
Black Pepper Weekly Research Report

BLACK PEPPER

Spot Market Recap

- Continued steady to weak sentiment reported in the Black Pepper spot market during the past week.
- Continuous imports from other producing countries put pressure on Indian pepper prices at higher levels due to which planters and stockists were continuously releasing their stocks during the past week.
- According to International Pepper Association (IPC), global pepper exports have increased by 156,086 (72% respectively) in the first decade starting in 1972 and the last decade in 2021. During the period 1972 - 2021, the highest global export volume of pepper was recorded in Vietnam with an average of 200,173 tonnes in the period 2012 - 2021, an increase of 95% compared to the average of 102,600 tonnes of the previous decade. (2002 – 2011). Compared to 8,630 tons in the early period of 1982-1991, Vietnam's pepper exports have increased 23 times.
- In the most recent decade from 2012 to 2021, the average world export of pepper was 371,487 tons, up 47% over the previous decade. The top three exporting countries are Vietnam (54% market share), Brazil with 56,162 tons (accounting for 15%) and Indonesia with 48,835 tons (accounting for 13%).
- In the first 11 months of 2022, global pepper exports recorded a decrease in most major suppliers such as: Vietnam down 15.4%, Brazil down 4.5%, Indonesia and India down respectively 19.1% and 6%. The reason is considered to be a decrease in market demand due to China's Zero COVID policy and high inflation in many countries, especially the US and the European Union. Besides, there is the devaluation of currencies of importing countries against USD.

Fundamental Analysis

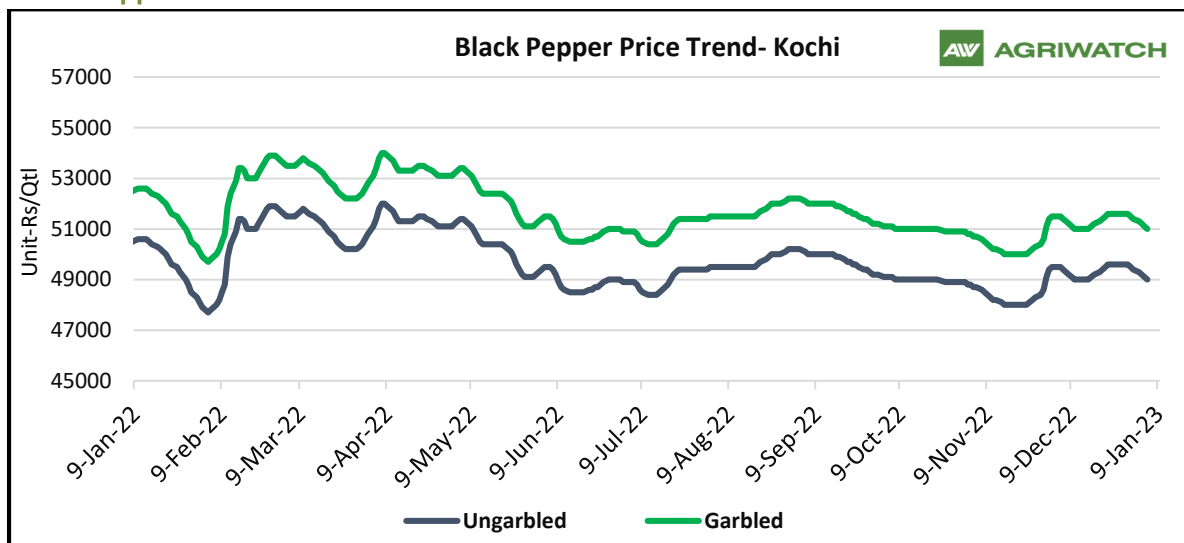
Black Pepper Arrival Scenario: (in Tons)					
State	Market	% Change Over Previous Week	Today	Week Ago	Year Ago
			31st Dec to 6th Jan 2023	24th Dec to 30th Dec 2022	31st Dec to 6th Jan 2022
Kerala	Kochi	1.30	179.8	177.5	307
Total		1.30	179.8	177.5	307

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% as stockists and planters were releasing their stocks during the start of the year amid higher prices.

Black pepper supply current year (1st Jan 2023 to 6th Jan 2023) around 154 MT were reported, down by 31.56% from the same period last year on weak demand during this 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 6th January 2023, Black Pepper Garbled prices were at INR 51,000 per quintal marginally down by INR 500 per quintal from the same period last week in the market. Last year same period it was INR 52,200 per quintal.

Black Pepper Spot Price Outlook (Kochi, Garbled)

AgriWatch expects Black Pepper (Garbled) likely to trade in a range between INR 50,800 – 51,600 per quintal for next week.

Black Pepper Export and Import Scenario

Due to lower prices in Vietnam and Brazil, its imports in India reported at 455.25 MT in October 2022, up by 1.05% from the previous month.

UAE has continued its interest to buy Black Pepper from India as a result of which Black Pepper exports (Garbled and Ungarbled) IN October 2022 reported at 418.60 MT, up by 33.10% from the previous month.

International Scenario

Vietnam Pepper prices today (January 10) continued to move sideways in key provinces in the country, in which the highest price was 60,000 VND/kg. Vietnam pepper prices continue to be stable in the range of 57,500 - 60,000 VND/kg in the domestic market. In which, the two provinces of Gia Lai and Dong Nai recorded prices of 57,500 VND/kg and 58,000 VND/kg, respectively. Next are the two provinces of Dak Lak and Dak Nong with the same price of 58,500 VND/kg. Similarly, pepper prices today in Binh Phuoc and Ba Ria - Vung Tau were flat at 59,000 VND/kg and 60,000 VND/kg respectively.

In the first 11 months of 2022, the value of Vietnam's pepper exports to Asia, Africa and Oceania decreased, but exports to Europe and America increased compared to the same period in 2021. In which, the proportion of pepper exports to Asia decreased from 40.24% of the total value in the first 11 months of 2021 to 35.95% in the 11 months of 2022.

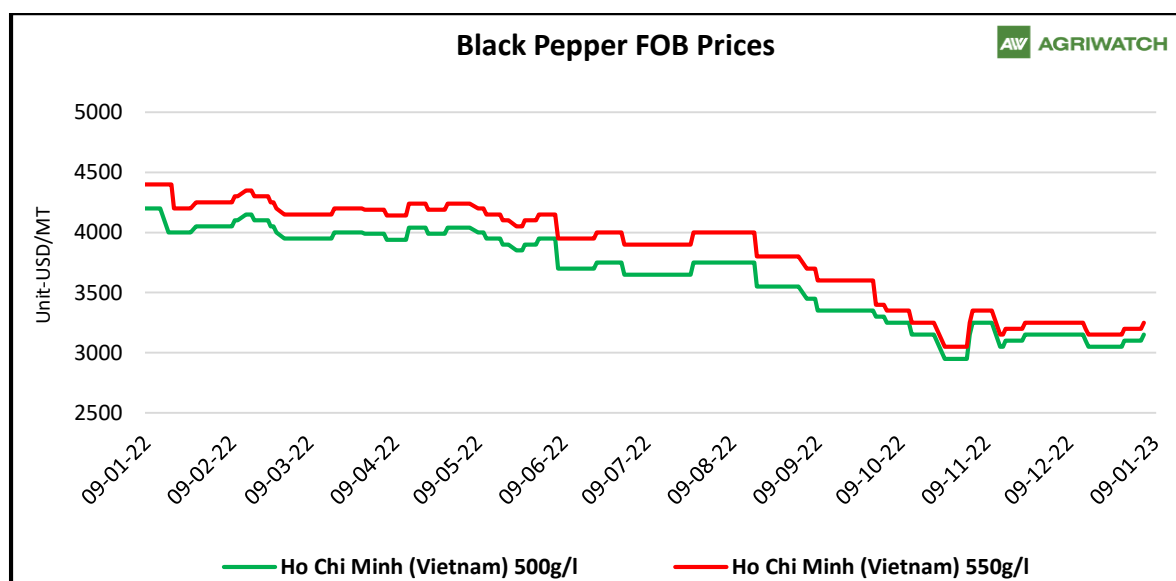
In contrast, the share of pepper exports to the European region increased from 25.71% of total value in 11 months of 2021 to 26.76% in 11 months of 2022. During this time, the export value of pepper to most key markets increased, except Germany and China.

The share of pepper exports to the US market increased from 24.10% in 11 months of 2021 to 28.57% in 11 months of 2022, while the share of pepper exports to China decreased from 10.08% in 11 months. May 2021 down 4.54% in 11 months of 2022.

In the first 11 months of 2022, the export value of most pepper varieties increased over the same period in 2021, except for black pepper. The share of black pepper exports decreased from 71.38% of total value in 11 months of 2021 to 65.96% in 11 months of 2022. Meanwhile, the export share of ground black pepper increased from 12.46% in 11 months of 2021 to 15.59% in 11 months of 2022, according to the latest report from the Import and Export Department (Ministry of Industry and Trade).

Black Pepper Spot Prices Weekly Change, Loose Prices (Rs/Qtl)							
State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				06-Jan-23	30-Dec-22	06-Dec-22	06-Jan-22
Kerala	Kochi Benchmark market	Ungarbled	-1.01	49000	49500	49400	50200
		Garbled	-0.97	51000	51500	51400	52200
Karnataka	Chikkamagaluru	Ungarbled	Unch	50000	50000	50500	49000
Delhi	New Delhi	Unpolished	Unch	55000	55000	55000	52500
		550 GL	Unch	54500	54500	54500	56000
		Number 11.5	Unch	58500	58500	58500	56000

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
03-01-23	2500	NA	NA	4900	3100	3200
04-01-23	2500	NA	NA	4900	3100	3200
05-01-23	2500	NA	NA	4900	3100	3200
06-01-23	2500	NA	NA	4900	3100	3200
09-01-23	2500	NA	NA	4900	3200	3300
10-01-23	2500	NA	NA	4900	3200	3300



As of 5th January 2023, Ho Chi Minh (Vietnam) 500g/l moving at 3,150 USD/MT, Ho Chi Minh (Vietnam) 550g/l moving at 3,250 USD/MT steady from last week same period.

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