

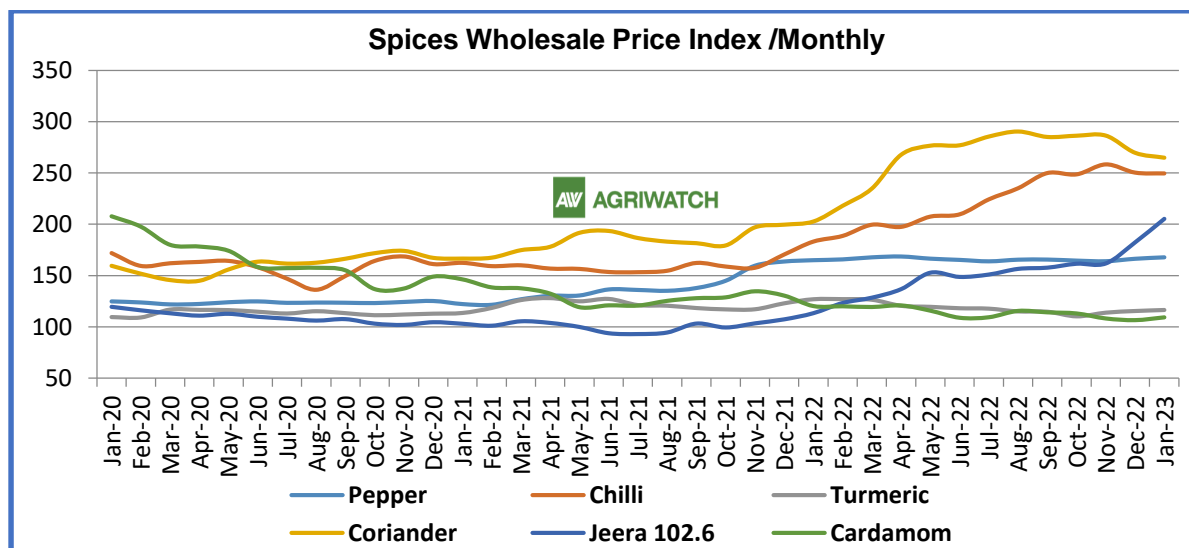
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# Spices Weekly Research Report

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Months	Pepper	Chilli	Turmeric	Coriander	Jeera	Cardamom
Nov-22	164.1	258.2	114	286.4	161.8	108.1
Dec-22	166.5	250.2	115.6	269.7	182.3	106.5
Jan-23	167.9	249.4	116.6	264.9	205.2	109.2
Change Over Previous Month	1.4	-0.8	1.0	-4.8	22.9	2.7

## BLACK PEPPER

### Spot Market Recap

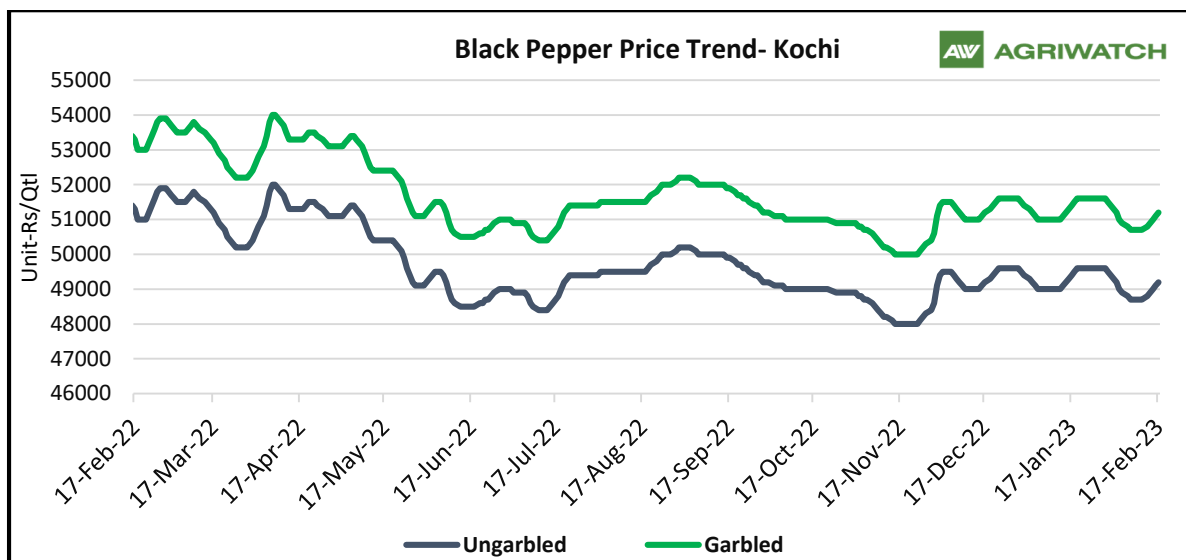
- Steady to firm sentiment reported in the Black Pepper spot market during the past week.
- According to preliminary data from the General Department of Vietnam Customs, in the first 15 days of February, Vietnam exported 14,156 tons of pepper. Progress from the beginning of the year to February 15, 2023, Vietnam exported 26,637 tons.
- This year's pepper production in Sri Lanka is expected to be at 19,500 tonnes, lower than last year's 20,400 tonnes. The reason is that the prolonged rainy season adversely affects the pepper crop. There are also fuel shortages and problems arising from increased fertilizer prices and transportation costs. It is expected that the low quality pepper in Sri Lanka will be harvested in the period of March - April, while the higher quality pepper will be harvested in the period of May - June.
- 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%).
- 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.

### Fundamental Analysis

Black Pepper Arrival Scenario: (in Tons)					
State	Market	% Change Over Previous Week	Today	Week Ago	Year Ago
			11th Feb to 17th Feb 2023	4th Feb to 10th Feb 2022	11th Feb to 17th Feb 2022
Kerala	Kochi	-10.43	249.0	278.0	175
Total		-10.43	249.0	278.0	175

During the current year (1<sup>st</sup> Jan-2023 to 17<sup>th</sup> Feb-2023), around 1,432 MT and last year same period it was 1,682 MT which is down by 14.86%.

### Black Pepper Price Trend



As on 17th Feb 2023, Black Pepper Garbled prices were trading at INR 51,200 per quintal up by INR 500 per quintal from the past week. Last year same period it was INR 53,300 per quintal.

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

AgriWatch expects Black Pepper (Garbled) likely to trade in a range between INR 50,500 – 51,500 per quintal for next week.

### International Scenario

Vietnam pepper price as on 20th February increase from the end of last week by 500-1,000 VND/kg, currently to about 63,500 - 66,500 VND/kg. Records show that key provinces in the country are purchasing pepper in the range of 63,500 - 66,500 VND/kg. In which, Gia Lai increased by 1,000 VND/kg to 63,500 VND/kg. Next is Dong Nai with 64,000 VND/kg, an increase of 500 VND/kg. After increasing by 1,000 VND/kg, the two provinces of Dak Lak and Dak Nong are now purchasing pepper at the same price of 65,000 VND/kg. Similarly, pepper prices today in Binh Phuoc and Ba Ria - Vung Tau increased by 500 VND/kg, to 65,500 VND/kg and 66,500 VND/kg respectively.

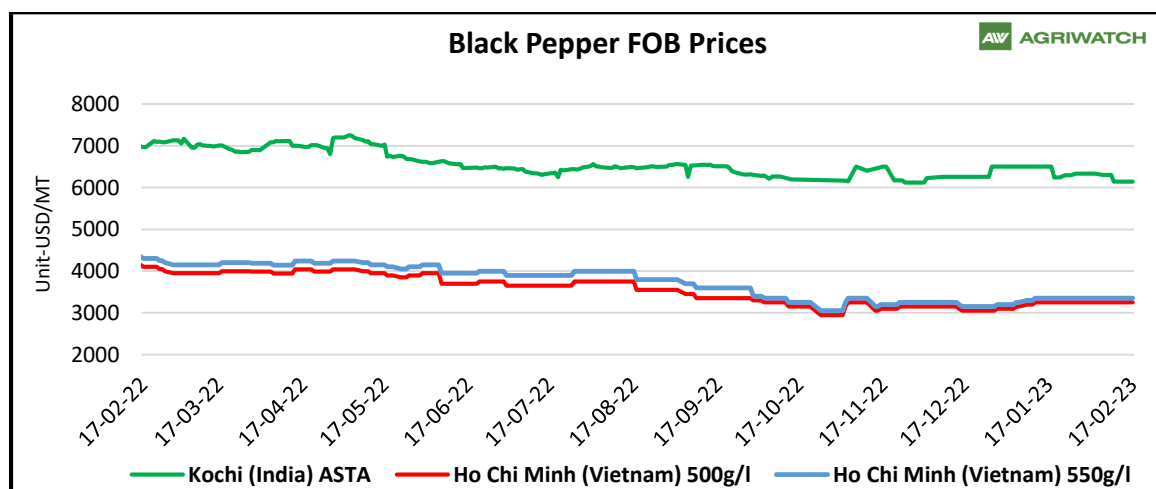
According to statistics from the General Department of Customs, Vietnam's pepper exports in January 2023 reached 12.55 thousand tons, down 38.6% in volume compared to December 2022 compared with January 2022, down 20.5% in volume. It is forecasted that Vietnam's pepper exports will be more active in the remaining months of the first quarter of 2023 because Vietnam has just finished the harvest season with abundant output. By the third and fourth quarters of 2023, customers will look to producing countries such as Brazil and Indonesia because this is the time to harvest the pepper of these two countries. In January 2023, the average export price of Vietnam's pepper reached US\$3,442/ton, down 4.3% compared to December 2022 and 26.8% lower than January 2022. In which, the average export price of pepper to most of the main export markets decreased compared to the previous month and over the same period in 2022. Notably, the average export price of Vietnam's pepper to the Philippines and Japan increased by 30.3% and 30% respectively compared to December 2022. In terms of market structure, in January 2023, pepper exports to many key markets decreased compared to December 2022, except for India, Egypt, Japan and Senegal. Compared to January 2022, pepper exports to the US, India, Philippines, Japan, UK decreased, but exports to Egypt, Thailand and Senegal increased.

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

State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				17-Feb-23	10-Feb-23	17-Jan-23	17-Feb-22
Kerala	Kochi <b>Benchmark market</b>	Ungarbled	1.03	49200	48700	49400	51300
		Garbled	0.99	51200	50700	51400	53300
Karnataka	Chikkamagaluru	Ungarbled	2.06	49500	48500	51000	53000
Delhi	New Delhi	Unpolished	Unch	55000	55000	55000	57000
		550 GL	Unch	54500	54500	54500	59000
		Number 11.5	Unch	58500	58500	58500	59000

## 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
10-02-23	2900	6140	3624	4900	3250	3350
13-02-23	2900	6140	3531	4900	3250	3350
14-02-23	2900	6140	3542	4900	3250	3350
15-02-23	2900	6140	3536	4900	3250	3350
16-02-23	2900	6140	3540	4900	3250	3350
17-02-23	2900	6140	NA	4900	3250	3350



As of 17<sup>th</sup> 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 steady from last week same period. Kochi (India) prices were steady at 6,140 USD/MT during the past week.

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