

AVT McCormick Ingredients Pvt Ltd.

## Various Spices

### Black Pepper

Volatility in black pepper markets continues.

The IPC (International Pepper Community) has predicted the 2011 global crop will be 310,000mt, a 2% reduction over last year. India's production has reduced to an estimated 48,000mt, a 4% decline.

Rates are currently at USD \$6,565/mt for Indian Farm Grade. Vietnam 550GL is USD \$7,375/mt. Given the current scenario, the short term trend is likely to remain volatile.

Buyer discretion is advised in this market.

### White Pepper

With limited availability, the market has seen various minor fluctuations over the last month, but overall it has remained relatively stable. This may represent a good opportunity to cover immediate requirements.

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

### Turmeric

MFT (Madras Finger Turmeric) prices continue to decline this month as farmers and traders holding stock liquidate them in anticipation of a strong crop this year.

Current market rate of USD \$1,150/mt.

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. Material currently entering the market for dry ginger is of poor quality with high moisture levels.

Based on the current information, the market rate is expected to increase.

Currently, prices decreased to USD\$2,750/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 5,500/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 both 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 have declined from last month. Currently afa guaranteed material is at USD \$22,500/mt. Without a guarantee it is USD \$19,000/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 two more months. Rates are expected to remain steady.

Guatemala new crop is now available, however rates are higher than Indian.

Current rates are:  
USD \$16,000/mt for AGEB  
USD \$14,000/mt for AGB  
USD \$ 12,500/mt for AGS

### Clove

Quality of material currently available is low, with high moisture and many stems. Rates have further declined to USD \$17,000/mt this month for Sri Lankan and USD \$15,500/mt for Madagascar. There are no current offers from Indonesia.

### Fennel

Reports from the fennel tracts of Rajasthan and Gujarath indicate an increase in the area sown. Fresh crop arrivals are expected to begin in January, with a peak by March. With a carry over stock of 35,000 mt market rates should remain steady until the new arrivals. Egyptian fennel remains firm on account of the existing political turmoil. This could be an ideal time to shift to Indian material as Egyptian is still uncertain.

Current market rate for Indian USD \$1,800/mt.

### AVT McCormick Recommendations

#### Black Pepper

Up to individual buyer.

#### White Pepper

Cover as required until new crop.

#### Turmeric MFT

Cover as required until new crop.

#### 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.

#### Aniseed

Contract annual volumes.

#### Celery

Cover as required until new crop.

#### Fenugreek

Cover as required until new crop.

#### Dill Seed

Cover as required until new crop.

#### 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.

## Various Spices

### Aniseed

Turkish aniseed continues to decline with the current rates at USD \$3,000/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 reduced slightly over last month. Material coming into the market is coming to an end, therefore it may be advisable to cover requirements until the new crop in June 2012. The market will likely firm up in the near future.

Current rate of USD \$950/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.

### Cumin

Market reports indicate an increase of 30% in acreage for Cumin this year. Traders are anticipating a bumper crop and have started to liquidate the carry over stock. 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 \$2,950/mt.

### Coriander

Fresh crop reports are encouraging for Indian coriander this year and as a result traders are starting to liquidate their stocks. Market rates have eased slightly over last month.

East European coriander has remained steady 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 1,050/mt.

### Red Pepper - Market yard chilli

The market rates have finally dipped after an extended steady spell. The two forces driving this decline are the new crop arrivals from Madhya Pradesh and an estimated 25% increase in Andhra Pradesh. Total crop output from Madhya Pradesh is expected to be 125,000 - 135,000MT.

Farmers and traders that have been holding stock in cold storage have started to liquidate them.

Weather has continued to be conducive throughout the Guntur belt. November and December are crucial months in this area, determining the overall crop size. A preliminary estimation has revealed a 20% increase this year.

The demand for pesticide and aflatoxin controlled chilli is still high and rates have remained firm. Overall, there is a strong awareness among farmers in the traditional belts, and they are anticipating a good premium for their IPM material.

Current Market Rates:

Med Heat S/on, Non BI	USD\$1,750/mt
Med Heat S/off, Non BI	USD\$2,150/mt
Med Heat S/on, BI	USD\$2,250/mt
Med Heat S/off, BI	USD\$2,700/mt



*The content of this report is provided as general information only and is strictly the opinion of its authors. Information is provided without any warranty, expressed or implied. Decisions to contract, purchase or otherwise are the full and complete responsibility of the purchasing company and or individual.*

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