

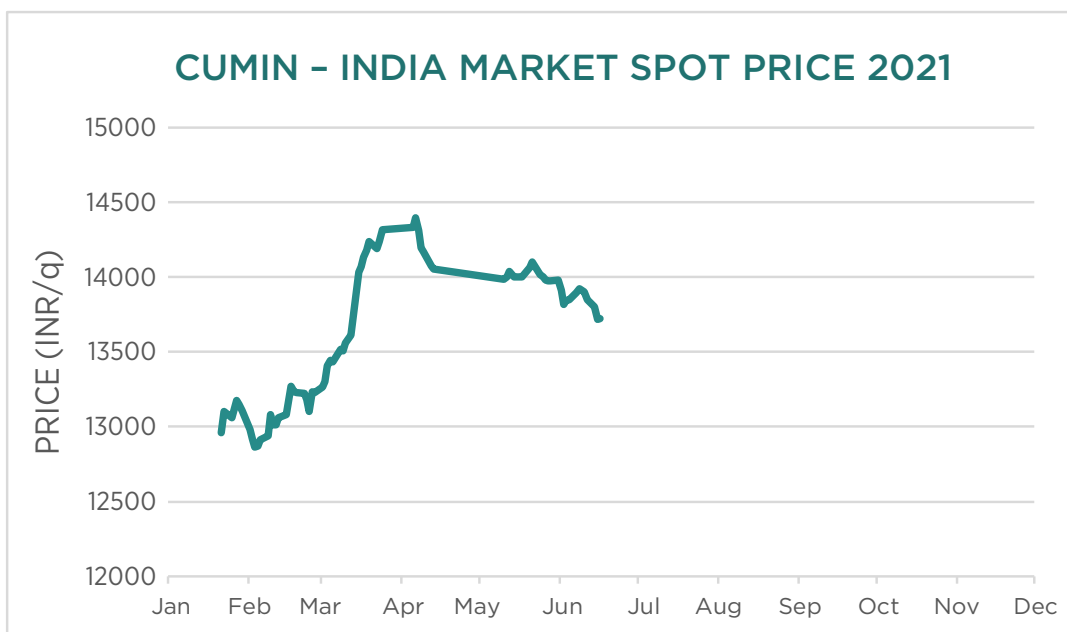
SEED SPICES REPORT

JUNE 2021

CUMIN

Current Market

Trading activities in the primary markets in India are slowly picking up after the break due to the recent surge of the Covid-19 pandemic. Markets in the growing regions had been closed in end-March as the pandemic became severe and strict lockdown was imposed across the country. During the past few weeks, activities are resuming gradually. After moving up in April due to limited availability of material as a result of the lockdown restrictions, prices have again weakened marginally over the last month as trading activities increased. With most restrictions still in place, limited demand has also contributed to the weakness in prices. At the same time, there is good carry-over quantity compared to normal. Only about a third of the quantity harvested this year has been sold so far.



Crop Conditions

INDIA

Harvesting is complete in both Gujarat and Rajasthan, the two main cumin producing states. It is estimated that area under cumin cultivation has decreased marginally this year due to attractive prices for alternate crops during the last season. Besides, low prices for cumin during the last season has also deterred farmers from increasing acreage. There was a decline in acreage of about 10-20% in both Gujarat and Rajasthan, resulting in a slight decline in total production. Adverse weather conditions, including high temperatures earlier in the year, have affected yield and quality in Rajasthan, while output has been rather good in Gujarat.

TURKEY

Harvesting is complete. Normal yield has been reported, with weather conditions favorable during the pre-harvest months. However, there has been a significant reduction in acreage during the last season.

Market Scenario

Trading activity has been feeble due to the lockdowns and other restrictions. Supply-side tightness continues due to the restrictions on market operations and transportation activities. Traders are also trying to hold on to stocks expecting prices to go up due to the reduced production estimates. At the same time, there is also a shortage in availability of IPM-quality material.

Price Forecast

Adequate stock levels remaining, together with limited demand due to the restrictions on transportation and processing, is expected to have a bearish effect in the short term. It is estimated that current carry-forward stocks are significantly higher compared to the quantity at the end of last season. Increased arrivals once lockdown restrictions are eased will also have a sobering effect on the market. At the same time, the decline in output during the current season will prevent any major downswing.

Low-pesticide residue material is expected to continue commanding high prices due to shortage in availability and good demand.



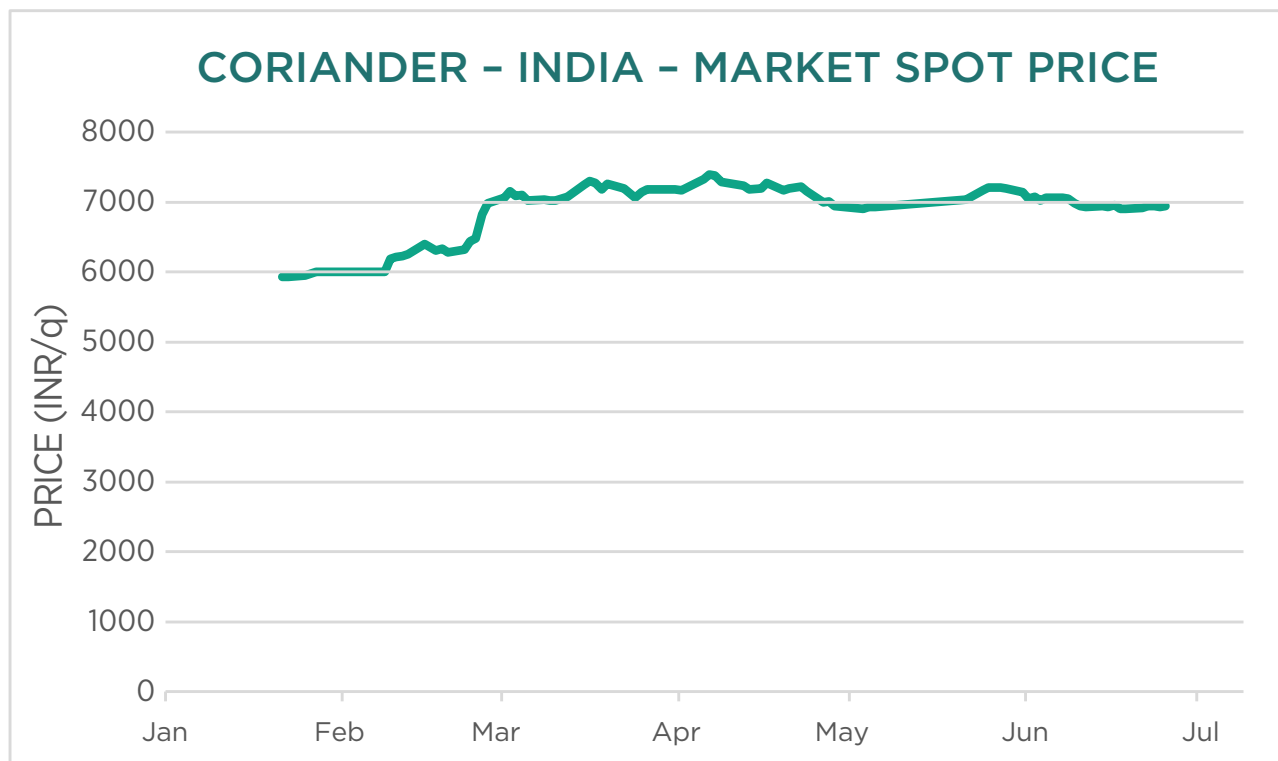
Coverage Recommendation

With IPM material limited in quantity, prices are expected to remain firm and coverage is recommended for forward requirements. For conventional material, there could be opportunities for extended coverage once new arrivals pick up and markets start functioning normally.

CORIANDER

Current Market

Available stock levels in India have been steadily declining, and current stock levels are lower than last year's levels. Market activity has been hindered by the market closure that has been in place during the past month. With market arrivals limited, there has been a marginal strengthening of prices. Restrictions have been imposed to control the recent surge in coronavirus cases, and this has hindered market arrivals. So far, about half of the material harvested has been sold off.



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Crop Conditions

INDIA: Harvesting is complete in the main coriander growing states of Gujarat, Rajasthan and Madhya Pradesh.

During the past two years, farmers in Madhya Pradesh and Rajasthan have turned to cultivation of alternate crops like mustard and garlic due to the unattractive price of coriander. This year, high temperatures and limited irrigation due to low ground water table has resulted in a decline in yield. Production this year is estimated to be about 380,000 – 390,000 tons, a decline of about 5-10% compared to last year.

BULGARIA: New crop harvesting is estimated to commence by mid-July, and market arrivals are expected by August. Last year (2020), production was estimated at about 20,000 tons.

RUSSIA: Harvesting is expected to start by July. Good yield is expected this year. Last year (2020), production was estimated at about 19,000 tons, a decline of over 25% compared to 2019 due to a reduction in both acreage and yield.

UKRAINE: Harvesting is expected to start in August, slightly delayed than normal. Current stocks are limited, and farmers are reluctant to sell, pushing up prices. This year, production is expected to touch 10,000 tons, an increase of about 10% compared to 2020.

Market Scenario

Prices could be affected by the decline in production in India, the largest producer of coriander. Domestic demand has been low due to the lockdown and market closure. The extremely severe tropical cyclonic storm Tauktae, which made landfall on the Gujarat coast in mid-May, also affected transportation activities in the state.

Price Forecast

In the short term, the market restrictions to control the pandemic are expected to keep prices firm. The decline in production will also have a bullish effect. Prices are expected to keep steady till restrictions are eased and market arrivals increase. The availability of IPM material will be affected by higher pesticide usage in some areas to control powdery mildew.

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Coverage Recommendation

Depending on new season arrivals and the demand situation, some firmness in prices can be expected. IPM prices could remain firm, and forward coverage is recommended.

FENNEL

Current Market

Market activity in India has been limited due to the restrictions imposed in the primary markets during the past month. New crop market arrivals have been limited, and demand has been weak. The shortage of good quality material has provided some support to the market.

Crop Conditions

INDIA: New season arrivals have commenced from Gujarat and Rajasthan. Production is estimated to have declined by about 20% this year mainly due to a decrease in acreage of about 20%. Current production is estimated to be slightly below 130,000 tons, down from about 160,000 tons in 2020.

The overall lower production, together with high temperatures in the growing areas, has resulted in a shortage in production of higher quality green color material.

EGYPT: Total production is estimated at around 6,000 tons this year, an increase of over 30% compared to 2020. Harvesting is during April-May.

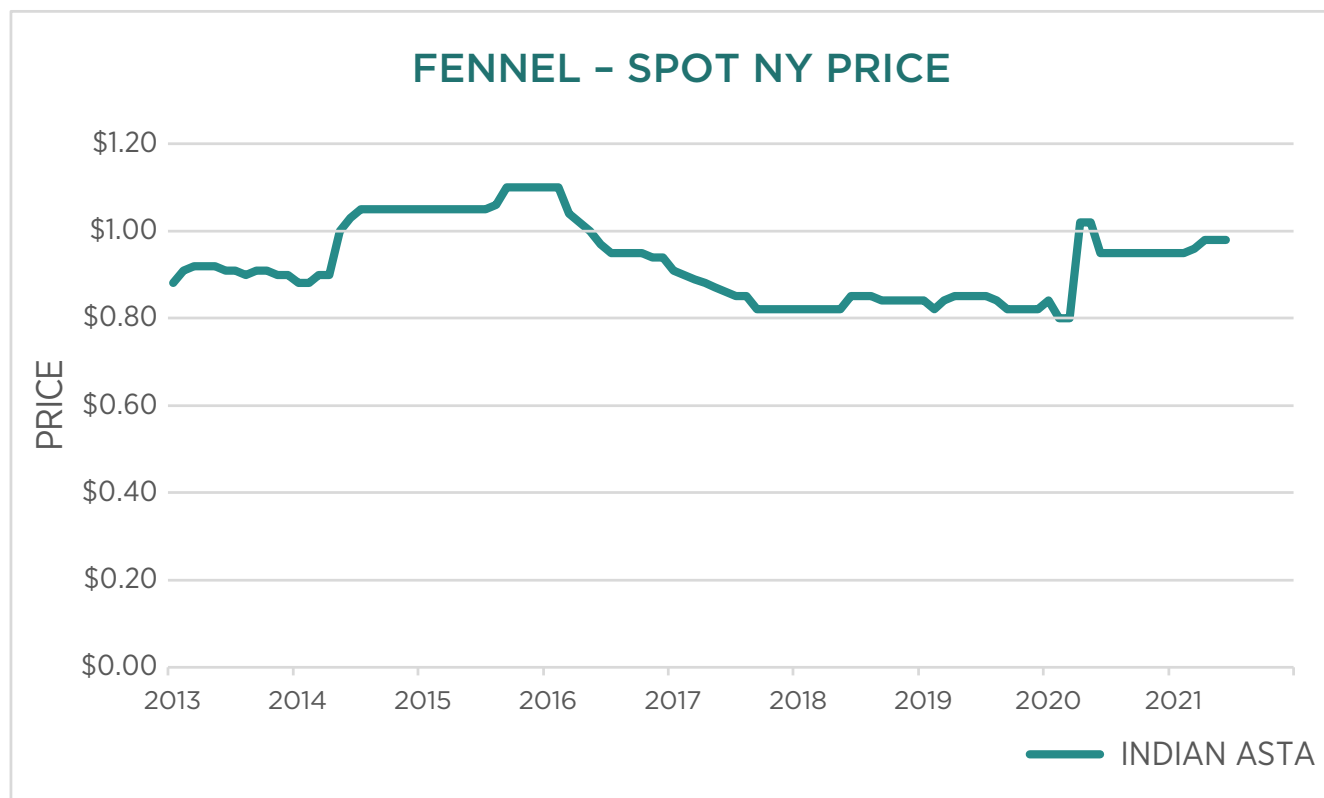
TURKEY: The acreage and yield this season are expected to remain almost the same as those in 2020. Approximately 3000 tons was produced last year. Harvesting will start in end-August.

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Market Scenario

Restrictions due to the pandemic have weakened domestic demand. Though new crop harvesting has started, market arrivals are hindered by curbs on transportation.



Price Forecast

Reduced output, together with good demand anticipated after the current restrictions are eased, is expected to have a bullish impact on the market. For IPM material as well as good-colored higher quality material, there could be limited availability due to good export demand. There is a shortage of green colored good quality material due to high temperatures in the growing areas earlier in the year.

Coverage Recommendation

Prices are expected to remain firm due to limited supply and good demand. Prices of IPM and good color material could also move up, considering the limited supply. Forward coverage is recommended once market arrivals improve.



FENUGREEK

Current Market

Prices have moved up slightly in India due to apprehensions of a fall in production this year. Besides, with major markets closed due to the pandemic restrictions, availability of material is also limited, having a bullish effect on prices.

Crop Conditions

Weather conditions have not been very favorable this year, and this has affected the yield and also caused early maturity in some areas. New crop arrivals have started, with peak arrivals expected to continue this month. There has been a slight decline in acreage this season. Production is estimated to fall slightly due to the reduction in acreage as well as decline in yield. Production this year is estimated at around 135,000 tons, down from about 140,000 tons last year.

Market Scenario

There has been an increase in export demand, and carry-forward stock levels are low compared to last year. Many of the primary markets have been closed as part of restrictions to control the recent surge in Covid-19 cases in India. Limited availability of material due to the market closure has lent some support to prices.

Price Forecast

Some bullishness can be expected due to the rather taut supply situation. Though arrivals continue from Rajasthan, Gujarat and Madhya Pradesh, increased domestic demand after the lockdown measures are eased could support prices.

Coverage Recommendation

Demand could increase once the current restrictions on market activities and transportation are relaxed. Lower crop production and limited inventory levels could create some uncertainty in the market. It is advisable to cover during the harvesting period itself if attractive offers are available.

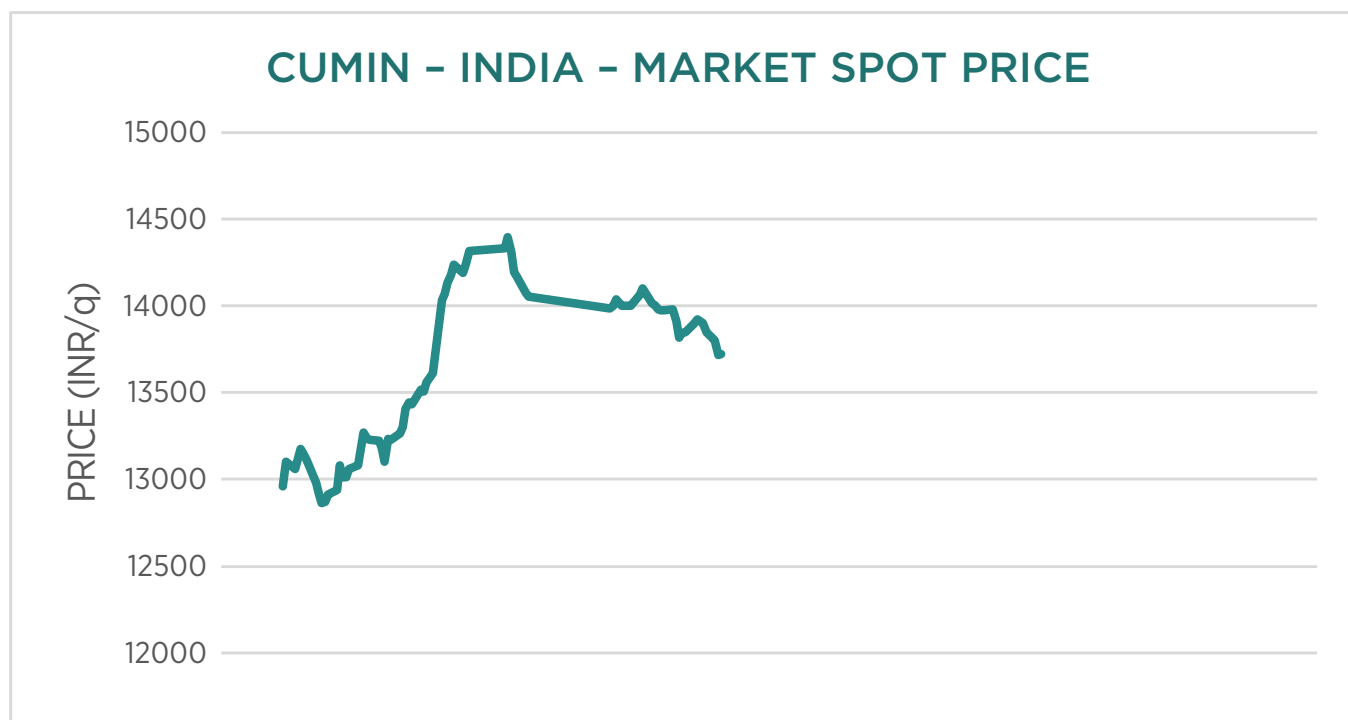
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CELERY

Current Market

New crop arrivals have started in India. Limited availability of material, together with good demand from traders, is expected to provide support to the market.



Crop Conditions

Harvesting has commenced in many regions, and market arrivals have started. There is an increase in acreage of about 25-30% this season. Above-normal temperatures, together with reduced rainfall in the growing stage, have resulted in a reduction in yield of about 15-20%.

Market Scenario

Currently, stocks remaining with farmers are very limited. New crop arrivals are slowly starting, and general trade activity has been slowly increasing. The gradual removal of lockdown restrictions in many parts of the country are also having a positive effect on market activities.



Price Forecast

Prices are expected to remain range-bound till the supply side improves. Available stocks are limited. Demand during the coming months will influence the direction of the market.

Coverage Recommendation

It is recommended to follow the market closely and cover, particularly for higher quality material. Depending on the demand situation as new season arrivals pick up, there could be opportunities for extending coverage.

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