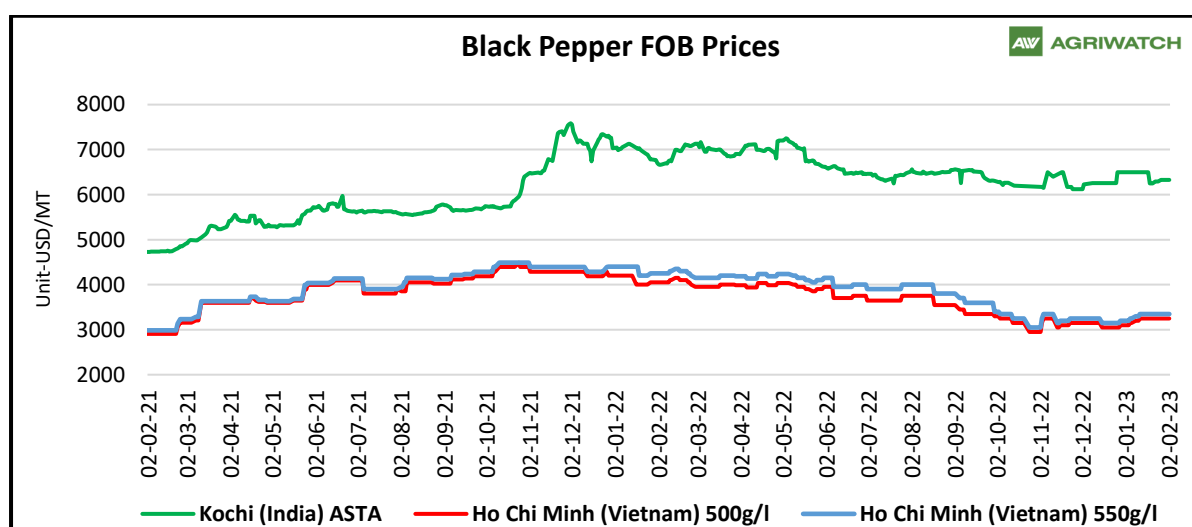
Vietnam Pepper price as on last trade increased by 500 VND/kg in some localities. Currently, the domestic market is recording a price range of 56,000 - 59,500 VND/kg. Records show that the local pepper prices are in the range of 56,000 - 59,500 VND/kg. In which, the two provinces of Dak Lak and Dak Nong increased by 500 VND/kg to 57,500 VND/kg. Similarly, purchasing prices in Binh Phuoc and Ba Ria - Vung Tau also increased by 500 VND/kg, reaching 58,500 VND/kg and 59,500 VND/kg respectively. Particularly in Gia Lai and Dong Nai, pepper prices today did not change, moving sideways at 56,000 VND/kg and 57,000 VND/kg respectively.

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.

World pepper market, in Indonesia, the price of Lampung black pepper was flat, staying at 3,660 USD/ton. The price of Muntok white pepper in this country increased slightly by 0.02%, to USD 6,171/ton. Malaysia's Kuching ASTA black pepper price remained stable at \$4,900/ton; while the country's ASTA white pepper is still priced at \$7,300/ton. For the Brazilian market, the price of black pepper ASTA 570 kept at \$2,800/ton. In Vietnam, the export price of black pepper 500g/l and 550g/l remained at \$3,250-3,350/ton. And the price of white pepper is 4,750 USD/ton. World pepper prices increased only slightly in Indonesian white pepper and flat in other countries. The world pepper market forecast is gloomy in the first quarter of 2023 due to abundant supply. India and Vietnam entered the harvest season.



As of 2nd Feb, 2023, Ho Chi Minh (Vietnam) 500g/l moving at 3,250 USD/MT, Ho Chi Minh (Vietnam) 550g/l moving at 3,350 USD/MT up by 150 USD/MT from the same period last month.

However, Kochi (India) prices were moving at 6,331 USD/MT down by 169 USD/MT due to decreased demand of Indian Black Pepper as other producing countries are providing pepper at more reasonable prices (such as Brazil and Vietnam).

Spot Prices Monthly Change

Black Pepper Spot Market Prices: (Rs/Qtl)						
State	Centre	Grade	% Change Over Previous Month	Today	Week Ago	Month Ago
				31-Jan-23	31-Dec-22	31-Jan-22
Kerala	Kochi Benchmark market	Ungarbled	Unch	49400	49400	48300
		Garbled	Unch	51400	51400	50300
Karnataka	Chikkamagaluru	Ungarbled	Unch	50000	50000	48500
Delhi	New Delhi	Unpolished	Unch	55000	55000	52500
		550 GL	Unch	54500	54500	55000
		Number 11.5	Unch	58500	58500	55000

Black Pepper FOB Prices (USD/MT)						
Date (W-o-W)	Brazil ASTA 570	Kochi (India) ASTA	Lampung (Indonesia) ASTA 570	Kuching (Sarawak, Malaysia) ASTA	Ho Chi Minh (Vietnam) 500g/l	Ho Chi Minh 550g/l
24/12/22	2500	-	-	4900	3050	3150
31/12/22	2500	-	-	4900	3100	3200
07/01/23	2550	6500	-	4900	3150	3250
13/01/23	2600	6500	3626	4900	3250	3350
20/01/23	2750	6295	3553	4900	3250	3350
27/01/23	2800	6331	3587	4900	3250	3350
03/02/23	2900	-	3683	4900	3250	3350

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