

Report on
Export of Pepper from Sri Lanka to India under ISFTA -
Implications

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Export of Pepper from Sri Lanka to India under ISFTA - Implications

1.0 BACK GROUND

It is a fact that Sri Lanka's export of pepper to India under Indo Sri Lanka Free Trade Agreement (ISFTA) increased from 2000 to 2004. Sri Lanka's highest export quantity of pepper to India under ISFTA was reported in years 2002 and 2003. In year 2003, the average price of pepper in India reported the lowest value (In Rs 7307 / 100 Kg) when compared with the prices from 2000 to 2002.

Indian side, during ISFTA negotiation stated that the quantity of pepper exported to India under ISFTA increased from 2000 to 2004 and hence the domestic producers were badly affected. They further expressed that there could be a possibility of third country products being exported to India through Sri Lanka to take advantage of the ISFTA. But Sri Lankan side stated that the production statistics of pepper do tally with that of domestic consumption and export. Both Sri Lankan and Indian side presented their facts to justify this issue.

Indian side looks in to this issue based on the following factors.

Pepper in India is mainly grown by small farmers with average land holding size of less than 1.4 ha. Nearly 17.33 millions people depend on pepper cultivation for their livelihood. India reported a surplus of production over the domestic consumption. Therefore domestic producers were affected. This situation is aggravated due to the surplus of pepper in the world market. Higher production of pepper in non-traditional grower countries has led to a surplus in world market and causing a downward pressure on international price of pepper. India states that due to increased export of pepper from Sri Lanka to India under ISFTA cause a sharp decline in pepper prices. Therefore Indian side proposed Sri Lanka to limit their export at a level not exceeding 1000 MT per annum.

Sri Lankan side looks in to this issue based on the following factors.

The Sri Lankan side stated that pepper is small holder crop and also linked to rural development and livelihood security. They further stated that Sri Lanka's export of pepper to India wasn't reported a continuous increment from 2000 to 2004. Though Sri Lanka's export of pepper increased to 6000 MT in 2003, it decreased to 4200 MT in 2004. Sri Lanka point out that there was a sharp decline in international prices in 2004, which might have been the reason for fall in prices in India as well. Sri Lankan side expressed that Sri Lanka is not in a position to restrict the quantity of pepper exported to India under ISFTA.

Considering the facts presented by both parties on account of this issue, a research study was carried out to meet the following objectives.

2.0 OBJECTIVE

Objectives of this study are

- 2.1 To determine whether there is an adverse effect on the prices of pepper in Indian market due to increased quantity of pepper exported by Sri Lanka to India under ISFTA.
- 2.2 To decide the reasonable quantity of dark (heavy) berry and light berry pepper to be exported to India under ISFTA.

3.0 METHODOLOGY

Data were collected from the sources of EDB statistics, Department of Export Agriculture, Department of Commerce and from major pepper exporters to India. A survey on Sri Lanka's production and export of pepper to India was carried out among the top 10-pepper exporter to India. Internet was one of the major sources, which was used to obtain useful information such as production, consumption, import and export of pepper by India and Sri Lanka. Statistics of Sri Lanka's production of pepper was obtained from Department of Agriculture and figures on India's imports of pepper were collected from the Department of Commerce. After collection of information, data were analyzed.

4.0 PEPPER AND PEPPER PRODUCTS

Pepper is a small holder crop and also linked to rural development and livelihood security. Pepper is one of major spice that is exported to India and hence very important to uplift the economic development of the rural farmers.

Products developed from pepper broadly fall into four groups

- Black Pepper
- White Pepper
- Green Pepper
- Oil and Oleoresin of Pepper

Black pepper is the whole dried fruit of the plant, while white pepper is the dried seed after removing the pericarp of the berries. White pepper is neither too hot nor too cold, and is supposed to be the best of all peppers.

Black as well as white pepper, are widely used as food ingredients, and as flavoring agents for a variety of processed foods. Because of their curative value, the medical and pharmaceutical industries also use them extensively. Pepper oil, oleoresin and green pepper have special applications as food intermediates.

According to the Indian side, black pepper can also be classified as

1. Light Berry
2. Dark Berry (Heavy Berry)

When the pepper is harvested at the pre-matured stage, it is called light berry. When it is harvested at the mature stage it is called dark or heavy berry. Dark (heavy) and light berry pepper can be separated by the bulk density. If the bulk density of pepper is 300 g / l or below it is called light berry and if it is over 300 g / l then called dark berry. Light berry is used to extract oil where as dark berry is used as condiments, preservatives and food tasters.

5.0 PRODUCTION OF PEPPER

World production of pepper increased gradually from 1999 to 2003. Vietnam became the world leader in production of pepper in 2003. They raised their production from 30000 tons to 85000 tons from 1999 to 2003. Eight countries, which mainly contribute to the world production of pepper, are Vietnam, India, Brazil, Indonesia, Malaysia, Sri Lanka, Thailand and China. (Annex 1)

Out of these countries India ranked the 1st in world production of pepper from 1999 to 2002 and ranked as 2nd in 2003 next to Vietnam. India's production was 75000 tons in 1999 and increased to 80000 tons in 2002 and declined to 65000 tons in year 2003, (Annex 1).

Kerala and Karnataka are the main pepper producing areas in India. Kerala accounts for 90% of India's pepper production. The other producing areas are Karnataka, Tamil Nadu, Nicobar and Andaman. (Annex 2)

When compared with India's production, quantity produced by Sri Lanka is low. But Sri Lanka was able to increase her production from 4740 tons in 1999 to 12600 tons in 2003. Sri Lanka's contribution to the world production is not much significant. (Annex 1).

6.0 EXPORT OF PEPPER

World total export of pepper showed a gradual increase from 1999 to 2002. But in 2003 total quantity exported reported a slight reduction. Vietnam is the world leader in export of pepper. Vietnam's exports increased from 28000 tons in 1999 to 74000 tons in 2003, (Annex 3). Other major exporters of pepper are India, Brazil, Indonesia, Malaysia, Sri Lanka, Thailand and China.

During 2003, Indian exports of pepper amounted to 17,200 tons, registering a 31% fall compared to exports of 24,914 tons in 2002. The export in 2003 was the lowest quantity of pepper exported from India during the last four decades. This quantity was only 64% of the average export over the last five years. In terms of export share, India contributed only 8% to total producing country exports in 2003, a fall from the 14% of average share during last five years. Developments in the spice industry in India have significantly affected exports. During 2003, export of whole pepper from India was only 26% of the total production, against 31% during 2002. The main market for Malabar black was United States, which traditionally imported around 50% of India's exports, followed by Canada, Netherlands and Italy. However, during 2003, only 30% of India's export was shipped to the United States, (Annex 3). India's net export also showed gradual reduction from 2000 to 2002. (Table 1)

Table 1

Annul Export Import of Pepper in India (In Tones)

Year	Export	Import	Net Export
2000	19,900	6,570	13,330
2001	19,000	9,110	9,890
2002	18,600	13,600	5,000
2003	17,900	11,700	6,200
2004 Jan - Oct	9,800	14,200	NA

Source: Indiainfoline.com

Sri Lanka's export of pepper increased regularly from 2000 to 2003. But in year 2004 showed a drop in export. When we consider the total export and export to India, Sri Lanka's percentage share of export to India is very significant. The following table 2 gives a clear picture of it.

Table 2
Sri Lanka's Export of Pepper to India and World From 2000 to 2004

Year	Export to India (MT)	Export to World (MT)	% Share to world total (to India)
2000	2154	4891	46.67
2001	1781	2170	77.92
2002	6537	7928	81.83
2003	6167	7761	75.71
2004	4389	4890	85.94
2005 (Jan-July)	4388	4793	85.99

Source: Sri Lanka Custom Statistics

Some Sri Lankan companies export both dark (heavy) and light berry pepper. Following table 3 shows the average quantities and percentage of dark (heavy) and light berry pepper exported by two companies to India from 2000 to 2005.

Table 3
Sri Lanka's Export of dark (heavy) and light berry pepper to India.
(Average quantity from 2000 to 2005)

Company	Dark (heavy) Berry (MT)	% Share	Light Berry (MT)	% Share	Whole Pepper (MT)	% Share
Spice of life Pvt Ltd	64	9.36	619.2	90.63	683.2	100
Ishana Exports	1103.5	70.73	456.5	29.26	1560	100
Sri Lanka's total Export	N.A		N.A		4235.6	100

N.A – Not Available

In response to our survey, a leading exporter of pepper, verbally informed that Sri Lanka's exports of dark (heavy) berry pepper to India may be in the region of 3500 MT per year. While Sri Lanka's export of pepper is classified only under 6 digits HS classification India's imports is classified under 8 digits HS classification.

7.0 IMPORTS OF PEPPER

Among the non-producing countries United State rank the number one importer of pepper. India is the major importer of pepper among the producing countries. Non-producing countries imports pepper in large quantities when compared with producing countries. World imports of pepper increased gradually from 1999 to 2002 and declined in 2003. (Annex 4) United State's import of pepper from India reported gradual reduction from 2000 to 2004. But United State's import of pepper from Vietnam gradually increased from 2000 to 2004. (Table 4)

(Table 4)
United State's import of pepper from India and Vietnam from 2000 to 2004 (In tons)

Country	Year 2004	Year 2003	Year 2002	Year 2001	Year 2000
Import from India	2196	5105	7591	8121	11035
Import from Vietnam	18313	12248	12577	5302	3744

Source: ITC calculations based on COMTRADE statistics

India too showed a gradual increase of imports of pepper from 1999 to 2002. But it is reduced in year 2003. India's percentage of imports from Sri Lanka increased from 20% in 2001/2002 to 39% in 2002/2003 and declined to 24% in 2004/2005, (Table 6). India's import of pepper from Sri Lanka is not significant when compared with total quantity of pepper produced in India. The average quantity of pepper produced in India from 2001 to 2004 was 71500 MT and average quantity of pepper imported to India from Sri Lanka during 2001 to 2004 was 3849 MT. India's average imports of pepper from Sri Lanka during 2001 to 2004 was 5.3% when compared with India's average production of pepper from 2001 to 2004. Sri Lanka's export of pepper to India from 2001 to 2004 was 6.6% when compared with India's average production of pepper from 2001 to 2004. Detail description of India's imports of pepper is attached. (Annex 5).

There is a difference between the figures of Sri Lanka's export of pepper to India and India's import of pepper from Sri Lanka for the period from 2001 to 2004. (Table 5)

(Table 5)
Sri Lanka's export and India's import of pepper from 2001 to 2004.

Year	Sri Lanka's Export to India MT	India's Import from Sri Lanka MT
2001	1781	1240.53
2002	6537	5950.46
2003	6167	4772.12
2004	4384	3434.35
Total	18869	15397.46

Source: Sri Lanka Custom Statistics

Source: Sri Lanka Deputy High Commissioner, Chennai Office

Sri Lanka's export to India is based on calendar year and India's import of pepper from Sri Lanka is based on financial year. This may be one of the reasons for differences in the figures indicated above.

Table 6
India's Imports of Pepper from 2001 to 2005

Year	HS Code	Product	Import from Sri Lanka		Import from Other countries		Total	
			Quantity	% Share	Quantity	% Share	Quantity	% Share
2001-2002 (Apr-Mar)	0904-11	Whole Pepper	1240.53	20.33	4858.92	79.65	6099.45	100
2002-2003 (Apr-Mar)	0904-11	Whole Pepper	5950.46	39.57	9085.21	60.42	15035.67	100
2003-2004 (Apr-Mar)	0904-11	Whole Pepper	4772.12	34.09	9224.13	65.90	13996.25	100
2004-2005 (Apr-Mar)	0904-11	Whole Pepper	3434.35	24.42	10625.9	75.56	14060.34	100

Source: Sri Lanka Deputy High Commissioner, Chennai Office

Sri Lanka's import of pepper from world is very small. In the year 2000 Sri Lanka imported 53 MT. Quantity imported increased to 159 MT in 2003 and again declined to 33 MT in 2004.

Table 7
Import of Pepper by Sri Lanka, 2000 – 2005

Year	Quantity (MT)
2000	53
2001	12
2002	31
2003	159
2004	33

Source: Sri Lanka Custom Statistics

8.0 CONSUMPTION OF PEPPER

Among the producing countries India records the highest consumption. Indonesia is the second largest consumer. Lowest consumption is recorded in Vietnam. The following table shows the average consumption of pepper from 1999 to 2003 in the producing countries.

Table 8
Average Consumption of Pepper from 1999 to 2003 in the Producing Countries

Country	Average Consumption (In Tons)
India	45124
Indonesia	14273
Brazil	4640
Sri Lanka	3176
Vietnam	1340
Malaysia	1600

Source: IPC Meeting Reports

IPC – International Pepper Community.

India's consumption of pepper during the year 1999 was 30000 tons. But in the year 2001 it increased to 50624 tons and further increased to 58000 tons in 2003. Consumption figures for the period from 2001 to 2003 are unbelievably high. (Annex 6)

Sri Lanka's consumption of pepper during the years of 1999 and 2000 is relatively low and was 800 tons. However recorded consumption figures from 2001 to 2003 are unbelievably high around 4800 tons per year (Annex 7).

Figures related to stock levels are not available. Probably both stock levels and consumption figures may have been recorded as consumption in respect of both India and Sri Lanka.

9.0 PEPPER PRICES

There was a declining trend of pepper prices in the world. Black pepper prices at New York market showed a clear reduction from 1999 to 2003, (Annex 8). Black pepper prices in Europe also showed declining trend from 1999 to 2003, (Annex 9).

In Indian pepper market prices have dropped from Rs 19706 / 100Kg to Rs 7307 / 100 Kg from 1999 to 2003, (Annex 10). It is evident that pepper prices have dropped drastically not only in India but all over the world.

9.1 Possible factors that Influenced the Price of Pepper in India

9.1.1 World production of pepper increased gradually from 2000 to 2003. Vietnam is the world leader in production and export of pepper. They raised their production from 30000 tons to 85000 tons from 1999 to 2003. Increase in world production of pepper could affect the price of pepper in India.

9.1.2 During 2003, Indian exports of pepper amounted to 17,200 tons, reporting a 31% fall compared to exports of 24,914 tons in 2002. The export in 2003 was the lowest quantity of pepper exported from India during the last four decades. Reduction in export may have increased the stock levels of pepper influencing the price of pepper adversely.

9.1.3 In terms of export share, India contributed only 8% to total producing country exports in 2003, a fall from the 14% of average share during last five years; Developments in the spice industry in India have significantly affected exports. During 2003, export of whole pepper from India was only 26% of the total production, against 31% during 2002.

9.1.4 The main market for Malabar black was United States, which traditionally imported around 50% of India's exports. However, during 2003, only 30% of India's exports were shipped to the United States.

9.1.5 United State increased their imports of pepper from Vietnam instead of India. United State's import of pepper from India reported gradual reduction from 2000 to 2004. But United State's import of pepper from Vietnam gradually increased from 2000 to 2004. (Table 4)

9.1.6 India's net export showed gradual reduction from 2000 to 2002. (Table 1)

9.1.7 Though quantity of pepper exported to India by Sri Lanka increased considerably from 2001 to 2002, subsequently declined in both 2003 and 2004 compared to the quantity exported in 2002. Sri Lanka share in India's import of pepper (quantity) from 2001 to 2004 was as follows

2001	2002	2003	2004
20.33	39.27	34.09	24.92

How ever, Sri Lanka's export of pepper to India represent approximately 6.6% when compared with the total quantity of pepper produced by India. (Average from 2001 to 2004)

9.1.8 There is a declining trend of pepper prices in the world. Black pepper prices at New York market showed a clear reduction from 1999 to 2003, (Annex 6). Black pepper prices in Europe also showed declining trend from 1999 to 2003, (Annex 7). This price reduction can influence the prices of pepper in India.

9.2 Other Factors Influencing Pepper Market in India

According to an Indian based article of Internet (Source: finance.indiamart.com/markets/commodity/pepper) followings have been indicated as the factors, which influenced the price of pepper in India.

- 9.2.1 Indian pepper is at a premium against all the international grades. However, the production and exports of pepper from other locations has a profound influence on Indian pepper prices too.
- 9.2.2 Weather and the annual production of a year.
- 9.2.3 Year ending stocks and stocks-to-consumption ratio.
- 9.2.4 Indian pepper arrives in the market in the beginning of the year. However, distress selling is not witnessed in pepper and the producers hold back the stock in anticipation of better prices.
- 9.2.5 Government policies with regard to imports and exports.

Traders allege large-scale imports of pepper from Sri Lanka as a major price-depressing factor and Government has been asked to take measures to stop this practice.

10.0 CONCLUSION

10.1 As explained in detail in this report decline of price to pepper in India is due to several contributory factors. Main factors are listed in para 9.1 and 9.2 above. Therefore, it is unreasonable to arrive at a conclusion that the price of pepper in India has declined due to the increased quantity of pepper exported from Sri Lanka to India under ISFTA and impose restriction on quantity imported from Sri Lanka.

10.2 Information obtained through the survey is not adequate to decide the reasonable quantities of dark (heavy) berry and light berry pepper to be exported to India if quota restriction to be introduced under ISFTA, as only two companies responded to the survey. However, one leading company was of the view that obtaining of a quota of 3500 MT for export of dark (heavy) berry pepper per annum to India under ISFTA would be adequate. According to Indian sources, export of light berry pepper to India under Advance License Route and under Vishesh Krishi Yojana may be possible without any quantitative restrictions.

11.0 ACKNOWLEDGEMENT

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Annex 1

TOTAL PRODUCTION OF PEPPER BY COUNTRY, 1999 - 2003 (in Tons)

COUNTRY	1999	2000	2001	2002	2003
<i>IPC Countries</i>	<i>167,240</i>	<i>196,561</i>	<i>215,800</i>	<i>227,600</i>	<i>214,600</i>
Brazil	22,000	26,385	43,000	45,000	50,000
India	75,000	58,000	79,000	80,000	65,000
Indonesia	44,500	77,500	59,000	66,000	65,000
Malaysia	21,000	24,000	27,000	24,000	22,000
Sri Lanka	4,740	10,676	7,800	12,600	12,600
<i>Non IPC Countries</i>	<i>53,600</i>	<i>66,635</i>	<i>94,895</i>	<i>116,710</i>	<i>125,000</i>
Vietnam	30,000	36,000	56,000	75,000	85,000
China, PR.	12,000	18,600	21,700	23,000	21,000
Thailand	7,000	6,535	8,820	9,960	9,500
Madagascar	1,600	1,500	3,375	2,500	2,500
Ecuador	1,500	2,000	2,500	3,000	3,500
Cambodia	1,500	2,000	2,500	3,250	3,500
TOTAL	220,840	263,196	310,695	344,310	339,600

Note :e) estimate

Source :Country reports

Annex 2

State wise Area and Production of Pepper in India (Area in Hectares, Production in Tones)

State	2001		2002		2003	
	Area	Production	Area	Production	Area	Production
Nicobar and Andaman	430	83	450	86	550	116
Karnataka	7249	1760	9697	2219	9899	2259
Kerala	202133	60929	203956	58240	208607	67358
Tamil Nadu	4053	895	4114	907	4030	871
Total		63667		61452		70604

Source: www.indianspices.com

Annex 3

TOTAL EXPORT OF PEPPER FROM PRODUCING COUNTRIES, 1999 - 2003 (in Tons)

COUNTRY	1999	2000	2001	2002	2003
<i>IPC Countries</i>	<u>126,566</u>	<u>134,175</u>	<u>140,809</u>	<u>146,557</u>	<u>138,291</u>
Brazil	19,615	20,385	36,585	37,531	37,940
India	46,436	22,267	22,740	24,891	17,514
Indonesia	35,227	63,938	53,291	53,210	57,463
Malaysia	21,534	22,730	25,032	22,700	17,657
Sri Lanka	3,754	4,855	3,161	8,225	7,717
<i>Non IPC Countries</i>	<u>32,981</u>	<u>38,726</u>	<u>58,650</u>	<u>86,764</u>	<u>83,236</u>
Vietnam	28,000	36,465	56,506	78,155	74,639
China, Peo.Rep.of	3,461	976	606	4,770	3,760
Thailand	857	620	437	639	500 e)
Madagascar	619	588	635	880	1,000 e)
Ecuador	44	77	466	2,320	3,337
TOTAL	159,547	172,901	199,459	233,321	221,527

Note : Ground and Green Pepper are included

e) = estimate

Source : Country reports

Annex 4

WORLD IMPORTS OF PEPPER 1999 - 2003 (in Tons)

Country	1999	2000	2001	2002	2003
A. CONSUMING COUNTRIES	<u>239,688</u>	<u>254,486</u>	<u>258,508</u>	<u>264,506</u>	<u>251,433</u> e)
United States of America	56,477	53,875	57,738	60,747	63,821
Singapore	48,149	45,491	43,806	42,616	29,415
Germany	19,515	17,776	19,951	21,489	22,994
Netherlands	16,519	17,517	19,422	19,289	17,399
United Arab Emirates	7,000	11,000	8,000	7,500	10,500
France	8,599	8,311	8,578	10,517	10,451
Japan	8,023	7,766	8,294	8,667	8,579
Russian Federation	4,915	6,328	5,330	7,194	5,942 e)
United Kingdom	5,485	5,629	5,117	4,808	5,844
Canada	6,303	5,597	5,482	5,902	5,821 e)
Egypt	2,931	4,949	6,848	5,531	4,312
Belgium	2,482	3,010	2,546	3,431	3,664
Italy	3,610	3,754	3,473	3,768	3,651 e)
Pakistan	1,626	863	2,137	2,601	3,493 e)
Turkey	457	747	1,518	2,639	3,375 e)
Poland	3,183	3,235	3,286	3,648	4,675
Korea, Republic of	3,010	3,177	3,648	3,378	3,303 e)
Mexico	2,008	2,479	4,488	2,906	2,970 e)
Spain	2,381	2,391	3,051	3,027	2,913 e)
Saudi Arabia	1,900	3,797	1,858	3,099	2,664 e)
Ukraine	1,711	2,183	2,730	3,237	2,465 e)
Australia	1,938	2,226	2,135	2,417	2,292
Austria	1,815	1,854	1,384	2,014	2,186
Algeria	1,105	1,445	2,296	1,307	1,631 e)
Sweden	1,573	1,568	1,391	1,638	1,461
Hong Kong, China	2,038	7,312	1,991	2,454	1,446
South Africa	1,285	1,247	1,355	1,439	1,332 e)
Hungary	1,141	1,143	1,055	1,201	1,231
Greece	1,022	1,517	1,212	1,121	1,218 e)
Philippines	593	736	1,142	1,088	1,174 e)
Argentina	1,376	1,510	1,156	1,007	1,174
Romania	742	1,276	1,130	1,381	1,132 e)
Denmark	1,604	2,018	966	1,015	1,065
Israel	960	922	1,046	790	930 e)
Czech Republic	738	868	810	800	919
Switzerland	815	849	1,004	1,018	904
Tunisia	455	736	1,198	537	732 e)
Iran, Islamic Rep of	172	277	1,385	1,079	728 e)
Morocco	282	441	1,276	848	712 e)
Others	13,750	16,666	17,275	15,358	10,916
B. PRODUCING COUNTRIES	<u>10,823</u>	<u>16,753</u>	<u>16,019</u>	<u>25,395</u>	<u>17,700</u> e)
India	3,080	6,045	6,325	15,635	12,790
Indonesia	2,372	707	3,274	2,283	249
China, Peo. Rep. of	3,418	6,387	2,850	1,920	585
Malaysia	1,504	2,806	2,560	4,413	n.a.
Thailand	204	538	724	832	n.a.
Others	245	270	286	312	n.a.
TOTAL	<u>250,511</u>	<u>271,239</u>	<u>274,527</u>	<u>289,901</u>	<u>269,133</u> e)

Annex 5

India's Import of Pepper

Year	HS Code	Product	Import From	Import Quantity (MT)	Import Value (Ind Rs)	% Share
2001/2002 (Apr-Mar)	0904 -1101	Pepper Long	Sri Lanka	159.41	17980767	11.67
			Other Countries	1205.65	81451483	
	0904 -1102	Light black Pepper	Sri Lanka	508.73	61846394	33.5
			Other Countries	1008.90	71109190	
	0904 -1103	Black Pepper Garbled	Sri Lanka	560.59	78309919	18
			Other Countries	2525.95	381250784	
	0904 -1104	Black Pepper Ungarbled	Sri Lanka	11.80	2370524	9
			Other Countries	118.42	4498088	
2002/2003 (Apr-Mar)	0904 -1101	Pepper Long	Sri Lanka	774.68	67370691	37
			Other Countries	1264.11	90227404	
	0904 -1102	Light black Pepper	Sri Lanka	1426.88	138723304	68
			Other Countries	669.65	43083620	
	0904 -1103	Black Pepper Garbled	Sri Lanka	3334.70	317187968	36
			Other Countries	5883.89	404979435	
	0904 -1104	Black Pepper Ungarbled	Sri Lanka	414.20	36597081	24
			Other Countries	1267.56	98538272	
2003/2004 (Apr-Mar)	0904 -1101	Pepper Long	Sri Lanka	1206.98	88523473	14
			Other Countries	7048.19	448234053	
	0904 -1102	Light black Pepper	Sri Lanka	1144.96	90066576	63
			Other Countries	665.95	62992072	
	0904 -1103	Black Pepper Garbled	Sri Lanka	958.83	69861286	61
			Other Countries	594.30	34227509	
	0904 -1104	Black Pepper Ungarbled	Sri Lanka	1461.35	94549187	61
			Other Countries	915.69	57263847	
2004/2005 (Apr-Feb)	0904 -1101	Pepper Long	Sri Lanka	1276.00	108471921	15
			Other Countries	7453.19	419190165	
	0904 -1102	Light black Pepper	Sri Lanka	1319.85	118030774	53
			Other Countries	1146.68	59974805	
	0904 -1103	Black Pepper Garbled	Sri Lanka	149.00	31355309	50
			Other Countries	402.68	26735890	
	0904 -1104	Black Pepper Ungarbled	Sri Lanka	689.50	54354844	30
			Other Countries	1623.44	99154116	

Annex 6

INDIA : AREA, PRODUCTION AND CONSUMPTION OF PEPPER

1994 - 2003

Year	Area (ha)	Production (Tons)	Consumption (Tons)
1994	190,990	50,000	20,000
1995	193,270	55,000	25,000
1996	198,110	65,000	30,000
1997	179,590	60,000	25,000
1998	181,550	65,000	27,000
1999	238,320	75,000	30,000
2000	214,910	58,000	35,000
2001	218,670	79,000	50,624
2002	222,460	80,000	52,000
2003	213,160	65,000	58,000

Source : Spices Board, India and IPC Meeting reports

Annex 7				
SRI LANKA : AREA, PRODUCTION, EXPORT AND CONSUMPTION OF PEPPER				
1994 - 2003				
Year	Area	Production	Export	Consumption
	(ha)	(Tons)	(Tons)	(Tons)
1994	11,609	5,000	3,411	1,200
1995	12,092	7,726	2,396	800
1996	12,575	8,536	2,987	800
1997	13,111	9,831	3,372	825
1998	13,777	11,520	5,493	850
1999	23,328	9,284	3,754	800
2000	29,956	10,670	4,760	800
2001	30,794	7,650	2,161	4,680
2002	31,378	12,600	7,729	4,800
2003	31,970	12,600	7,759	4,800
<i>Note : 2001-2003 consumption includes pepper utilised for extraction</i>				
<i>Source : IPC Meetings reports and statements made by DEA, Sri Lanka</i>				

		Annex 8			
MONTHLY AVERAGE SPOT PRICES OF BLACK PEPPER					
AT NEW YORK, 1999 - 2003					
MONTH	US cents/lb				
	1999	2000	2001	2002	2003
January	223	260	155	85	95
February	226	256	146	80	89
March	252	245	142	81	89
April	248	258	150	97	86
May	252	265	144	102	84
June	250	264	125	91	86
July	229	268	98	86	89
August	249	253	88	87	86
September	264	209	90	93	83
October	282	172	89	102	81
November	297	147	83	106	80
December	281	149	85	101	78
Average	254	229	116	93	85
<i>Note : Refer to prices of MLSB Black</i>					

		Annex 9				
MONTHLY AVERAGE PRICES OF BRAZILIAN BLACK PEPPER						
IN EUROPE, 1999 - 2003						
MONTH	Brazil Black B1 (US\$/Ton)					
	1999	2000	2001	2002	2003	
January	n.a.	5,439	2,798	n.a.	1,814	
February	n.a.	5,400	2,868	n.a.	1,814	
March	n.a.	5,359	2,809	n.a.	1,812	
April	n.a.	5,416	2,650	n.a.	1,810	
May	n.a.	5,326	2,650	n.a.	1,809	
June	n.a.	n.a.	2,550	n.a.	1,809	
July	n.a.	n.a.	2,125	1,717	1,807	
August	n.a.	n.a.	1,714	1,698	1,804	
September	n.a.	3,664	1,800	1,725	1,802	
October	n.a.	3,480	1,752	1,980	1,800	
November	n.a.	3,000	1,638	2,119	1,798	
December	n.a.	2,705	1,600	2,061	1,798	
Average	n.a.	4,421	2,246	1,883	1,806	
<i>Note : Prices refer to CIF Rotterdam/Hamburg</i>						
<i>Source : Antara - Reuters, Jakarta</i>						

		Annex 10			
INDIA : MONTHLY AVERAGE LOCAL PRICES OF BLACK PEPPER					
1999 - 2003					
MONTH	Malabar Ungarbled at Cochin (Rs/100 kg)				
	1999	2000	2001	2002	2003
January	18,910	21,419	12,260	6,354	7,909
February	17,395	21,026	10,638	5,893	7,982
March	17,685	20,309	9,800	6,298	7,712
April	17,381	22,646	8,468	8,527	7,485
May	17,217	21,943	9,852	8,452	7,204
June	18,328	21,533	9,252	7,700	7,669
July	17,883	20,319	8,250	7,504	7,654
August	20,265	20,463	7,573	8,198	7,180
September	21,114	17,759	7,419	9,209	6,991
October	23,498	16,777	7,267	10,032	6,975
November	24,442	12,804	6,738	9,554	6,439
December	22,354	13,127	7,465	8,482	6,483
Average	19,706	19,177	8,749	8,017	7,307
<i>Source : All India Spices Exportes Forum</i>					