

Pepper



KEY TAKEAWAYS

- > **Global production** is estimated at 434 KMT, similar to last year. Vietnam's harvest is slightly down, increasing its reliance on imports. Brazil's harvest grew and India's production fell due to unfavorable weather. Global stock levels remain low.
- > **Global demand** has been above supply for five consecutive years. Vietnam, the largest exporter, saw total exports fall 13% YoY in H1 2025, with weaker U.S. demand partially offset by an increase of Chinese imports. Brazilian exports rose, particularly to Vietnam.
- > **U.S. tariffs** are causing uncertainty, prompting importers to slow down activities.

PRICE OUTLOOK

short term



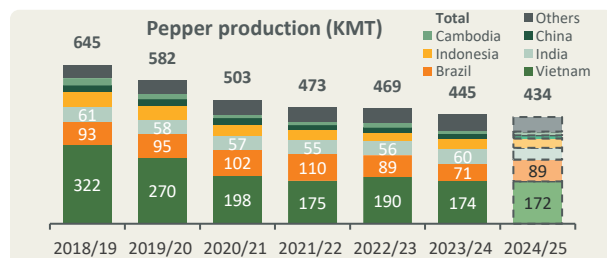
medium term



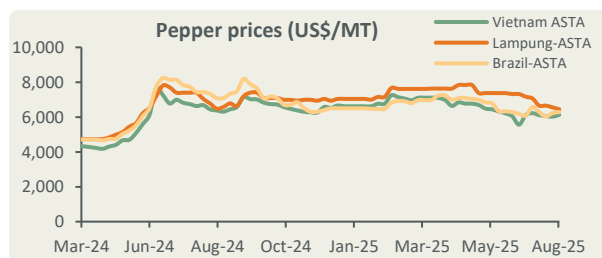
long term



SUPPLY DYNAMICS



PRICE TRENDS



Vietnam

- > Vietnam's 2025 harvest totaled 172 KMT, down 2% from last year and 47% below the 2018/19 peak, due to a reduction in acreage. No major acreage expansion is observed for next crop.
- > Imports H1 2025 rose 57% YoY to 28 KMT supporting tight supply.

Brazil

- > Brazil's 2025 production is projected at 89 KMT, up 26% from 2024, driven mainly by a yield increase. Acreage has shown steady growth over the years, a trend that is expected to persist.

India

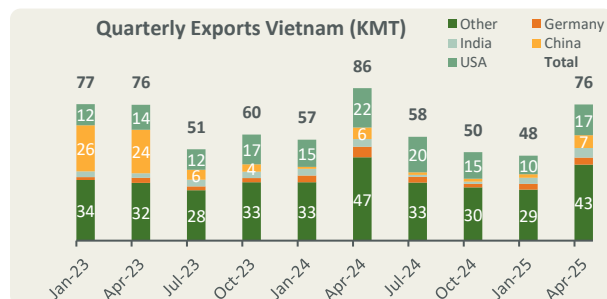
- > India's production fell 20% to 48 KMT due to unfavorable weather.

Indonesia

- > Indonesia's crop is forecast at 37 KMT following a fall in acreage.

- > After a 65% surge at the end of Vietnam's '24 harvest, prices have steadied.
- > Vietnamese exports in H1 2025 fell 13% YoY to 124 KMT. U.S. shipments in H1 were down 27% YoY, after a record total of 72 KMT in 2024. H1 exports to China rose 25% YoY to 9 KMT after two quiet years.
- > Brazilian exports in H1 2025 rose 34% YoY to 50 KMT, with shipments to Vietnam nearly tripling to 18 KMT.
- > Indonesian Q1 exports rose 81% YoY to 12 KMT, mainly driven by Vietnam and China, but fell below 2024 levels from March onwards.
- > U.S. Tariff uncertainty persists, and impacts vary. Some importers have paused activities. Vietnam is exposed with the U.S. as its top market, while Brazil's direct exposure is limited: its U.S. export share fell from 6% in 2024 to 2% YTD 2025.

EXPORTS



U.S. TARIFFS

	Rate	Deal
Vietnam	20%	Deal announced, not signed
Brazil	50%	No deal, talks started
India	50%	No deal, talks started
Indonesia	19%	Framework agreed, details pending

- > An exemption for agricultural products grown exclusively outside the U.S. is under negotiation but remains unconfirmed.
- > Several court cases challenging legality of U.S. tariffs are pending.