

Turmeric – Depressing Outlook Lingers On...

AFT – Alleppey Finger Turmeric

With a reportedly smaller crop, the season has wrapped up early. There is nothing left to sell and those who are left with stocks are disinterested to trade at current levels. High labour costs and erratic weather has kept investors away from turmeric farming. Indicative quotes for AFT with 4-4.5% curcumin levels are ₹ 160/- (US\$ 2.35/Kilo)

Outlook – Consecutive years of low-crop with no carry-over stocks is offering price stability.

Spot Price at New York – Alleppey 5 Curcumin US\$1.50/lb for week ended May 05, 2017 (Source: Spice Board)

MFT

Erode / Salem – Daily arrivals at auction centres are gradually declining. During the peak months of April -May daily average arrivals ranged from 18-22,000 bags. Now, it has already dropped to 1/3rd of peak arrivals. Prices have been comparatively lower due to high carry -over stocks from the past years. Drought in key turmeric growing regions of Tamil Nadu has taken its toll on production. The next season crop is dependent on the progress of south-west monsoon as sowing begins during first week of June. Farmers and stockists have been reluctant sellers in wake of consecutive years of discouraging prices.

Nizamabad has had a good crop year. Prices have continued to linger around the lows. *Sangli* market in Maharashtra witnessed little price fluctuation even for the popular *Desi Cuddapah and Rajapuri* varieties.

NCDEX - TURMERIC FUTURES MARKET

Month	Last Trading Day	₹ /Quintal	Comparative Market Close On	
		Last Trade June 09, 2017	09-Jun-2016	09-Jun-2015
Jun-17	20-Jun	5,470	8,104	7,346
Jul-17	20-Jul	5,520	8,150	7,490
Aug-17	18-Aug	5,582	8,218	7,622

Outlook:

Prices have failed to recover despite expectations of a surge with every passing year. On the contrary, a 30% erosion over the last year has prompted farmers to hold back their produce. Production has been lower in drought hit regions of Tamil Nadu and Karnataka but adequately compensated by a good crop year in Andhra Pradesh and Maharashtra. Huge carryover stocks from the past (2.5-3 million bags (70 kgs)) have curtailed price recovery. Despite steady rise in exports which is expected to cross 100,000 tonnes during 2016-17, prices have stagnated at the lows. Forecasts of a good monsoon year ahead have further dampened market sentiments. Farmers and stockists are willing to hold till prices turnaround to breach ₹100/ kg, probably with little support from Government or may be by ousting the middlemen. Can turmeric get back its lost sheen remains a lingering question...

Sesame

Season is almost over. Winter crop showed marginal increase from 225,000 to 230,000 tonnes during 2016-17. Prices remained mostly stable showing 5-10% variation during the harvest season. Markets undergoing liquidity crisis experienced limited trading. Stockists remained inactive. Export too has slowed down. India exported 2,52,920 tons during April 2016-January 2017 compared to 263,100 tons during the same period last year.

Natural Sesame 99.5% pure farm-gate quotes - ₹ 97/Kg Ex Rajkot (\$1.5/Kg)

Nutmeg and Mace

As prices in internal market dropped exports started looking up and reached record highs. China was the main importer. India exported 3,020 MT of nutmeg during April-September 2016 registering 81% rise over the corresponding period in 2015.

New Crop Harvests have begun in the key growing regions of Kerala and Tamil Nadu. Crop is expected to be lower in Kerala which has faced a drought like situation last season, drastic drop in yield is expected. Tamil Nadu reeling under unusually high temperatures has reported huge crop losses too.

Nutmeg quotes: ₹ 600/kg (\$10/kg) onwards. Mace flowers quotes are around ₹1500/Kilo (\$22/kg).

Ginger

Ginger prices as expected have tumbled lower under the weight of overproduction. Domestic demand is high yet trading volumes have dropped due to decline in liquidity in commodity markets. Raw ginger was being traded in retail markets at ₹40 a kg during March. Prices of dried ginger have dropped from ₹ 210/kg to ₹140 /kg. Higher returns of the past had prompted many farmers to grow ginger over leased land in Karnataka where the maximum increase in area under ginger cultivation has taken place. Substantial drop in production of **Cochin Ginger** known for its lemony flavour comes on back of labour and investment issues. Despite the price drop exports have failed to pick up. Indian Ginger Exports from April to December 2016 were at 16,000 MT registering an 8% drop from 2015. On the contrary, imports from China and Nigeria have increased considerably.

China too has had a good crop year and is reeling under the pressure of overproduction.

Natural Ginger price range: ₹ 140/Kg. (\$2.15/Kg)

Sulphur Ginger prices are around 145/Kg. (\$2.23/Kg)

Chinese Ginger

Spot Price at New York – Cochin -US \$2.40 /lb. for week ended May 05, 2017 (Source: Spice Board). OTHERS: Chinese Whole Peeled Spot Price at New York – US \$1.50/lb.