



Pepper

KEY TAKEAWAYS

- > The harvest is almost finished in Vietnam, while Cambodia is approaching its peak harvest. Indonesia, Malaysia and southern Brazil will follow in 3-4 months.
- > While the total crop in Vietnam was larger than last year, coming years will see a negative trend. There has been hardly any new planting in recent years in Vietnam, and farmers are switching to more profitable crops like durian and passion fruit.
- > Global production continues to be below global demand, leading to a decrease in global stock levels.

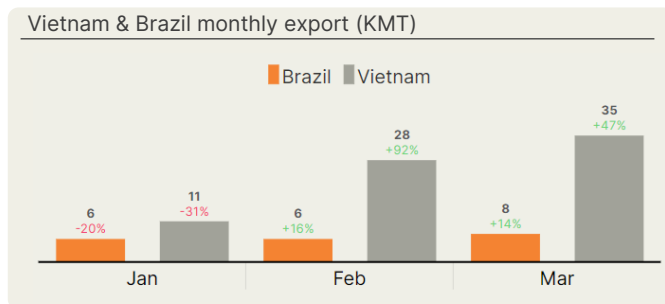
PRICE OUTLOOK

short term

medium term

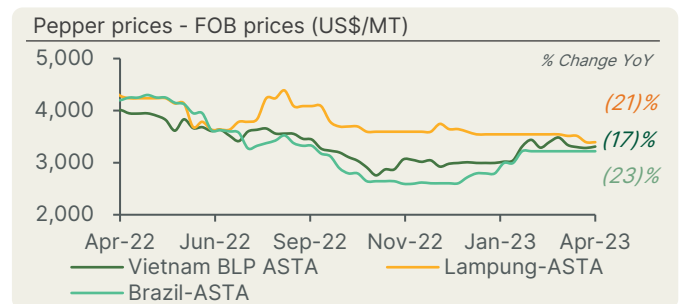
long term

SUPPLY DYNAMICS



- > Vietnam exported 76KMT YtD-March, an increase of 36% vs 2022. Exports to China increased by more than 700%, with 18,900MT over the first three months of the year. These numbers suggest a significant part of the ~185KMT crop has been sold already.
- > Production in Brazil has increased over the past years, but exports were 8% down in 2022, as farmers prefer to store pepper in anticipation of better prices. Farmers in Espirito Santo have been selling their coffee first.
- > Indonesia's production has been declining, with the crop size of Bangka and Lampung estimated to have decreased by 10-15% annually. Indonesia's expected production now stands at 40 KMT, while domestic consumption is ~17 KMT, leaving some 20 KMT available for export.

PRICE TRENDS



- > Prices increased 12% from the bottom since Dec 2022. In February, demand from China supported market prices. As the harvest peaked in March, prices eased somewhat.
- > Some farmers in Vietnam, Indonesia, and Brazil are turning away from pepper, switching to more profitable crops. In Vietnam, farmers are switching to crops like durian, passion fruit and coffee. In Indonesia, they are turning to palm, rubber, and coffee. Similarly, in Brazil, farmers are focusing on acais and coffee instead of pepper.
- > The steady decline in global production has led to a reduction in global stock levels. As the Vietnam harvest comes to an end, it is expected that demand will outweigh supply towards the second half of the year. If speculators enter the market, this trend could accelerate.

KEY QUALITY PRICE LEVELS¹

Quality	US\$/MT	Change
BP Vietnam ASTA	3,310	(2.6%)
BP Brazil ASTA	3,300	-
BP Lampung ASTA	3,434	(4.2%)
BP MG1	7,075	(0.5%)
WP China FAQ	6,150	2.5%
WP Indonesia Muntok FAQ	5,534	(6.9%)
WP Vietnam DW	4,985	(2.1%)

INCOME OF DIFFERENT COMMODITIES IN VIETNAM

Commodity	Yield (MT/Ha)	Cost (US\$/Ha)	Market Price (US\$/MT)	Income (US\$/Ha)
Pepper	2	3,400	2,800	2,200
Coffee (Robusta)	4	2,500	1,900	5,100
Passion fruit	30	6,500	980	22,900
Durian	30	6,800	3,000	83,200

1) FOB prices. Change shown vs last month. Source: Nedspice research, price data as per 13-Apr-23



Turmeric

KEY TAKEAWAYS

- > The turmeric harvest season in India is in full swing. The crop size is comparable to last year, prices are down because of decent carry-over volumes.
- > The attractive prices currently are expected to boost demand from international buyers.
- > The export volume of ground turmeric in 2022 was stable compared to 2021.

PRICE OUTLOOK

short term →

medium term →

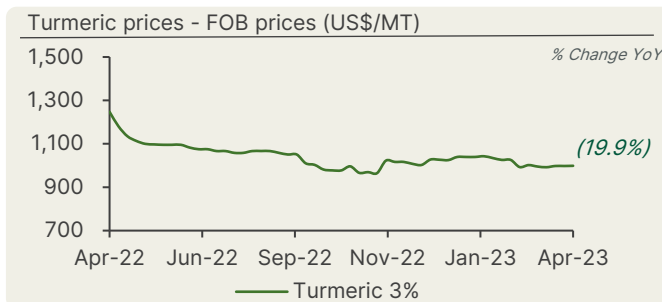
long term →

SUPPLY DYNAMICS



- > India's turmeric harvest is underway in many growing areas, with a crop that is expected to be similar in size to last year's.
- > Carry-over stocks of turmeric are on the high side, resulting in ample supply and low prices.
- > Despite this surplus, the demand for fresh turmeric in both export and domestic markets is currently weak, resulting in low trading activities.
- > In 2022, India exported approximately 50KMT of ground turmeric, primarily to the Middle East and Europe, with export quantities only slightly lower than in 2021. The volume of organic turmeric from India declined by approximately 30% compared to the previous year, caused by the delisting of several certification agencies.

PRICE TRENDS

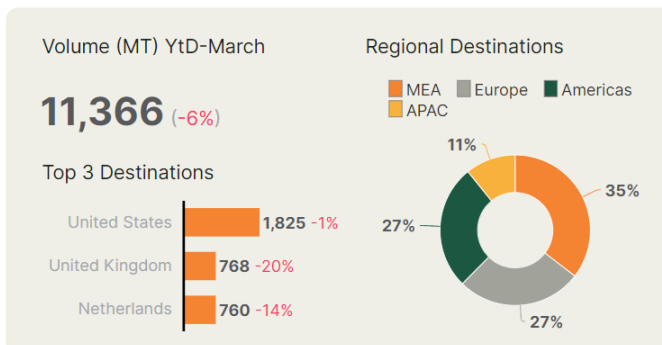


- > Prices are expected to stay low during harvest time but could pick up when international demand increases. Turmeric 3% is currently quoted at US\$ ~ 1,000/MT, down 19.9% YoY.
- > There are some reports of government procurement as a support mechanism to the farmers in three significant growing states.
- > Ocean freight is stable at a low rate and is expected to continue to stay low for the foreseeable future. The trade route East Asia-Europe is ~US\$1,500/40ft while East Asia-North America East Coast is ~US\$ 2,200/40ft.
- > After multiple years of large crop volumes and resulting low prices, farmers might loose interest going forward.

KEY QUALITY PRICE LEVELS¹

Quality	US\$/MT	Change
Turmeric 3%	1,001	(0.1%)
Organic Turmeric 5%	1,709	(0.1%)
Organic Turmeric 3%	1,587	(0.1%)
NFPF Alleppey Turmeric	1,648	(0.1%)

INDIA EXPORT YTD MAR 2023 (KMT)

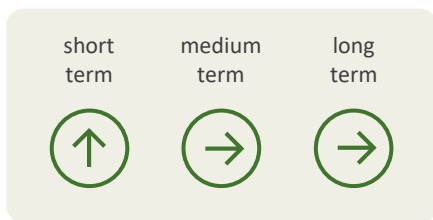


1) FOB prices. Change shown vs last month. Source: Nedspice research, price data as per 13-Apr-23.

Nutmeg and Mace



PRICE OUTLOOK



ORIGINS

> **Indonesia**

The rainy season in Siau ended earlier than usual. As a result, the nutmeg harvest has also finished sooner. The crop was as expected, but prices were high on account of strong buying pressure. Recently, the situation eased somewhat. Weather conditions are rough, and the next crop (May-June) could suffer from the recent strong winds.

Prices for nutmeg shriveled (EU) are firm at US\$9,400/MT and ABCD at US\$9,900/MT. EU compliant **mace** remains in short supply.

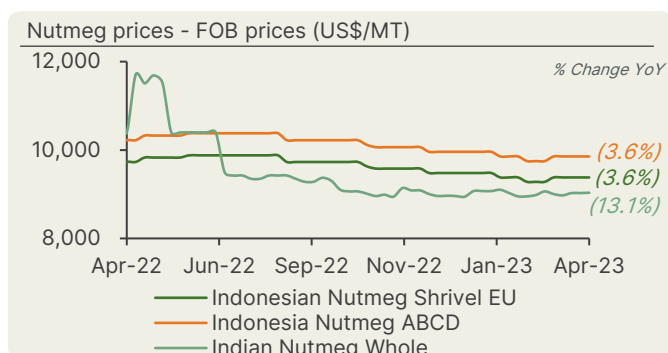
Ramadan will end this month, and companies will start closing for business soon. The government has imposed a ban on trucks from operating on the road after April 19th to reduce traffic congestion and accidents during this period.

In 2022, Indonesia exported ~22 KMT nutmeg and mace (down 11% compared to 2021), mainly in March and April. China was the primary destination, accounting for ~30% of the total volume.

> **Other**

The harvest in **India** is about to start, with generally good volumes expected. While older plantations in the traditional growing areas are replaced by alternative crops, new plantations are started in other regions. Prices are expected to remain firm though, as domestic demand is on the rise. The harvest in **Sri Lanka** is the early stages now, with EU-compliant materials trading at premium prices compared to competing origins.

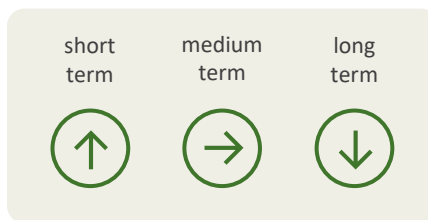
PRICE TRENDS



Clove



PRICE OUTLOOK



ORIGINS

> **Indonesia**

Although the typical peak season for clove is in June/July, heavy rainfall has caused a delay in the upcoming crop, resulting in lower volume. Cigarette companies are showing active demand, and most market players express bullish sentiment. Indonesia Clove Whole FAQ is currently priced at US\$9,000/MT (up 8.1% YoY).

In 2022, Indonesia exported around 18 KMT of cloves (down 63% YoY) mainly to Asia and EMEA regions, with March being the month of highest trading activity.

Madagascar

Currently, collectors and exporters are holding stocks and waiting for a higher price due to the current supply being unable to meet the demand of the Indian market. India has just re-entered the market following the closing of their financial year end in March. Madagascar Clove Whole is firm at US\$8,700/MT (up 2.7% YoY)

Sri Lanka

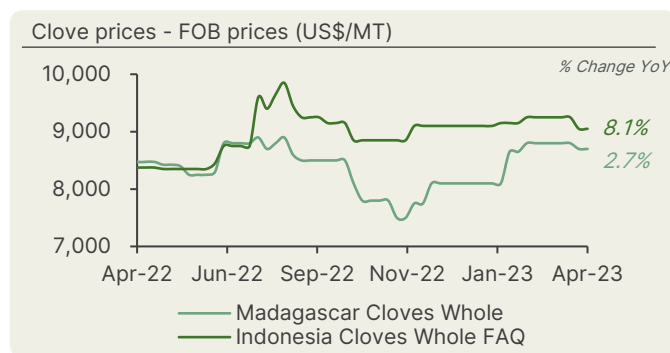
The crop has finished with limited arrival, and the headless percentage is high. Currently, demand is slow, and the market is stable.

In 2022, Sri Lanka exported approximately 3.5 KMT (down 57% YoY), with India being the primary destination.

Comoros

The harvest ended and there are currently very little to no offers.

PRICE TRENDS



Source: Nedspice research, price data as per 13-Apr-23

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