

SPICES MARKET INSIDER



Market News Service

Spices

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Spices News and Updates

Improvements to Madagascar clove production

The Ministry of Commerce and Consumer Affairs with the Association of Clove Exporters of Madagascar (GEGM) has given the green light to project to reorganize the sector.

The objective is to regulate the various stages of the marketing of clove and to control the quality of products. Participants in the clove business are obliged to complete the requirements for the collection and export.

These provisions are taken to "structure the sector, protect exporters, sustain the sector by increasing and regulating the production in order to have a stable price," said the spokesman GEGM.

Clove is the second agricultural export product of Madagascar, and the country ranks as the second largest producer with an estimated 12,000 tonnes per year after Indonesia, with 50,000 tonnes per year. However, "this priority sector in Madagascar faces competitiveness problems, destruction of quality, aging plantations and a lack of organization that threatens the development of the sector" said an analyst.

The industry supports over 30,000 farmers.

Early indications from the trade suggest that the new regulation and supervision from the GEGM is helping to improve quality and market conditions. However, by late December 20 containers of clove were blocked at port by the failure to issue export permits. Apparently, the required export standards were not being met.

Spice parks in India

The New India Express reports that the Indian Spices Board plans to set up spice parks and quality testing laboratories in the states of Arunachal Pradesh and Meghalaya to tap the potential of North East Indian region for spice production.

At present around 60,000 hectare in this part of the country is under spice cultivation and major spices available are King Chilly (Nagaland), Lakadong turmeric (Meghalaya), ginger, garlic, black pepper and large cardamom (Sikkim and Assam).

Logistics and transportation are the major challenges faced by the region on its path to become a major player in the spice export market in the country.

The Spices Board will soon set up a centre of excellence in large cardamom research, common facility centre, training centre and quality testing lab in 25 acres of land in Arunachal Pradesh and a spice park and testing lab will be established in Meghalaya in 15 acres, to promote spice cultivation.

The Board also plans to set up cardamom auction centres in Namsai and Kimin in Arunachal Pradesh. Study tours to farmers to South India to demonstrate primary processing of spices will also be organized.

"The efforts of the Spices Board to promote spice production in the North East is a welcome change. But the lack of proper logistics facilities is a major challenge for collection of these spices. In the future companies are likely to set up procurement and storage facilities in that part of the country," said Sanjaya Mariwala, Managing Director, Kancor Ingredients.

The Spices Board has set an export target of 755,000 tonnes valued at USD2,000 million for the financial year 2014-15.

Meanwhile, more recently and further south, The Hindu newspaper reports that the Spices Board has given its technical agreement for the establishment of a turmeric park in Nizamabad district, Telangana State.

Many farmers believe that if the park cum processing unit comes into existence, it would resolve their difficulties as it will ensure reasonable, remunerative prices and avoid the risks of transport to distant markets such as Sangli in Maharashtra for a better price. With an online trading facility to be available in the turmeric park, trading of produce could be possible from all over the world.

Farmers currently grow the crop and process it in a traditional manner at a high cost. The proposed park is expected to bring modern technical methods to process the crop which saves time and unnecessary costs to farmers.

Farmers would also get expert advice for growing better quality crop. The park would also provide some employment in an area where there is currently no manufacturing.

Subsidies for organic spices in India

The Department of Agriculture and Cooperation of the Government of India implements two schemes to promote organic agriculture, writes the Business Standard. These are the Mission for Integrated Development of Horticulture (MIDH) and the National Mission for Sustainable Agriculture (NMSA).

Under the MIDH, financial assistance is provided for horticulture crops, including spices :-

- For the adoption of organic farming - 50% of cost limited to INR10,000 per ha (about USD162/ha) for a maximum area of 4 ha in three instalments.
- For organic certification - INR5 lakhs (about USD8110) for a cluster of 50 ha. in three installments.
- For establishment of vermicompost units - 50% of the actual cost of INR1 lakh (about USD 1622) per unit for permanent structure and 50% of the actual cost of INR16,000 (about USD260)per unit for high density poly ethylene vermibed.

Under NMSA, assistance is extended for soil health management, compost production units etc.

The National Bank for Agriculture and Rural Development provides a subsidy for the adoption of organic farming. This is oriented towards clusters and villages.

Finally, the Indian Spices Board is promoting the cultivation and export of organic spices from India with special emphasis on organic production of spices in North Eastern States. The Spices Board provides 50% subsidy for various programs such as support for vermicompost units, establishment of bio-agent production units, organic seed banks (production of organic planting materials/nurseries), organic value addition/processing unit, organic farm certification assistance. Further, a 12.5% of cost of production subsidy, subject to the maximum of INR12,500 per ha (about USD203/ha), is provided for organic cultivation of ginger, turmeric, chillies, seed spices and herbal spices.

Indian Government approves the formation of a Saffron Production and Export development Agency (SPEDA).

As 2014 closed, the Government of India approved the setting up of Saffron Production and Export Development Agency (SPEDA). The objective of the new specialized agency of the Spices Board India, is to plan and implement programs for the development and promotion of the export of quality

saffron. SPEDA is to be headquartered at Srinagar, in the northwestern state of Jammu and Kashmir, and the State Government will consult with the Spice Board in setting up the agency.

SPEDA will handle research on the production, rejuvenation and processing of saffron. The agency will also provide training to farmers as well as assuring quality control of saffron and developing a Kashmir brand.

The formation of the agency follows the commencement earlier last year of a Saffron Park Project at Pampore Pulwama in J&K State. The saffron park is being developed by the National Horticulture Board, Ministry of Agriculture of the Government of India under the National Saffron Mission at a cost of Rs 24.54 crores.

At the ceremony to lay the foundation stone of the park in August 2014 the Union Agriculture Minister expressed concern over the reports that area under Saffron cultivation in Kashmir declined from about 5,707 hectares in 1996 to just 3,875 hectares in 2010-11.

In the last few years the Minister observed that productivity fell from 3.13 kg/hectares to 2.47 kg/hectares. He mentioned that a large number of Saffron fields had become aged and were suffering from fungal diseases.

Market Dynamics

Pepper – Following the highest dollar prices ever seen quiet trading conditions persisted into the end-of-year holidays. There was little left on offer from Vietnam and market eyes are on the new crop, though with the Tet holiday falling mid-February, which will restrain the full flow of early arrivals, there is some time to go yet before new supplies accumulate. India is looking to a good crop ahead.

Producer Prices in US\$ / tonne*

Items / sources	05-Jan	06-Jan	07-Jan	18-Jan	09-Jan	Average		% change	
						This week	Last week		
<u>BLACK PEPPER</u>									
Brazil <i>Ex-Belem</i> **	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	
India <i>Ex-Kochi</i>	10,806	10,728	10,717	10,720	n.a.	10,743	10,582	2%	
Indonesia <i>Ex-Lampung</i> **	8,738	8,690	8,640	8,640	8,703	8,689	8,833	-2%	
Malaysia <i>Ex-Kuching</i>	7,910	7,961	7,923	7,932	7,932	7,931	7,912	0%	
Vietnam <i>Ex-HCMC</i>	8,454	8,454	8,361	8,174	8,104	8,309	8,433	-1%	
Sri Lanka	8,045	8,045	8,045	8,045	8,045	8,045	7,950	1%	
<u>WHITE PEPPER</u>									
Brazil <i>Ex-Belem</i> **	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	
Indonesia <i>Ex-Pkl.Pinang</i> **	12,471	12,403	12,331	12,332	12,421	12,392	12,447	0%	
Malaysia <i>Ex-Kuching</i>	10,735	10,774	10,722	10,734	10,734	10,740	10,775	0%	
Vietnam <i>Ex-HCMC</i>	12,167	12,167	12,167	12,167	12,167	12,167	12,170	0%	
China <i>Ex-Hainan</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	

* converted from local currency at prevailing exchange rate

** unofficial source

Coriander – prices drifting off following the highs of September. The 2014 crop was bought early leaving low stock levels but also reduced demand. Indian output in 2015 is expected to be higher than 2014.

Cumin – reduced availability of good quality supplies of cumin from Syria are reported.

Cloves – Some easing as the Madagascan crop gets underway.

Chillies – The Indian market is moving out of the off-season quiet period. Local prices drifted off in the final weeks of 2014. New crop should start arriving in the markets of Andhra Pradesh and Karnataka from the middle of the month. Local traders are somewhat despondent about prospects in Madhya Pradesh where unseasonal rain has impacted the crop.

Prices in the market place

Spices

All prices are quoted in US\$/Kg

MARKET →	USA			JAPAN			EUROPE					
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Black Pepper	Spot 550g/l	12.12	12.12		Sarawak	13.00	12.50	9.00	Sarawak			
	Mal MG1				Mal MG-1	13.00	13.80	9.80	FAQ 550g/l	9.70	10.20	
	FAQ 500g/l	11.02	11.02		Lampung				FAQ 500g/l	9.50	10.60	
	Steam treated 550g/l				Brazil							
White Pepper	Muntok FAQ spot	15.43	15.43		Muntok	15.50	16.00		Muntok FAQ spot	14.20	13.70	
	Vietnam				Sarawak	17.00	17.00	16.00	Steam treated Muntok spot Vietnam		13.90	
Aniseed	Whole China star Turkish/Syrian	4.80	4.75						Vietnam Star Syrian 1%	3.40		
Caraway	Canadian Dutch	2.50	2.54						FAQ European	2.03	2.03	
Cardamom	Fancy Green	16.80	16.75		India AGS1				MYQ	5.20	5.20	
	Mixed Green				India AGS				Bold			

MARKET →	USA				JAPAN				EUROPE			
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Cassia	Korintji B 3.00 ML/SVO	2.90	2.87		China whole	3.70	3.70	2.90	Korintji B Br & Cl	2.85	2.86	
	Vera C/W AA	5.00	4.97	3.85	China broken	3.50	3.50	2.65	Vera AA			
	Vietnamese 5ML/SVO				Vietnam QNV	3.80	3.80	3.00				
Celery	Indian spot	1.95	2.00	1.52	Indian				Indian 99% FAQ	1.95		
Chili	Indian S4	2.60	2.55	2.86	Indian Sanna				S4 grade			
	African Bird's eye	5.50			Chinese				African Bird's Eye	5.50	5.50	
Cinnamon	Ceylon H2		10.36	10.91	Sri Lanka C5 SP				Sri Lanka c5 cut			
Cloves	Sri Lanka hand picked	21.00	20.40		Madagascar	12.20	12.50	15.00	Comores / Madagascar	10.97	11.29	
	Zanzibar	14.50	14.35	14.04	Zanzibar	13.00	13.00	15.50				
	Indo stems											
Coriander	Bulgarian	1.85	1.90						98% East European	1.88	1.89	
	Canadian			1.68								
Cumin	Turkish	2.80	2.95						Turkish 98%	2.80		
	Syrian								Syrian 99%		2.98	
	Indian				Indian				Indian 99%			
Dill	Indian	1.77	1.77	1.85					Indian 99%			
Fennel	Fancy Egyptian	2.55	2.55						Egyptian99%			
	Indian ASTA	2.30	2.30	2.83	Indian				Indian 99%			
Fenugreek	Turkey	1.33	1.30	1.10					Indian 99%	0.62	1.75	

MARKET →	USA				JAPAN				EUROPE			
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Garlic	Ch. Powder	2.60	2.65					Flakes	2.00	2.00		
	Ch. Granulated	2.80	2.85					Powder	1.30	1.30		
Ginger	Cochin		5.29		Cochin			Cochin				
	Chinese sliced				Chinese sliced			Chinese sliced	4.60	4.68		
	Chinese peeled	5.00	4.85		Chinese whole			Chinese peeled	5.00	5.00		
	Nigerian	3.00	3.53					Nigerian	2.45	2.78		
Mace	Siau No 2 siftings	32.00	32.00	35.27	Siau whole	22.50	22.50	25.00	PNG Broken Indonesian	14.75	18.20	
Mustard	No 1 Yellow Canadian	1.57	1.57	1.57					Canada Yellow	1.26	1.26	
	Brown oriental	1.55	1.54	1.54					Canada Brown	1.21	1.21	
Nutmeg	E.I. ABCDs	20.39	20.39	23.15	Indo 110's	19.50	19.50	20.50	Indonesian SS	13.50	16.50	
	E.I. cracked		16.00	18.19					WI 110's			
Onion	Egypt pow								EI ABCDs	13.75		
	India pow								Powder	2.38	2.38	
Paprika	Spanish ASTA 120								Flakes	3.03	3.03	
	Spanish visual								Spanish 80 ASTA			
	Hungarian	6.80	6.83						Hungarian 100 ASTA			
	Peru ASTA	3.40	3.39						Peru HT90 ASTA			

MARKET →	USA				JAPAN				EUROPE			
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Pimento	Mex/Guatemala	4.00	5.07		Mexican Jamaica	5.25	5.25	5.00	Guatemala	4.00	4.12	
	Jamaica		8.70						Jamaica		7.98	
Poppy	Dutch	2.80	2.82	3.33					Dutch	3.03	3.03	
	Turkish		2.75									
Sesame	Indian Natural											
	Indian hulled	2.58	3.26						Indian Hulled	2.25	2.90	
Turmeric	Alleppey curcumin 5%	3.53	3.53		Madras fingers	1.90	1.80	1.70	Madras fingers			
					Alleppey fingers							
Vanilla ¹	Bourbon	53.00	53.00						Extract/ Gourmet	45.0/ 55.0	45.0/55.0	

¹ Vanilla – the prices given here are indicative of the value of bulk sales at origin. Selling prices within Europe are substantially higher as they reflect much smaller quantities that may be specially packaged.

Prices in the market place

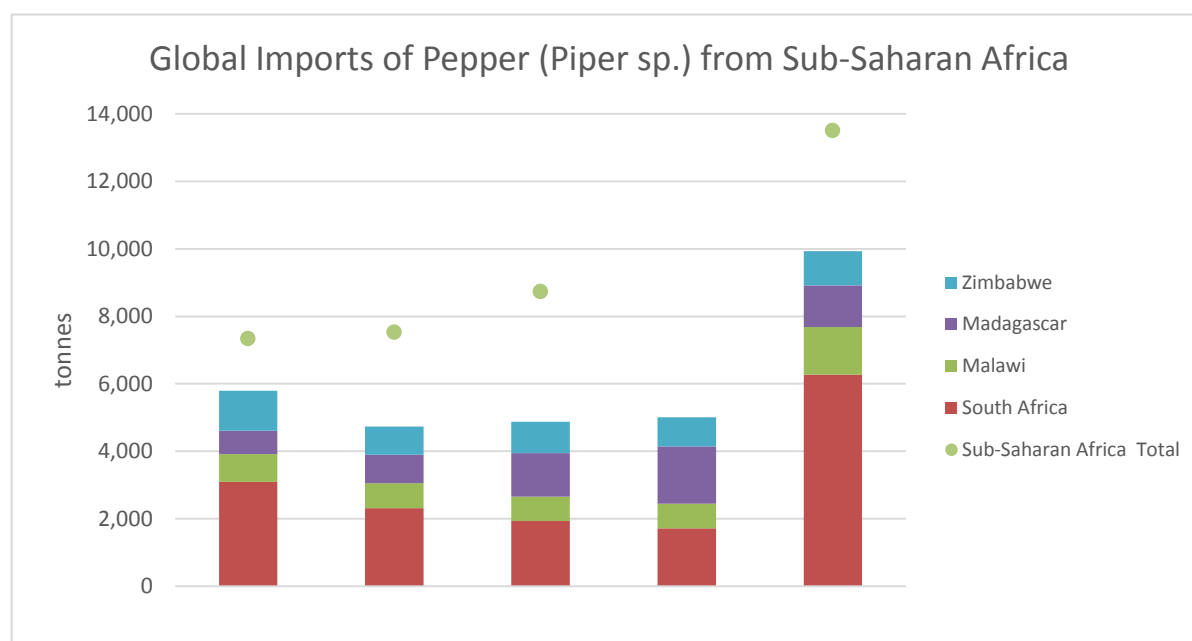
Herbs

All prices are quoted in US \$/Kg

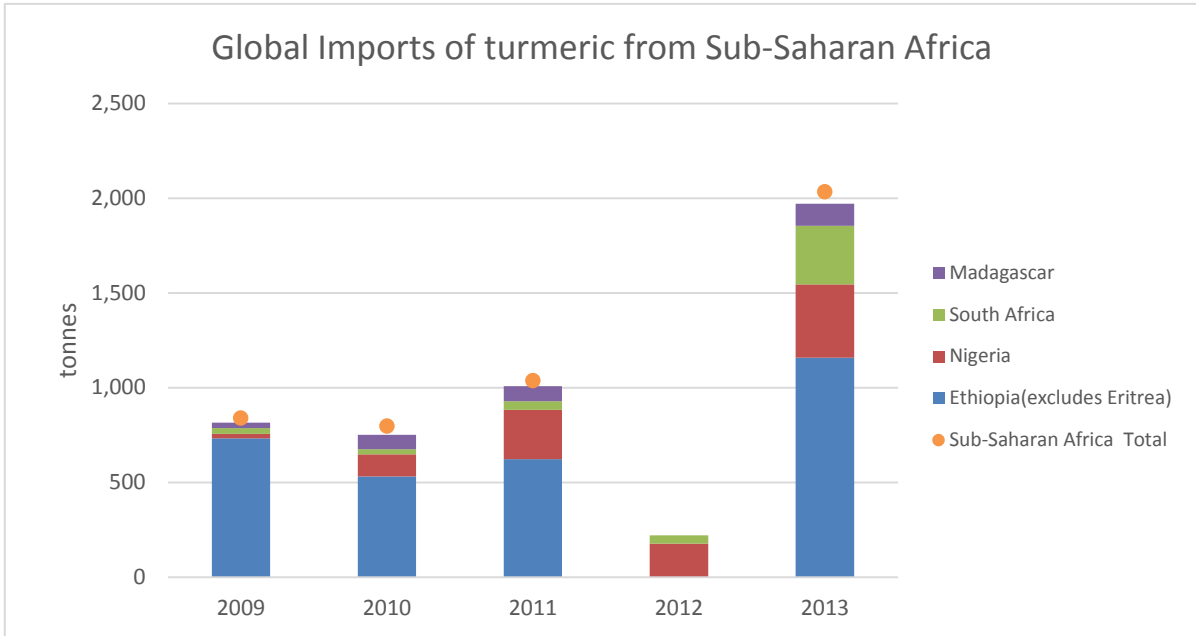
PRODUCT	USA			EUROPE		
	GRADE	PRICE		GRADE	PRICE	
		This Week	2 Month Ago		1Year Ago	This Week
Basil	Egyptian FAQ	3.09	3.09	Egypt	3.25	3.82
	Egyptian Extra Fancy			Egypt fines		
Bay leaves	Turkish Fancy			FAQ		
	Turkish semi select	3.86	3.86	Turkish semi-select	11.09	7.97
Chervil				German	8.79	9.84
Dill weed	Egyptian Californian	4.07	1.85	Cut	2.60	2.61
Marjoram	Egypt Fancy	3.86	3.97	Egypt	4.66	5.29
Mint	Spearmint	6.50	6.50	Egyptian	4.13	5.02
Oregano	Turkish 30#	3.31	6.28	Turkish	4.54	5.29
Parsley	Israeli	7.00	7.00	European 2mm	6.02	6.49
	USA	8.16	8.16			
Rosemary	Morocco Spanish	2.09	1.96	Morocco Spanish	2.30	2.47
Saffron	Spanish	2,315		Iranian	2,300	2,650
Sage	Albanian	4.30	5.07	Turkish	5.49	6.23
Savoury	Albanian	3.30	3.53	German	4.07	6.36
Tarragon	French	27.56	27.56	French	20.95	23.77
Thyme	Spanish	4.08	3.88	Spanish	3.36	3.68
	Moroccan	3.85	3.88	Moroccan		

Statistical information and related resources

Source: UN COMTRADE (<http://comtrade.un.org/>) and IPC

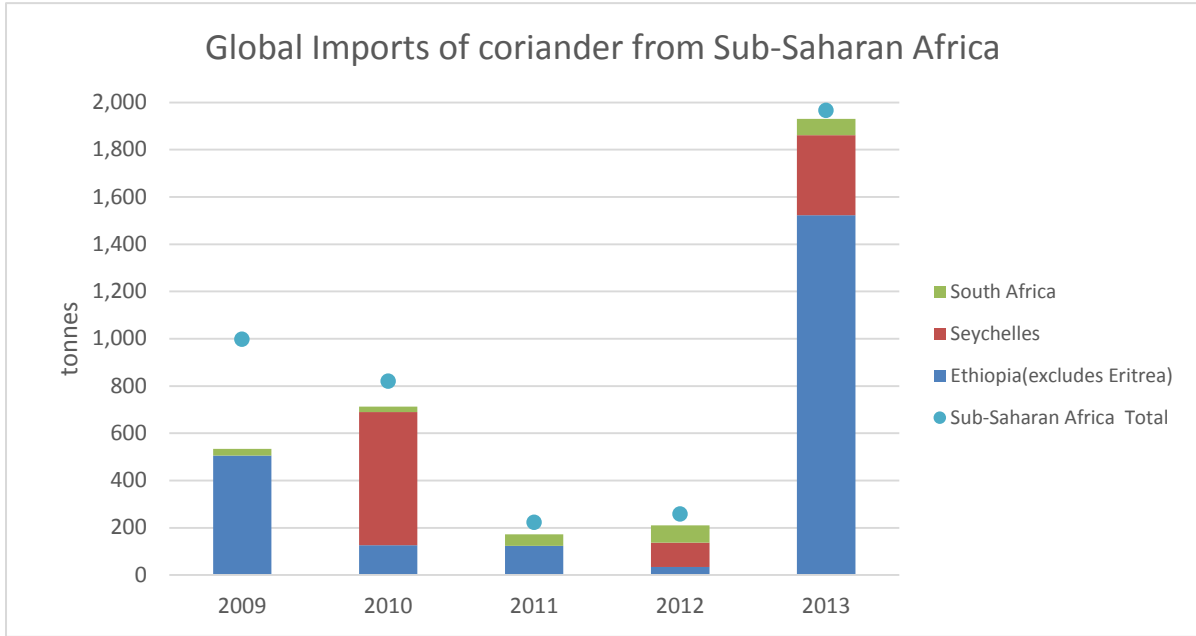


Exporter	2009	2010	2011	2012	2013	tonnes
South Africa	3,090.62	2,312.11	1,938.17	1,721.39	6,269.16	
Malawi	831.23	746.01	717.06	725.39	1,412.41	
Madagascar	690.55	842.86	1,287.50	1,696.85	1,231.81	
Zimbabwe	1,182.39	830.86	935.20	866.73	1,021.46	
Togo	0.97	380.75	1,496.76	2,533.44	628.37	
Mali	0.10	79.90	153.33	438.00	433.77	
Zambia	462.76	205.03	209.92	627.23	393.93	
Nigeria	363.95	426.67	510.92		391.54	
Ethiopia(excludes Eritrea)	71.00	126.16	211.14	355.10	389.70	
Uganda	69.20	199.67	407.86	492.19	376.09	
Mozambique	110.67	104.49	101.21	163.87	326.94	
Kenya	194.17	232.12	222.33	313.70	176.46	
Others	272.50	1,039.74	535.79		444.97	
Sub-Saharan Africa Total	7,340.11	7,526.35	8,727.19		13,496.60	



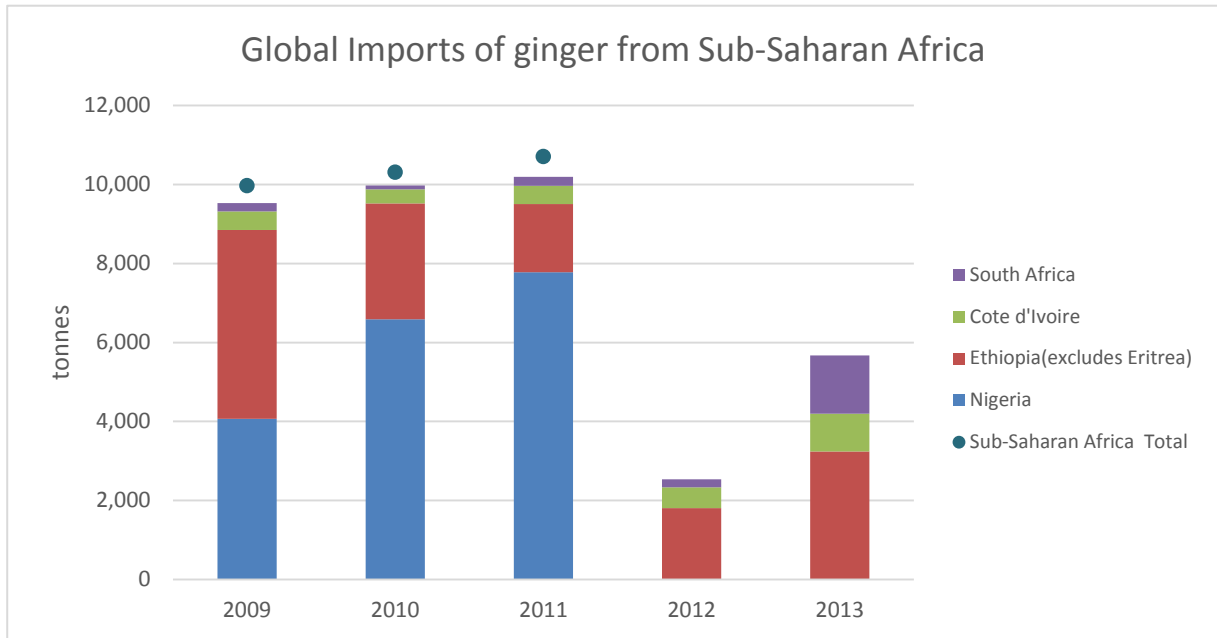
Turmeric

Exporter	2009	2010	2011	2012	2013
Ethiopia(excludes Eritrea)	732.32	531.50	623.10		1,157.50
Nigeria	24.00	116.58	259.78	176.35	387.59
South Africa	29.96	27.23	45.00	43.89	309.54
Madagascar	29.12	75.32	79.20		116.54
Others	22.08	45.25	29.47		61.13
Sub-Saharan Africa Total	837.49	795.87	1,036.55		2,032.30



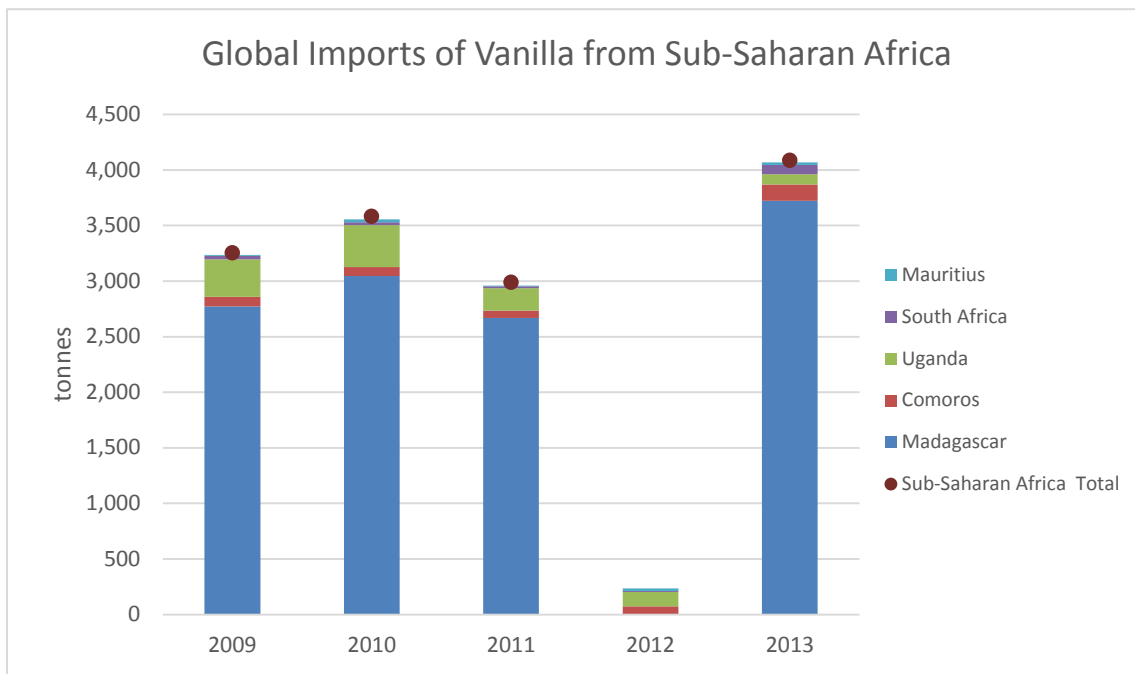
Coriander

Exporter	2009	2010	2011	2012	2013
Ethiopia(excludes Eritrea)	505.08	126.67	124.04	34.21	1,523.02
Seychelles		562.60		102.92	338.00
South Africa	28.91	23.99	48.78	73.61	69.86
Others	463.06	106.21	48.50	45.63	34.03
Sub-Saharan Africa Total	997.04	819.46	221.33	256.37	1,964.91

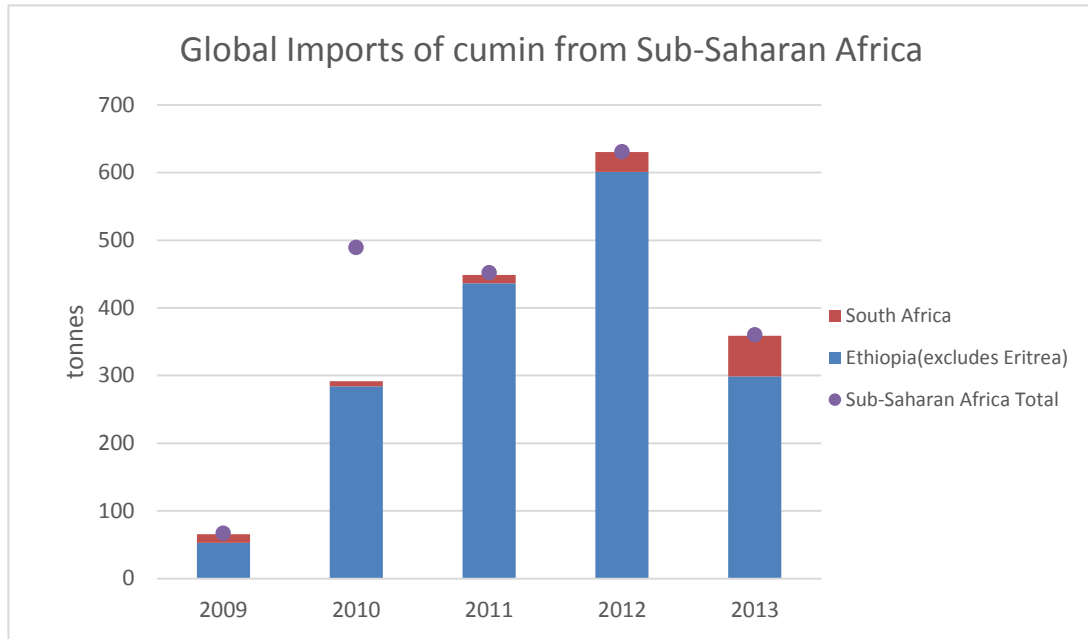


Ginger

Exporter	2009	2010	2011	2012	2013
Nigeria	4,069.54	6,585.59	7,777.46		
Ethiopia(excludes Eritrea)	4,781.05	2,935.39	1,730.58	1,810.11	3,241.89
Cote d'Ivoire	465.76	354.77	460.85	528.50	953.38
South Africa	215.74	102.05	227.87	201.27	1,473.85
Uganda	137.59	82.12	140.44	208.85	66.32
Benin	3.75	61.96	97.88	10.52	119.33
Niger	89.88	50.75	84.08	21.70	11.28
Togo		12.01	34.25	67.08	6.20
Ghana	49.98	18.33	30.18	34.91	155.95
Others	144.93	96.12	115.88		
Sub-Saharan Africa Total	9,958.22	10,299.08	10,699.47		

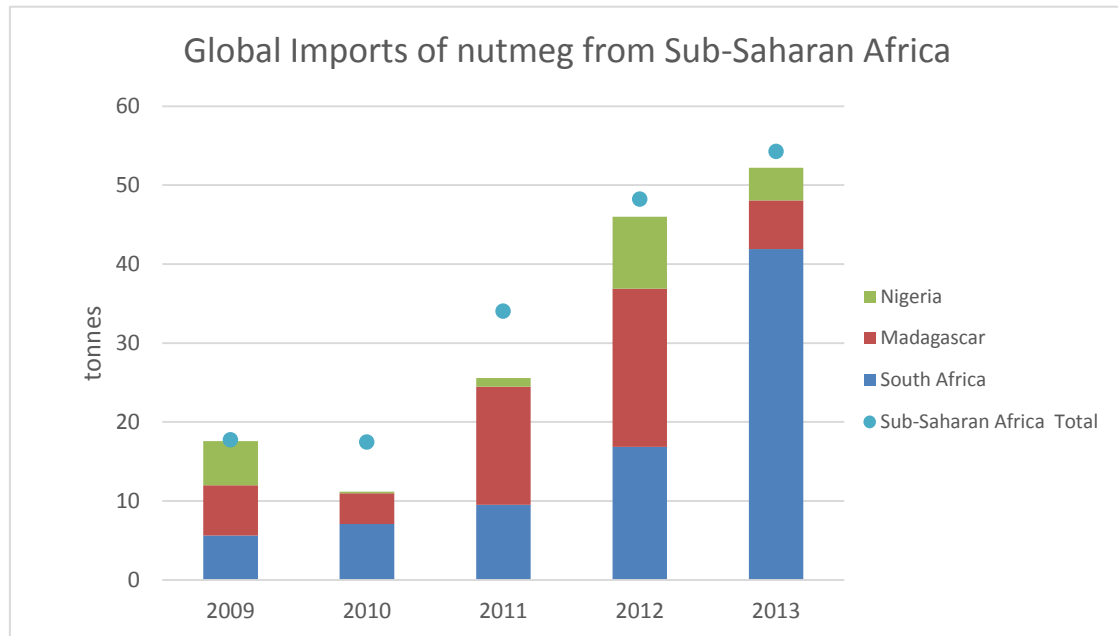


Exporter	2009	2010	2011	2012	2013
Madagascar	2,773.12	3,045.07	2,669.10		3,722.85
Comoros	84.11	80.63	66.17	72.97	147.61
Uganda	338.88	378.38	200.42	130.37	89.82
South Africa	31.89	25.31	18.93	10.24	86.15
Mauritius	7.61	25.10	5.94	20.85	21.99
Tanzania	5.98	24.03	21.40	14.71	9.08
Others	8.74	2.73	5.87		6.51
Sub-Saharan Africa Total	3,250.34	3,581.26	2,987.83		4,084.00



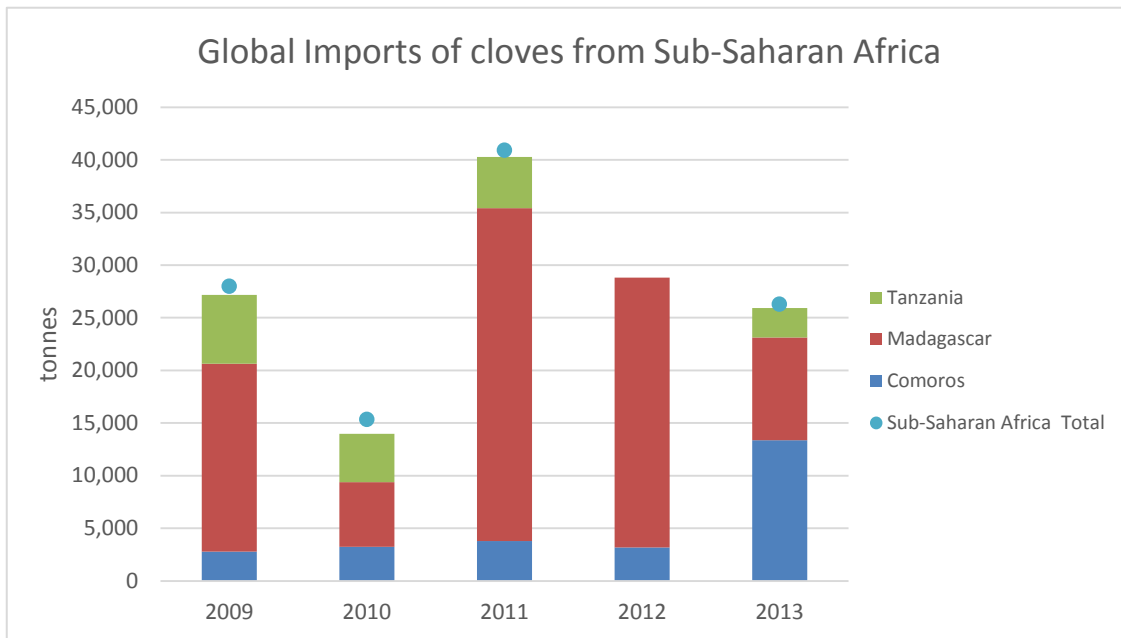
Cumin

Exporter	2009	2010	2011	2012	2013
Ethiopia(excludes Eritrea)	52.78	284.00	436.37	600.91	298.85
South Africa	12.84	7.48	12.52	29.40	59.83
Others	1.27	197.62	2.92		1.47
Sub-Saharan Africa Total	66.89	489.10	451.81	630.49	360.15



Nutmeg

Exporter	2009	2010	2011	2012	2013
South Africa	5.63	7.07	9.51	16.83	41.91
Madagascar	6.36	3.90	14.99	20.06	6.17
Nigeria	5.61	0.20	1.07	9.10	4.10
Others	0.11	6.26	8.47	2.20	2.05
Sub-Saharan Africa Total	17.71	17.42	34.03	48.19	54.23



Cloves

Exporter	2009	2010	2011	2012	2013
Comoros	2,773.24	3,241.00	3,781.07	3,172.01	13,363.53
Madagascar	17,861.52	6,137.17	31,632.49	25,650.37	9,750.33
Tanzania	6,541.50	4,597.38	4,874.53		2,816.20
Others	795.08	1,349.43	600.64		340.28
Sub-Saharan Africa Total	27,971.33	15,324.98	40,888.73		26,270.34

Events

Event	Start Date	End Date	Country	City	URL
COSCO Convention on coconut, spices and coir	27/01/2015	31/01/2015	India	Coimbatore	www.coscoexpo.com/
Gulfood	08/02/2015	12/02/2015	UAE	Dubai	www.gulfood.com
Prod Expo	09/02/2015	13/02/2015	Russia	Moscow	www.prod-expo.ru
Biofach	11/02/2015	14/02/2015	Germany	Nuremberg	www.biofach.de
Ambiente	13/02/2015	17/02/2015	Germany	Frankfurt	http://www.ambiente.messefrankfurt.com
Foodex Japan	03/03/2015	06/03/2015	Japan	Chiba	http://www3.jma.or.jp/foodex/en/
International Food & Drink Event	22/03/2015	25/03/2015	UK	London	www.ife.co.uk
Natural & Organic Products Europe	19/04/2015	20/04/2015	UK	London	http://www.naturalproducts.co.uk/
China International Food Exhibition	04/06/2015	06/06/2015	China	Guangzhou	www.ifechina.com
Food Ingredients Asia	09/09/2015	11/09/2015	Thailand	Bangkok	www.foodingredientsglobal.com/asia-thailand/home
IBA	12/09/2015	17/09/2015	Germany	Munich	www.messe-duesseldorf.de
ANUGA	10/10/2015	14/10/2015	Germany	Cologne	www.anuga.de
Food Ingredients Europe	01/12/2015	03/12/2015	France	Paris	www.foodingredientsglobal.com/europe/home