



Herbs & Spices

Market Information

May 2023

OREGANO

- Rising local inflation in Turkey is fueling farmer reluctance to sell stocks, and high yield/PA (Pyrrolizidine Alkaloids) free material is almost none existent. Demand from export markets is relatively stable in the face of an overall slowdown of world economies.
- However, PA compliant EU grade material continues to be in high demand. Carryover stock is estimated to be between 6,000 - 8,000 MT all of which is non-PA compliant.
- The summer 2022 harvest was much better than had been forecast with approximately 18,000 - 21,000 MT harvest size. With an average 60% processing yield, Turkey is looking at between 12,000 - 13,000 MT of export grade finished oregano; the highest amount in recent years.



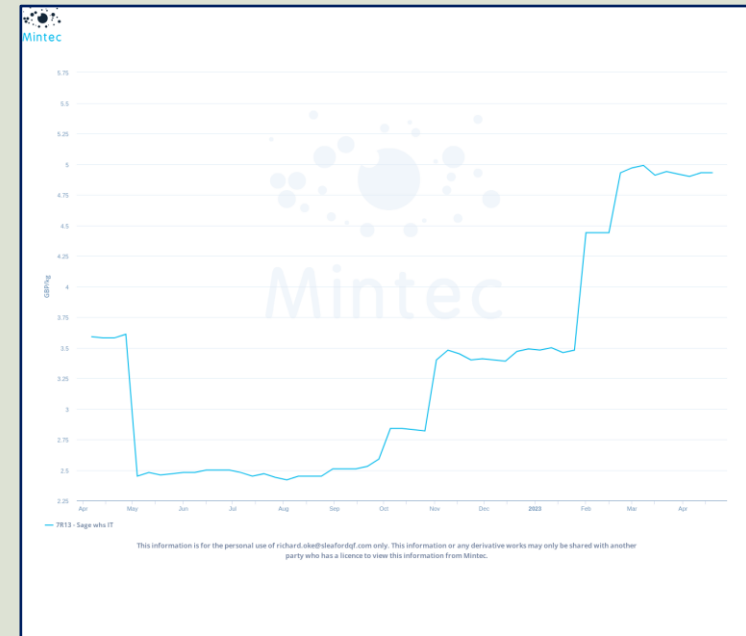
- Although volumes are large, problems remain. The late spring rains of 2022 led to substantial growth in oregano but also accelerated weed growth. As a result harvested material contains substantial amounts of weeds, the main cause of PA in herbs. EU PA and pesticide compliant oregano is therefore extremely limited, which is estimated at 10 – 12% of the crop. Consequently, pricing for EU compliant material is going up.
- A significant amount of the 2022 crop remains in the hands of farmers/warehouses, and Turkey is poised to enter 2023 summer with a substantial, but inferior quality product.
- Additionally, the lack of rain in the first four months of the year has raised the potential for a short crop in summer 2023.

SAGE

- As with oregano there is strong demand for PA compliant material from European buyers. With limited material available on the market, prices continue to increase with limited supply. Summer 2022 volumes were higher than the previous year, however the same problems encountered by oregano are replicated with most material having high levels of PA due to weed development. EU PA and pesticide compliant sage is very limited and this creates supply problems for most of the industry. The lack of rain so far this year has raised concerns over a potential for short crop in summer 2023.
- In Albania, plant development was relatively good but as with Turkish material, PA remains a problem, with many Albanian processors refusing to offer any guarantees.



- There has also been an increase in demand for sage from the essential oils industry. Which may lead to a struggle between culinary herbs and essential oils for raw material going forward.



Graph shows Sage prices have increased 37% year on year

BASIL

Egypt has reported a substantial carryover from the 2022 crop covering a 30% drop in acreage for the 2023 season. Current supply should be sufficient to meet demand until 2024 summer without any major issues.



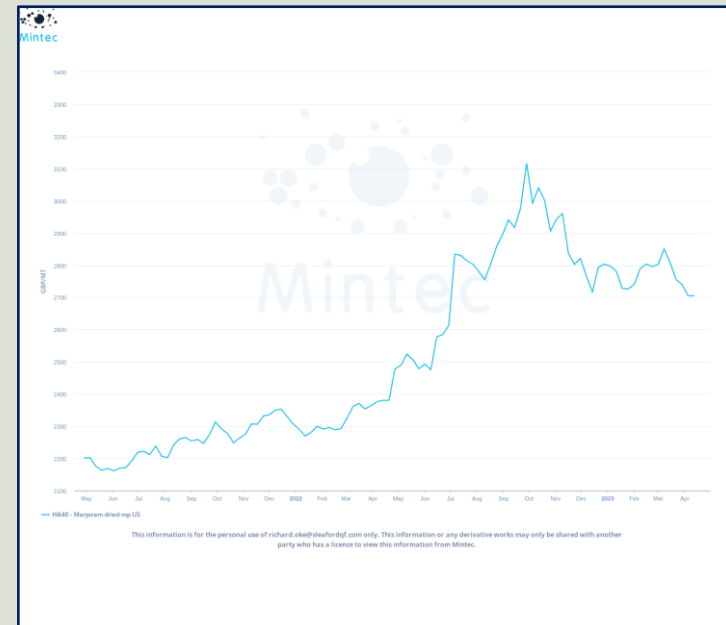
MINT

Reports indicate a high carryover of material from the 2022 crop and a general lack of farmer enthusiasm for 2023 summer plantations, however current supply should be sufficient to meet demand until 2024 summer without major issues.



MAJORAM

Minimal carryover of 2022 stock and a dramatic decrease in the area available for plantation compared to Basil and Mint means prices are already on the increase, a trend expected to continue throughout the rest of the year.

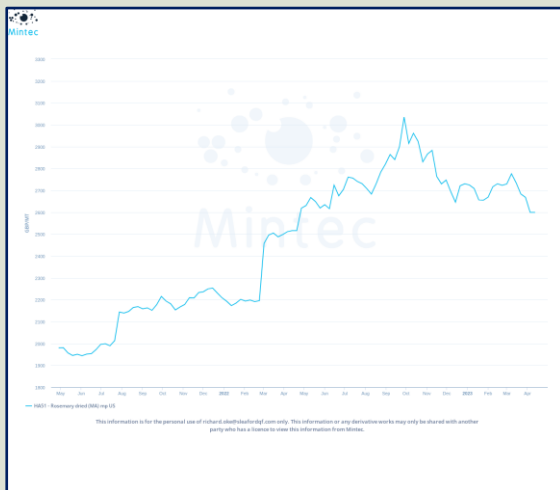


Graph shows Majoram prices have increased 14% year on year

ROSEMARY

A lack of Moroccan supply and high pricing continue to affect the market. Overall availability is now restricted, and existing stocks may be depleted before the next harvest in Summer this year.

The volume of material coming out of Morocco has been limited. Drought in Summer 2022 resulted in a harvest short by between 20-40%. Additionally, cutting licenses were limited by the authorities further restricting availability. On a positive note, product quality remains good. As climate change continues to effect Morocco the outlook is relatively bleak for Rosemary. Rainfall in the first three months of 2023 has been low raising further concerns for 2023 summer collection season. Supply is expected to remain stable and limited. Overall global demand remains strong.



Graph shows Rosemary prices have increased 5% year on year

THYME

Moroccan supply conditions remain unchanged. Polish and Egyptian supply continues without any major issues. Overall supply is stable, and the market remains calm.

In Morocco, collection has been shifting to Rosemary over the last few years. There has been limited, restricted availability of Moroccan thyme for the last 2-3 years.

In Poland, the harvest is now entering farmer sheds for winter drying. The conflict in Ukraine has resulted in Polish farmers switching to wheat and grains which offer more lucrative returns.

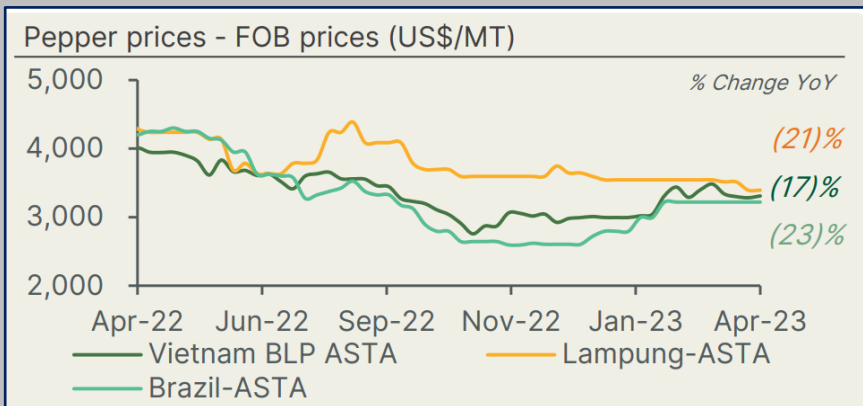
Conditions in Egypt are similar 2021 with no major changes expected. There are concerns over possible drought, but supply appears to be stable in the country.

In Turkey like Rosemary, collection of thyme remains a local, limited volume activity with few collectors engaging in the trade.



PEPPER

- The harvest is almost complete in Vietnam. Cambodia is approaching its peak harvest. Indonesia, Malaysia and southern Brazil will follow in 3-4 months.
- The total crop in Vietnam is larger than 2022, however upcoming years will likely see a negative trend due to the fact there has been limited new planting in recent years in Vietnam as farmers switch to more profitable crops like durian and passion fruit.
- Global production continues to be below demand, leading to a decrease in global stock levels



Graph shows Pepper price trends 2022-23

- Vietnam has exported 76KMT year to date (March), an increase of 36% compared to 2022. Exports to China have increased by more than 700%, with 18,900MT over the first three months of the year alone.
- Production in Brazil has increased in recent years, but exports were 8% down in 2022, as farmers prefer to store pepper in anticipation of better prices. Farmers in Espirito Santo have been selling their coffee first.
- Indonesia's production has been declining, with the crop size of Bangka and Lampung estimated to have decreased by 10-15% annually. Indonesia's expected production now stands at 40 KMT, while domestic consumption is around 17 KMT, leaving some 20 KMT available for export.



PEPPER (cont)

- Prices have already increased by around 12% since Dec 2022. In February high demand from China supported market prices. As the harvest peaked prices began to ease.
- A large number of farmers in Vietnam, Indonesia, and Brazil are turning away from pepper, switching to more profitable crops. In Vietnam, farmers are switching to crops like durian, passion fruit and coffee. In Indonesia, they are turning to palm, rubber, and coffee. Similarly, in Brazil, farmers are focusing on acais and coffee instead of pepper.



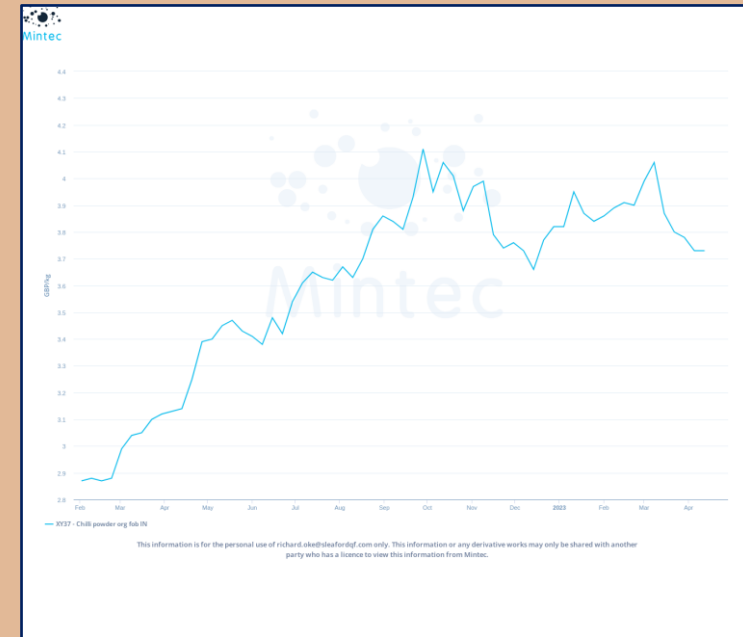
CHILLI

General: Majority of the crop in most regions has now been harvested. Overall productivity per acre is estimated to be higher (+15-20%) this year compared to last year because of congenial climatic conditions and farmer action against black thrips (crop protection), however there has only been a small overall increase in sowing area. Quality continues to be impacted by black thrips and unseasonal rains which have caused damage

Regions: Sowing in Pan India is down by around 5% and the region also experienced adverse rainfall in March resulting in an increase of low grade, white product, however availability of red grade material is higher than last year.

Carry-over levels are down against the same period last year.

In A.P and Telangana new crop arrivals have increased by up to 30% against 2022 levels. But this is offset by K.A crop arrivals which are 40% lower. In Karnataka region, sowing is lower by 20%. Rains in October adversely impacted the standing crop and delayed arrivals, so forecasters anticipate lower production of high colour product of around 10%.



Graph shows Chilli prices have increased 18% year on year

Market arrivals have increased, but a big increase in domestic demand and export markets mean prices have remained stable.

IPM crop availability will continue to be a challenge during 2023 as the quality pass percentage is low because of the heavy pesticide usage by the farmers to control black thrips.

CUMIN

General: The majority of the crop has been harvested with new arrivals now entering the market. Initial estimates indicate a drop in average yields due to fluctuations in weather. Farmers are holding back stocks in anticipation of higher prices due to limited supplies and less carry-forward stock. Prices have increased despite the arrival of fresh crops with both domestic and export demand strong in the market.

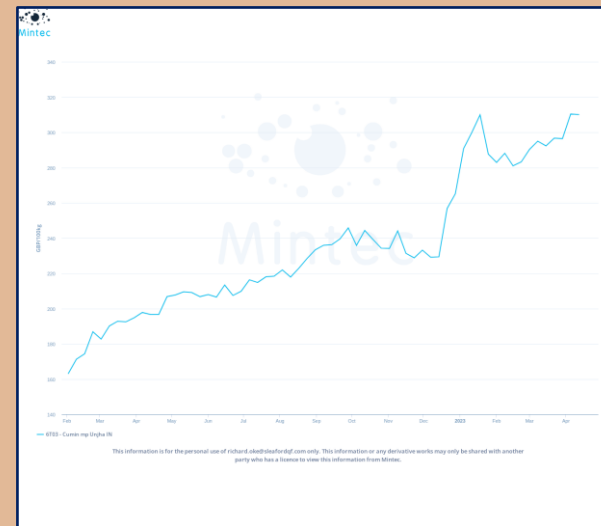
Regions: Initial crop quality appears to be good, however forecasts are for lower quality in the upcoming months due to high rainfall especially in the Rajasthan region. Yield is expected to be 20% down against 2022.

In Gujarat, crop condition is better than last year and yield is expected to be 20% higher.



Current stock levels are around 20% less than last year. Overall carry forward stocks are down by as much as 80% against last year. Domestic demand is high, however demand for export has reduced. With 20% of the crop impacted by rain and most stock in the hands of Stockists, prices are running at very high levels with increases of more than 30%.

Outlook: Prices are increasing due to a shortage of compliant material



Graph shows Cumin prices have increased 57% year on year

CORIANDER

General: Harvesting activities are now complete in all producing regions. Yields are slightly higher than average this year, and overall production has increased. Domestic demand remains firm. Arrivals this year are higher (including carry forward stock) by around 40% compared to 2022.

The colour and quality levels of the crop from Badami, India has been affected by heavy rains and thus good quality Badami arrivals have decreased. Demand has decreased in all the consumption centers and export demand has lessened. Most of the small traders, farmers & stockists are releasing stock due to market being down and the upcoming new season crop.

Carry forward stock is less than last year, however supply is expected to be higher by around 30%.

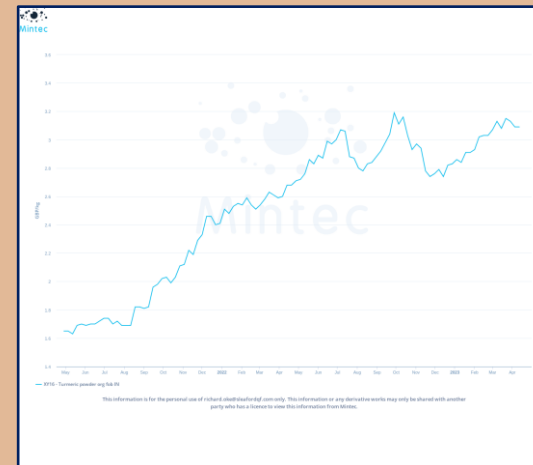


TURMERIC

General: Crop has started to arrive into the market but unseasonal rains are disturbing harvesting and drying activities leading to a slowdown in arrivals. Completion is expected before the end of April. The quality of the crop and average yields are better than 2022 due to less incidence of pests and diseases. Carry over stock is around 7% less than last year. Production is anticipated to be 11% down against last year meaning overall supply is around 10% lower than in 2023.

Regions: Pan India stocks are lower by as much as 15% compared to the corresponding period last year, with carry-over stocks 20% less than last year.

Outlook: Prices are forecast to remain stable during the month of April/May but are set to increase in June



Graph shows Turmeric prices have increased 15% year on year

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CASSIA

The Spring harvest in North Vietnam started in the first week of March. Prices are slightly firmer as there is still not much harvest pressure.

NUTMEG

The harvests in North Sulawesi and Maluku have been progressing slowly because of heavy rainfall. Product quality remains an issue hence prices are expected to remain stable.



FENNEL

Sowing has been completed with crop levels expected to be lower against the previous year. Around 99% of the crop was marketed with the balance in the hands of traders. High export demand and unavailability of old stock and seen some price increases, however prices are anticipated to decrease in the coming months due to pressure of new crop arrivals



FENUGREEK

The crop is expected to be lower by 15-20% compared to 2022 with carry-over stock approximately 10% down. Prices remain steady.

