

April 2022

Spices 2022 Quarterly Recap



Table of Contents

Part I - Quarterly Issues 3

Part II - Quarterly Summary 5

Part I

Quarterly Issues

1.1 Weather

1.2 Trade Regulation

1.3 Anomalies

1.4 Price Trends

Part. I

Quarterly Issues

Weather

- Unexpected heavy rainfalls in January 2022 in Andhra Pradesh resulted in a reduction of dried chili production in India
- Heavy rains and cloudy weather have reduced the cumin yields in India
- Cold snaps at the beginning of 2022 in Chinese provinces Hainan, Guangdong and Fujian have affected the green chilli pepper supply in China

Trade Regulation

- Vietnamese chili products are approved for exports to China
- Major buyers of Indian cumin have imposed strict restrictions and quality parameters on imports

Anomalies

- Labor shortage because of COVID hinders black pepper harvesting in Vietnam
- India's demand for red chili and spices increases as the country reopens the economy after COVID
- Global consumption of black peppercorn is projected to increase in 2022, as the demand for the spice surges amid the opening of economies worldwide following pandemic

Price Trends

- Guatemala and India cardamom export prices tumble due to bumper crops
- Vietnam's black pepper prices remain firm as global demand increases and local traders expect a fall in the harvest
- Mexican dry chilli prices surge because of strong food inflation and firm domestic demand

Part II

Quarterly Summary

1.1 Spices

- Dried Chilli Pepper
- Cardamom
- Cumin
- Black Peppercorn

Dried Chilli Pepper

India

Production: India's dry chili production is forecast to dwindle by 20-25% in 2021-22 compared with the previous season to 1.6-1.65 million mt due to unseasonal rains in the key production regions in December-January 2021-22. The spread of thrip insects has also damaged pepper plants and resulted in young fruit discoloration. Lower output is likely to keep national and export prices firm in the current season.

Exports: India's dry chili pepper exports rose to 461,005 mt in 2021, 8.6% more than in 2020. In January 2022, shipments were on par with last year's figures at 21,200 mt.

China

China's dry whole chili pepper imports reached 211,551 mt in 2021, up 30.24% from 2020. Most of the volumes came from India. The national demand for Indian dry chili has increased amid the high popularity of hot peppers among the local population and lower domestic output. In January 2022, the country imported 5,500 mt of dried chili from India, 34% more YoY. Imports are projected to increase this year amid limited supply.

Mexico

Mexican dry chili exports decreased to 13,032 mt in 2021, 22.5% less than 2020. The primary reason behind it is higher domestic consumption. Together with growing inflation, these were the primary reasons for a rise in local prices in Q1 2022.

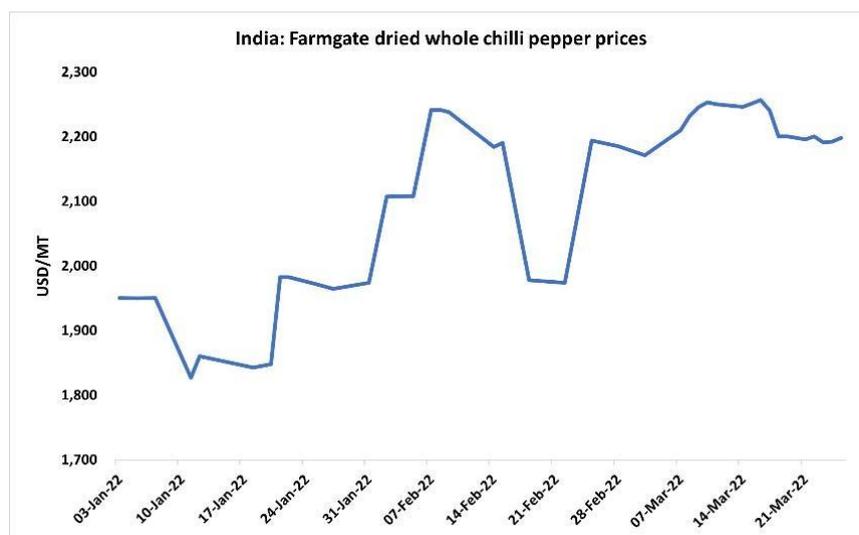


Figure 1.

Source: Guntur Mirchi

Outlook

Due to a fall in the chili pepper harvest in India this season, domestic and export prices for this spice are expected to rise in 2022. The demand from China, the world's largest importer of dry chili, will remain firm this year because local production has been damaged by cold weather at the end of 2021 and the beginning of 2022.

Cardamom

India

Production: India expects production to reach 28,000 mt in 2021-22, up 6,000 mt YoY, thanks to favorable weather conditions, and extending plantations in the new areas. The country is experiencing larger-than-usual end stocks because COVID lockdowns have limited local consumption.

Exports: Cardamom exports surged to 10,595 mt in 2021, 89.3% more YoY. In January 2022, the upward trend continued, with shipments reaching 1,142 mt, 43% more than last year. The primary consumers are using the moment when prices for the spice have sunk amid hefty supplies in India.

Guatemala

Production: Guatemalan cardamom production is pegged at 38,000 mt in the 2021-22 season, 3,000 mt more than last year. The carryover stocks of the spice from the previous season totaled 3,000 mt. Such ample supplies in the country have immediately caused price deterioration.

Exports: Guatemala's cardamom exports totaled 11,602 mt in October-December 2021, down 20% compared to the same period last year. The high price competitiveness of the Indian commodity and logistics difficulties for delivery from Guatemala have made the Middle East buyers switch to imports from India.



Figure 2.
Source: Tridge

Outlook

The price situation in Guatemala is expected to change after the finishing of the second-cut harvesting. Market players are upbeat about the higher quality of the upcoming fresh crop, which will help boost demand and prices for cardamom. Besides, after Ramadan, the main buyers will have to replenish depleting stocks, resuming trading activity.

Cumin

India

India's cumin production is forecast to drop by 35% in the 2021-22 season compared with 2020-21 to 556,000 mt. Such a fall is related to the reduction in the sowing area in the main jeera production states Gujarat and Rajasthan. Cloudy and rainy weather in December-January 2021-22 also affected the crop. Export and domestic demand remain firm. In January 2022, India exported 13,857 mt of cumin, 1.38% more than last year.

Turkey

Turkish cumin output totaled 8,386 mt last year, plummeting by 40% from 2020. Adverse weather conditions capped the yields of cumin. Despite lower production, the import of this spice decreased to 11,894 mt, 11% less than last year amid lower domestic use.

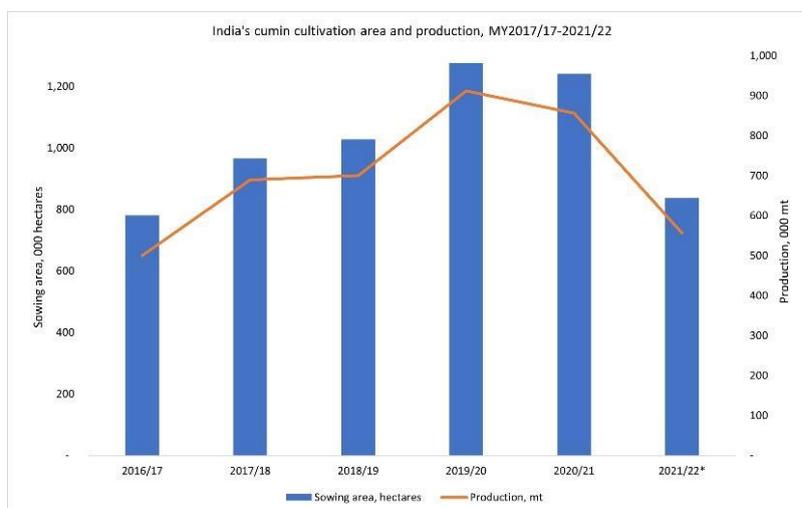


Figure 3.

Source:
Spices Board of India,
Tridge

Outlook

Export prices for Indian cumin are forecast to stay firm in the current season, as local output is forecast to tumble by 35% in 2021-22. The demand at the beginning of Q2 2022 may slow down, as, during Ramadan, many Middle Eastern importing countries limit trading activity.

Black Peppercorn

Vietnam

In 2021, black pepper production totaled 180,000 mt, down 25% YoY. The new crop is projected to fall by 10,000 mt to 170,000 mt. The most substantial reasons behind the pessimistic sentiment are the lack of labor available for harvesting caused by COVID-19, a reduction in the acreage, and the delay in harvesting given adverse weather conditions. Amid smaller output, domestic prices remained firm in Q1 2022.

Brazil

The crop outlook looks optimistic for Brazil, the world's second-largest producer of black pepper, with the harvest projections at 105,000 mt in 2022, up 10% YoY. The country's export of black pepper reached 91,896 mt in 2021, 2.5% more than last year. Competitive prices and better freight rates compared to other exporting states helped the country boost spice shipments.

India

India's 2022 harvest is pegged at 60,000, down 10,000 mt down from the 2021 level for each country. Climate change, which causes uneven distribution of rainfall and higher dryness, is the main reason for reducing production. Black peppercorn exports fell to 617 mt in January 2022, 14.93% less YoY.

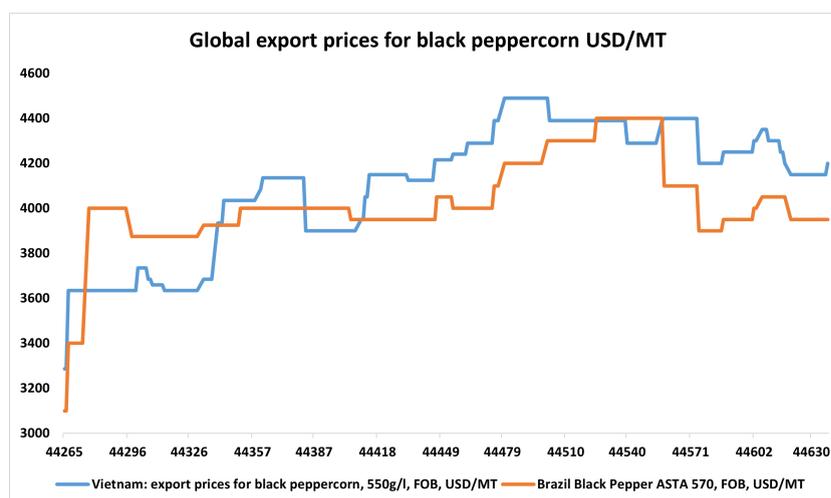


Figure 4.

Source: International Pepper Community

Outlook

Global demand for black peppercorns will remain firm in 2022, which will add to the increase in prices in the major trading countries in Q2 2022. This year, the consumption of this spice is forecast at 526,000 mt, 4% more than in 2021.

April 2022

About Us

Tridge is a Global Trade Ecosystem in the food and agriculture industry that combines professional network and data intelligence and makes trustworthy and sustainable cross-border trades possible. We create and provide a very unique and powerful global-scale platform for buyers and suppliers to be connected and do business with each other more confidently and seamlessly.

Our mission is to become a go-to place for the ultimate sourcing solutions by creating a safe and reliable trade community. For Buyers, Tridge consistently provides extensive market trend data around the globe, creating opportunities in both untapped and existing markets and connecting them with credible suppliers. For Suppliers, we identify and develop sales opportunities from the regions they could not reach ever before. We combine state-of-the-art technology to make this happen.

For more information visit:

tridge.com

For more information call:

+82 2 6674 5500

Sales:

global-enterprise-sales@tridge.com

Intelligence:

intelligence-solutions@tridge.com