



AVT McCORMICK INGREDIENTS PVT.LTD.

Dry Ginger – July 15, 2010

Cochin dry ginger prices up on local and international demand

Short supply coupled with strong demand for fresh ginger has pushed up the dry ginger prices to the highest ever levels of US\$ 4900/Mt in India while fall in supply from the other origins raised the price of dry ginger in the world market.

The demand for fresh vegetable ginger has risen and the prices shot up in all growing centres.

The next crop is expected to be up 30-50 per cent as more areas have been brought under ginger this year. It is now grown in 40,000 acres in south India as against 25,000 acres last season. With the current market price, ginger cultivation has become highly remunerative.

The spurt in demand this year was caused by non-supply from the north eastern States of India due to highway blockades there. The stock of dry ginger is depleting and there are about 3 to 4 more months to go for the next crop in Oct/Nov 2010.



India is a major consumer of ginger as vegetable. Almost 90 per cent of the production is absorbed as raw while the rest is processed as dry ginger. The monthly consumption of dry ginger in the country is estimated at 200-250 Mts.

Ginger growers are not keen on making dry ginger as they get higher price for fresh ginger. Lack of skilled workers also forces them to sell ginger at the production level itself, as fresh ginger.

It is estimated that annually about 1.5 million Mts. of ginger is produced all over the world. India and China contribute almost 50% of it.

India has emerged as a major producer and exporter of value-added products of ginger such as ginger oil and oleoresin, with 90 per cent of the extraction units located in India.

Exporters of Nigeria had defaulted orders several times because of the galloping prices. A good percentage of consignments were of poor quality and destroyed. The latest offer by Nigeria is \$2950-3000/Mt.

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