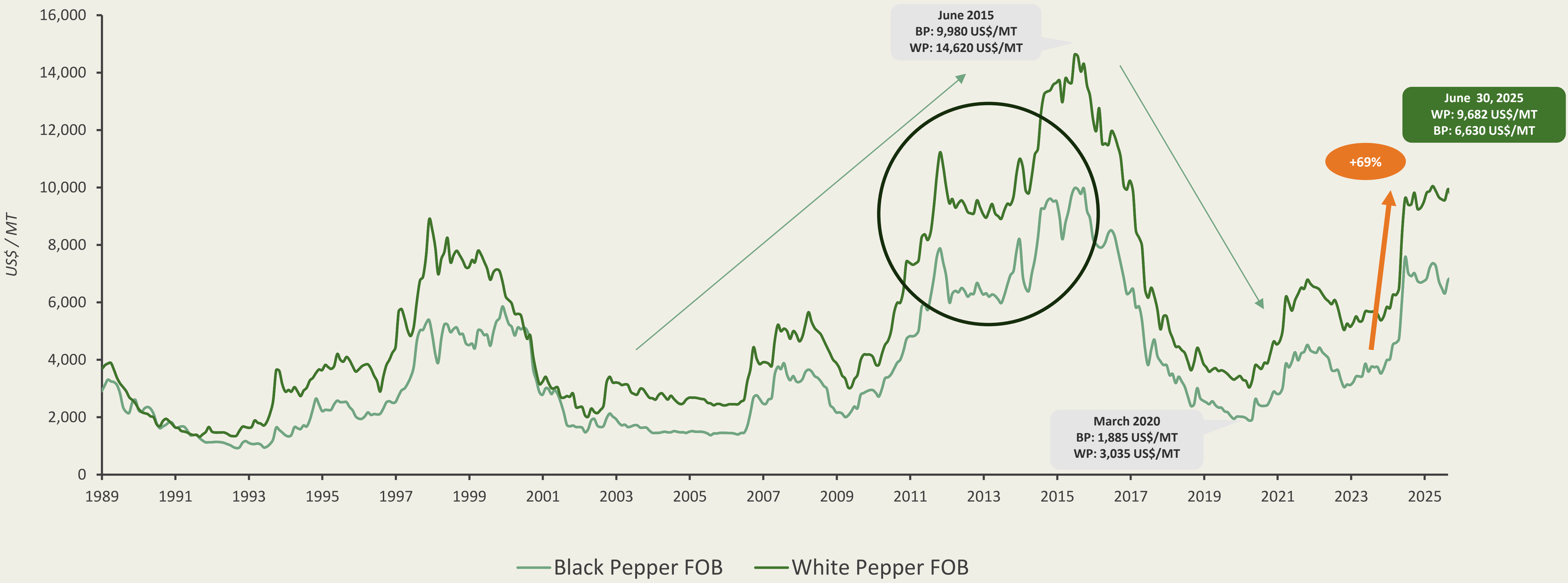
Pepper report

November 2025, Chongqing, China
Ha Phuong Minh

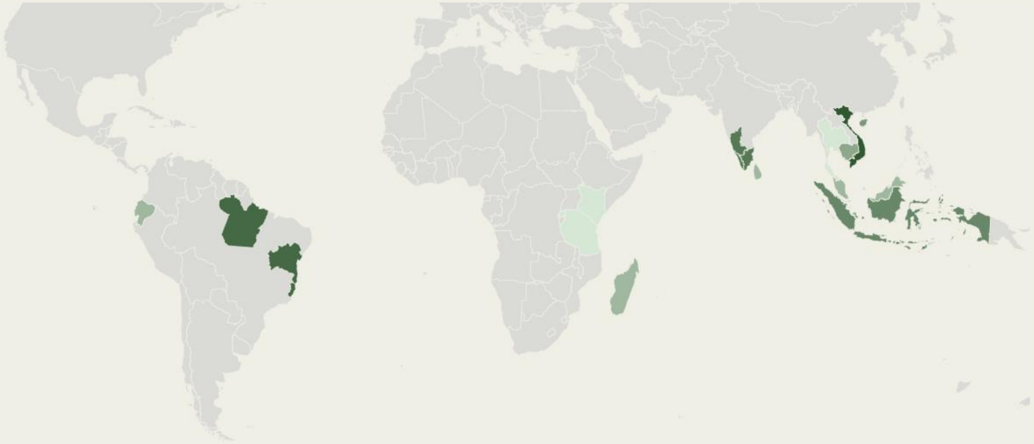
The current cycle: after pepper prices surged 69% in 2024 prices stabilized in 2025—What's Next?

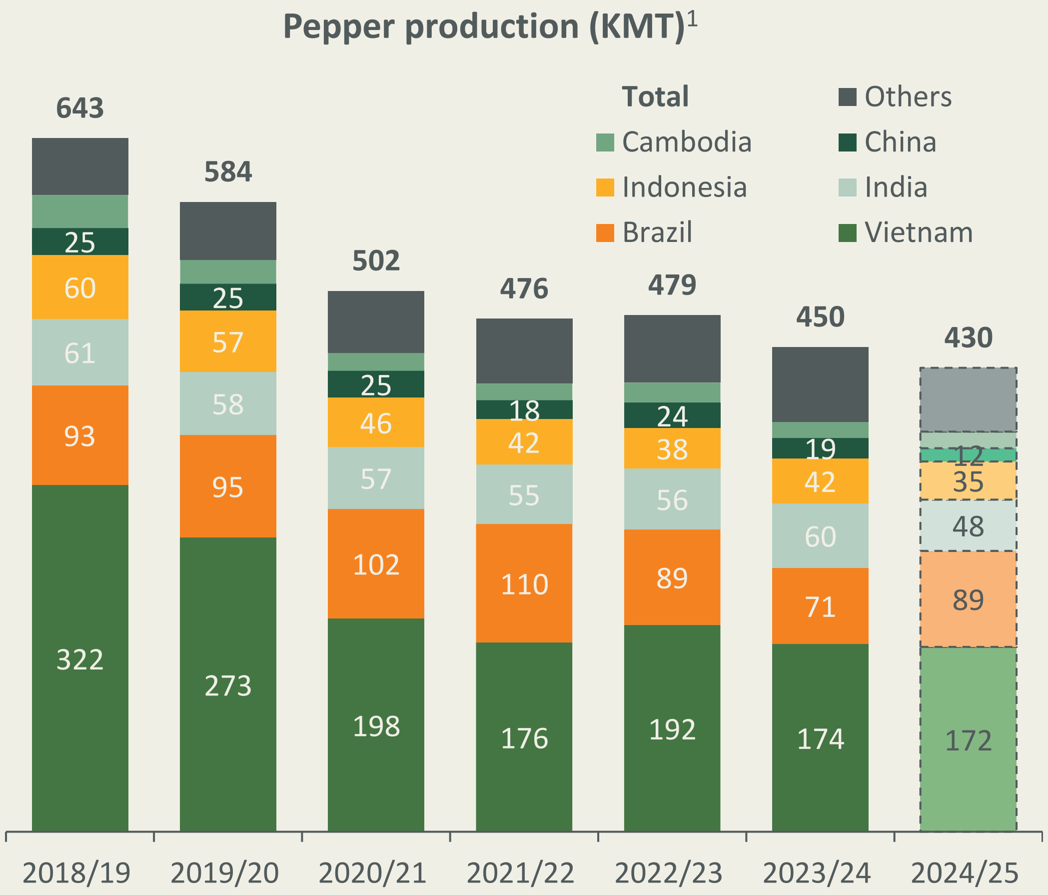


1) *Nedspice research.* Market price as per 4-Sep-2025. Average of Vietnam, Indonesia and Brazil ASTA quality

Agenda

Global production declined by 33% over the past 6 years

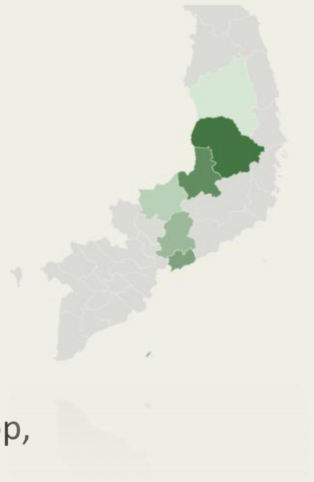




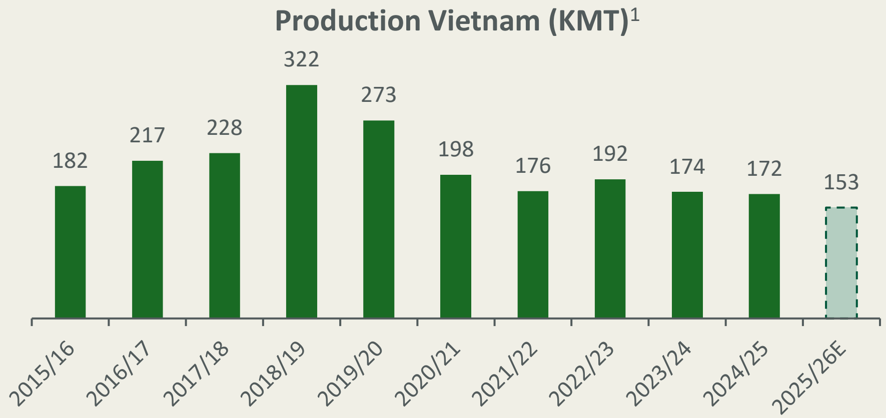
- **Total global production fell to 430 KMT** after a record 643 KMT in 2018/19
- Price fall between 2016 and 2020 caused farmers to abandon pepper in Vietnam and other origins
- Brazilian crops, while acreage increases, faced unfavorable weather
- India, though historically being a stable producer, encountered adverse weather too; most pepper is consumed domestically
- Indonesia has seen a decrease in acreage, similar to Vietnam

1) *Nedspice research.* Worldwide pepper harvest

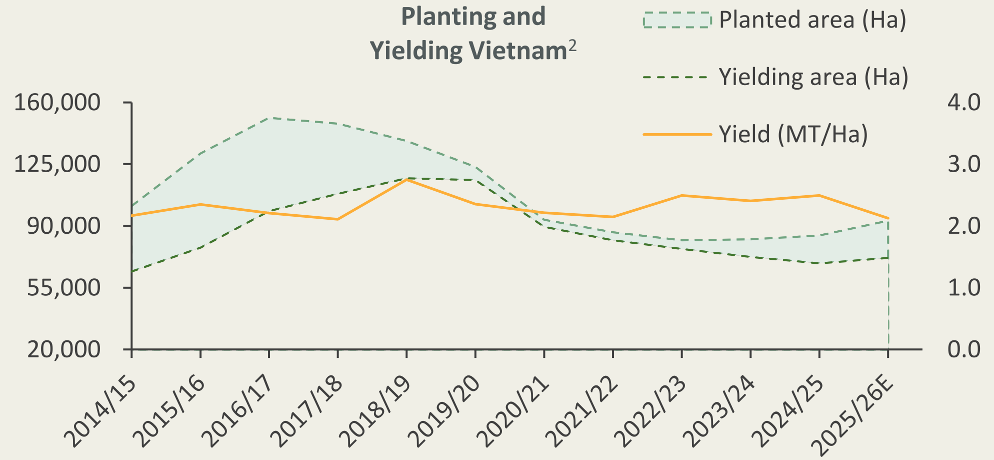
Production in Vietnam shows a declining acreage with a stable yield

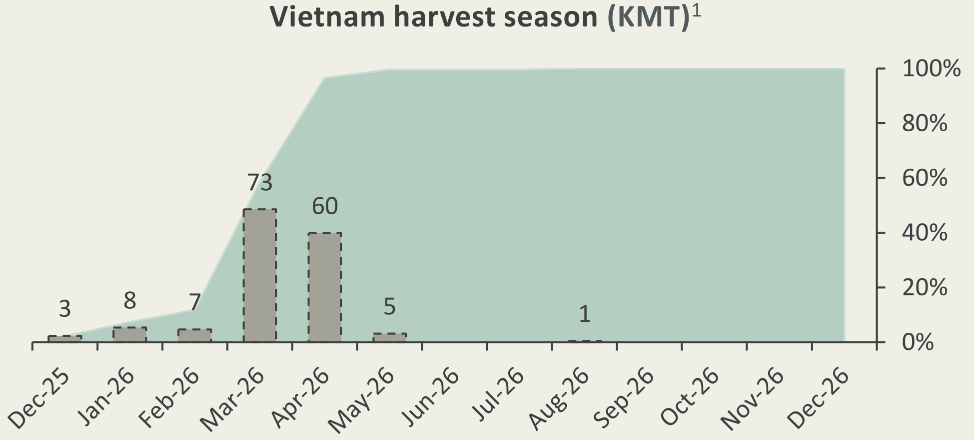


-44% **drop in acreage since 16/17**[2]



- Production estimated to be fallen to 153 KMT for 25/26 crop, decrease 52% from 322 KMT in peak year 2018/19.
- Acreage has dropped 44% since 2016, average yield is relatively stable at around 2.5 MT/Ha
- Limited signs of supply recovery; new planting is highly dependent on competitiveness with other crops such as durian and coffee
- 25/26 crop expect to arrive with a small volume in Dec 25, peak in Mar – Apr 26 and finished in May 26.

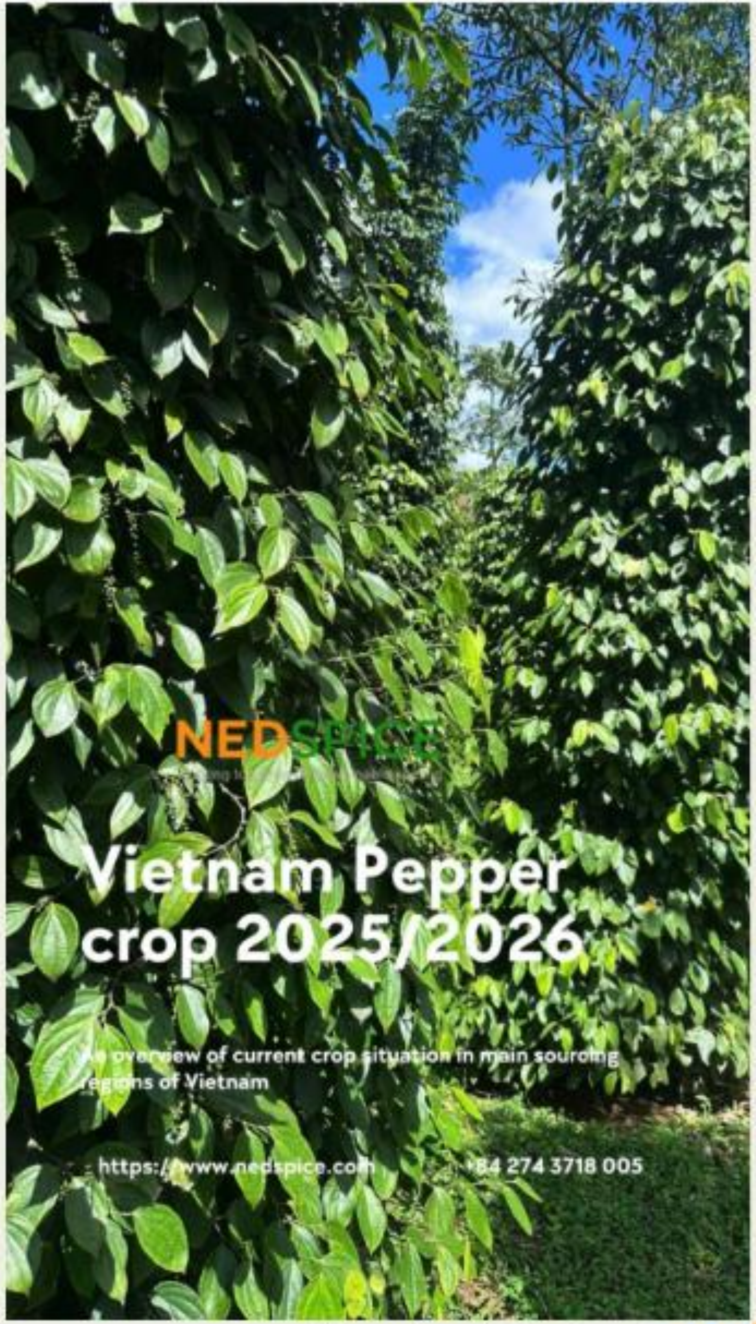




1) *Nedspice research.* Vietnam pepper harvest
2) *Nedspice research*. Crop development
3) *Vietnam government data.* Comprehensive monitoring of durian production and export chain

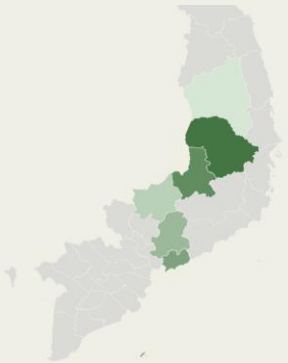
An overview of Vietnam Pepper 2025/26

- Initial indications suggest an approximate 10% decline in production for the upcoming crop
- Favorable prices are encouraging farmers to take better care of their pepper farms
- Pepper vines appear healthy despite expectations of a smaller crop
- However, expansion of pepper cultivation and supply recovery remain limited, as coffee and durian offer significantly higher returns for farmers



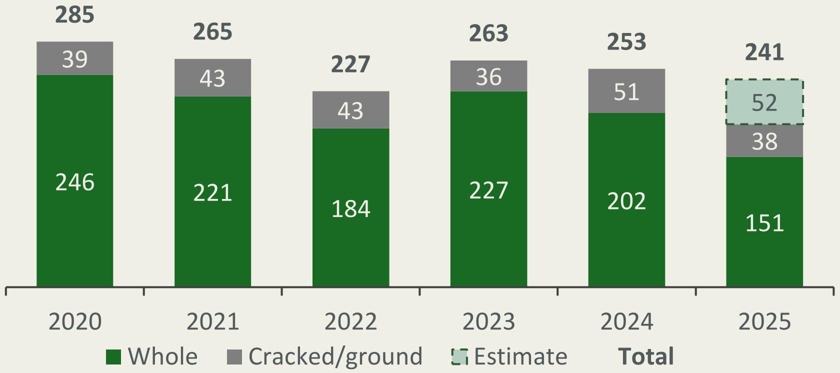
https://tinyurl.com/53ycrfrt

Exports from Vietnam remain well above production, relying on imports and stocks

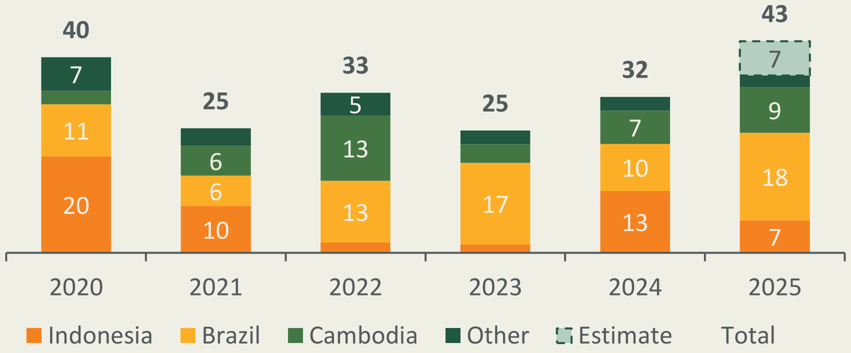


-7% drop in 2025 YTD exports[1]

Exports Vietnam (KMT)[1]

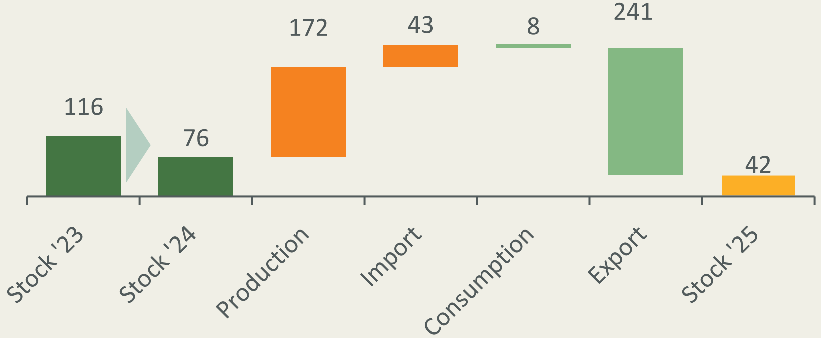


Imports Vietnam (KMT)[2]



- **Exports remain well above production of 172 KMT**
- At 190 KMT, YtD exports are 7% lower than the same period in 2024[2]
- The largest importer USA imported 40 KMT YtD, a decline of 30% compared to the same period in 2024, after tariff uncertainty and relatively high imports of 72 KMT last year[2]
- Demand from China (2nd largest importer) grew to 15 KMT YtD[2], but remains limited compared to the size of the Chinese market
- Export capacity is under pressure as production and stock levels decline; imports have increased by 52% to 36 KMT YtD[2]

Stock Development Vietnam (KMT)[3]



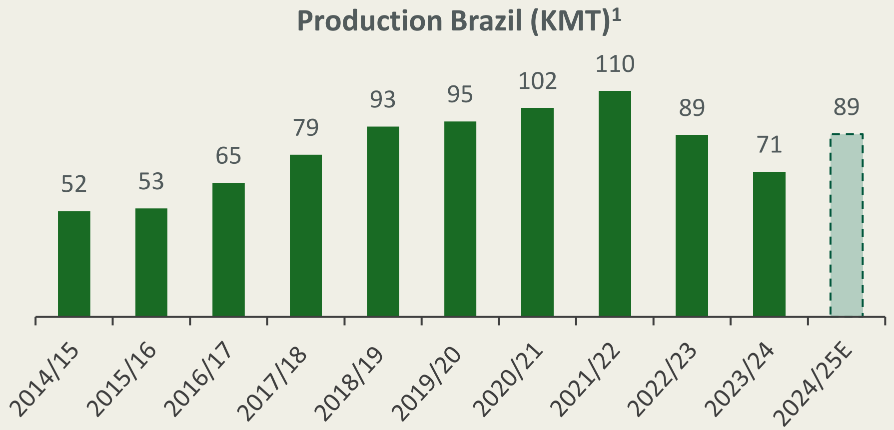
1) *Eximpedia.* Export data Sep 2025
2) *VPSA.* Export data Sep 2025
3) *Nedspice research.* Stock development

NEDSPICE

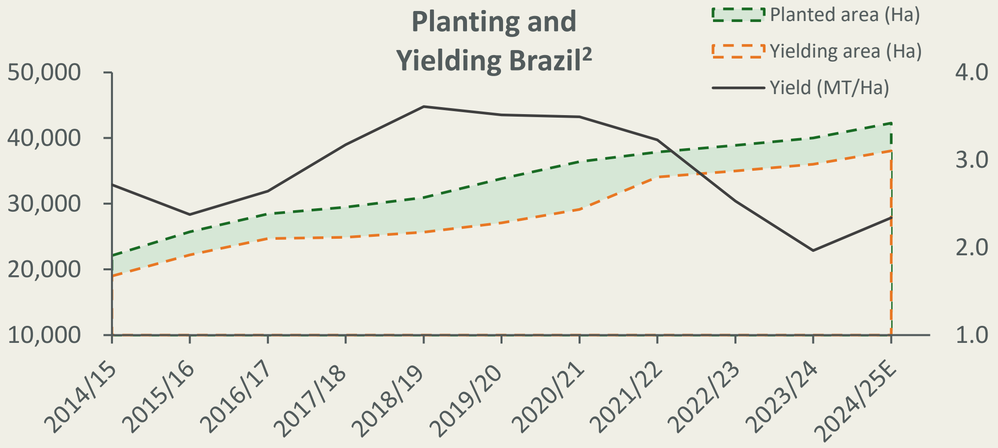
CSA China Spice Association

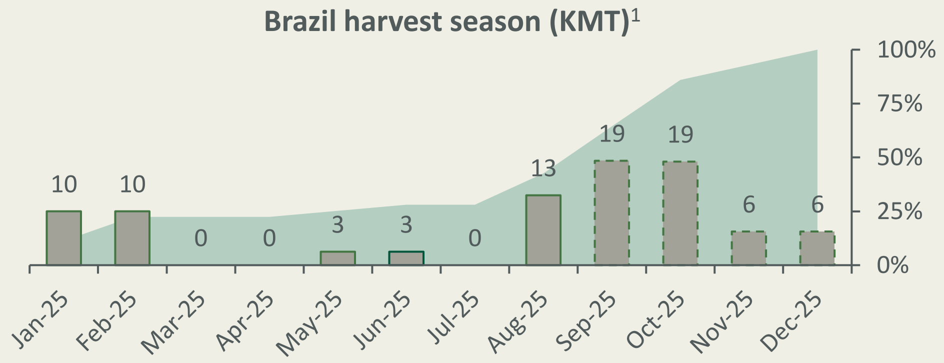
Production in Brazil shows an increasing acreage with a decreasing yield

-36% drop in yield since 18/19[2]



- **Production estimated at 89 KMT** this year, after a peak of 110 KMT in 2021/22
- Unfavorable weather conditions are pressing yields in the past years, while acreage keeps increasing
- The current year production may be affected by a shortage of available workers for harvesting; part of the crop could go uncollected
- New planting is expected to continue in the south of Brazil
- There is potential for a significant increase in production, when historical yields return





NEDSPICE

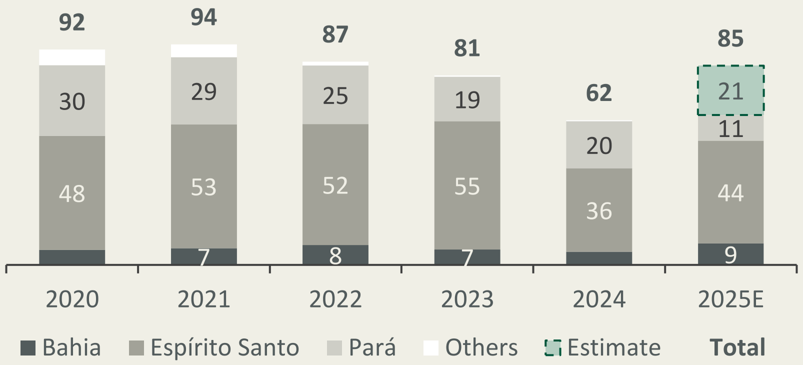
1) *Brazilian government trade data.* comexstat.mdic.gov.br
2) *Nedspice research.* Stock development

CSA *China Spice Association*

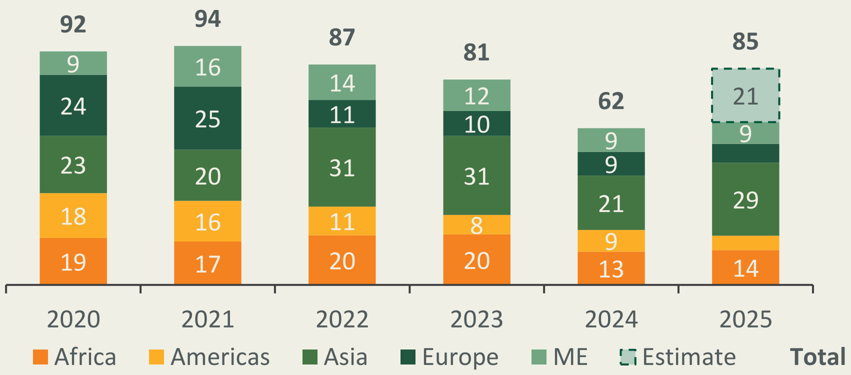
Exports from Brazil are recovering after a drop during previous years

30% increase in exports in 2025 YtD

Export origins Brazil (KMT)[1]

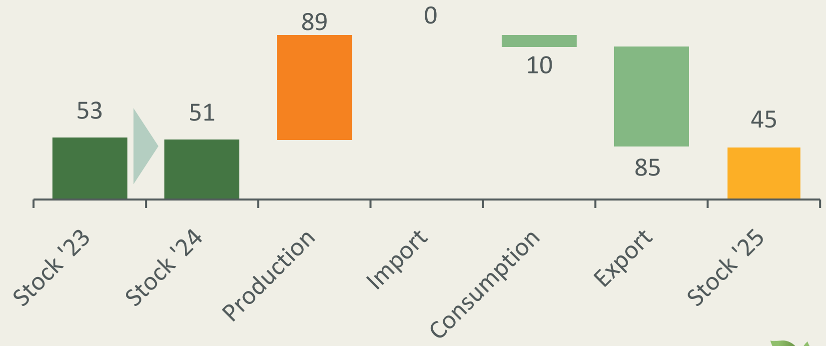


Export destinations Brazil (KMT)[1]



- After a recent drop, Brazilian exports are recovering, showing a 30% increase YtD
- From 2021 to 2024, exports dropped by 34% from 94 KMT to 62 KMT, following the decline in Brazilian production during this period
- Brazil's export growth is driven by Vietnam which has imported 19 KMT YtD; an increase of 179% versus the same period in 2024[2]
- US tariffs are currently 50% US, but only 5% of US imports originated from Brazil in 2024[4] and just 6% of Brazilian exports went to the USA in this period[1]

Stock Development Brazil (KMT)[3]



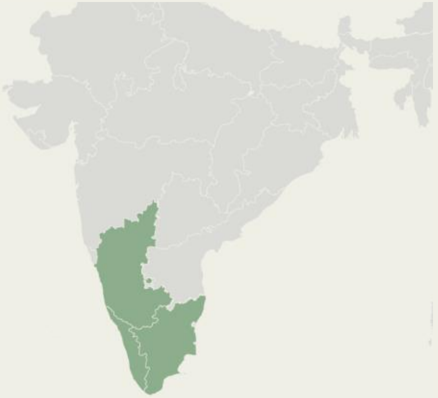
NEDSPICE

1) *Brazilian government trade data.* comexstat.mdic.gov.br Sep 2025
2) VPSA. Brazilian exports Sep 2025
3) *Nedspice research.* Stock development
4) *Nedspice research.* Export estimates based on VPSA and ITC data

CSA China Spice Association

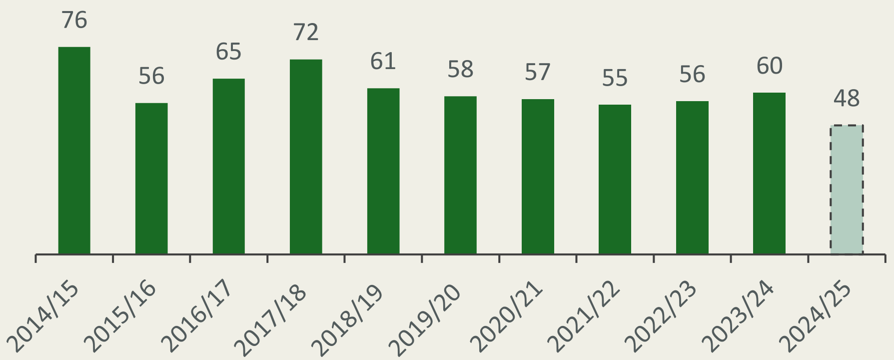
Brazil crop 2025/2026

Production in India at a record low in a usually stable crop

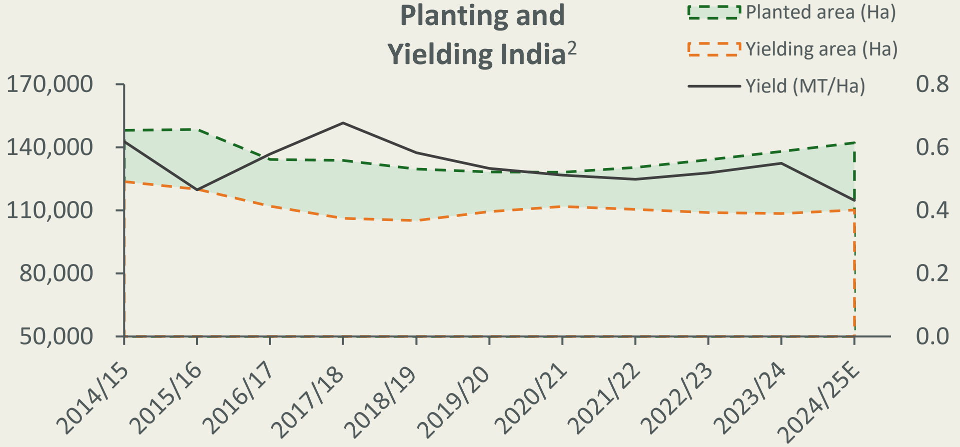


-20% drop in production last

Production India (KMT)[1]

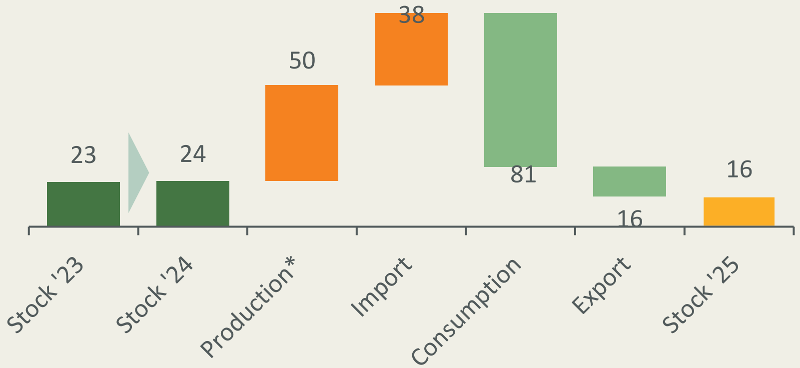


Planting and Yielding India[2]



- **Production estimated to have declined to 48 KMT** this year, El Niño contributed to reduced rainfall and heatwaves
- Planted and yielding area ware constant over the past years, with a moderate yield peak in 2017/18
- Production is largely for domestic consumption, supported by imports from Sri Lanka, Vietnam, Brazil and Indonesia

Stock Development (KMT)[3]



Production of 50 KMT includes estimate for December 2025;
2024/2025 season production of 48 KMT includes data for December 2024

NEDSPICE

1) *Nedspice research.* India pepper harvest
2) *Nedspice research.* Crop development
3) *Nedspice research.* Stock development

CSA China Spice Association

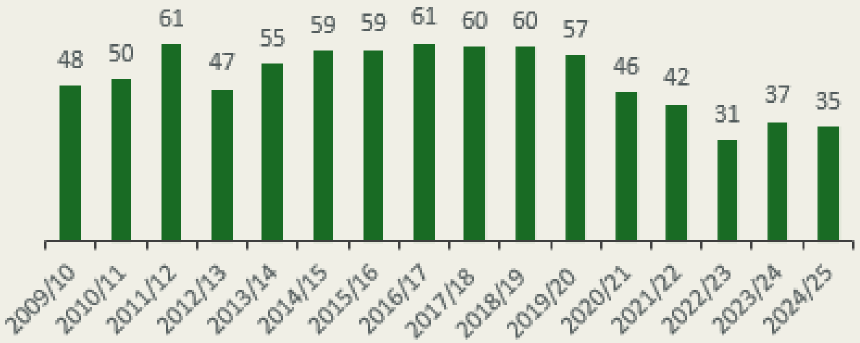
India crop 2025/2026

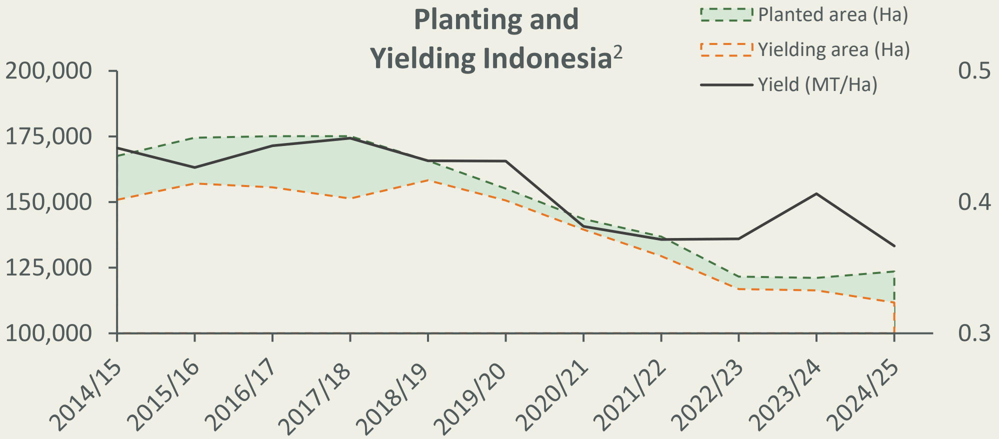
Production in Indonesia after recovering in 2024 now decline again

-31% drop in acreage from 17/18 to 23/24[2]

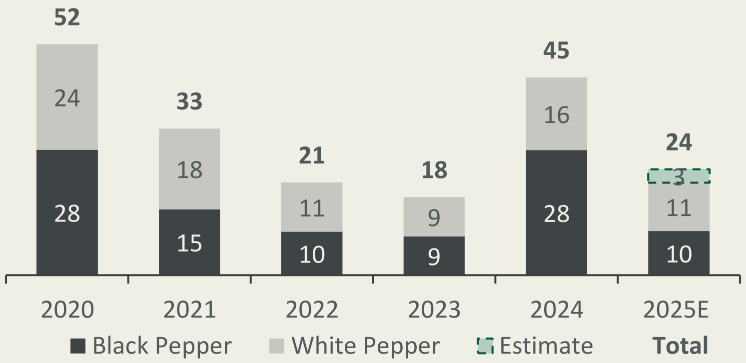
- **Production estimated at 35 KMT** this year
- During a dip in 2022/23 the acreage decrease coincided with a low yield; in 2023/24 and this year the yield picked up again, while acreage remains low
- Post price increase, exports in 2024 surged above production to 45 KMT, drawing from long-term stocks, mainly to Vietnam; 2025 export volumes normalized
- White pepper remains the larger share of exports

Production Indonesia (KMT)[1]





Export Volumes Indonesia (KMT)[3]

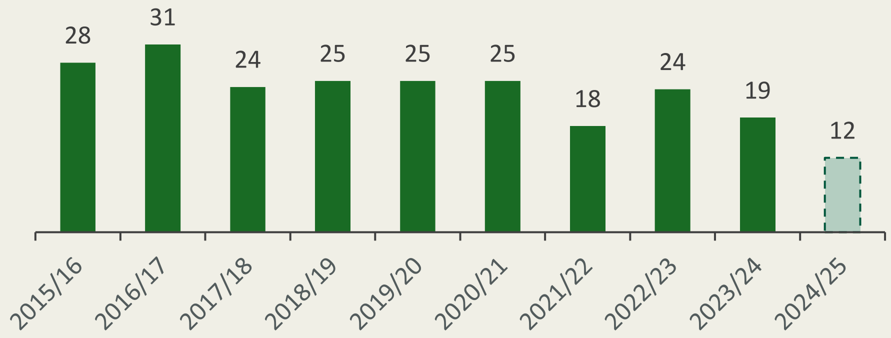


1) *Nedspice research.* Indonesia pepper harvest
2) *Nedspice research.* Crop development
3) *Eximpedia.* Export data Sep 2025

Production in China affected by Typhoon Yagi

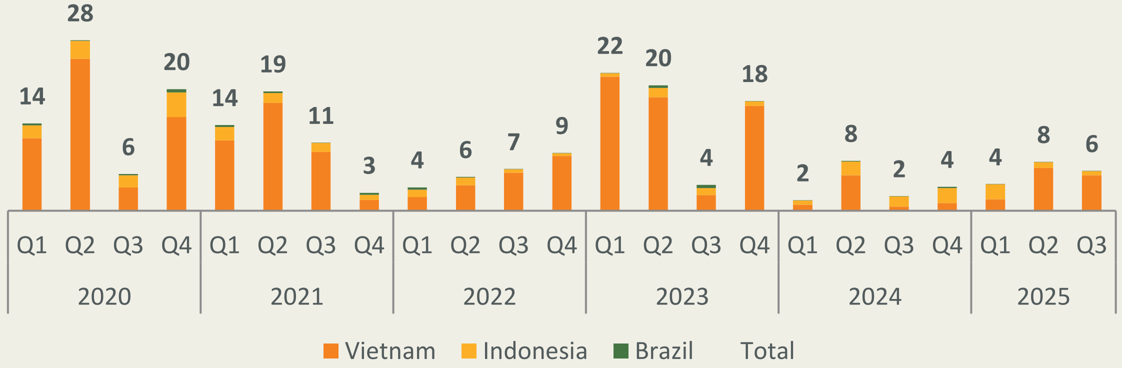
-37% **drop in production this year**[1]

Production China (KMT)[1]

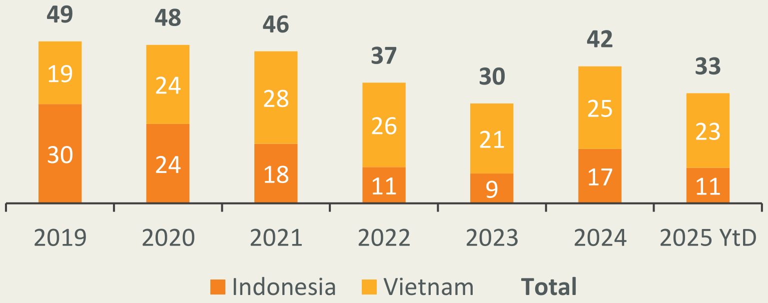


- **Production expected to be historically low at 12 KMT** due to typhoon Yagi
- Chinese import volumes fluctuate; volumes from Vietnam –where the majority of imports originate– are up 68% to 15 KMT after a year of subdued shipments[3]
- Production and imports have been relatively low compared to a domestic consumption of around 65 - 70 KMT, price in local market still relatively lower than Vietnam showing a sufficient stock built the past years.
- Exports of white pepper show downward trend since 2019, falling from 49 KMT to 33 KMT in 2025 YtD –mostly driven by a decline from Indonesia– indicating that white pepper supply might be constrained in the coming years

Imports China (KMT)[2]



Total White Pepper export from Vietnam* and Indonesia (KMT)[2]



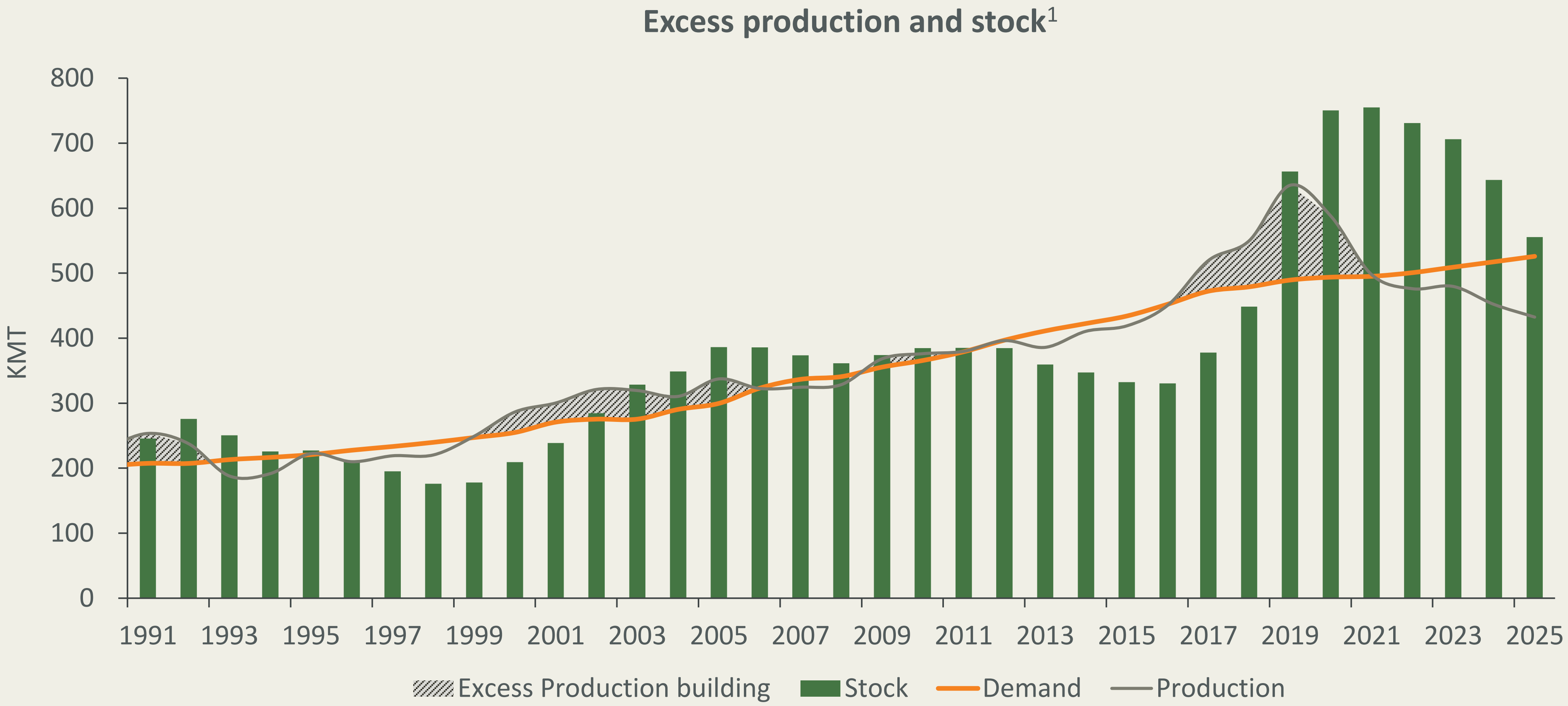
** Total Vietnam white pepper export data exclude imports from Indonesia.*

1) *Nedspice research.* China pepper harvest
2) *Nedspice research.* Combined sources of exporting countries; VN & IND Eximpedia, BR Govt. data
3) *VPSA. Vietnamese exports Sep 2025*

NEDSPICE

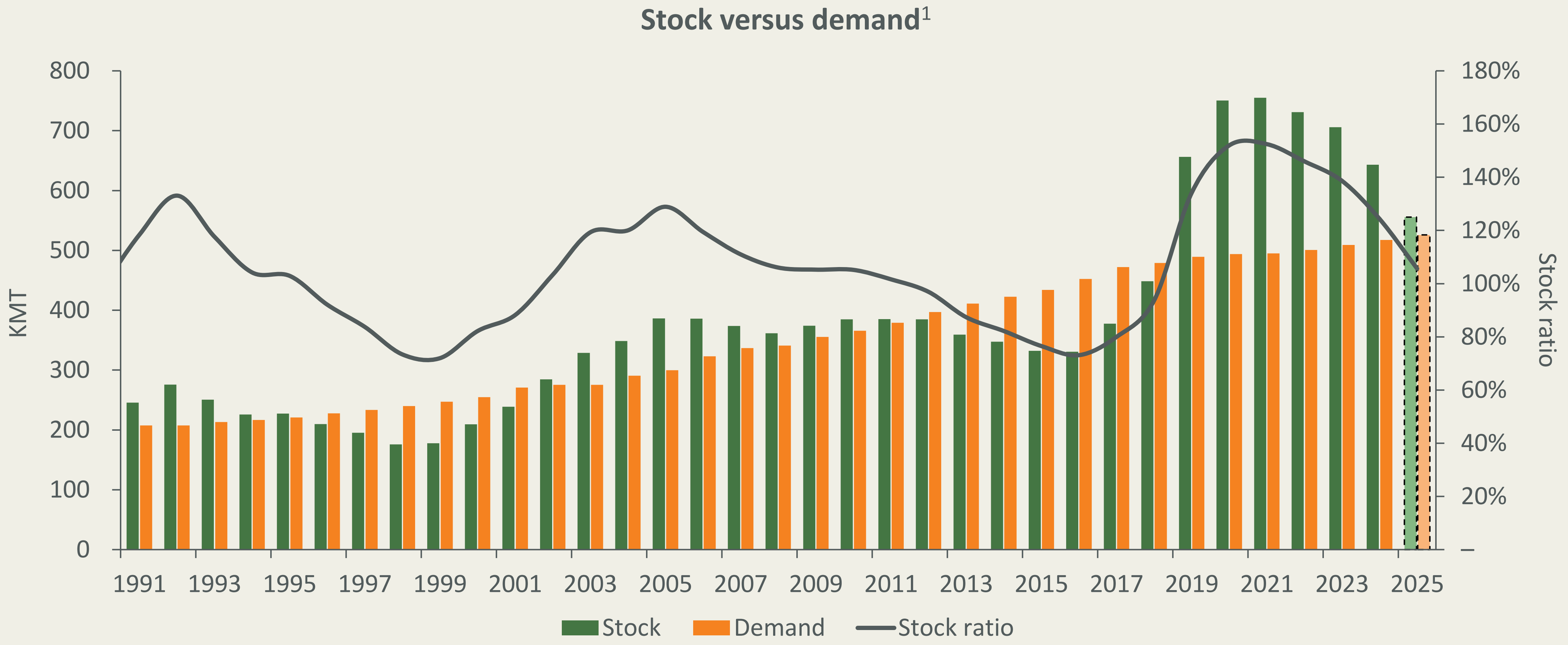
CSA China Spice Association

Despite slow 2025, demand growth remains; global stocks are under pressure



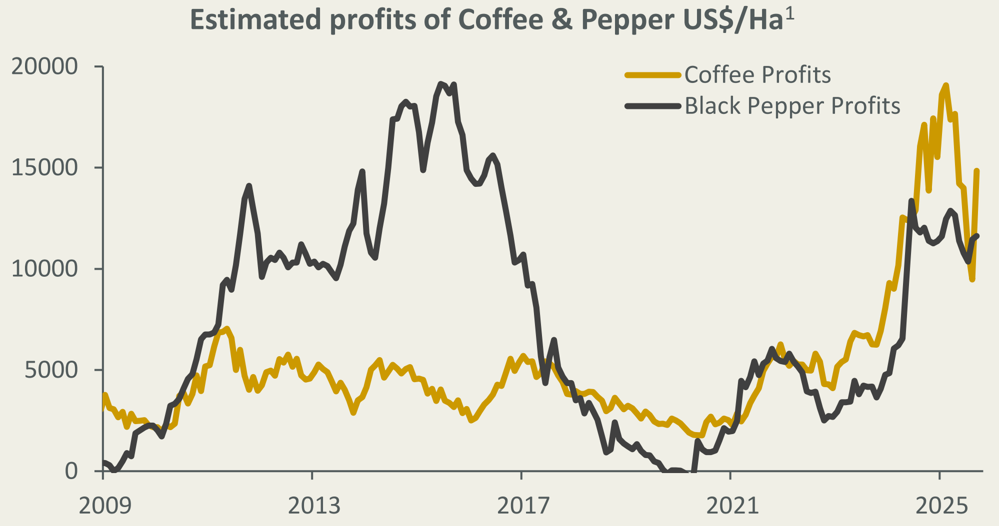
1) *Nedspice research.* Stock development

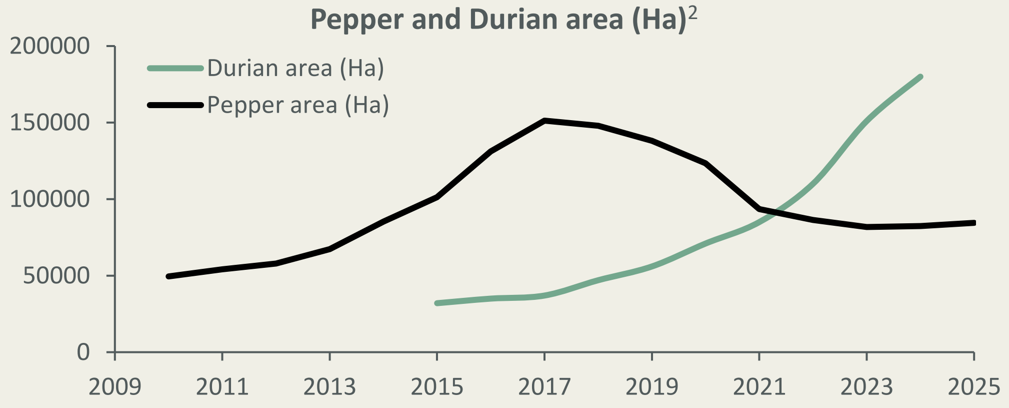
Global stock ratio continues trending down



1) *Nedspice research.* Stock development

Limited signs of supply recovery in Vietnam





Limited supply recovery in Vietnam indicates a longer bull cycle

- Limited new pepper planting despite 2024 price surge
- Unlike 2010, when rising pepper prices spurred new planting, the 2024 price surge coincided with higher coffee prices, giving farmers little incentive to expand pepper cultivation
- Durian cultivation has surged, driven by Vietnam's exports to China, with estimates suggesting a nearly a sixfold increase in cultivated area[2]
- With planting showing little expansion, while it also takes 3 years to produce, supply shortages are set to persist, pointing to a bull cycle that could last longer than the previous one

Vietnam's decline outweighs Brazil's expansion

- While Brazil is expanding pepper cultivation and may add to supply if yields are strong, Vietnam's reduction is considerably larger

1) *Nedspice research.* Profitability estimates
2) *Ministry of Agriculture and Rural Development.* Pepper and Durian cultivation area

Tariff volatility disrupted pepper US import patterns; buyers currently awaiting potential exemptions

On April 2nd, the White House announced import tariffs. A 90-day negotiation pause, later extended to August 1, delayed implementation until August 7th.

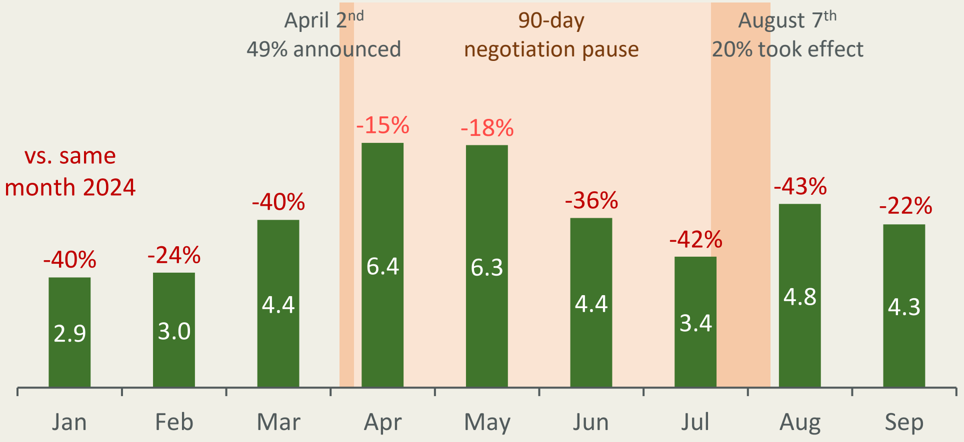
Unpredictable Tariff Landscape: Vietnam negotiated from 49% down to 20%, while Brazil went from 20% to 50%. Indonesian tariffs were lowered from 32% to 19%.

Total pepper imports in the USA are ~90 KMT, since there is no domestic production[2]; ~75% of US pepper imports come from Vietnam[2]

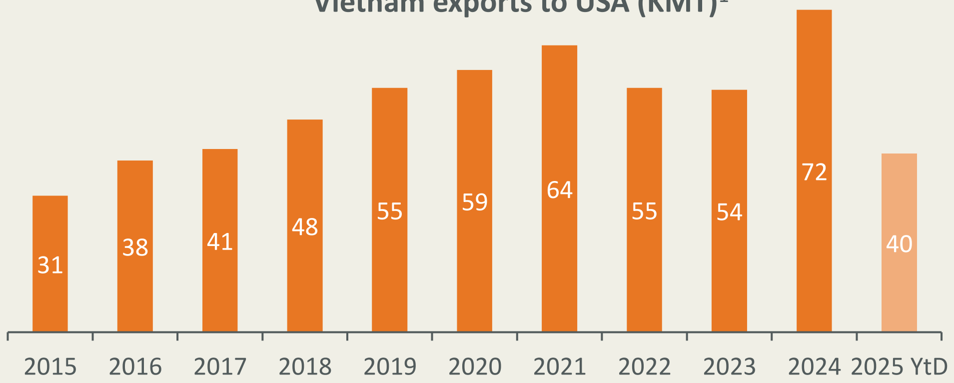
- Vietnamese exports to USA in January to August 2025 dropped 30% compared to the same period in 2024, which was record year totaling at 72 KMT[1]
- **Ahead of tariff implementation**: shipments increased (from March: –40% to April: –15% YoY[1]) as exporters accelerated deliveries
- **Post-tariffs**: once tariffs were implemented, imports declined again
- **Current outlook**: some U.S. buyers in *wait-and-see mode* regarding potential exemptions for non-U.S. grown agricultural products[3]

	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

Vietnam exports to USA (KMT) in 2025[1]



Vietnam exports to USA (KMT)[1]



1) *VPSA* Export data Sep 2025
2) *Nedspice research.* Export estimates based on VPSA and ITC data
3) *The White House.* https://www.whitehouse.gov/wp-content/uploads/2025/09/ANNEX-II.pdf

Concluding

- **Production**: 33% decrease in 6 years
- Limited signs of supply recovery in Vietnam; Vietnam's decline outweighs Brazil's expansion

- **Demand in 2025** has been slow, mostly driven by a quiet USA buying (-26% YtD), while China's imports have increased (+54%)
- Tariff volatility disrupted pepper US import patterns; buyers currently awaiting potential exemptions

- **Demand** growth remains, despite slow 2025; global stocks are under pressure

NEDSPICE

We source, process and deliver spices, herbs and dehydrated vegetables in a sustainable way