

Pepper



KEY TAKEAWAYS

- > Vietnam exported 186 KMT by August 2024, matching this year's production and imports. Fourth-quarter exports will depend on the release of multi-year carryover stock held by strong hands and additional imported volumes.
- > In Brazil, the main harvest period has started in Para and Espírito Santo. Exports in July and August were down >20% YoY, as the May-June harvest period in Espírito Santo was strongly affected by extreme weather conditions earlier in the year.
- > The declining global stock-to-demand ratio is driving prices up and encouraging farmers to invest in maintenance and expansion of their pepper farms.

PRICE OUTLOOK

short term



medium term

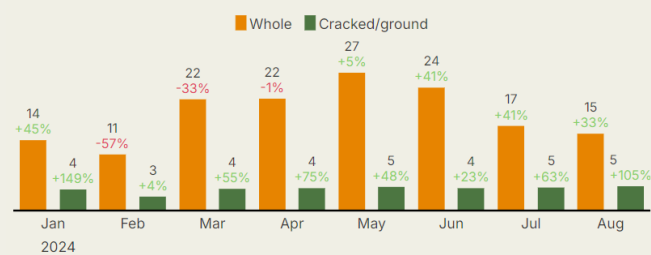


long term



SUPPLY DYNAMICS

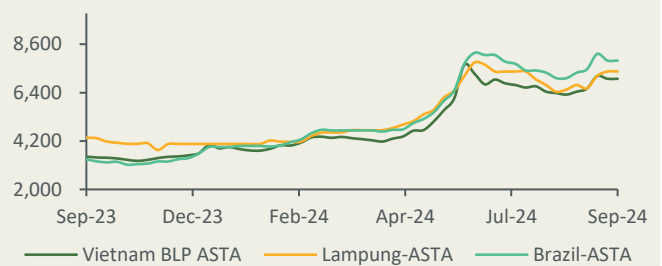
Exports of black and white pepper from Vietnam, % change YoY



- > Vietnam's processed pepper exports have surged by over 50% compared to last year, while whole black pepper exports slightly decreased due to the absence of China in the market. Higher prices have driven more replanting and intensive farming. Combined with favorable weather, this could result in a larger 2025 crop. However, acreage reduction over the past years and aging pepper vines reduce the production potential until new vines start yielding.
- > Adverse weather conditions, including an unprecedented drought, have hurt the crop in Brazil. A state of emergency was declared in Espírito Santo, including provisions to limit irrigation activities. Exports from Brazil were 45KMT YtD-Aug, down 10% YoY.
- > Indonesia's export volume is up by 67% YtD-Aug-24, mainly supported by a larger black pepper crop. In addition, the rapid price increase triggered liquidation of long-term stocks.

PRICE TRENDS

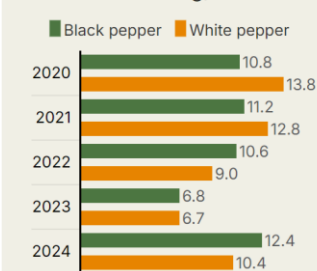
FOB prices (US\$/MT)



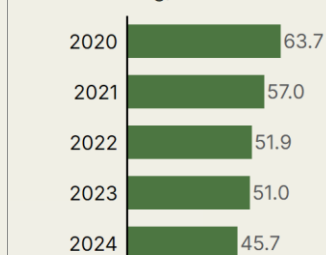
- > Since the price correction that followed a rapid increase earlier this year, prices have been steadily creeping upwards.
- > Typically, the October coffee harvest prompts middlemen in Vietnam to liquidate pepper stocks to trade coffee. However, this year, with lower stock levels and the coffee harvest delayed until November, pepper stock liquidation could be significantly reduced.
- > In Brazil, crop damage and rising prices have attracted speculators. Exports from Para have increased this year, suggesting long-term stockholders took advantage of the price rally earlier. Since then, farmers are holding onto their stock, hoping for prices to rebound or surpass previous levels.
- > Indonesia was slow to follow Vietnam's price increases, partly due to its bumper crop, which led to competitive pricing and a rise in exports. However, this situation has normalized.

EXPORTS INDONESIA & BRAZIL

Indonesia (YtD-Aug)



Brazil (YtD-Aug)



KEY QUALITY PRICE LEVELS¹

Quality	US\$/MT	Change
BP Vietnam ASTA	7,020	9%
BP Brazil ASTA	7,900	7%
BP Lampung ASTA	7,350	9%
BP MG1	7,800	(1%)
WP Indonesia Muntok FAQ	9,550	8%
WP Vietnam FAQ	10,650	9%



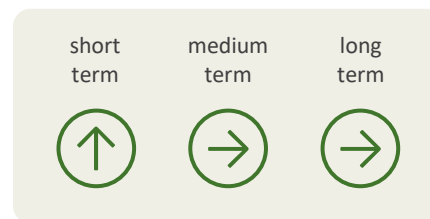
Cassia

KEY TAKEAWAYS

Vietnam

- > Excessive rainfall from Typhoon Yagi caused severe flooding and landslides in northern Vietnam, resulting in 330 people dead or missing. The disaster led to widespread agricultural and infrastructure damage and significantly impacted local communities. Nedspice has partnered with local authorities to deliver essential aid, including gift packages and financial donations, to those most affected. Please contact our staff if you wish to offer support but don't have a local partner.
- > Many cassia plantations, especially younger ones, were damaged, with blocked roads and ongoing rain preventing harvest. In addition, warehouses in the area flooded, causing damage to stored goods.
- > Despite the reported damage, low-oil cassia prices have remained stable. If conditions persist, shortages could occur, but farmers may try to increase harvests later to offset storm-related losses.
- > Following multiple incidents with excessive lead content in cassia, the US FDA has ramped up testing of imported cassia. Having strict supply chain control measures in place is critical to avoid noncompliance.
- > Prices in both Indonesia and Vietnam have been stable over the past few months, with limited activity in both origins.

PRICE OUTLOOK



TYPHOON DAMAGE



Cassia plantation affected by a landslide, showcasing significant loss of crop

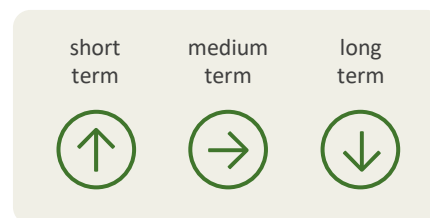
Turmeric

KEY TAKEAWAYS

India

- > Turmeric prices have eased due to favorable weather conditions and a significant increase in sowing for the 2025 season; cultivation areas have expanded by about 30% as many farmers returned to turmeric farming encouraged by previously higher prices.
- > Production of 5% curcumin turmeric is expected to recover after an unusually small crop in 2024. Weather conditions in the growing areas of high-curcumin varieties have been favourable.
- > Yield outcomes remain uncertain, which keeps the market attentive to upcoming developments. Stockists are liquidating stocks, possibly to book profits amid the current market situation and in anticipation of future price volatility.
- > Availability of compliant material is limited because of a lower crop in 2024, making the purchase of IPM (Integrated Pest Management) goods challenging in the coming months. In addition, there has been damage reported in some IPM growing areas. While local weather conditions have been favorable, excessive rain in river catchment areas has led to flooding.
- > Demand has been subdued after the summer peak due to high prices that kept buyers cautious; however, both export and domestic demand are expected to pick up from next month onwards.
- > Price volatility is anticipated to continue until the 2025 harvest begins, as the market adjusts to changing supply and demand dynamics.

PRICE OUTLOOK



TURMERIC CROP



Turmeric crop stage in Andhra Pradesh as of mid-Sep