



TURMERIC & GINGER REPORT – FEBRUARY 2020

TURMERIC

Current Market:

INDIA: During the past month, prices in India continued to fluctuate with a slight upward bias. Even though prices are low compared to those during the past few years, coverage by speculators has contributed to the increase. Farmers are reluctant to sell though carry-forward stock levels are good. It is reported that there are more quality issues with the available material since off-season availability is limited.

INDONESIA: With demand fluctuating, prices continued to waver. There are not much new arrivals, which is keeping the market mostly stable.

Crop Conditions:

INDIA: Harvesting was completed last year by April-May. Production is estimated at around 525,000 tons. Floods during August/September have caused some crop damage in Western India, viz. Sangli region of Southern Maharashtra, Duggirala area of Andhra Pradesh, and also in North Karnataka. Sowing is complete in all areas, and in some areas, the new crop is in the rhizome formation stage. Apart from some areas affected by floods, weather conditions have been good in most areas and the overall standing crop looks quite healthy and an increase in yield is expected. Sowing has been delayed due to heavy floods in most growing areas earlier in the year, and this has affected crop development also. Harvesting is slowly starting in a few areas and peak arrivals are expected by end-March.

INDONESIA: This year's production was of rather good quality. Harvesting was during August-December. The material had lower moisture and was brighter in appearance due to the dry conditions earlier in the year.

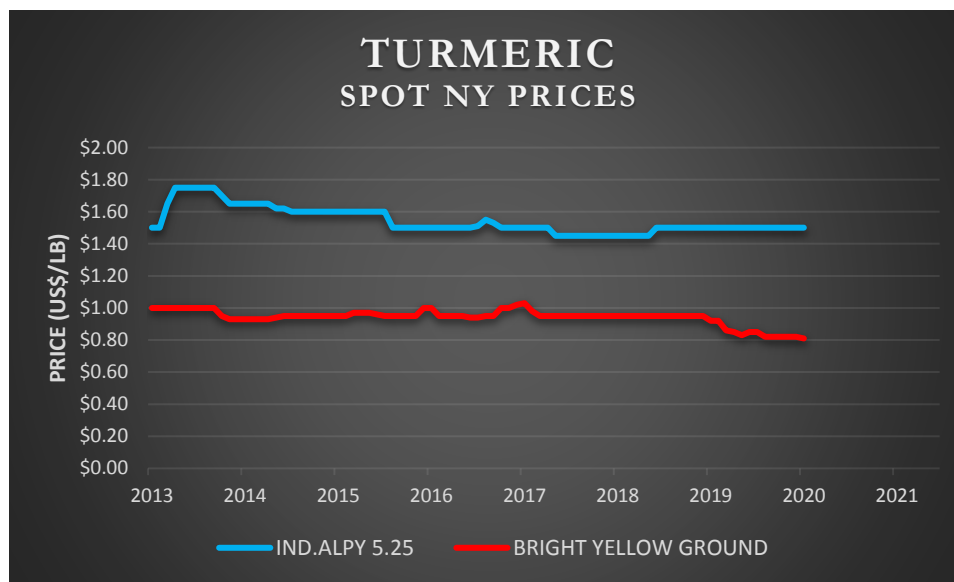
Market Scenario:

INDIA: Stock coverage together with announcement of a minimum support price for turmeric by the Andhra Pradesh state government has pushed up local prices slightly. Primary market arrivals are good, with stock levels remaining high and weather conditions favorable for the new season crop.

INDONESIA: There are not much new arrivals, keeping markets firm. There is good demand, both for export and for domestic consumption.



TURMERIC & GINGER REPORT – FEBRUARY 2020



Price Forecast:

Overall material availability in the next season is expected to be quite similar to that in the 2019 crop season. Adequate stock availability is expected to provide stability to the market though farmers are not willing to sell at lower levels. Meanwhile in Indonesia, with new material arrivals slowly thinning out, demand is contributing to keeping prices firm.

Coverage recommendation:

With demand remaining strong and new arrivals yet to pick up, prices could remain mostly stable in the short term and near term coverage is advisable. The situation could vary with changing demand; adequate coverage is recommended.



TURMERIC & GINGER REPORT – FEBRUARY 2020

GINGER

Current Market:

Dry ginger markets continue to be range bound with a slight bullish inclination.

INDIA: Trade activity has been muted, with most of the demand already covered soon after harvesting got over in March last year. Buyers prefer to wait for new season arrivals to commence. Limited current availability, together with good demand for green ginger during winter, has helped in keeping prices firm.

CHINA: The Coronavirus outbreak, which came close on the heels of the Lunar New Year holidays, has resulted in a virtual economic shutdown in Shandong Province, central to ginger production and dehydration. With supply chains disrupted, markets have been mostly inactive.

Crop Conditions:

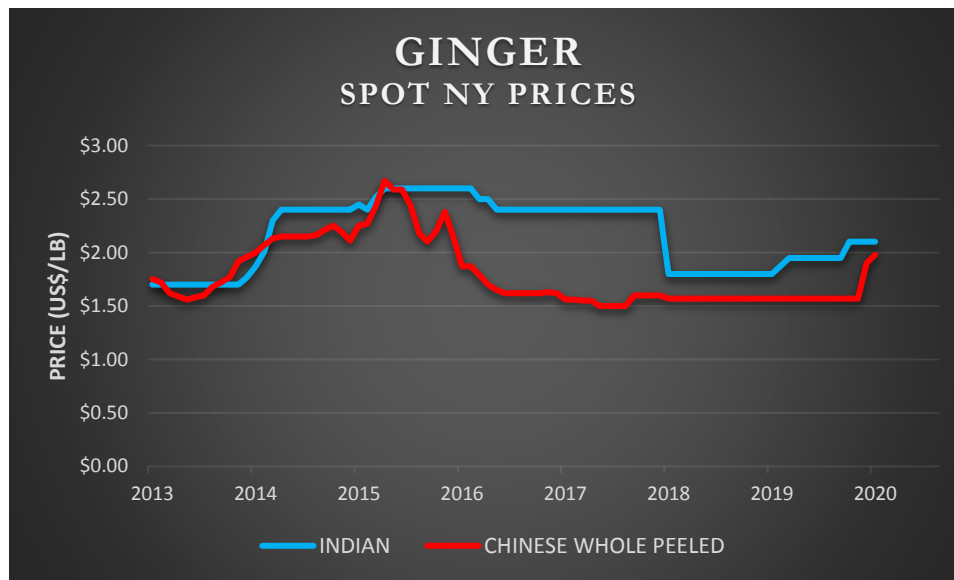
INDIA: Towards the latter half of last year, heavy rains had affected most of the ginger growing areas of South India. Many areas, especially south Karnataka, had been hit by landslides and flooding. The floods in the growing areas have affected development of the new season crop, though current prices have resulted in a slight increase in acreage this year. With rhizomes remaining submerged, diseases have been reported in some areas. Production is estimated to decline in Hassan and Shimoga regions of Karnataka, while not much decline is expected in Wynad and Palakkad in Kerala. Harvesting is expected to start during the coming month.

CHINA: Harvesting is slowly getting over in many areas. The most common varieties are Yunnan ginger and Shandong ginger. With carry-over stocks limited, prices of the Yunnan variety have moved up this season. A decline in yield this year, together with good demand for fresh ginger, has contributed to keeping prices firm.

NIGERIA: Many states of central Nigeria including Bauchi, Nasarawa and the main ginger producing state of Kaduna faced abnormally high rainfall between May and September last year, resulting in flooding which submerged farmlands and destroyed crops. The rainy season was followed by a dry spell over some parts of the north and central states, having a negative effect during the critical crop stages. The abnormal weather pattern has resulted in a decrease in yield and delayed harvesting by a couple of months, pushing up prices.



TURMERIC & GINGER REPORT – FEBRUARY 2020



Market Scenario:

INDIA: The decline in production in India this season has affected the quantity of material available. With most of the dry ginger kept in stock being Sulfur treated, material suitable for export is limited and export demand has been low.

CHINA: Availability is limited due to a number of weather factors like high temperature followed by extended rainfall and flooding in many areas during the initial crop season. Good demand for fresh ginger during the Lunar New Year holiday season has limited the quantity available for dehydration. On top of this, disruption of trade activities due to the Coronavirus outbreak has affected availability of material. The government has decided to keep all economic activity on hold till February 10 in certain areas including Shanghai, Jiangxi and Shandong.

Price Forecast:

Prices are expected to continue firm with good quality material limited. Significant reduction in production is expected due to the adverse weather conditions in all the major growing countries. Availability of new season material is expected to be limited for some time, and prices could remain firm till the supply side improves.



TURMERIC & GINGER REPORT – FEBRUARY 2020

Coverage Recommendation:

With good quality material limited and demand remaining firm, availability is expected to be lean till the situation in China clears up. Forward coverage is recommended at least till the end of this quarter.

QUERIES? PLEASE CONTACT.....

Sales to the Americas (North/Central/South):

spicesales@harrisspice.com

Phone: +1 - 714 507 1915

Sales to Asia & Middle-East:

spicesales@harrisspicevn.com

Phone: +91 - 968180 4868

Sales to Europe:

European Spice Services

akbar@spices.be

Phone: +32 – 3 710 57 32

spicesales@harrisspicevn.com

Phone: +91 - 968180 4868