

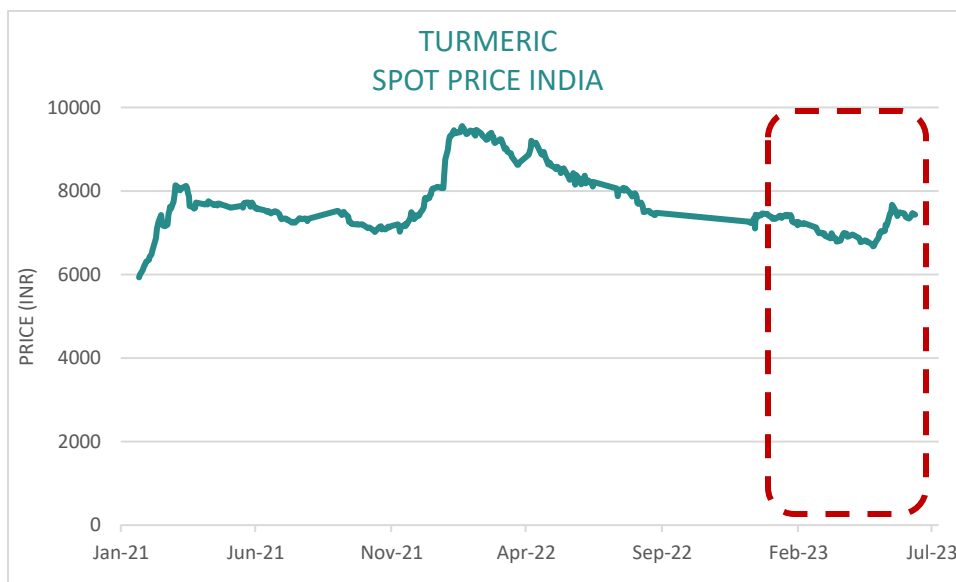


TURMERIC & GINGER REPORT JUNE 2023

Turmeric

Current Market

INDIA: Harvesting is complete in most of the major growing regions. Primary market arrivals have started declining, having a bullish impact on prices. With prices remaining attractive, there is good demand from both domestic and export markets. The increase in demand has resulted in stocks getting depleted gradually. Current stock levels are estimated to be about 10% lower than last year's levels.



Crop Conditions

INDIA: Harvesting operations in most growing areas was completed by end-May. Acreage under cultivation had fallen slightly this season. Sudden unexpected rains

In April had damaged the standing crop and also affected harvesting and drying operations, influencing primary market arrivals also. The untimely rains have caused damage in the Marathwada region of Maharashtra, as well as in the Guntur, Krishna and NTR districts of Andhra Pradesh. Production this season is estimated to have declined by about 10% compared to last year's output.

There had been adequate availability of rainfall during the crop development stages. Less incidence of pests and diseases had also been reported. However, rains during April had caused damage to the crop during the harvesting stage. Production in Maharashtra, which is the main producing state, is estimated to be 10% higher than last year. Production in the states of Telangana and Karnataka is estimated to have fallen marginally due to a decline in cultivation area. A reduction in output is estimated in Tamil Nadu also, while higher yields are estimated in the states of Andhra Pradesh and the North East.

INDONESIA: There is a slight decline in area under cultivation during the current season. It is estimated that there will be a 10-15% reduction in yield due to excess rainfall last year in most of the growing areas in Java. Harvesting is expected to start in August.

NIGERIA: With harvesting over, the market is very silent. There has been a decline in acreage during the last season, and sellers are not very active.

Market Scenario

INDIA: Production is estimated to decline by about 10% compared to last year. The decline in acreage, along with crop damage due to heavy rains, have affected output. With harvesting over, carry-over stock levels are gradually decreasing. There is good demand due to the current attractive prices. There are fears that acreage could decline in the coming season due to the prevailing low prices.

Coverage Recommendation

Prices could gain strength due to the increase in demand. Besides, there is apprehension that sowing area could decline in the coming season. Speculative activity could also provide support to the market. Considering the possibility of an upward movement in prices if conditions turn supportive, it is advisable to make use of current price levels and cover for long-term requirements while there is adequate stock availability.



Ginger

Current Market

INDIA: Prices have moved up due to a fall in production this year. The high price of fresh ginger, due to the reduction in output, has limited the availability of material for drying, and this has resulted in a rise in price of dry ginger also. The untimely rains during end-April have also affected availability of material.

CHINA: Harvesting was completed earlier in the year. Prices have remained mostly stable. Reduced acreage and excess rainfall have resulted in a fall in production of about 20% this year.

NIGERIA: Harvesting was completed in February. A slight increase in acreage, together with favorable weather conditions, have resulted in an increase in production of about 10% this year. Increased export demand has resulted in a gradual fall in stock levels, keeping prices firm.

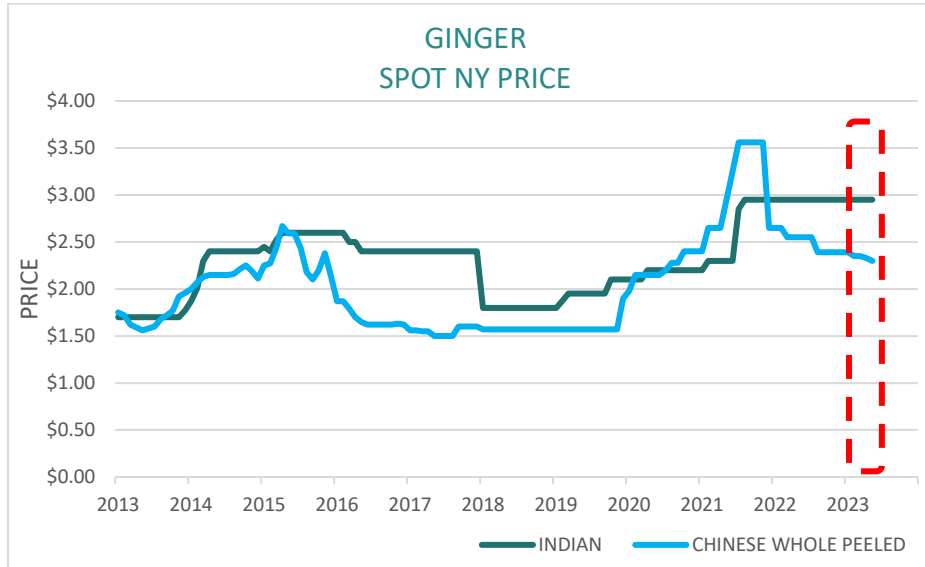
Crop Conditions

INDIA: Harvesting is complete and there is limited availability of material. Current season arrivals started during mid-January. Excessive rainfall last year had impacted production, resulting in a fall of about 30% this season. The fall in ginger prices during the post-pandemic period has made ginger cultivation less attractive for farmers. The unseasonal rains in April have also affected availability of material, pushing up local prices.

CHINA: Harvesting was completed earlier in the year. Excess rainfall during the crop season has resulted in a shortage of high-quality material.

NIGERIA: Harvesting was completed in February. Production is reported to have increased by about 10% this year, compared to last year, due to favorable weather conditions. Stock levels have declined due to good export demand, keeping prices firm. Land preparation activities have started for next season sowing.





Market Scenario

INDIA: Excessive rainfall during the growing stages have adversely affected production. The rains In April also had a bullish effect on prices.

CHINA: Unfavorable weather and reduced acreage have affected production. Prices have remained mostly firm due to good domestic demand and limited availability of material.

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Price Forecast

Production has been affected by unfavorable weather in the growing regions. Quantities available for drying has been limited due to high prices for fresh ginger. Prices could remain firm due to strong export demand together with reduction in quantities of available material.

Coverage Recommendation

Prices will continue to be affected by the decline in production, which has led to low stock levels in all the major producing countries. Availability of higher quality low-pesticide residue compliant material is limited. Considering the upside possibility, it would be advisable to have sufficient forward coverage at least till the end of the year.

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