

Spices Market Update

February 2023




Chiles

US

Paprika/Red Chiles: The 2023 crop season is in the planning stage. Growers are evaluating the pricing pressure from increasing input costs over the last year. The industry is working closely to strategically plant the acres needed to meet the market demand as the window is closing for planting preparation.

Green Chiles: Most contracting with growers is expected to be completed as they are prepping the land for direct seeding. We estimate the seed for planting to be dropped at the beginning of March.

China

Paprika: Due to Covid-19 restrictions, most of the crop harvest was done by machine. This has affected the quality of the product for paprika powder processors. Market price increased compared to the last crop year. This looks to remain steady until the summer, when a slight increase is expected to offset higher warehousing costs.

Mexico

Specialties: Sundried pods for specialty chiles are coming to the market with a minimal surplus. Prices have increased compared to the last crop season due to lower yields.

This is mainly due to bad weather conditions. Pricing is expected to rise, but the market demand is not slowing down. Planning for the new crop season is currently underway. The industry is purposefully contracting to meet the requirements of volume and quality.

Green Chiles: The cold weather in Mexico continues to cause crop maturity delays. This could slightly impact yields. In central Chihuahua, seeds are being sewn in greenhouses in preparation for the June to July harvest window.



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Onion & Garlic

Onion

The planting for the CY23 crop is ~90% complete across California with some acreage still to be planted in the West side of Fresno County, Central California, as well as Tule Lake in Northern CA. However, planting in the states of Oregon and Washington is still to commence and will be completed by the end of Q1, 2023. Overall planted acreage for the CY23 season is expected to be similar to last year despite continued drought pressures, labor availability, and input cost inflation.

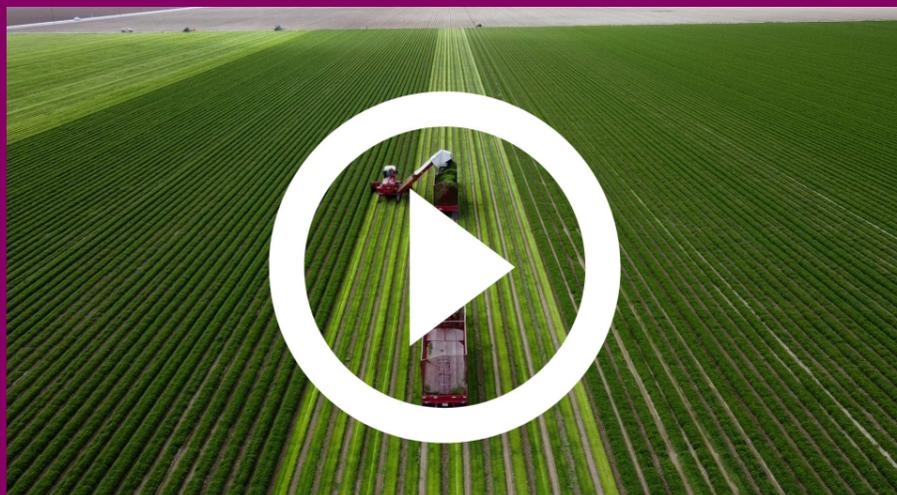
Garlic

Correlative to US onion, US garlic is also impacted by grower, labor, and input cost inflation. The CY22-23 market pricing exhibits the effect of these factors. The CY23 planting is complete. The industry acreage is predicted to be comparable to the quantity planted in the previous season. The crop planting and progress have not been adversely impacted by the weather. The good chilling hours for this season's crop could improve yields. Overall inventories across most fractions remain adequate to support regular domestic demand.

California Parsley Harvest Update

Parsley harvest has kicked off in the Central Valley of California! Tune in for an update from Garlic Seed & Vegetable Crop Manager, Christian Dutra.

Watch now



Vietnam Spices

Pepper

Vietnam harvest is currently underway, with all the provinces harvesting. Harvest is meeting expectations and is better than last year. Cambodia harvests are picking up as well. Brazilian growers are expected to start harvest in March.

Prices in Vietnam increased from the pre-season lows, despite lower demand from EU & US buyers. After the Lunar New Year holidays, Chinese buying led to stocks holding at farmer and collector levels. This has caused prices to increase. Pepper prices in Brazil have gone up as well.

About 40% of the harvested pepper in Vietnam has been traded, with an expected 70% of the crop yet to be harvested. There can be some pressure on prices as more pepper is harvested.

Cassia, Ginger, Nutmeg

Cassia: The Vietnam spring crop will start in March. Indonesian cassia farmers continue to harvest. Prices firmed up slightly in Vietnam, which is a usual event for this time of the year (no new harvest). Indonesian prices firmed up due to shippers buying in the market.

Ginger: The harvest in Nigeria has been completed and traded. The latest demonetization regulation in and the end of February elections are expected to bring out the rest of the cargo. Ginger prices in Nigeria recovered from the lows in November but are still trading lower compared to the 2022 season.

Nutmeg: Newly harvested crops in the north Sulawesi region in Indonesia are coming out; however, seasonal rains have raised concerns about quality. Prices remain stable and are expected to remain the same in the immediate future.



Indian Spices

Chilli

The first harvest is in progress across all growing regions. Black thrips and virus infestation has been observed across various areas, but it has been seen relatively less in the Karnataka region. Mites have been spotted in Andhra Pradesh and Telangana.

The CY23 area has decreased compared to last year. Initial estimations indicate significantly better yields compared to last year.

However, this is still less compared to previous years. The availability of IPM will be limited this year as farmers have increased sprayings to protect the crop. Overall domestic demand is expected to improve as buyers start covering their requirements for peak seasonal arrivals.

Conventional chilli prices are expected to soften during peak season in March. IPM chilli prices are expected to remain stable.

Cumin

The CY23 planted area marginally increased against last year. The early sown crop is at the seed formation stage. The late sown crop is at the peak flowering stage. Issues of blight, wilt, and aphids have been observed in various growing regions due to weather fluctuations.

However, the planted area is still low when compared to years prior. The availability of IPM crops will be limited this year as some of the farmers have increased sprayings to protect the crop due to prevailing high prices for conventional cumin. With less carry-forward stock this year, there could be a potential tightness in supply. Export demand is expected to improve as both conventional, and IPM cumin prices are estimated to remain bullish.

Coriander

The CY23 planted area increased significantly compared to last year. The crop is at the seed setting to maturation stage. Harvesting is expected to start by the end of February. A clear picture will develop based on yields and crop production.

Good IPM crop availability is anticipated this year due to fewer pests and disease incidences. Overall supply is expected to be favorable despite lower carry-forward stocks due to the significantly high production expected this year. Domestic demand is estimated to be suitable for this new crop. Coriander prices are expected to soften during the March peak season.

Turmeric

The crop is at the rhizome maturity stage and is ready to harvest. Harvesting has started in a few regions where arrivals will be in full swing from February through March. There are no reports of significant pests or diseases. Weather conditions have been favorable throughout the growing season.

The CY23 planted area is marginally higher compared to last year. Yield quantities are expected to be better compared to the previous season. The quality is expected to be good due to favorable weather conditions. IPM crop availability is expected to be greater than last year. During March, prices are expected to soften because of peak seasonal arrivals.