



SEED SPICES REPORT

MAY 2020

CUMIN

Current Market: Prices in India have been pulled down by reduced market activity due to the coronavirus pandemic. With farmers unable to bring their material to markets, activity has been very limited. Harvesting is over in all areas, and good stocks remain with farmers.

Crop Conditions:

INDIA: Harvesting is over in all areas. Sowing had been delayed in regions of Rajasthan and Gujarat due to high soil moisture resulting from heavy rainfall earlier in the season. There was a severe attack by locust swarms during November-December 2019 which affected some of the late sown crop in southern Rajasthan and north Gujarat, resulting in a slight decline in yield in these areas. Farmers were advised by the state governments to spray pesticides to control the locust attack, and this has affected the availability of IPM material. Auctions have been suspended in the wholesale markets due to the lockdown, and farmers are not able to move their material to the markets. This could lead to continued arrivals till the end of May. Weather conditions have been very favourable this year, pushing up yield to about 500 kg per hectare. Total acreage has increased by about 25% to 1.03 million hectares. Acreage is estimated to have increased by 40% in Gujarat and 16% in Rajasthan. Total production is estimated to increase by nearly 30%, from about 416,600 tons in 2019 to about 535,500 tons this year.

The name 'cumin' derives from the Latin '*cuminum*', from the Persian city of Kerman (locally called Kermun, which became Kumun and then cumin), where cumin was so widely cultivated that it gave rise to the ancient Persian expression "carrying cumin to Kerman", conveying the same meaning as the British idiom of "taking coals to Newcastle". Kerman, also known as Carmania, is the capital city of Kerman Province in the southeast of Iran.

SYRIA: Reports indicate harvesting in Syria could be delayed to the beginning of next month. Weather conditions in the growing regions have been good so far, and production this season could exceed 15,000 MT if favourable conditions continue till harvesting.

TURKEY: Sowing started in late February and continued till the end of March due to high rainfall in February in the cumin growing regions of Konya-Ankara. Germination has just begun. Due to the low yields last year, farmers have reduced acreage in this region by around 30% this year. Meanwhile, in the Kayseri region, cultivation started in April. Growth conditions are reported to be good so far.

Market Scenario: Arrivals in the primary markets in India during the first half of March have been quite high compared to last year. It is estimated that market arrivals during January-March have been nearly 15% higher than those during the corresponding period last year. With the nationwide lockdown imposed during the fourth week of March, new crop market arrivals have ceased and stocks remain with farmers awaiting reopening of markets. Export demand has been weak due to the coronavirus issues in key buyer countries. Even though traders are allowed to conduct trading activity with limited manpower, auctions have been suspended in the primary markets. Due to market closure, processors are finding it difficult to get sufficient material to meet export orders.

Price Forecast: Markets are expected to remain weak till the current impasse ends. With harvesting over, goods quantities remain with farmers. However, with auctions suspended and transportation of material restricted, farmers have not been able to sell their material. This is expected to have a bearish effect on prices. At the same time, the price of IPM material is expected to remain firm, with availability limited due to usage of pesticides in some areas to control the locust attack. While export demand is expected to be weak due to the coronavirus outbreak, good demand is expected for EU pesticide-compliant material.

Coverage Recommendation: Weak export demand together with good production is expected to continue to pull down prices for conventional material. However, IPM material being limited in quantity, prices are expected to remain firm and coverage is recommended as new material arrivals pick up.

CORIANDER

Current Market: Market activity in India has been affected by the nationwide lockdown due to the COVID-19 outbreak. Before the lockdown was imposed, primary market arrivals had been below normal due to late commencement of harvesting this year. Domestic demand is weak and prices have fluctuated

within a narrow range during the past month. Carry-forward stocks are estimated to be lower than last year's levels.

Crop Conditions: Harvesting had started in the states of Gujarat, Rajasthan and Madhya Pradesh during early-March. However, due to the lockdown restrictions, shortage of farm labour has seriously affected completion of harvesting operations. In the growing areas, sowing was delayed by almost a month due to excess rainfall received during the sowing stage. However, there have been very favourable conditions for the new crop due to good growing conditions and daytime temperatures. It is estimated that there has been an increase in acreage of over 20% in Gujarat, and marginal increase in the other states. Good rains have resulted in very good production in both Gujarat and Madhya Pradesh this year.

Market Scenario: Closure of primary markets has affected all trading activities. The market greatly depends on domestic demand, with curry masala companies being significant buyers. With processing activities currently curtailed due to the lockdown, these companies have scaled down their buying activities. Farmers are also not able to move their material to the wholesale markets due to restrictions on transportation. These conditions are expected to have a sobering effect on market activity till the lockdown is lifted.

Price Forecast: Markets are expected to remain range-bound till trading resumes and arrivals pick up. Domestic and export demand could have an impact once current restrictions are lifted.

Coverage Recommendation: It is recommended to cover for short/medium term requirement, since current availability of material is limited. Beyond this, a decision can be taken once restrictions are removed and market arrivals increase.

FENNEL

Current Market: Most of last year's production has been marketed. There has been good demand for green fennel earlier in the season. Prices have remained mostly unchanged, balanced by adequate supply.

Crop Condition: Harvesting is mostly complete for the current season crop. Acreage has increased by nearly 10% this season. Weather conditions have been quite good with all areas receiving adequate rains.

In Turkey, sowing in the Burdur region was done in March. Reports indicate that sowing in the region has been reduced by almost 70% compared to last year. Germination was observed in April, and reports indicate that there was good

germination. Weather during the next few months will be important in deciding the yield and quality this year.

Market Scenario: With markets closed due to the COVID-19 lockdown, arrivals have ceased. Harvested material remains with farmers. Prices have been stable due to adequate availability of material. Growing conditions have been favourable and good production is expected this season.

Price Forecast: With markets closed and trading activities mostly suspended, prices are expected to remain range-bound. There is adequate supply of conventional material. However, for IPM material, there could be limited availability due to higher pesticide application in some areas.

Coverage Recommendation: Prices are expected to remain range-bound due to limited market activity. Good production is expected to have a bearish effect. Any dip in the market can be seen as an opportunity to cover.

FENUGREEK

Current Market: Market arrivals had gone up during the first half of March. However, with markets closed due to the COVID-19 lockdown, new arrivals have ceased. Limited demand, together with good availability of material, has kept prices mostly range-bound.

Crop Condition: New season sowing is reported to be almost the same as that of last year. Crop conditions have been quite good in almost all growing areas. Good rainfall has been received. Overall crop quality is good and is estimated to be almost the same as that seen last year.

Market Scenario: Markets are mostly closed due to the lockdown. Farmers have not been able to move material due to the restrictions on transportation.

Price Forecast: Prices are expected to remain mostly steady till market activity picks up. Once trading activity resumes, some bullishness can be expected due to domestic demand.

Coverage Recommendation: With availability of material limited, it is recommended to cover for forward requirements. Good domestic demand is expected to provide support to prices even after arrivals commence.

CELERY

Current Market: Prices have remained firm during the past month due to limited availability of stocks. Limited availability of good quality material has kept prices firm for such material.

Crop Conditions: In many areas, harvesting is expected to commence over the coming month. Crop acreage is estimated to have declined by nearly 30% this season due to good prices for alternate crops like wheat. Harvesting could be delayed due to shortage of labour due to the COVID-19 lockdown.

Market Scenario: It is estimated that over 95% of the material harvested last season has been sold so far. Availability of good quality material is limited. New season arrivals are expected only later this month.

Price Forecast: As availability of material remains restricted, prices for good quality material could go up if demand increases. New season arrivals will be delayed due to current restrictions. Arrivals could pick up only by June, and availability will be limited till then, especially for good quality material, which could have a bullish effect on the market, considering stock demand from traders.

Coverage Recommendation: It is recommended to closely follow the market and cover, particularly for higher quality material. Once new arrivals pick up, some correction can be expected, providing opportunities for extending coverage.



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