

## Various Spices

### Clove

During a typical year, global cultivation of clove is approximately 141,000mt, with a consumption of 138,000mt. Indonesia is both the largest contributor, 110,000mt and the largest consumer 120,000mt.

This year, global cultivation is expected to be a minuscule 38,000mt. Early reports projected Indonesia's crop to be only 40% of a typical year. It is now coming to light it will be only 15%!

Shortages have an obvious impact on rates and ethics. There are reports of fraudulent shippers sending only stems and no clove. Rates are expected to cross \$20,000 USD/mt within the next couple of months.

### Turmeric

Turmeric (MFT) markets remain stable at roughly \$1,800 USD/mt. Curcumin content is lower than previous years. Total product of turmeric this year is estimated at 400,000mt compared to last years 285,000mt.

AFT (Alleppey Finger Turmeric) Material with 5% + curcumin is difficult to locate. Prices remain steady at above \$3950/mt. Much of the available material has been procured by the extractors.

### Black Pepper

Black pepper markets appear to have reached their peaks as there has been some reduction in Indian pepper. Farm grade material is currently at \$6,200 USD/mt. MG1 has remained steady at \$6,800USD/mt. Indonesian pepper appears to be a good crop, it is expected to enter the market in Aug. A further reduction may be seen at that point.

### White Pepper

Availability is very low, and as a result rates will remain firm and likely increase. Currently Muntok is at \$8,600 USD/mt and Chinese is \$9,300 USD/mt.

### Red Pepper - Market yard chilli

The Guntur market reopened June 6th following the summer holidays. Prices remained stable overall. There has been little activity from exporters due to the FDA's recent focus on pesticide levels for US bound material.

The harvest has concluded for the season, and farmers are waiting for the onset of the monsoon to begin land preparation for the coming season. Overall acreage is expected to increase due to the strong price realization this year.

### Ginger

Indian Ginger - Rates are currently steady. However they are expected to pick up next month when demand from Northern India and the Middle East begin.

Chinese - Production is estimated to be lower by 40-50% over last year. Prices are currently steady at USD 5,600 / 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.

### Fennel

For 2011 the Indian fennel crop has increase in size and the quality is good. Arrivals into the market have started to decline. At this time rates are stable.

Egyptian fennel is now on par with Indian in terms of market price.

### Aniseed

Turkish aniseed is a bumper crop this year. As a result the market rates have begun to ease.

### Celery

Market rates have reacted positively to this years healthy bumper crop. There is potential for rates to rise as extractors begin acquiring their annual needs.

### Dill SeedAniseed

The indian market has eased due to a good crop. Rates are expected to remain steady.

### Cardamom

Favourable climatic conditions have resulted in a strong Indian crop this year. Market rates have reacted appropriately, and are down significantly over last years rates.. Guatemala corp is due in Dec / Jan.

### Cumin

The Indian cumin season has come to an end. Market arrivals are declining, and the rates are remaining steady.

A recent drought in China will have an impact on its overall cultivation. This may be felt in the international cumin rates.

Both Turkey and Syria have bumper corps this year. Overall quality is good, however recent rains in Syria have resulted in a darker colour.

## AVT McCormick Recommendations

### White Pepper

Contract annual volumes now.

### Red Pepper

Rates are stable, contract annual volumes now.

### Ginger

Contract annual volumes now.

### Dill Seed

Cover volumes up to Jan.

### Fenugreek

Contract annual volumes now.

### Coriander Indian

Contract annual volumes now.

### Turmeric AFT

Contract annual volumes now.

### Turmeric MFT

Contract annual volumes now.

### Cumin Syrian

Contract annual volumes now.

### Cumin Indian

Contract annual volumes now. However, potential for some decline in rates.

### Celery

Contract annual volumes now.

### Fennel

Indian: Contract annual volumes now. Egyptian: Cover volumes, take immediate delivery due to political instability.

### Allspice

Contract requirements late Aug.

### Coriander EU

Contract requirements in Aug.

### Black Pepper

Possible decline in Indian pepper rates in the next 30 days.

### Nutmeg / Mace

Customer to conduct individual risk assessment to decide on spot or annual contract.

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### Coriander

Indian coriander remains firm as a result of reduced acreage and damage due to a cold wave. For 2011, pricing and product availability will be a concern. The new crop arrivals will begin in Feb 2012.

East European coriander market has been steady, however rates are currently on par with the Indian. A rate reduction is expected for EU coriander by Aug.

### 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 have damaged the flowers and a reduction of 20-25% in crop size is expected.

Indian nutmeg has remained steady at \$21,000 USD /mt for afla guaranteed material. While Indonesian is at \$26,000 USD/mt. Materials without the guarantee are at \$17,000 USD/mt.

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

