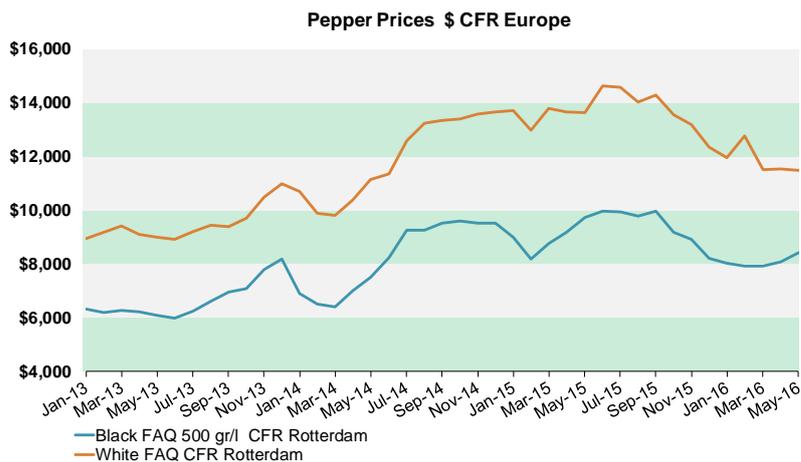


Market Update May 2016

Spices

Pepper



Vietnam Exports Jan- April 16 (mt)

Regions	2015	2016	Diff	%Diff
Americas	13,328	16,855	3,527	26%
Europe	12,501	14,951	2,450	20%
Asia & M.East	25,834	31,052	5,218	20%
Africa	4,251	6,466	2,215	52%
Total	55,914	69,324	13,410	24%

However, in the upcoming months it is anticipated that the bulk density will be lower.

From January to April, Vietnam exported 69,324mt of pepper. This is 24% higher than in the same period in 2015. Export quantities to Europe, North and South America increased by 20% and 26% respectively.

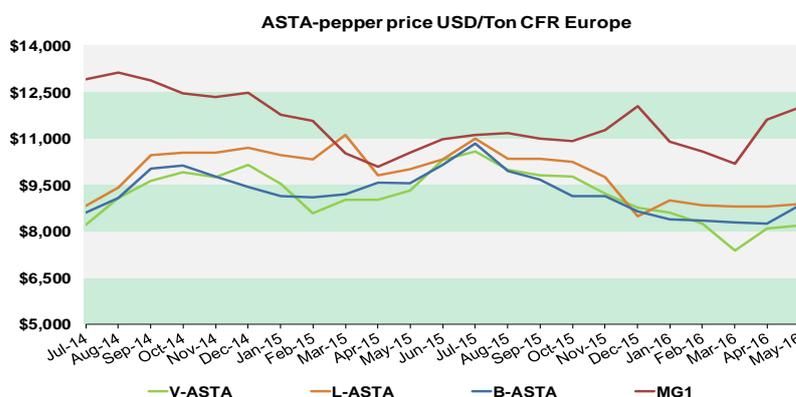
Cambodia

Cambodia is an emerging pepper producing country that started commercial production in 2010. Most of the pepper produced in Cambodia is exported, in particular to Vietnam. The total area for pepper plantation is around 10,000 ha and the production is around 10-12,000 mt per year. Harvest is now almost completed.

Indonesia

During 2015 Indonesia exported 66,000 mt black and white pepper, as reported by the IPC. This amount, however, also included black pepper that had initially been shipped to Singapore, which after payment default was re-exported to Jakarta and Surabaya.

During the last months of 2015 there was little activity on the Indonesian markets since Indonesia is now off season. The stock of pepper is decreasing by about 1,000-2,000mt per month. It is also anticipated that the upcoming crop will be significantly smaller than usual. The exporters just ship their pre-agreed quantities of pepper.



Vietnam

In March and April pepper prices were stable, but in May the price of pepper went up 320 \$/mt. There were two main reasons for this. The first one was the sudden entrance of Chinese traders onto the market, after a long period of inactivity. As a response, local farmers and traders held back their pepper, speculating on higher prices.

The second reason for higher Vietnamese pepper prices is because of the influence of El Niño: farmers tend to harvest their crops earlier to save the pepper vines due to the fact that the drought makes them vulnerable to diseases. Because of this farmers fear the next crop will not be good and hold back their pepper, which makes prices go up. The main harvest in Vietnam was completed at the end of April, so El Niño will not have a significant influence on the current crop. Berry setting and the maturing process had already finished at that point.

Reports also state that future exports of Indonesian pepper will be significantly lower.

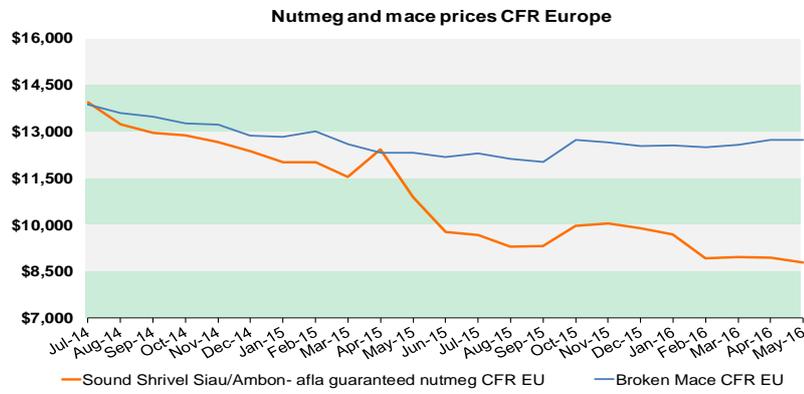
Brazil

As is the case in Indonesia, Brazil is also off season. Exporters are mainly shipping against earlier commitments. Apart from this, pepper prices increased rapidly in April 2016 due to the depreciation of the US Dollar against the Brazilian Real. This made Brazilian pepper less competitive.

India

The pepper market in India remains stable. There are few imports and there is no pressure to buy pepper on the domestic and international fronts. As is the case in Vietnam, local farmers and traders are holding back their pepper, speculating on higher prices.

The global supply and demand situation remains tight as a result of which we can expect prices to remain volatile. Vietnam is likely to remain the most competitively priced origin during the next couple of months.

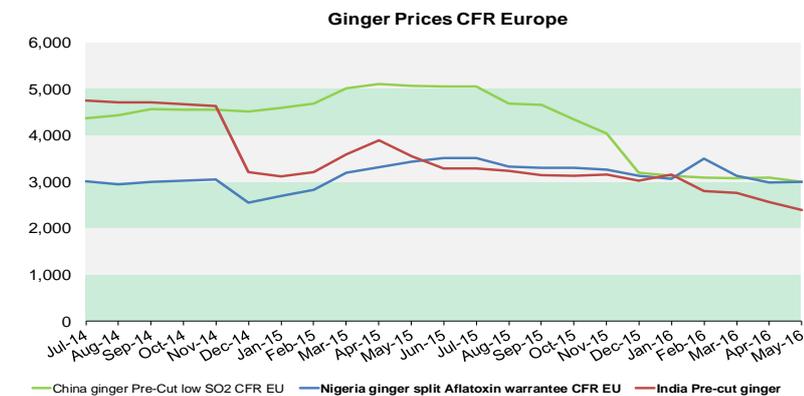


Nutmeg and mace

Indonesia

The implementation of a new EU Regulation concerning health certificates for nutmeg is affecting exports from Indonesia. Local traders are facing difficulties because of this new regulation and are therefore slowing down the pace of their purchases. Compared to the US Dollar, the Rupiah went up in April which supported export prices.

The harvest in April was seen as small. Traders are speculating by keeping a lot of stock, which was harvested in November last year, in hand. In contrast to nutmeg, mace prices are stable.



Ginger

China

The market in China is active. However, the quantities and quality of the ginger that is produced are not as good as anticipated.

Nigeria

After having been the cheapest supplier in the market, prices in Nigeria have gone up in 2016. They became the most expensive in the market for ginger. The next harvest is expected in December.

India

India has finished its harvest. The price of dry ginger remains stable. There is little activity due to the fact that there is little demand and the price for dry ginger is high.

Cumin

India

The peak time for cumin is almost over. Compared to last year, 2016 shows an increase in the yield of 25% to 30% from the total area that is cultivated. The market remained highly volatile until the last week of April 2016. This was due to low carry-forward stock combined with a very low influx of new stock. There had therefore been aggressive buying in the market by traders.

Cinnamon

Sri Lanka

Sri Lanka is waiting for a new crop. The price of the old crop stock still remains high.

Madagascar

The cinnamon market is firmer and prices continue to increase. Cinnamon is harvested around the year, but between January and May harvesting is more difficult during the rainy season. Local traders are buying and keeping back their stock, which pushed up cinnamon prices.

Nedspice Sourcing BV

Weena 260

3012NJ Rotterdam

+31 10 2801 380

spices@nedspice.com

NEDSPICE