market update
spices

NEDSPICE

August 2026| spices@nedspice.com

Pepper

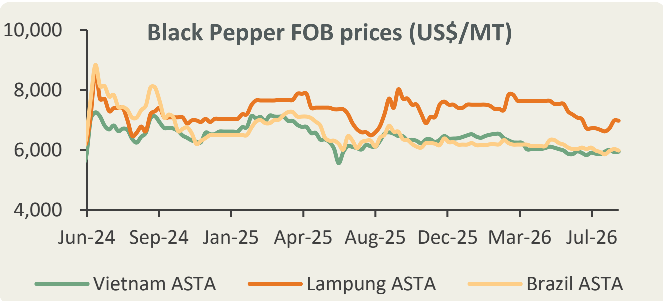
KEY TAKEAWAYS

> **Supply** in 2026 remains stable compared to previous years, supported by higher production in Brazil, despite smaller crops in Vietnam and Indonesia.

> **Exports** continue to show growth, with Vietnam's shipments up 16% YoY, supported by imports from Cambodia and Brazil.

> **El Niño** is expected to have the greatest impact on growing regions for the 2027 harvest from December onwards. So far Vietnam's 2027 crop is only moderately affected by weather effects; Indonesia is already facing drought.

PRICE TRENDS



> **Vietnam's** 2026 harvest ended at 155 KMT. Uneven rainfall and high temperatures have led to flower drop and uneven flowering stages for the 2027 crop, moderately affecting early fruit setting.

> Exports reached ~168 KMT (Jan-Jul) +16% YoY, with the U.S. (+28%), China (+55%), and UAE (+9%) as top destinations. Imports from Jan- Aug 15 reached 50 KMT (+52% YoY).

> **Indonesia's** production is estimated at ~32 KMT. Exports are slow at ~10 KMT (Jan-Jun) (-42% YoY). The current harvest, which presses Indonesian prices, is expected to finish by September.

> Jun-Jul rainfall in Lampung is 69% lower than the 2021-2025 avg.

> **Brazil's** 2026's production is estimated at 118 KMT. Exports Jan-Jul reached ~57 KMT (+7% YoY).

> Indonesia and the north of Brazil face the highest El Niño risks as warm and dry conditions are expected in non-irrigated areas.

CROP DEVELOPMENT

Vietnam's berry setting in August 2026

Pimento

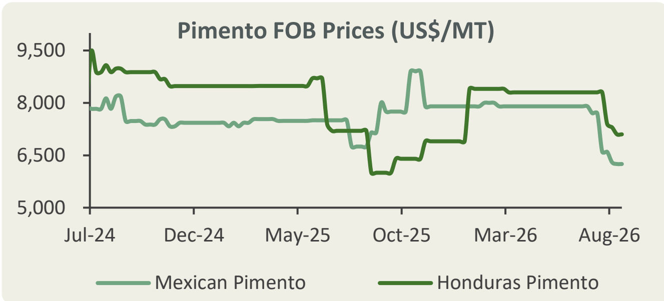
KEY TAKEAWAYS

> Global supply is recovering, estimated at around 8-9 KMT, an increase from approximately 8 KMT last year, mainly driven by a rebound of Mexico's crop.

> Harvests in Honduras and Guatemala were delayed by ~45 days, with production remaining low due to unfavorable weather, while Mexico is currently harvesting on time.

> Demand remains firm, particularly for EU-compliant and Guatemalan-origin material, which is known for its high quality.

PRICE TRENDS



> **Mexico,** the main producer, is currently harvesting. Following last year's production losses caused by Anthracnose disease and unfavorable weather conditions, the crop is expected to recover, increasing by around ~50% vs. last year to approximately 7-8 KMT.

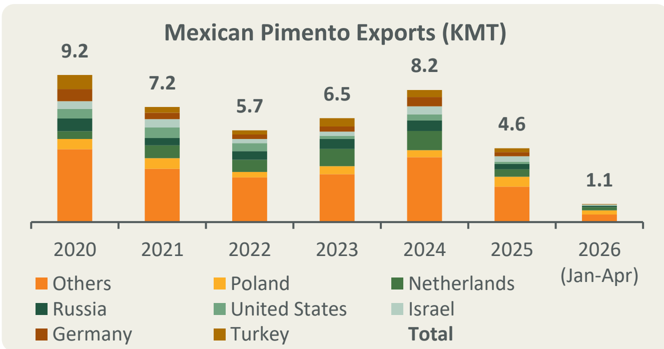
> Exports in 2025 reached 4.6 KMT, down ~45% compared to 2024. Current year's exports were still from the previous, limited crop.

> **Honduras'** harvest was delayed by ~45 days due to excessive rainfall and labor shortages. The production is estimated to be down roughly 30% compared to last year.

> **Guatemala's** harvest faced similar delays. Market arrivals remain low, and the harvest is expected to finish earlier compared to last year due to a smaller crop size.

> Prices are softening as harvested supplies now reach the market.

MEXICO EXPORTS



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Nutmeg

KEY TAKEAWAYS

Indonesia

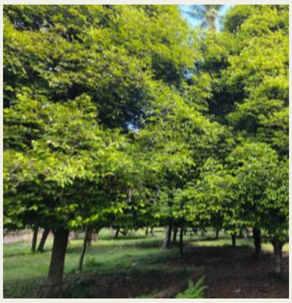
> The 2026 main harvest is currently underway in the main growing regions.

> El Niño is expected continue to bring significantly drier conditions, reducing yields and nut size while delaying harvests later into the season. May-Jul rainfall in in Maluku and Sulawesi is 61% below the 2021-2025 average. These drier conditions may however support quality through lower aflatoxin risk and improved sun-drying conditions.

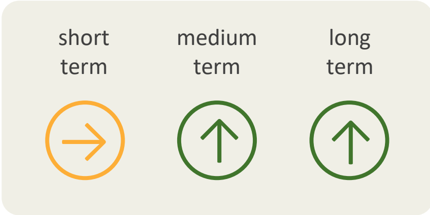
> Heavy rainfall in 2025 increased premature fruit drop and aflatoxin risk, reducing yields.

> After markets were stable since May, nutmeg prices in August have increased by roughly 100 US$/MT to almost 7500 US$/MT FOB, while mace prices steadily rose to 20,500 US$/MT FOB due to high demand from India.

> Nutmeg exports Jan-Jun reached 12.4 KMT, down 17% YoY, mainly driven by the decline in exports to China (-32%), which is expected to pick up by the end of the year.



PRICE OUTLOOK



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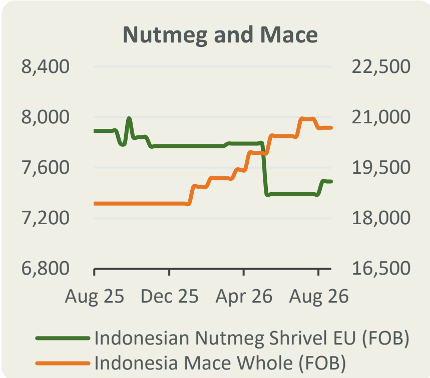


Cloves

KEY TAKEAWAYS

> Current harvest volumes are significantly lower than last year. Demand has been slow, but this is expected to recover. These factors are pushing prices up.

Indonesia

> The 2026 harvest has begun since July and is expected to finish by October.

> Production is estimated to be lower than last year, with key growing regions, including North Maluku and Sulawesi, expected to show a decrease in output of about 30-40% due to adverse weather conditions.

> Although volumes are low, the current dry weather has supported drying activities, resulting in better quality and lower moisture content.

> Exports in the first half of 2026 reached 12 KMT, down by ~50% YoY.

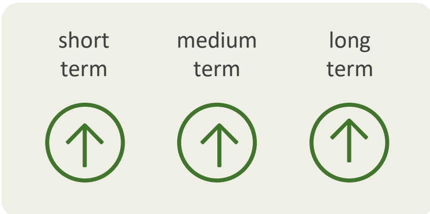
Madagascar

> Madagascar is currently in off-season period with the new harvest expected to start in September, lasting to the end of the year. Production is expected to be smaller than last year, and limited stocks have pushed prices up slightly.

Comoros

> The 2026 harvest has started, with this year's crop expected to be a smaller following a bumper crop in 2025.

PRICE OUTLOOK



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