
Black Pepper Weekly Research Report

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BLACK PEPPER

Spot Market Recap

- Mostly steady sentiment reported in the Black Pepper spot market during the past week.
- 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).
- 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
			7th Jan to 13th Jan 2023	31st Dec to 6th Jan 2022	7th Jan to 13th Jan 2022
Kerala	Kochi	-20.19	143.5	179.8	217
Total		-20.19	143.5	179.8	217

During the current year (1st Jan-2023 to 13th Jan-2023), around 298 MT were reported which is down by 32.58% from the same period last year due to comparatively lower prices in the current season, planters and stockists are releasing their stocks on getting better prices only.

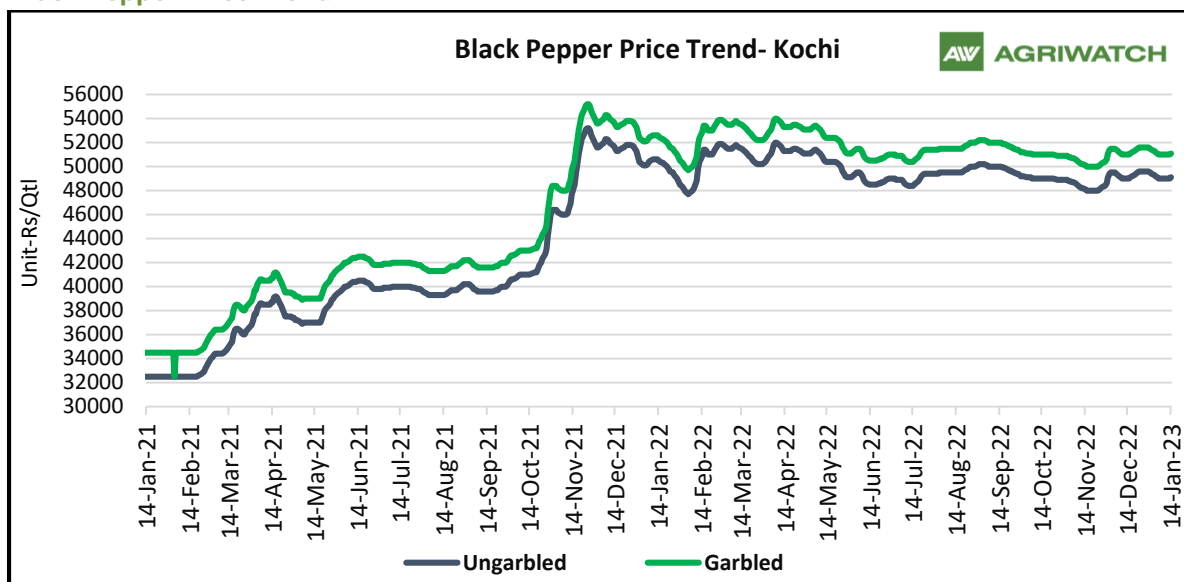
Last year, from 1st January 2022 to 31st December 2022, Black pepper supply reported 9,695 tonnes compared to last year's 5,567 tonnes, up by 74.15% as stockists and planters were releasing their stocks during the start of the year amid higher prices.

Black Pepper Export and Import Scenario

During the month (November 2022), Black Pepper exports (Garbled and Ungarbled) reported at 255.06 MT, 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 at 424.25 MT, 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 Pepper Price Trend



As on 13th January 2023, Black Pepper Garbled prices were trading steady at INR 51,000 per quintal from the previous week. Last year same period it was INR 52,600 per quintal.

Black Pepper Spot Price Outlook (Kochi, Garbled)

AgriWatch expects Black Pepper (Garbled) likely to trade in a range between INR 50,900 – 51,800 per quintal for next week.

International Scenario

Vietnam Pepper price in the domestic market is still flat compared to yesterday. Specifically, Dak Lak and Dak Nong pepper prices today remained at 58,000 VND/kg. Pepper price today in Gia Lai traded at 57,000 VND/kg; unchanged. Today's pepper price in Dong Nai is still purchased at 58,000 VND/kg. The latest pepper price today in Ba Ria - Vung Tau kept at 60,000 VND/kg; and Binh Phuoc pepper price today 14/1 continues to buy at 59,000 VND/kg.

World pepper price as on last trade in the world market are increasing strongly in Indonesia but flat in other countries. In Indonesia, Lampung black pepper price increased by 1.25%, to \$3,691/ton. The price of this country's Muntok white pepper is up 1.24%, to \$6,463 per tonne. 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 is anchored at USD 2,600/ton. In Vietnam, the export price of black pepper 500g/l and 550g/l remained at 3,050 - 3,150 USD/ton. And the price of white pepper is 4,550 USD/ton.

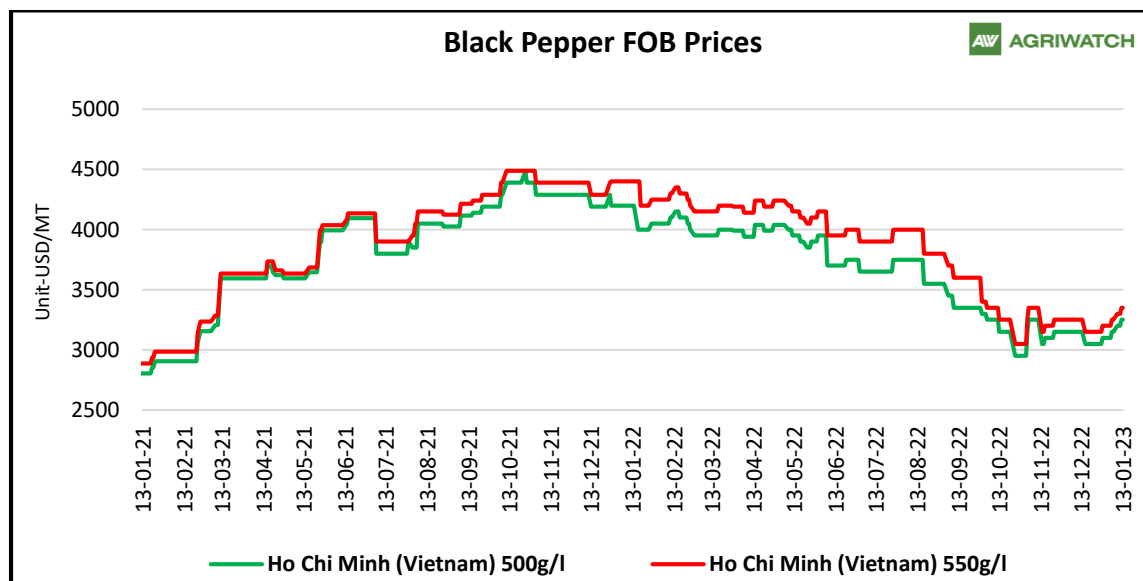
Malaysia's Kuching ASTA black pepper price was unchanged, remaining at \$4,900/ton; while the country's ASTA white pepper remained at \$7,300/ton. For the Brazilian market, the price of black pepper ASTA 570 kept at \$2,600/ton. In Vietnam, the export price of black pepper 500g/l and 550g/l rose to 3,250-3,350 USD/ton. And the price of white pepper at \$4,750/ton, both increased by \$50/ton.

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

State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				13-Jan-23	06-Jan-23	13-Dec-22	13-Jan-22
Kerala	Kochi Benchmark market	Ungarbled	Unch	49000	49000	49000	50600
		Garbled	Unch	51000	51000	51000	52600
Karnataka	Chikkamagaluru	Ungarbled	2.00	51000	50000	50000	50500
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
06-01-23	2500	6500	NA	4900	3100	3200
09-01-23	2500	6500	NA	4900	3200	3300
10-01-23	2500	6500	NA	4900	3200	3300
11-01-23	2500	6500	NA	4900	3200	3300
12-01-23	2500	6500	NA	4900	3250	3350
13-01-23	2500	6500	3577	4900	3250	3350



As of 13th 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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