

Spices Market Update

March 2023



Indian Spices

Chilli

The harvest activities are advancing in all the producing regions. Fresh chilli crops have begun to arrive in major market yards. Overall production is estimated to be higher this year compared to last year. Black thrips and unseasonal rains have caused some damage and deterioration to the quality of the crop. The industry will assess the impact of the recent rains.



Coriander

Harvesting activities are complete in all the producing regions. Yields are slightly higher than average this year, and overall production increased compared to last year. Domestic demand is firm for coriander.



Cumin

Most of the crop has been harvested, and new crop arrivals have begun to arrive in the market yards. Initial estimates of the harvest show a drop in average yields due to fluctuations in weather. Farmers are holding back stocks in anticipation of higher prices.

This is due to limited supplies and fewer carry-forward stocks. Cumin prices have increased despite the arrival of fresh crops. Both domestic and export demand is strong in cumin markets.

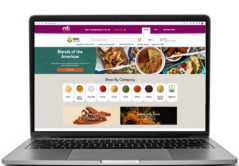


Spotlight
on Indian
Spices



Turmeric

Turmeric crops have arrived in all the main market yards. Unseasonal rains are disturbing harvesting and drying activities. This is leading to a slowdown in arrival pressure. The quality of the crop and average yields are better this year due to less incidence of pests and diseases.



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Q Future outlook

- **Chilli:** Prices are expected to remain stable to bullish due to fewer carry-forward stocks and strong demand.
- **Turmeric:** Prices are expected to remain stable.
- **Coriander:** Prices are expected to remain stable at current levels.
- **Cumin:** Markets are expected to be bullish in the near term and long term.

Spotlight
on Indian
Spices



Onion & Garlic

California and parts of the Pacific Northwest have experienced strong precipitation from a series of atmospheric river weather systems over the last three months, resulting in positive and negative developments.

On the positive side - precipitation levels in California have improved significantly above levels seen in the last three years at this point in time. Most California reservoir systems have seen improved storage levels well above season averages as of date. Snowpack water content in the Sierra Nevada across California has improved above the season average after many years. The CY23 season continues to see good chilling hours critical for garlic bulb cloving and bulb development and should stabilize yields. Improving reservoir water levels and the larger snowpack will improve the chances of higher water allocations for agricultural contractors in the CY24 season.



On the negative side - the excessive rains coupled with run-off from snowmelt from the continued precipitation have resulted in temporary flooding in some fields. While it is too early to tell the potential impact on our crop yields, our strategy to diversify growing regions ensures that the majority of our planted fields are currently outside of the heavily flooded areas. Continued rains without breaks have shortened the onion planting window in parts of the San Joaquin Valley, forcing some growers to withdraw completely as fields could not be prepped in time. The Colorado River water supply, which services the Imperial Valley growers in Southern California, is still in a low and critical stage and has not improved with the recent California precipitation.

Water cuts are likely for the CY24 season and may potentially affect plantings in the Imperial and Palo Verde Valleys. The tomato industry in Central California will most likely not meet the planned production in CY 2023 due to flooding in the Tulare basin, which could cause tightness in supply, higher demand, and the need for a larger crop in CY 2024 with corresponding pricing volatility, that could spill over to other crops like onion, garlic, and cotton. Garlic fields are still relatively safe and have not yet felt the impact of flooding and excess precipitation as of date. However, the increased chilling hours, while welcome, have created a situation where the garlic crop is now slightly behind in vegetative growth and maturity and is likely to delay the harvest by a few days/weeks.



Based on current assessments, the abovementioned events could cause a potential reduction in the US CY23 onion crop; however, a clearer picture will only emerge by later this summer. At present, finished goods inventories are in balance to service contracted demand and core customer recontract demand. Standard shipping lead times have improved significantly compared to last year, and we have plans to improve this further. We continue to monitor our crops as assured supply remains our highest priority. In view of the potential uncertainty from the events above, medium to long-term coverage, for specialty items, piece fractions, and ELB/LB items is advisable, especially for those customers who have chosen to defer coverage.

US Garlic Video Update

View our latest US garlic crop and weather update to hear from our expert Sr. Manager of Ag Operations - Garlic & Parsley, Jeremy Horstmann.

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US Green Chiles & Jalapeños

The winter season has ended, with green chile and green jalapeño meeting expected volumes. The red jalapeño is slightly behind due to the crop delays in maturing due to colder temperatures. There are no expectations of yield losses, just delayed maturation. The transition from the winter crops to the spring crop of green chile and jalapeño is happening. Tomatillo has taken the impact of the cold very poorly, and the delays are more pronounced than other crops. According to field reports, the yield numbers are still attainable, just delayed. Direct seeding for the summer crop is beginning its second month and will continue up until the second week of May. Cooler spring temperatures are slowing the emergence of the crop. Warmer temperatures are forecast after this week.



Pepper

All origins: The harvest rate in Vietnam as of mid-March 2023 is estimated to be around 75%. Cambodia's pepper harvest is at about 30% of the crop. Farmers are holding with the expectation of higher prices in the later part of the year. Prices in Vietnam were mainly rangebound. Chinese buying has been significant since the start of the harvest in Vietnam and has been providing price support to Vietnam.

Paprika

SW USA and Mexico: The industry is working closely to secure the acres needed for planting as sowing season is to begin in the next couple of weeks. **China:** Due to COVID-19 restrictions, most of the harvest was done by machine. This is affecting the quality of the paprika powder processors. The market price is expected to increase in the summer due to higher warehousing costs.

Cassia, Nutmeg, & Ginger

Cassia: The Spring crop 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 are progressing slowly due to heavy rains. Quality remains a challenge for volumes. Prices remain stable. **Ginger:** Nigerian ginger harvest is complete, and farmers are getting ready for sowing. There are few crops left to trade. Prices firmed up slightly as stock levels went down in the market.