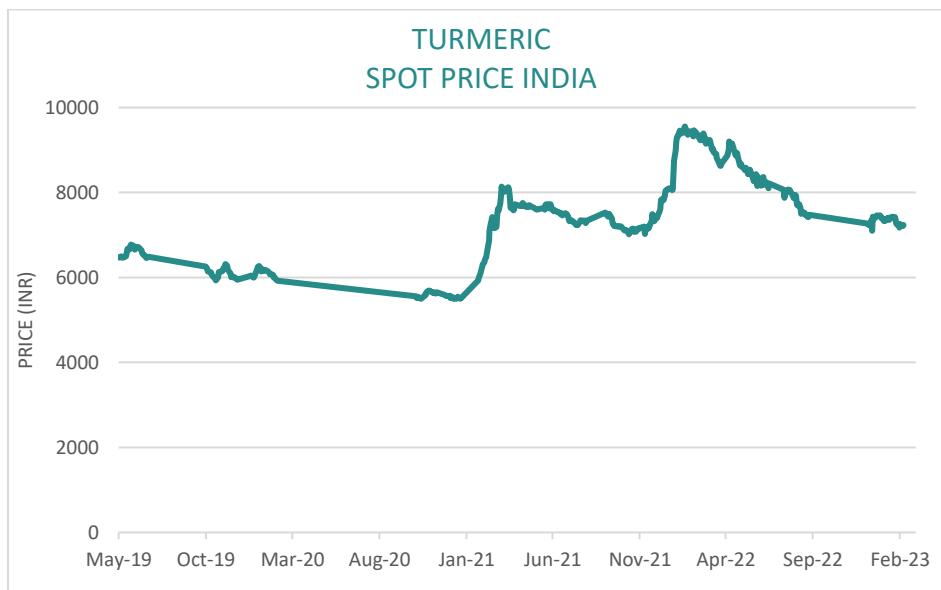




Turmeric

Current Market

INDIA: Primary market arrivals have been gradually increasing as harvesting progresses, keeping prices mostly range-bound. Carryover stocks remain, having a stabilizing effect on prices. Harvesting will continue till end-April, and buyers are holding back, waiting for arrivals to increase.



Crop Conditions

INDIA: There has been a slight decrease in area under cultivation this season. Heavy rains during July-October in the growing areas have damaged standing crops. There have been sporadic reports of incidence of leaf spot and rhizome rot disease, but overall the crop condition is considered to be good. Production in Maharashtra, which is the main producing state, is expected to be 10% higher than last year. Overall cultivation area in Telangana and Karnataka has decreased, and production is expected to fall marginally. Harvesting in Tamil Nadu has started in some areas, and a reduction in output is estimated. However higher yields are expected in Andhra Pradesh and the North East.

INDONESIA: Most of the growing areas in Java received excess rainfall last year, and this is expected to result in a 10-15% reduction in yield. There has also been a slight decline in acreage. Harvesting will start only in August.

NIGERIA: Floods during June-October 2022 have affected some of the growing areas. Besides, acreage under cultivation has declined as farmers prefer to cultivate more profitable crops. Current season harvesting has started and dried turmeric arrivals are expected this month.

Market Scenario

INDIA: Overall production is expected to decline by 10-12%. With strict heavy metal limits, availability of good quality material will be limited. Prices are more or less steady and buyers are waiting for further arrivals in the market and therefore demand is sluggish.

Coverage Recommendation

Considering the decrease in production which is expected to be around 10-12% and depleting carry forward stock levels, the overall supply is estimated to decrease by about 10%. Therefore, it is advisable to cover for long-term requirements of good quality produce while arrivals continue.



Ginger

Current Market

INDIA: Whole ginger prices remained more or less stable in January. An overall reduction in production is estimated this season, which could provide support to prices. The quantity taken for drying this season has been limited due to the high price of fresh ginger.

CHINA: Prices are relatively stable in comparison to last year. Shrinking acreage and excessive rainfall has reduced production by around 20% compared to last year.

NIGERIA: Mainly cultivated in the central Nigerian state of Kaduna. Because of its lower pricing, heavy Nigerian ginger is being used for blending. Harvesting has commenced during late November. There has been a slight increase in acreage, and weather conditions have been favorable this season. This is expected to result in an overall 10% increase in production.

PERU: There is an increase in the area of production and a good crop is expected this season. Harvesting will start in May.

Crop Conditions

INDIA: Rainfall has hampered production in many growing regions. Arrivals have increased from January onwards. This year's fresh ginger is mostly of high quality. 80% of the total crop is good while the remaining 20% has been affected by pests. However, this year's crop is widely regarded as good. Fully mature ginger began arriving in the second week of January 2023.

Current season arrivals started in December. Initial quality was very low since immature and pest-infested rhizomes were used for drying. As the season progresses, the quality of material and conversion ratio have been improving. High-quality material will be available by mid-February.

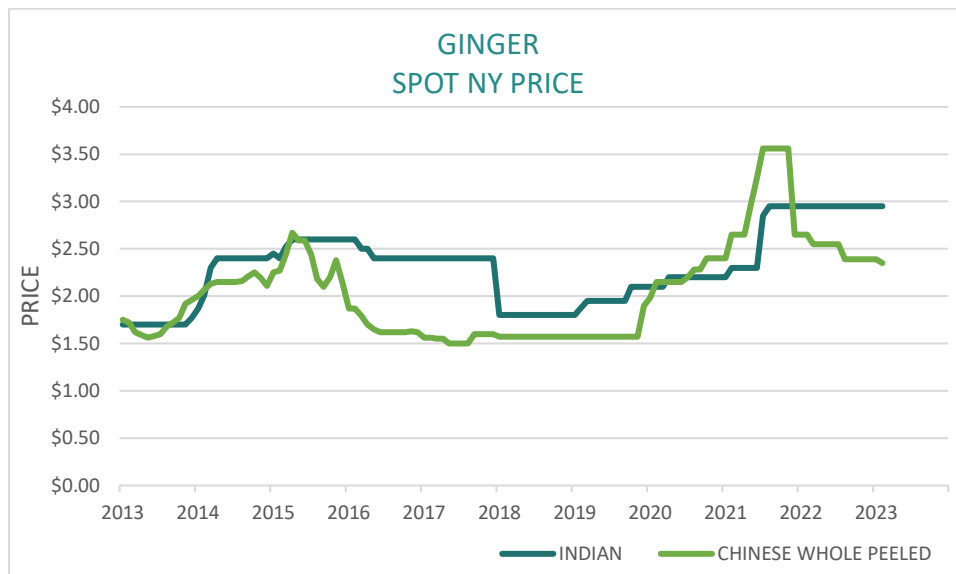
The ginger crop in Maharashtra seems to be lower compared to last year. Last year, prices were mostly low. During the pandemic, ginger was considered to have



good health benefits and therefore prices rose and farmers planted additional ginger, which resulted in good production last season. But the demand died down, and thus it was less remunerative.

CHINA: Ginger production is expected to be high during the current season. However, there is a scarcity of high-quality material.

NIGERIA: Nigeria has reported normal yield levels, causing other origin prices to fall. Weather conditions were favorable this season, and production is higher compared to last year.



Market Scenario

INDIA: Due to excessive rain, production has decreased. New arrivals may continue to have a calming effect on prices.

CHINA: China has a high domestic demand for ginger, but production is lower than expected. This has affected the domestic prices adversely.

Continued on Next Page



Price Forecast

There has been a decline in acreage this year. Fresh ginger prices continue to be very high, and this is expected to come down once arrivals increase over the coming months. As fresh ginger prices decline, a significant quantity will be used for drying. However, quantities used for drying will continue to be limited if fresh ginger prices remain firm. Besides, strong export demand could continue to support prices.

Coverage Recommendation

Processors would turn to drying if the price of fresh ginger falls. Moderate carry forward stocks and lower Nigerian ginger prices are expected to continue affecting prices. Availability of higher quality low-pesticide compliant material is limited. Market arrivals are expected to increase between February and March. It would be better to cover early and stay covered.

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