

AVT McCormick Ingredients Pvt Ltd.

Various Spices

Black Pepper

Black pepper markets continued to be highly volatile. After touching a historic high, the futures market have declined by 7% over last month, while physical material has declined by 4%. The Indian crop is anticipated to be 15% smaller this year. Availability is still limited. Market speculators are very active. If they intend on taking a position at this level, an increase can be expected.

Rates are currently at USD \$6,700/mt for Indian Farm Grade. Vietnam 550GL is USD \$7,300/mt. Given the current scenario, the short term trend is likely to remain volatile.

The Global Pepper Conference (IPC - International Pepper Community) Nov 22-26 will provide a more comprehensive global outlook of the overall crop for this year coming.

Buyer discretion is advised in this market.

White Pepper

In spite of limited availability, the market has dipped from last month. This may represent a good opportunity to cover immediate requirements.

Limited offers and availability for Muntok, Chinese, and Vietnamese.

Muntok is currently USD \$12,500/mt
Chinese is currently USD \$11,150/mt
Vietnam is currently USD \$10,450/mt

Turmeric

MFT (Madras Finger Turmeric) prices declined this past week with additional material being brought to market by farmers for the Diwali festival.

A carry over stock into next year is expected, helping to stabilize the price. Rain patterns over the next month will determine the actual yield of the crops, having a direct impact on pricing for the new crop.

As with all commodities at this time, the weakening INR compared to the USD has created a bit of a buffer. It is unclear if this advantage will be present for the new crop in February and March.

AFT (Alleppey Finger Turmeric) Material with 5% + curcumin is currently unavailable.

Ginger

Indian Ginger - While the overall crop size had increased by 25-30%, climatic conditions were not optimal. Heavy rains have damaged crops, forcing many farmers to harvest early and sell their product to the fresh market. This has maintained a low vegetable ginger price.

Only once the more mature ginger is harvested for drying in December and January will we have a realistic view of the crop yield.

Based on the current information, there is potential for the market to firm up in December.

At this time, prices continue to remain relatively steady at USD\$3,425/mt. Now may be the ideal time to cover annual requirements.

Chinese - Market reports indicate a small crop again this year. The new crop will be available in December. Prices remain steady at USD 5,400/mt.

Nigerian Ginger - Suppliers of Nigerian ginger are currently struggling to provide product that is free of aflatoxin. At this time, material is currently unavailable.

Nutmeg / Mace

The prices of nutmeg and mace remain high due to the limited supply in the domestic and international markets.

Unfavourable weather in the growing countries (Sri Lanka, Indonesia, India) have reduced last years output. Untimely rains in Sri Lanka and India damaged the flowers resulting in a 20% reduction in crop size.

Indian nutmeg rates remain steady. Currently afla guaranteed material is at USD \$24,500/mt. Without a guarantee it is USD \$19,500/mt.

Prices are expected to remain steady/firm, possibly well into the next season.

Many European buyers are now migrating to Indian origin as an alternative to Indonesian.

New crop is expected in July / August.

Cardamom

The climate and rainfall have been favourable for Indian cardamom. Strong arrivals in to the market, along with good domestic demand keep the market active. Arrivals are expected for the coming three months. Rates have declined almost 60% from last years peak, and are expected to remained steady.

Guatemala new crop offers are now available, with arrivals expected end of the month.

Lower quality material for grinding has come down in price, however seeds are still high due to scarcity.

Current rates are USD \$17,000/mt for AGEB grade.

Clove

New crop from Madagascar has been released however quality has been substandard. Indonesian material is in the market however it is the rejects from the cigar manufacturers. The quality is low, with high moisture and many stems. Rates have

AVT McCormick Recommendations

Black Pepper

Up to individual buyer.

White Pepper

Contract annual volumes now.

Turmeric MFT

Up to individual buyer.

Ginger

Contract annual volumes now.

Nutmeg / Mace

Cover as required until new crop.

Cardamom

Contract annual volumes now.

Clove

Cover as required.

Fennel

Indian: Cover as required until March.

Egyptian: Cover volumes as required, take immediate delivery due to political instability.

Aniseed

Contract annual volumes.

Celery

Cover as required until new crop.

Fenugreek

Cover as required until new crop.

Dill Seed

Contract annual volumes now.
Rates expected to be firm next yr.

Cumin

Indian: Cover as required until new crop.

Coriander Indian

Cover as required until Feb.

Coriander EU

Contract annual volumes now.

Red Pepper

Cover as required until new crop.

Allspice

Contract annual volumes now.

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declined to USD \$21,000/mt this month for Indonesian (however physical product is difficult to locate) and USD \$17,000/mt for Madagascar.

Fennel

The new crop will begin entering the market in January, and peak by March. Overall acreage is anticipated to have increased by 20% this year, and market rates are expected to react accordingly. A carry over stock of 35,000 mt has been reported, ensuring steady rates into the new crop season. This could be an ideal time to shift to Indian material as Egyptian is still uncertain.

Aniseed

Turkish aniseed reduced considerably since last month. Current rates of USD \$3,300/mt. With the political situation easing, material is being released into the market, and rates have reacted accordingly.

Celery

Market rates have reacted positively to this years healthy bumper crop. Rates have remained steady with last month. New crop arrivals are in June.

Current rate of USD \$990/mt.

Fenugreek

Fenugreek remains steady. Rates are expected to continue without any major fluctuations. New crop arrivals are in March.

Current rate of USD \$700/mt.

Dill Seed

The indian market has remained steady due to a good crop. Rates are expected to remain steady until fresh crop arrivals in January / February.

Allspice

All three origins of Allspice (Mexico, Guatemala, and Honduras) are reporting a good crop this season. Arrivals of the new crop are beginning now. Market rates are stable.

Cumin

Market reports indicate an increase of 30% in acreage for Cumin this year. The climate has been ideal, and farmers have been attracted to the market prices. The climatic conditions over the next two months will play a critical role in the crop output as

this is a highly sensitive crop. A carry over stock of 50,000 mt has been reported, however market prices for the new crop will be dependent on activities within the futures market. This could be an ideal time to shift to Indian material as Syrian is still uncertain

Chinese, Turkish and Syrian tracts are almost sold out, and therefore there are no offers currently. Unexpected rains during the cropping in Syria have resulted in crop damage and yield reduction. Current market rate for Indian USD \$3,575/mt.

Coriander

Indian Coriander remains firm as a result of this year crop damage. However, sowing is underway, and increased acreage can be expected this year. The climate in the coming months will play a major role in the output and quality.

Rates have eased on East European coriander making it more competitive than Indian. This trend will continue until the arrival of the Indian crop in Feb.

Current market rate for Indian USD 1,150/mt.

Red Pepper - Market yard chilli

The market rates remained steady through October and are expected to decline slowly with the introduction of new crop arrivals from Madhya Pradesh.

Acreage in Madhya Pradesh was expanded by 25% this year, however up to 10% of that has been damaged by excessive rains. Total cultivation is expected at 125,000 - 135,000MT.

Weather has been conducive throughout the Guntur belt. Andhra Pradesh received sufficient rains this past week. November and December are crucial months in this area, determining the overall crop size. A preliminary estimation has revealed a 20% increase this year.

Overall, there is a strong awareness among farmers to reduce the usage of pesticides.

Current Market Rates:

Med Heat S/on, Non BI	USD\$2,000/mt
Med Heat S/off, Non BI	USD\$2,300/mt
Med Heat S/on, BI	USD\$2,450/mt
Med Heat S/off, BI	USD\$2,850/mt



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All prices noted in this report reflect market rates for farm grade Raw Materials. These are not indicative pricing for Processed Finished Goods.