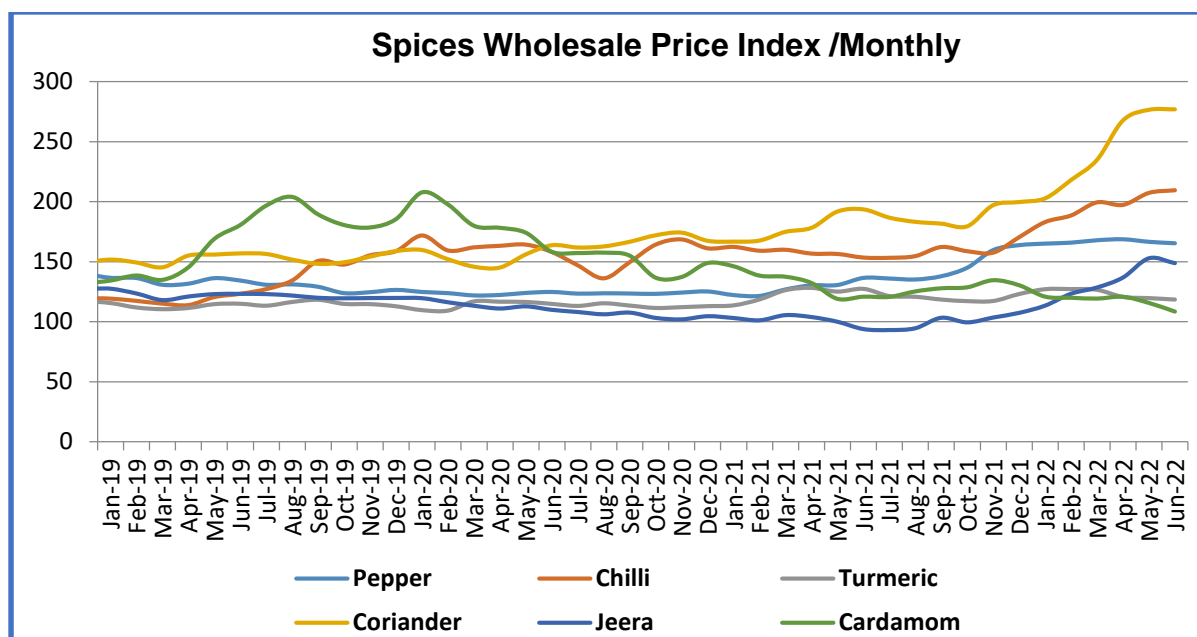


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# Black Pepper Weekly Research Report

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Months	Pepper	Chilli	Turmeric	Coriander	Jeera	Cardamom
Apr-22	168.7	197.4	120.7	267.8	136.8	120.8
May-22	166.6	207.4	119.7	276.6	152.8	115.7
Jun-22	165.4	209.6	118.5	277	148.7	108.5
Changes M-on-M	-1.2	2.2	-1.2	0.4	-4.1	-7.2

## BLACK PEPPER

### Spot Market Recap

- Steady to weak sentiment was witnessed in the Black Pepper spot market during week under the review.
- Supply reported down this week by 6.28% as compared to previous week and as compared to last year up by 15.48% as stockists and farmers were releasing their stocks on getting good prices, current year.
- As per data released by the Government, decline in export demand has been recorded by 29.42%. In June it was 361.74 MT, however in May 2022 it was 512.56 MT (including garbled and ungarbled).
- Current year, from January 2022 to June 2022 total exports are at 2251.06 MT down by 13.36% from corresponding period last year's 2598.13 MT.
- AgriWatch expects buyers likely to be active from lower price levels as India's pepper production is estimated to be lower. As per current situations, AgriWatch expects India's pepper production 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.

### Fundamental Analysis

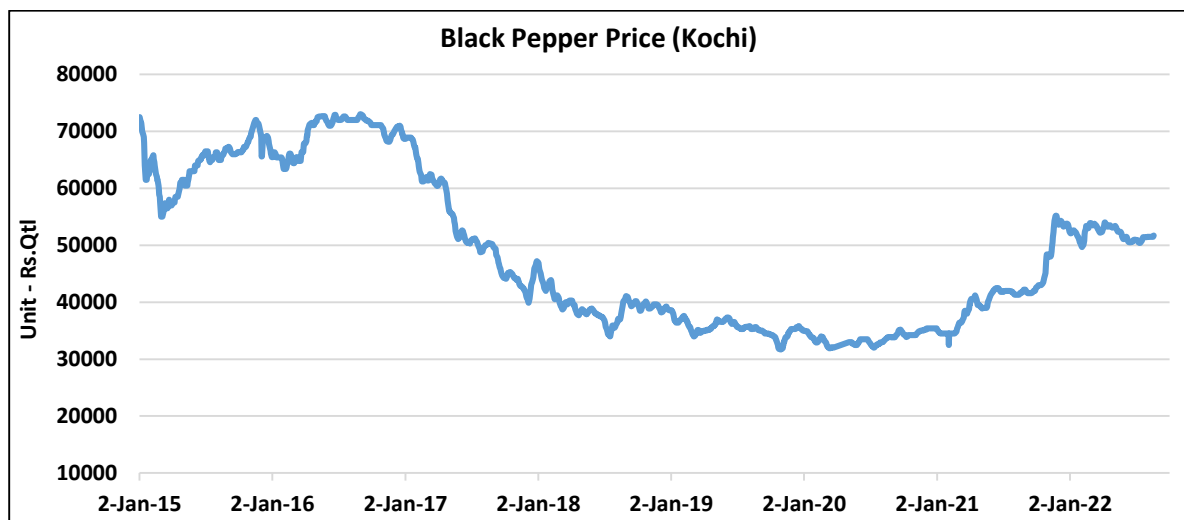
Black Pepper Arrival Scenario: (in Tons)					
State	Market	% Change Over Previous Week	Today	Week Ago	Year Ago
			13th Aug to 19th Aug 2022	6th Aug to 12th Aug 2022	13th Aug to 19th Aug 2021
Kerala	Kochi	-6.28	97.0	103.5	84
Total		-6.28	97.0	103.5	84

Current year, from 1st January 2022 to 19th August 2022, Black pepper supply reported 6,680 tonnes compared to last year's 3,204 tonnes, up by 108.49% as new crop supply continues in the spot market and stockists were releasing their old stocks as pepper prices traded higher compared to last year.

Currently, at Kochi spot market Black Pepper Garbled prices reported up by 24.70% and Ungarbled Pepper up by 25.95% as compared same period last year.

Last year, from 1st January 2021 to 31st December 2021, Black pepper supply reported 5649.5 tonnes compared to last year's 5,261 tonnes, down by 13.96%.

### Black Pepper Price Trend



As on 19th August 2022, black pepper prices were at INR 51,700 per quintal up by INR 200 per quintal as compared to last week. Last year same period it was INR 41,700 per quintal.

### Black Pepper Spot Price Outlook (Kochi, Garbled)

AgriWatch expects Black Pepper (Garbled) likely to trade in a range between INR 51,500 – 52,200 per quintal for next week.

### International Scenario

As on last trade Vietnam Pepper prices as on in the domestic market are still flat, ranging from 69,000 to 72,000 VND/kg. Currently, the lowest price is 69,000 VND/kg available in Gia Lai province. Better than Dong Nai province with 69,500 VND/kg. The two provinces of Dak Lak and Dak Nong are purchasing pepper at the same price of 70,500 VND/kg. Similarly, pepper prices today in two provinces of Binh Phuoc and Ba Ria - Vung Tau were also stable, at 71,000 VND/kg and 72,000 VND/kg respectively.

In Asia, China's pepper imports in the first 6 months of 2022 decreased by 23.4% compared to the same period in 2021. New crop supplies from Brazil and Indonesia are continuing to add to the market. Black and white pepper prices in the domestic market increased thanks to positive signals from the Chinese market, while exports to the European and US markets remained slow. It is forecasted that pepper prices will continue to recover in the near future.

Sri Lanka is in a state of crisis has opened an opportunity for Vietnam to rise to regain the number one position in pepper market share in India after losing this position to Sri Lanka last year. Due to the characteristics of soil, technology and varieties different from Vietnam, Sri Lanka's pepper price when exported to India is higher and the purpose of use is also different. However, the situation of high inflation, political instability, lack of gasoline will greatly affect pepper growers in Sri Lanka. This more or less also helps Vietnamese enterprises increase pepper exports to India. India has a mechanism to protect the domestic pepper industry. Therefore, Indian consumers mainly consume the pepper they grow while the imported pepper is mainly for processing and re-export purposes.

The Indian government has imposed an import tax of 52% on pepper originating from ASEAN countries such as Vietnam and Cambodia, and 70% on pepper from countries such as Brazil and China. However, under the South Asian Free Trade Agreement (SAFTA), Sri Lankan pepper is only subject to 8% tax in India. And exports under 2,500 tons are not subject to any tax. This is considered a disadvantage of Vietnamese pepper compared to Sri Lanka.

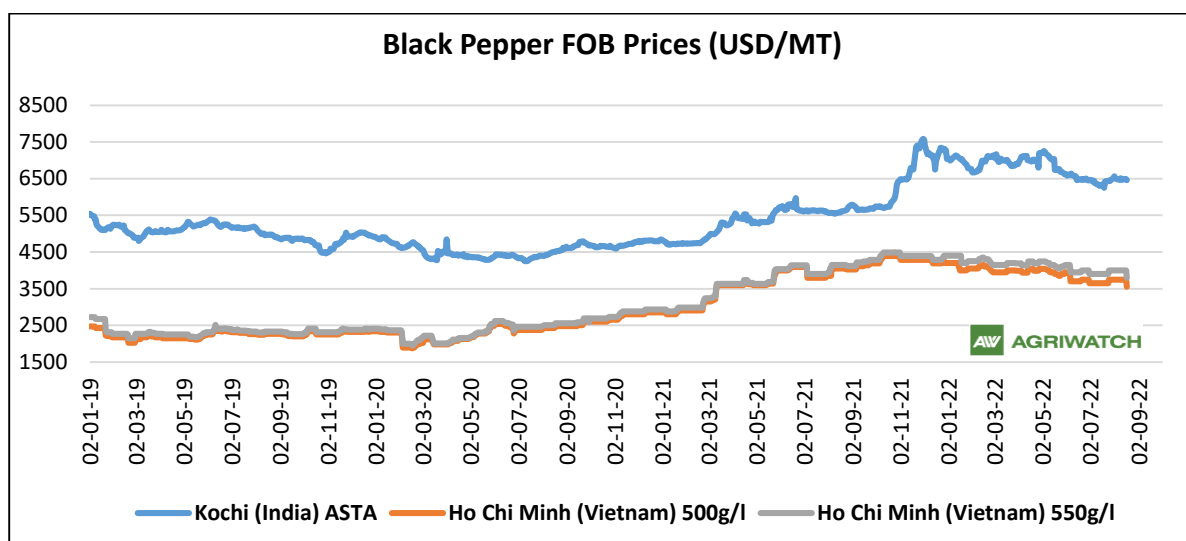
From January to June, Vietnam exported total 125,553 tons of pepper, 106,705 tons of black pepper, 18,848 tons of white pepper. Total export turnover reached 568.8 million USD, black pepper reached 456.4 million USD, and white pepper reached 112.4 million USD. Over the same period, pepper exports decreased by 19.1%, equivalent to 29,621 tons, but export turnover in 6 months increased by 13.5% compared to the same period in 2021.

**Black Pepper Spot Prices Weekly Change, Loose Prices (Rs/Qtl)**

State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				18-Aug-22	12-Aug-22	18-Jul-22	18-Aug-21
Kerala	<b>Kochi</b> <b>Benchmark market</b>	Ungarbled	Unch	49500	49500	48800	39600
		Garbled	Unch	51500	51500	50800	41600
Karnataka	Chikkamagaluru	Ungarbled	-1.00	49500	50000	50000	40000
Delhi	New Delhi	Unpolished	-1.75	56000	57000	55500	43500
		Number 11.5	-0.34	57800	58000	57500	46000

## 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
08-08-22	3000	6470	4061	5900	3750	4000
09-08-22	3000	6471	4076	5900	3750	4000
10-08-22	3000	6511	4072	5900	3750	4000
12-08-22	3000	6466	4124	5900	3750	4000
16-08-22	3000	6493	4102	5900	3750	4000
17-08-22	3000	6486	--	5900	3750	4000
18-08-22	3000	6461	4078	5900	3550	3800



As on 18th August 2022, Kochi ASTA moving at 6,461 USD/MT, fell by 50 USD/MT from last week. Ho Chi Minh (Vietnam) 500g/l moving at 3,550 USD/MT, Ho Chi Minh (Vietnam) 550g/l moving at 3,800 USD/MT fell by 200 USD/MT from last week. Due to good quality, Indian prices are higher than Vietnam.

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