



HARRIS SPICE
A HARRIS FREEMAN ENTERPRISE



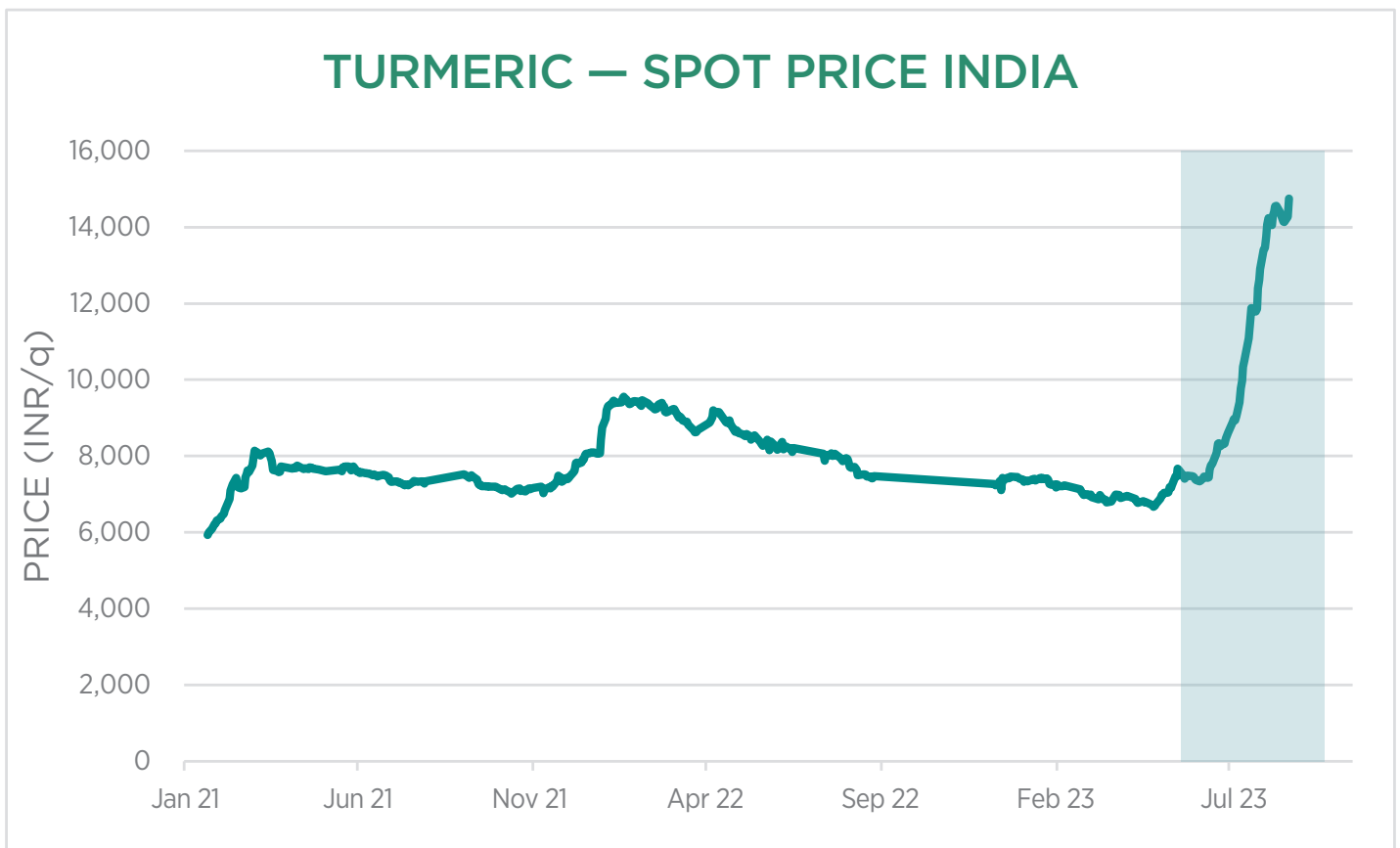
TURMERIC & GINGER REPORT

AUGUST 2023

Turmeric

Current Market

INDIA: Prices have moved up drastically. Unseasonal rains during the harvest period have affected availability of material while demand has been strong. Though new season sowing has started, many growing areas have reported deficient rainfall. The increase in demand has resulted in gradual depletion of stocks, and current stock levels are estimated to be about 10% lower than last year's levels.



Crop Conditions

INDIA: Harvesting operations in most growing areas were completed by end-May. There was a slight decline in acreage during the last season. Production was affected by sudden unexpected rains in April, which damaged the standing crop and also affected harvesting and drying operations. This resulted in a decline in production of about 10% compared to last year's output.

Though new season sowing has started in most growing regions of peninsular India, low prices during the last two seasons have contributed to a fall in acreage, with many farmers shifting to cotton and maize. Besides, many areas have reported a shortfall in monsoon rainfall, raising apprehension about production during the coming season also.

INDONESIA: A decline in yield of about 10-15% is expected this season due to excess rainfall earlier in the growing period. Besides, there has been a slight fall in acreage this year. Harvested is expected to start later this month. According to Indonesia's weather agency, the Meteorology Climatology and Geophysics Council (BMKG), the El Nino weather phenomenon, which causes prolonged warm and dry weather, is affecting more than two-thirds of the country, including all of Java, the northern parts of Kalimantan, and all of Sumatra except the coastal regions.

NIGERIA: There is not much market activity. Harvesting is complete, and with a decline in acreage during the last season, stock levels are also limited.

Market Scenario

INDIA: Strong bullish sentiments prevail in the market. Output during the last season had declined by about 10% due to crop damage. Good demand has resulted in a gradual decline in stock levels. A decline in acreage during the current season, together with weather uncertainties in the growing regions, has resulted in a steep increase in prices. The El Nino, expected to strengthen towards the end of the year, has also contributed to the negative forward outlook.

Coverage Recommendation

Unfavorable weather conditions could provide support to prices. Low stock levels and increased demand will also have a major impact. Considering the possibility of further upward price movement, it is advisable to make use of any attractive offers and cover for long-term requirements.



Ginger

Current Market

INDIA: Limited availability of good quality material has resulted in an upward movement of prices in the domestic markets. Demand remains strong while stock levels are low, providing support to the market. The heavy rains in July had a detrimental impact on quality of material.

CHINA: Farmers in most areas completed new season sowing by June-July. Good demand and reports about a fall in production during the current season have provided support to prices.

NIGERIA: New season sowing is complete. During the last season, there had been an increase in production of about 10% due to an increase in acreage and favorable weather during the crop season. The increased availability of material has resulted in attractive offer prices.

Crop Conditions

INDIA: Heavy rainfall during end-July in the growing areas has affected current season farm operations. Supply chain disruptions caused by the heavy monsoon showers have also affected movement of material. During the last season, excessive rainfall had resulted in a fall in production of about 30%, resulting in limited stock availability. The adverse weather during the current season has further added to the bullish sentiments, pushing up prices.

CHINA: Sowing was completed in most areas during June-July. Heavy rain in the growing areas has raised apprehensions of a decline in production. The quality of material could also be affected by the excessive rains. Harvesting will start only by Nov-Dec.

NIGERIA: Current season sowing was mostly completed in July. Favorable weather during the last season had resulted in an increase in production of about 10%, and there is adequate stock remaining.

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Market Scenario

INDIA: Excessive rainfall during July, together with low stock levels of good quality material, has fueled bullish sentiments in the domestic market. Besides, demand remains strong.

CHINA: There was good production during the last season. However, unexpected rains this year are reported to have affected the upcoming plants, and production could be affected. This could have a bullish impact in the long term. Prices have remained mostly firm due to good domestic demand and limited availability of material.

Price Forecast

With the El Nino expected to strengthen later in the year, adverse weather could play spoilsport with the market. Availability of good quality material is limited. Prices could remain firm due to strong export demand together with reduction in quantities of available material.

Coverage Recommendation

Uncertainties regarding production will continue to impact prices. Availability of higher quality low-pesticide residue compliant material is limited. Considering the strong upside possibility, it is advisable to have sufficient forward coverage.

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