



AVT McCORMICK INGREDIENTS PVT.LTD.

Spice Market – Mar3, 2010

Black Pepper: Improved production prospects from Vietnam pressurize prices in the Indian and International black pepper markets.

An overall weak export demand had kept rates down for pepper. The high volatility in the black pepper futures market in India prompts the other origins to quote below the Indian prices.

Arrivals at the Cochin terminal market of new pepper are thin. There is reasonably good demand from the internal market which is now being met directly from the primary market. Spot price for farm quality Indian pepper is quoted today at US\$ 2825/Mt. for delivery at Cochin. The Indian prices can decline further once the pepper from Coorg Dist. (Karnataka State) hits the market late this month/early next month.

It seems that the International operators are waiting for the market to drop further after the Vietnamese new crop enters the market late this month.

India's pepper output in 2010 is expected around last year's levels, but prices are unlikely to fall sharply in the coming months due to low carry-over stocks and rising internal demand.

Current offers from Vietnam for 550 GL pepper is at US\$2550/Mt. Sri Lankan BP 520-530 GL is available for US\$2500/Mt. All for delivery at Cochin.

Black Pepper Origin	Current Price US\$ CNF, Cochin	Price-2 nd wk- US\$ CNF Oct 2009	Up/Low %	Trend short term	Trend Long term	
India MG1	2825	2825	■	■	■	■ Steady
Vietnam 550 GL	2550	2800	8.9	■	■	▲ Firm
Indonesia-ASTA	0	3100	■	■	■	▼ Easy
Brazil-ASTA	0	3050	■	■	■	

Red Pepper continues to be easy

With the new crop arrivals picking up at the Guntur market, the prices continued to follow an easy trend during the last fortnight.

The average daily arrivals at Guntur market was around 2800 Mt. Similar to last year, the hybrids and high heat varieties arrived in the market ahead of the benchmark 334 variety. LCA 334 variety is expected to arrive only during second half of March.

The crop arriving in the market these days are from the second round of harvest. Quality of hybrids traded in the market is found to be fairly good and the heat levels are slightly on the higher side.

Due to the inconsistent heat values seen in the open pollinated 334 variety during the previous years, the hybrids are getting preference for specific heat requirements. Moreover, the picking and de-stemming charges incurred for 334 are high when compared to the hybrids due to its smaller size and lesser pod weight. These factors put together push the demand for hybrids. Market indications are that the lowest price levels for hybrids could be during the second round picking stage, after which the availability of hybrids would taper down.

In the coming week, prices are expected to remain steady

A guideline on the current prevailing price for Medium heat Stem/on chillies is given below;



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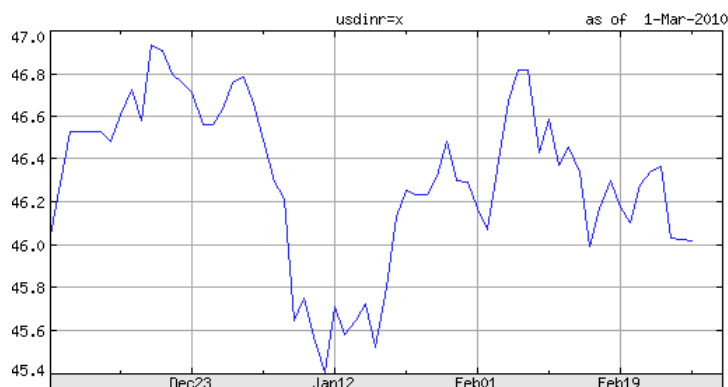
Red Pepper Variety	Current Price US\$/Mt CNF, Cochin	Price-3rd Wk Feb US\$/Mt CNF, Cochin	Up/Low %	Trend short term	Trend Long term	■ Steady ▲ Firm ▼ Easy
Medium Heat	1174	1297	9.5% ▼	■	■	

Cumin: Crop arrivals are peaking in Indian cumin market. Healthy crop and fare arrivals together could set in an easy trend for last fortnight. Fundamentals remain weak for Indian cumin on higher output estimates, weak physical demand and sufficient stocks. Present crop reports are favorable for a good market arrival and an easier price. Trading activity and export enquiries and setting new contracts became active as the fresh crop arrivals started peaking up.

Cumin Indian	Current Price US\$ CNF, Cochin	Feb 2 nd week Price US\$ CNF, Cochin	Up/Low %	Trend short term	Trend Long term	■ Steady ▲ Firm ▼ Easy
ASTA- Sortex	2660	2700	▼ 2%	▼	■	

Coriander: Indian coriander market arrivals have started last fortnight. A healthy bumper crop in coriander tracts (Rajasthan, Madhya Pradesh and Gujarat) could set in sudden market collapse to the tune of 25-30%. Usual Indian coriander crop size in past years were lesser than 350 million tones. The current crop estimate crosses 400 million tones. This 15% excess crop has created a liquidation pressure in the market. Trade in Gujarat market was observed to be at a price band which is 5% below Indore markets. Added to the healthy crop reports the local festival (Holi) resulted in selling pressure on farmers to encash the crop to meet the celebration requirement. This created a lot of distress sale of coriander in these markets towards the end of this fortnight.

Coriander Indian	Current Price US\$ CNF, Cochin	Feb 2 nd week Price US\$ CNF, Cochin	Up/Low %	Trend short term	Trend Long term	■ Steady ▲ Firm ▼ Easy
With 25 % splits	680	900	26%	▼	▼	



Currency: The Indian Rupee gained marginally against the dollar on the back of the rally in the Asian equity indices and the strength of the Asian currencies. The gains in the domestic equity indices also propped up the rupee. However, dollar buying by oil importers capped the gains of the Indian currency.

In the overseas markets, the dollar gained against the euro and the sterling but was weak against the Asian currencies.