



AVT McCORMICK INGREDIENTS PVT.LTD.

Indian Turmeric – August 4, 2010

Turmeric market remains firm

Turmeric Prices increased taking cues from the futures market where prices increased on declining arrivals. Weak carryover stocks coupled with strong export demand maintained the bullish sentiments in turmeric market.



Trend is still firm as stocks are very thin. Demand for turmeric was mainly from the turmeric traders themselves. Expectation of demand from buyers in the Middle East ahead of the Ramzan festival in September is likely to keep the downtrend under check.

Area under turmeric in southern states of Andhra Pradesh and Karnataka has risen by 20% in 2010/11, as the spice gave higher returns last year. Farmers have increased the acreage under turmeric due to this reason. India's annual monsoon rains were also 2 percent above normal so far.

Price is likely to take cues from the demand from domestic and overseas market, sowing progress in major growing areas.

India's Apr-May 2010 turmeric export touched 10,350 Mts; up by 8% from same period last year.

Turmeric prices have surged after production declined in the past two years. Output totaled to about 295,000Mts in 2008-2009 and 330,000 Mts. the following year. That is less than 350- 365,000 Mts, a level considered normal. Indians consume about 300-315,000 Mts. annually.

Current offers we get for Madras/Erode turmeric raw material (ASTA cleaned) are in the range of US\$ 3550- 3600/ Mt levels. For the Desi-cudduppah raw material (low curcumin variety), prices quoted are at US\$ 3700- 3725/ Mt levels.

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