

SPICES

MARKET NEWS SERVICE (MNS)
BI-MONTHLY EDITION



Disclaimer

This report has been prepared without formal editing, as a service to exporters and industries in developing countries by the Market News Service (MNS), Division of Market Development, International Trade Centre. The Joint Agency of the World Trade Organization and the United Nations.

No part of this report may be reproduced, stored in a retrieval system or transmitted in any form or by any means, without prior permission in writing from the International Trade Centre.

The mention of specific companies or of certain commercial products and brand names does not imply that they are endorsed or recommended by ITC in preference to others of a similar nature that are not mentioned.

The designations employed and the presentation of material on the map do not imply the expression of any opinion whatsoever on the part of the International Trade Centre concerning the legal status of any Country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Market News Service

Spices

Report prepared for ITC's Market News Service by: Peter Jaeger

Issue 6, December 2009

The Market News Service of the International Trade Centre UNCTAD/WTO (ITC) provides timely and detailed price and market information on selected primary and semi-processed products of particular interest to developing countries and economies in transition. Regular access to such information is vital to companies deciding when and where they should sell or buy products on international markets. MNS thus aims to serve as a market intelligence tool, to enable developing countries realize their full income potential through global trade expansion. MNS does not act as a broker and is exclusively an information service with the objective of improving market transparency and encouraging price and quality competition for the benefit of all market players.

MNS' team of product specialists draws its information from a network of correspondents in many countries worldwide, collecting up-to-date data on wholesale prices paid for specific products, supply and demand trends, and economic, climatic and legislative information that can affect the short-term market situation of particular products. MNS' information providers include major importers, exporters, manufacturers, wholesalers, and governmental organizations. We continuously encourage and welcome new sources of information. Should you be interested in becoming an information provider and contributing to MNS' efforts to improve market transparency and facilitate trade, please contact us at mns@intracen.org.

The Market News Service is made available free of charge to all Trade Support Institutions and enterprises in Sub-Saharan African countries under a joint programme of the International Trade Centre and CBI, the Dutch Centre for the Promotion of Imports from Developing Countries (www.cbi.nl).

Copyright © MNS/ITC 2009 All rights reserved

To subscribe to the report or to access MNS reports directly online, please contact mns@intracen.org or visit our website at: <http://www.intracen.org/mns>. For more information on the report, please contact MNS or the author at jaeger@accordassoc.biz.

INDEX

MARKET TRENDS	3
IMPORTS OF SPICES TO THE MAJOR MARKETS.....	5
PRICES IN THE MARKET PLACE	15
Spices.....	15
Herbs.....	20
APPENDIX	22

Market Trends

Best wishes for 2010 to all our readers!

It has been a quiet end to the year and we will see what 2010 brings. Certainly, we can expect currencies to feature in the market comment though it would be a brave writer to say which way. The spectre of recession still looms over Europe even though the day-to-day indicators point to recovery in a number of economies. The vulnerable economic state of a number of the European member countries and the potential impact on the Euro remains a major concern.

Perhaps one should not expect too much growth in European demand for 2010, but in India, China and Brazil demand keeps rising and will underpin price levels in a number of spices.

The limited cover in the Western consumer industries remains a concern, and the markets will be susceptible to shocks from supply upsets from time to time.

Aniseed

Supplies are tight and the steady demand, especially from the raki manufacturers, has pulled prices upwards. It will be a while before there is relief.

Caraway

Continued concern over supply has caused prices to edge up.

Cardamom

We noted in our October issue that the third quarter festivals had drained the stocks and the tightness in supply is now clearly evident in prices that are at levels two to three times those of a year ago. Not a lot of relief in sight. Prices in India have been dragged substantially higher to levels double those seen a year ago, as Asian buyers look to replace the Guatemalan shortfall.

Cassia

Prices have inched up since our last report. There is no major change in the fundamentals but delays in shipment from Padang have led to spot tightness.

Chillies

Comment from India indicates a more optimistic outlook for the crop. A comfortable stock position is reported and arrivals are underway.

Cloves

The trade in Madagascar is holding out for better prices. There seem to be few stocks internationally, but equally there has been little shift in demand. There are some talking the market up on the basis of potential demand but overall it seems to be a speculative game.

Coriander

European prices have moved up. Stocks in Europe are reported to be low. Trade source comment on apparent increase demand from South Asia and the Far East.

Cumin

Syria and Turkey still have some stocks. The new crop in India will start by late February.

Fennel

The domestic prices in India are now double the levels of a year ago following a poor crop in Gujarat. Internationally prices have moved up strongly. Relief may be in sight from the Indian crop which is now only a few weeks away.

Garlic

Prices are steady. Speculative buying is blamed for holding Chinese prices high.

Ginger

Like garlic, speculative activity is being blamed for some of the hike in prices for Chinese material. A short crop may also be responsible, and the off-take for fresh sales is always a factor here too. Prices have now reached Cochin levels but there is no relief from India where the consumer demand is growing year-on-year. West African material is not available yet. The increasingly difficult access requirements for entry into the EU are focusing attention on fewer suppliers.

Nutmeg

The market is waiting for the next offering from Indonesia due in late March. With the seasonal demand well past, there is no strong support for prices.

Oregano

Prices have weakened further.

Pepper

There has been a quiet end to the year with little to report. Vietnamese exporters have cleared stocks ahead of the forthcoming harvest and there is apparently negligible carryover. Exports should have exceeded 120,000 tonnes in 2009, which is some 50% above the previous year. A storm (Typhoon Ketsana) in early November was reported to have caused extensive damage to about 2% of the Vietnamese production area. We can expect an impact on the 2010 crop.

In India, heavy rainfall in Karnataka State in November was reported to have damaged prospects for the new crop. As a result, the prices shot up, but the market calmed down and prices decreased in the last weeks of the year. New arrivals start now.

Pimento

Dwindling stock reported in Mexico. There is often a speculative game played out in the early months of the year, but we are seeing firmer prices across a variety of origins implying that the market is actively seeking supplies.

Turmeric

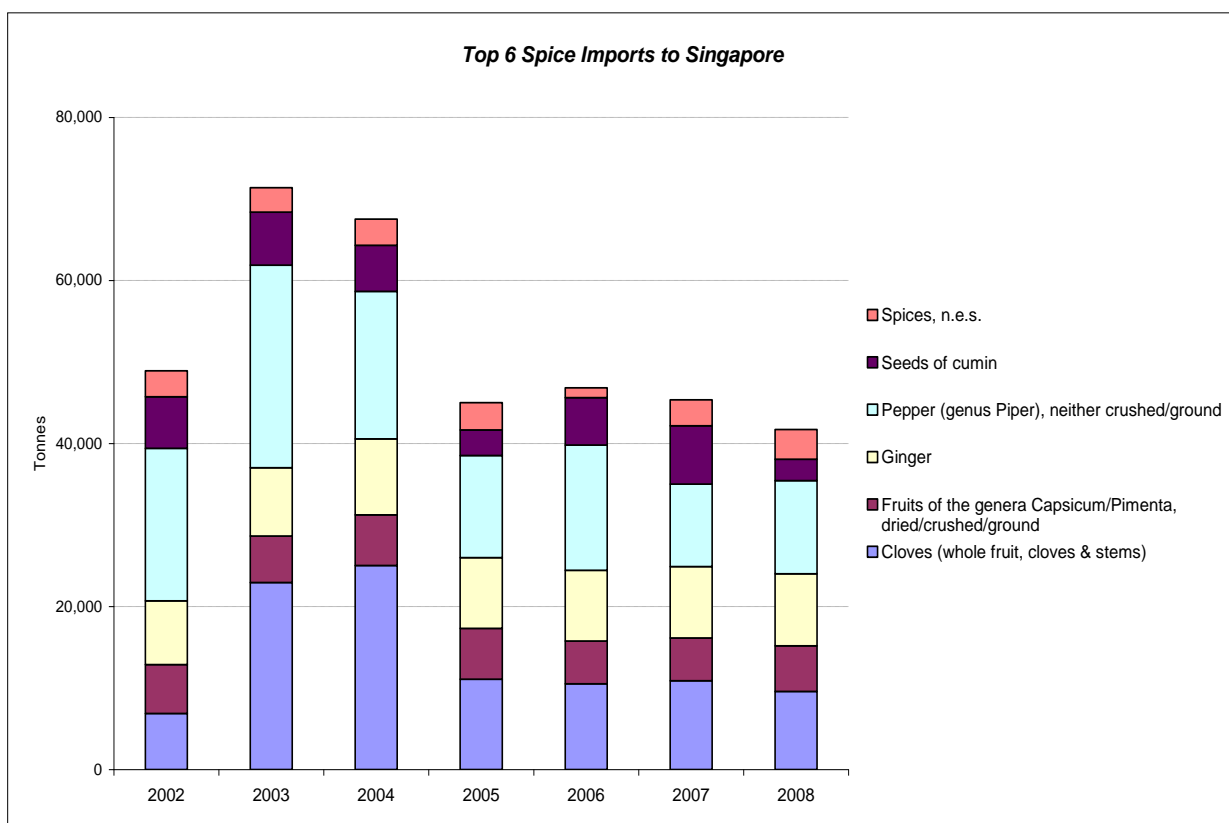
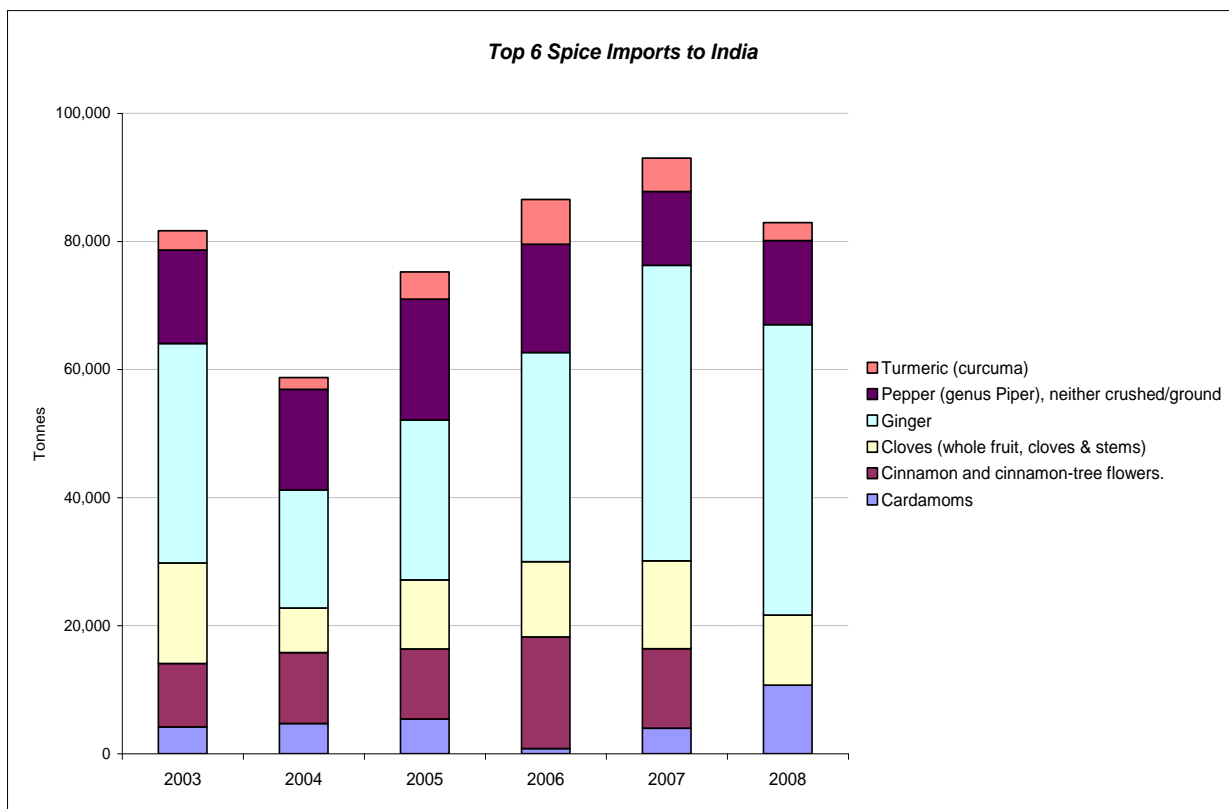
Indian prices stormed ahead in the final quarter of 2009 before falling back a little. Speculative buying supported by reports of poor crops in one or two producing areas stoked the boiler, but it seems the pressure is easing now.

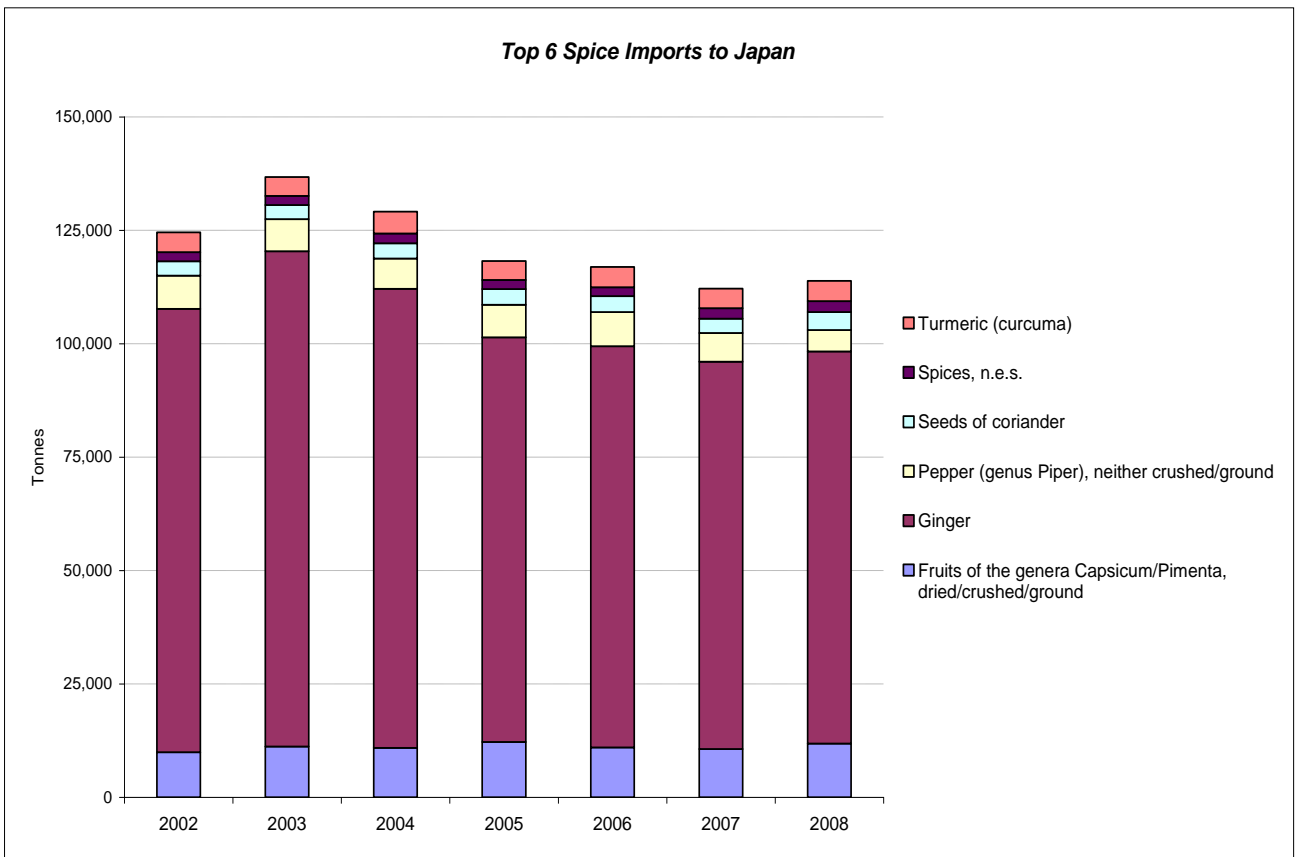
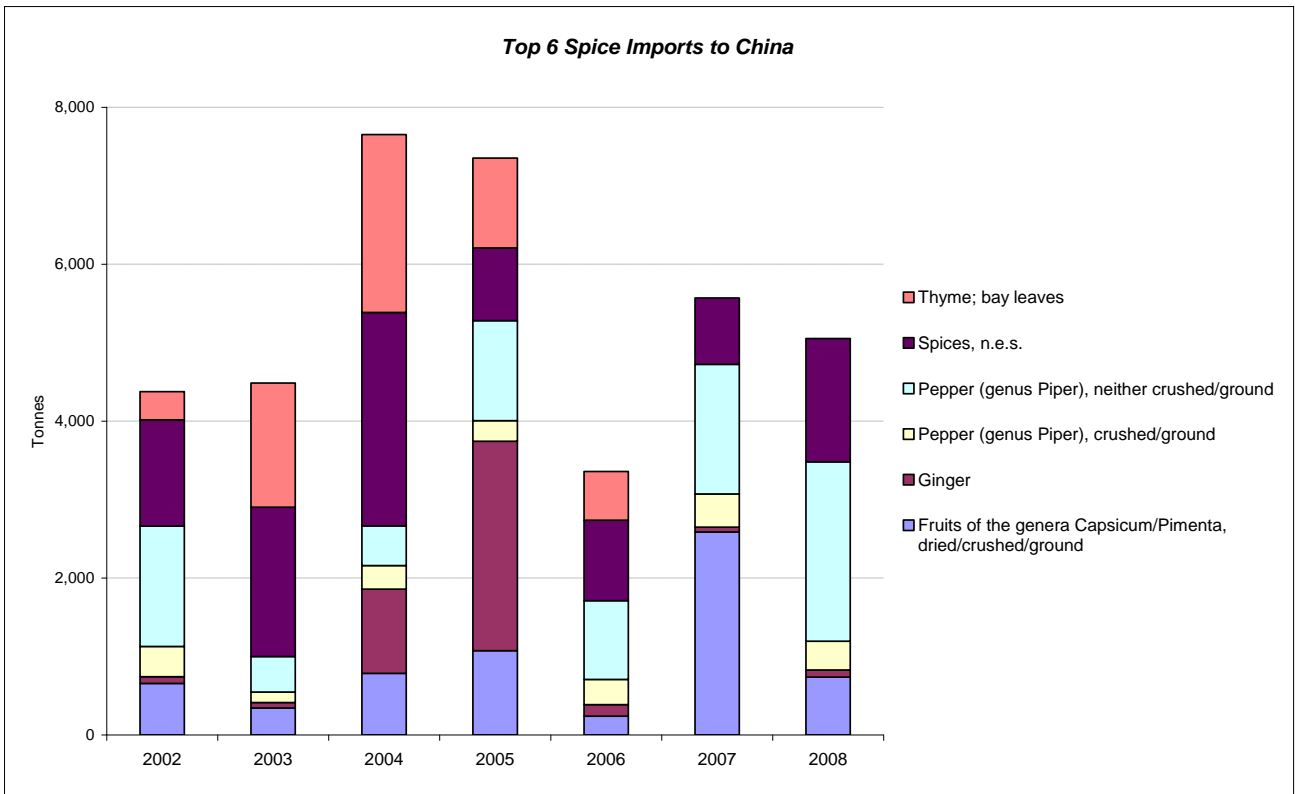
Vanilla

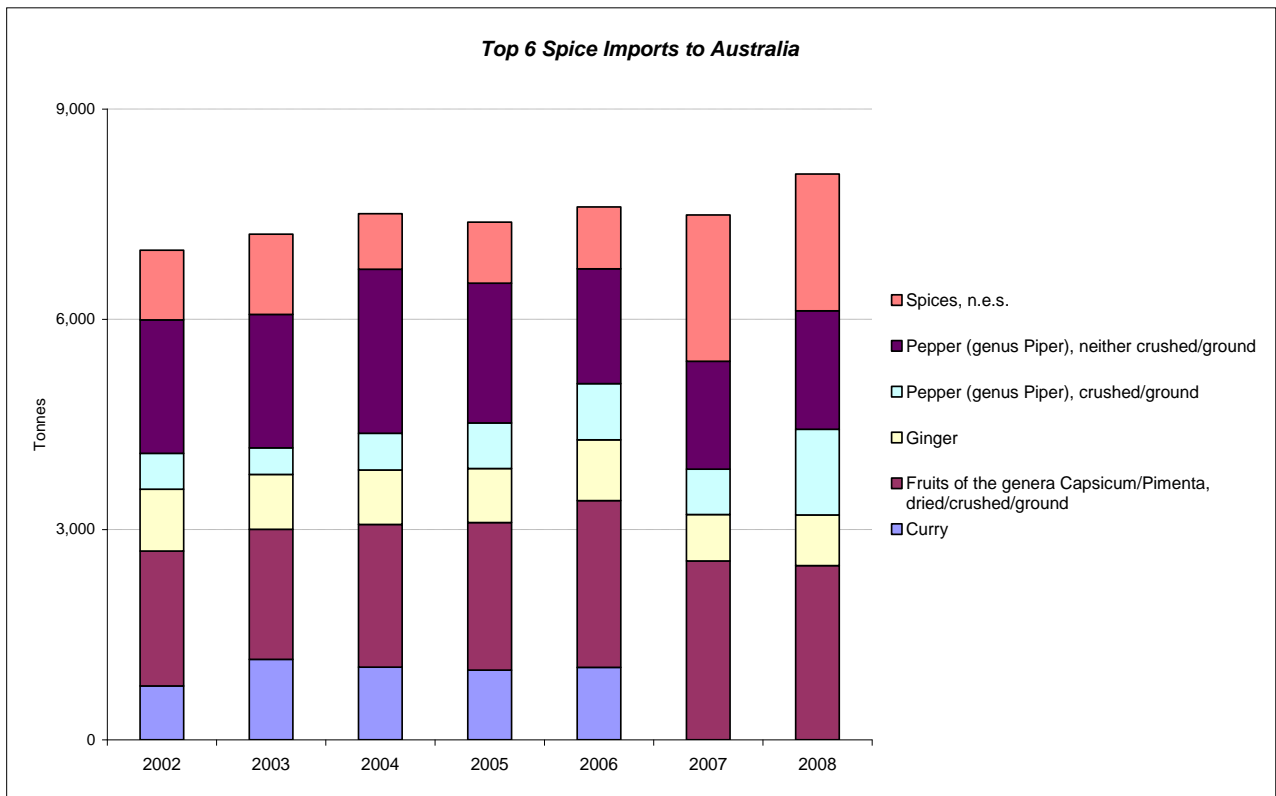
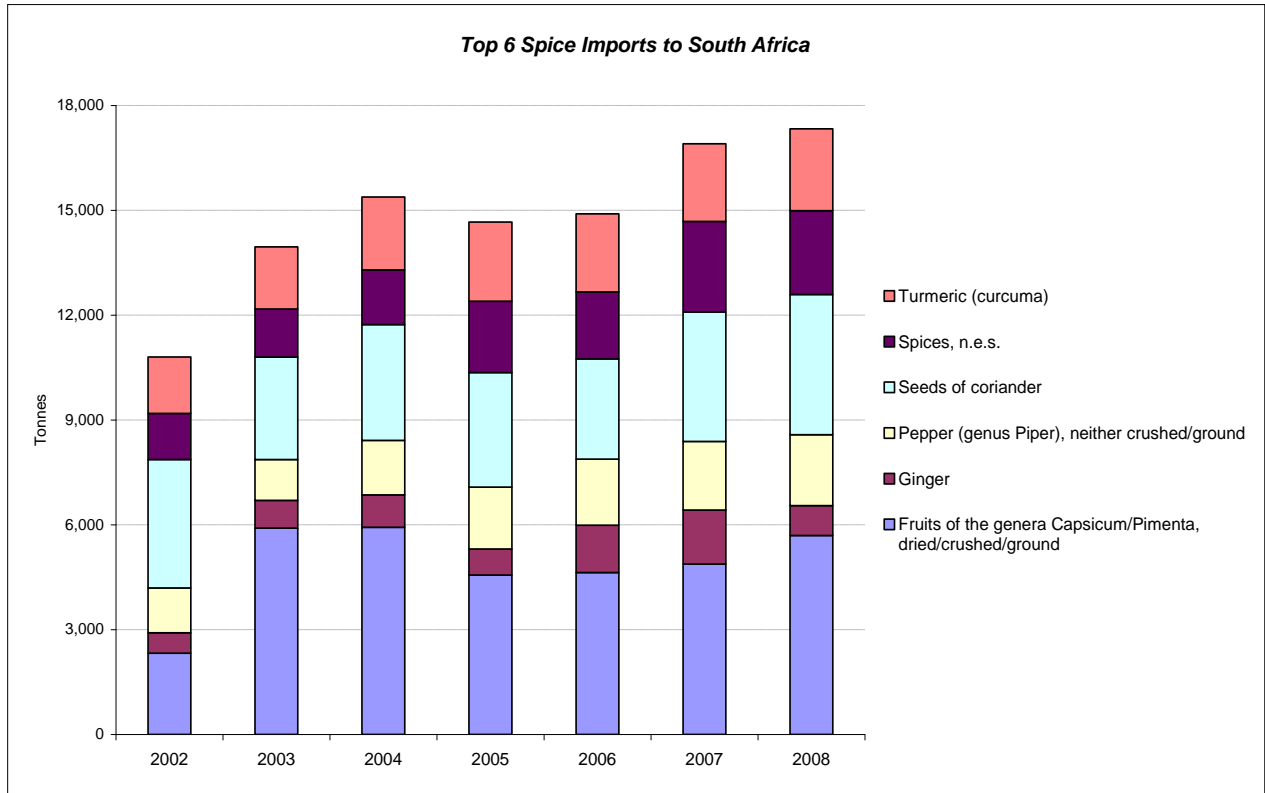
There is much discussion in the trade of the extent of *Fusarium* damage to the vines in Madagascar. Some on-the-ground reports are particularly pessimistic, with a dismal outlook for the plantation style production. There is a general acceptance that the crop in 2010 will be low: just how low is much debated. When this crop becomes available in 2011 it is clear that we should expect an outturn below the annual demand. Some observers feel that the deficit will actually be noted earlier, but the other point of debate is the implication of a deficit. While commentators report that the deficit will feed through to prices quite soon there are others who maintain that industry stocks are sufficient to buy some time. Expect further news during the year.

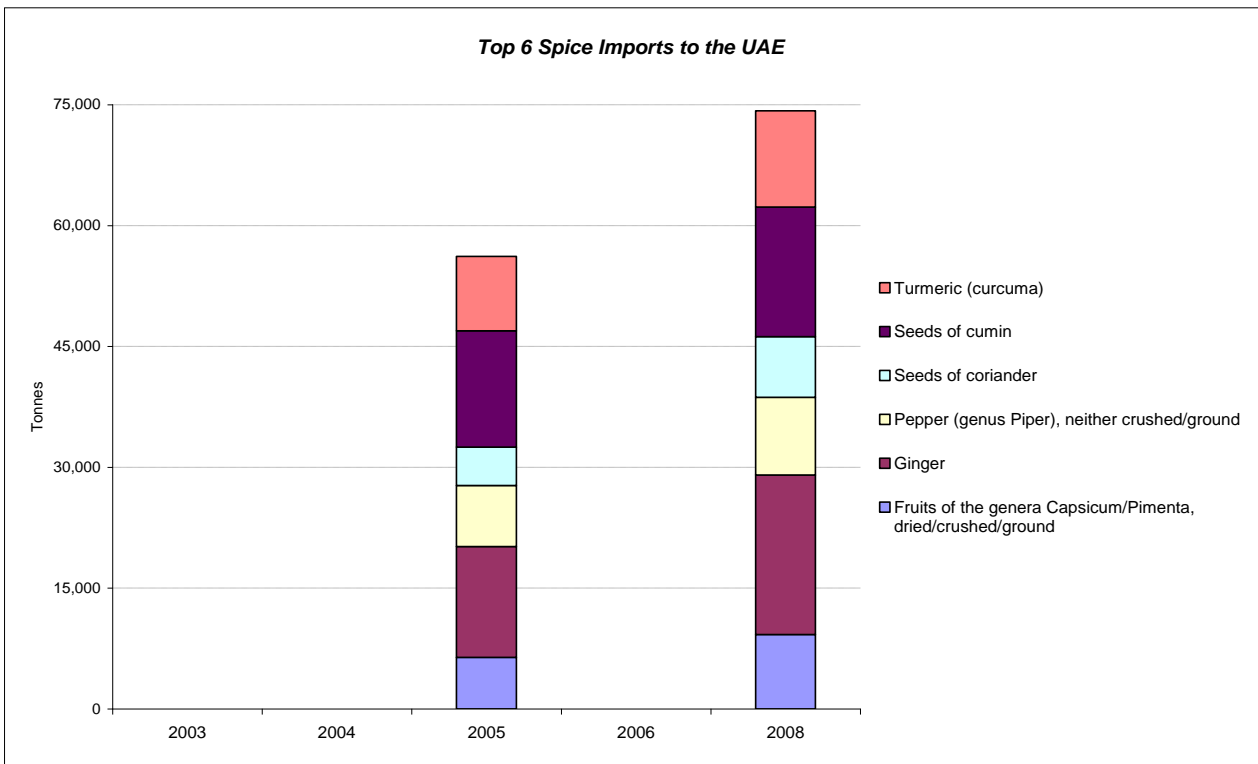
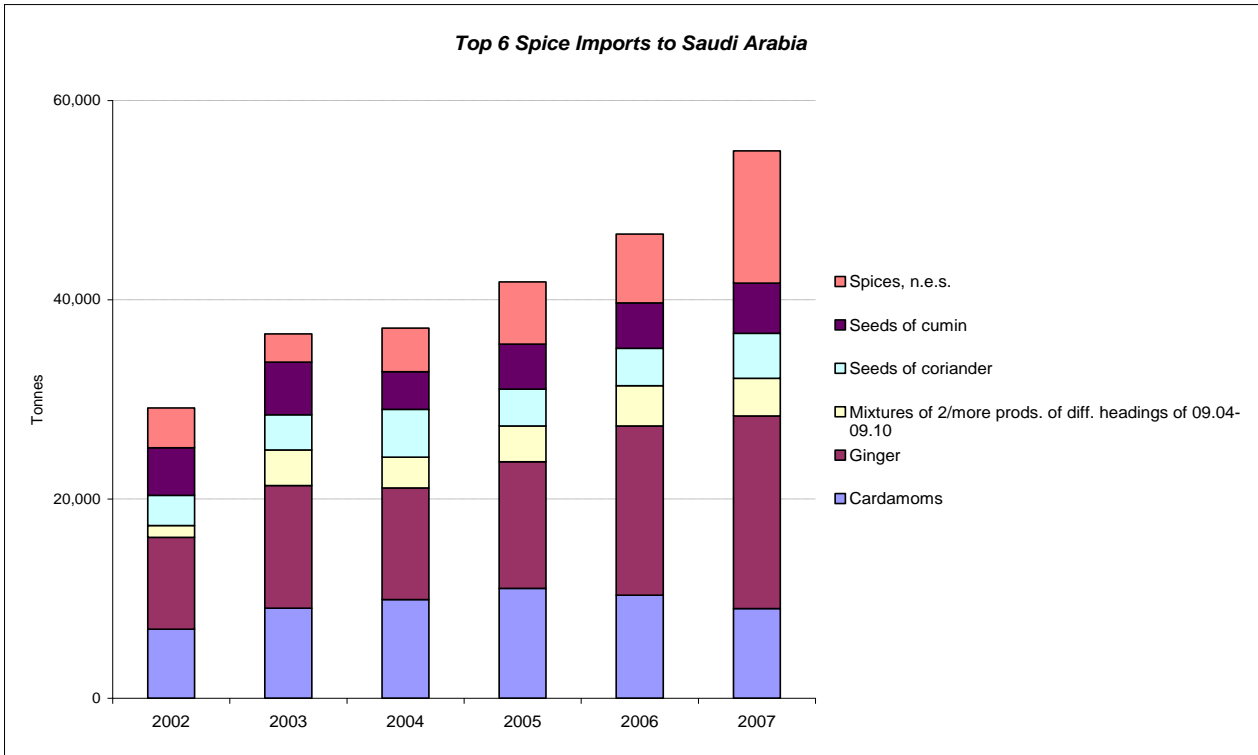
Imports of Spices to the Major Markets

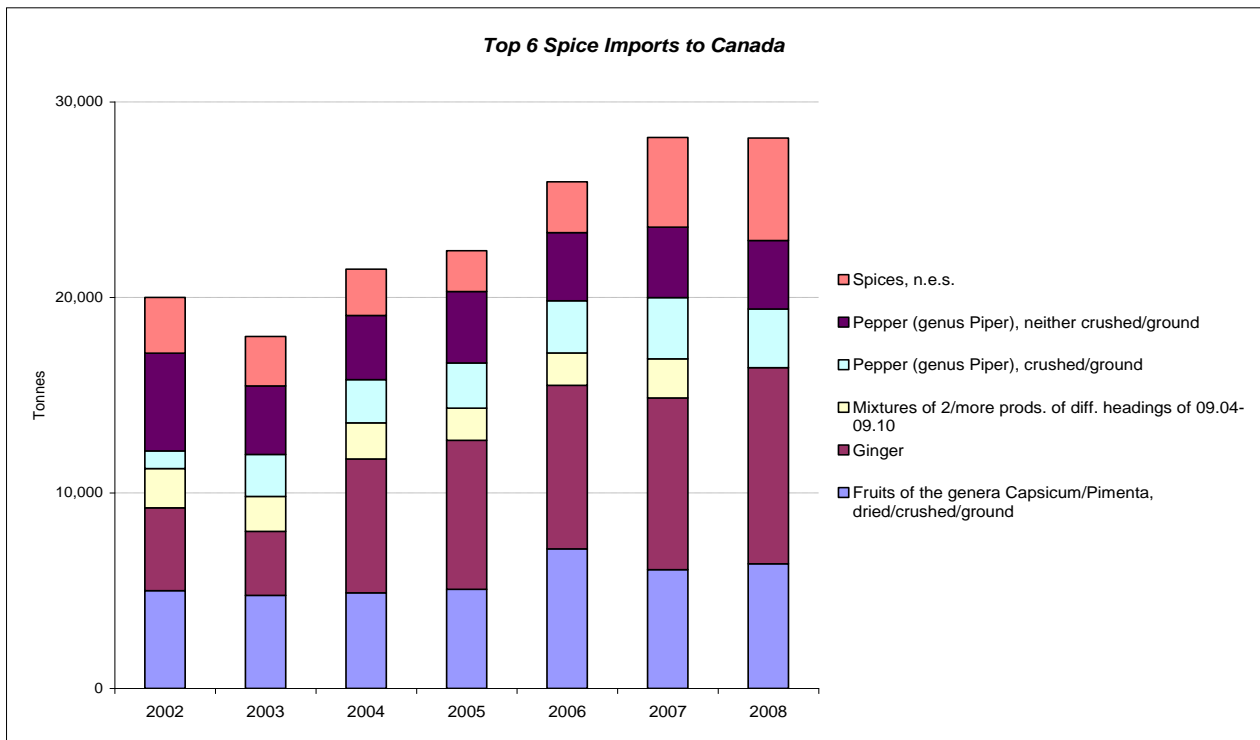
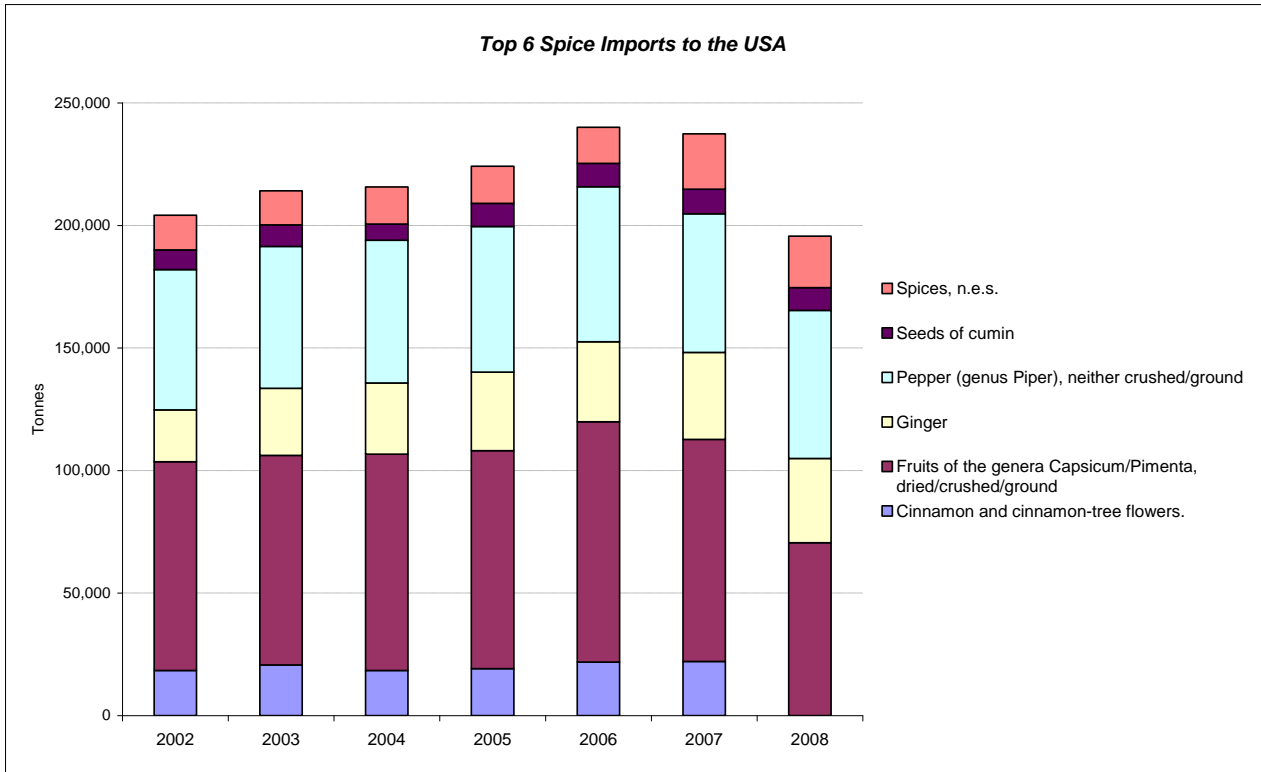
Overleaf we present a statistical round-up of spice imports into a number of markets. All data are taken from the UN Comtrade database (<http://comtrade.un.org>) and show the progress from 2002 to 2008 of imports of the major spice trade for each market. The relative scale of demand in each market is clear.

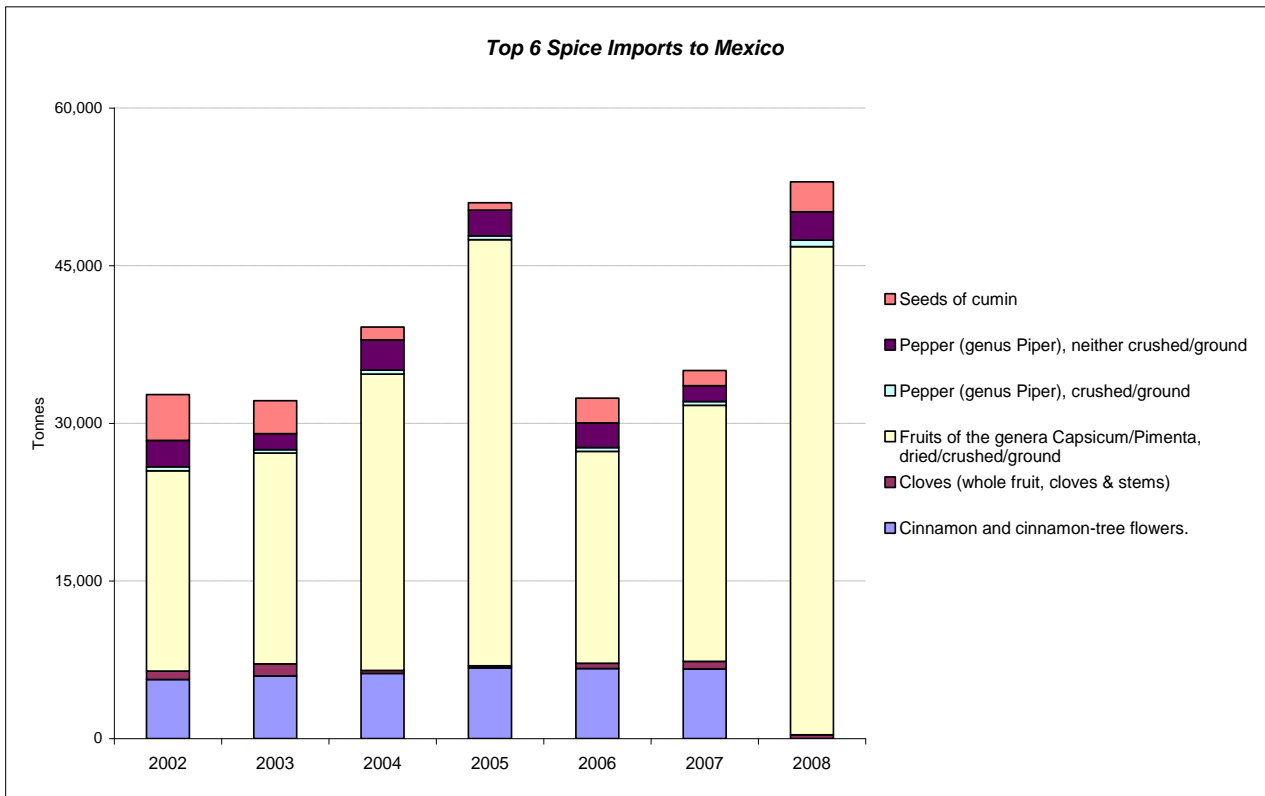
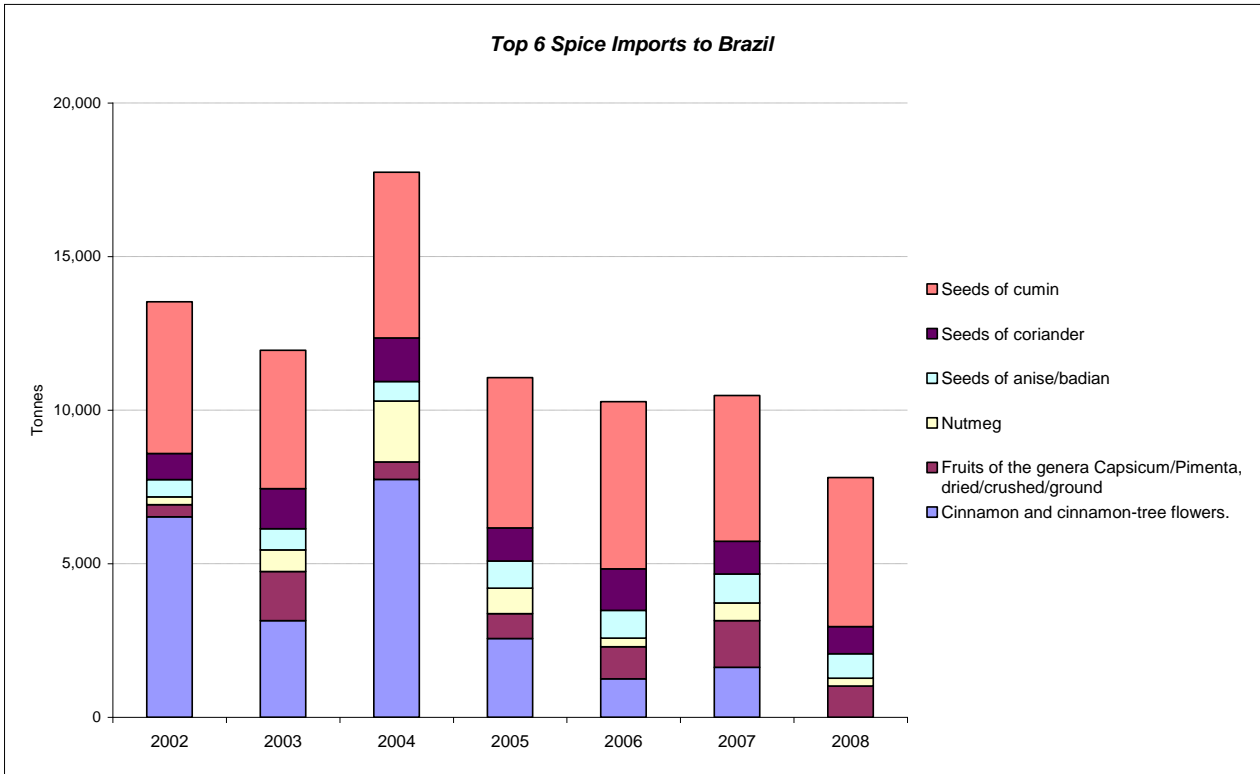




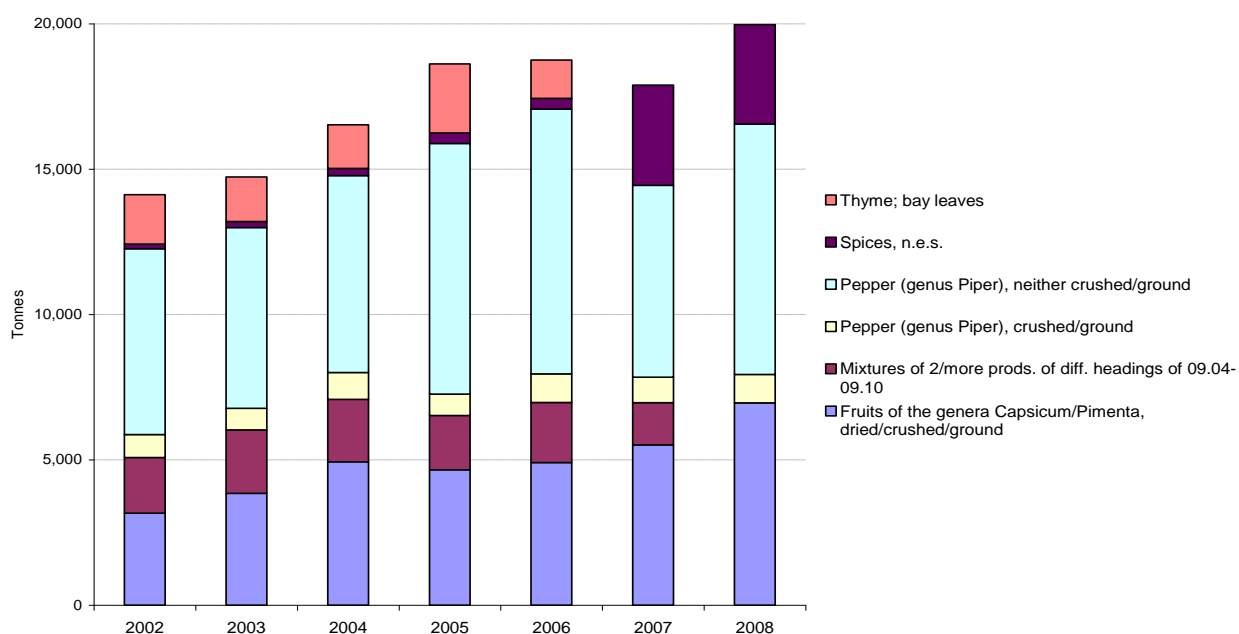




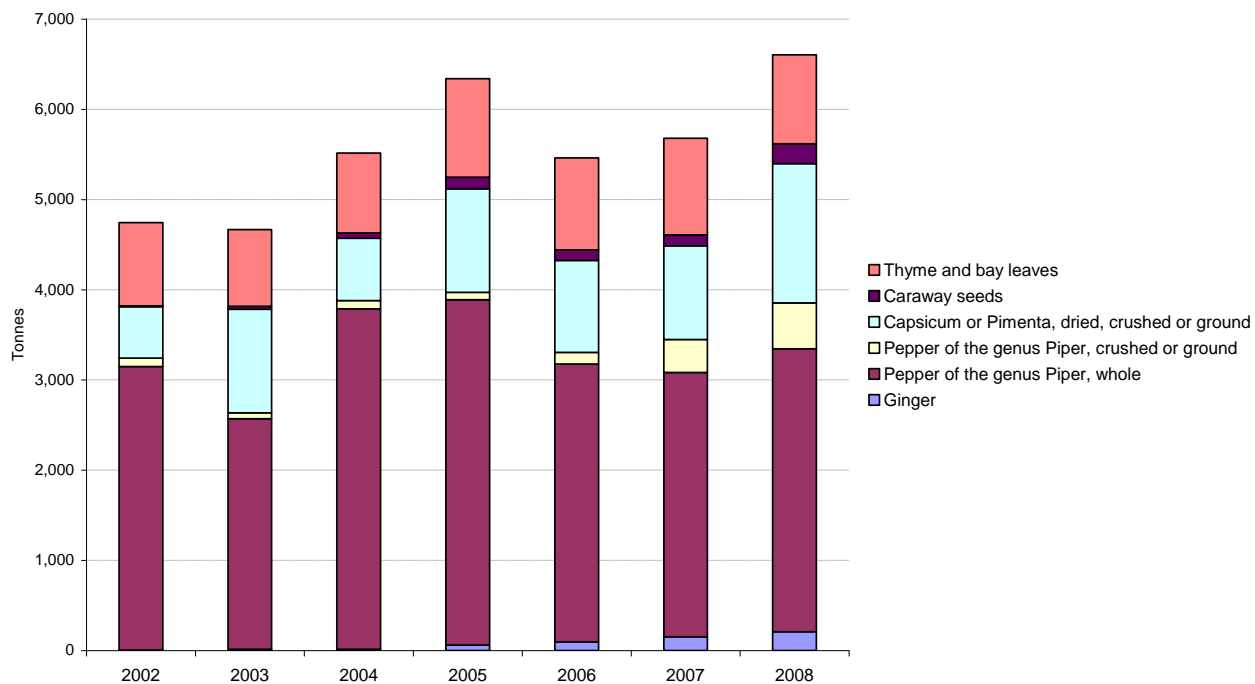




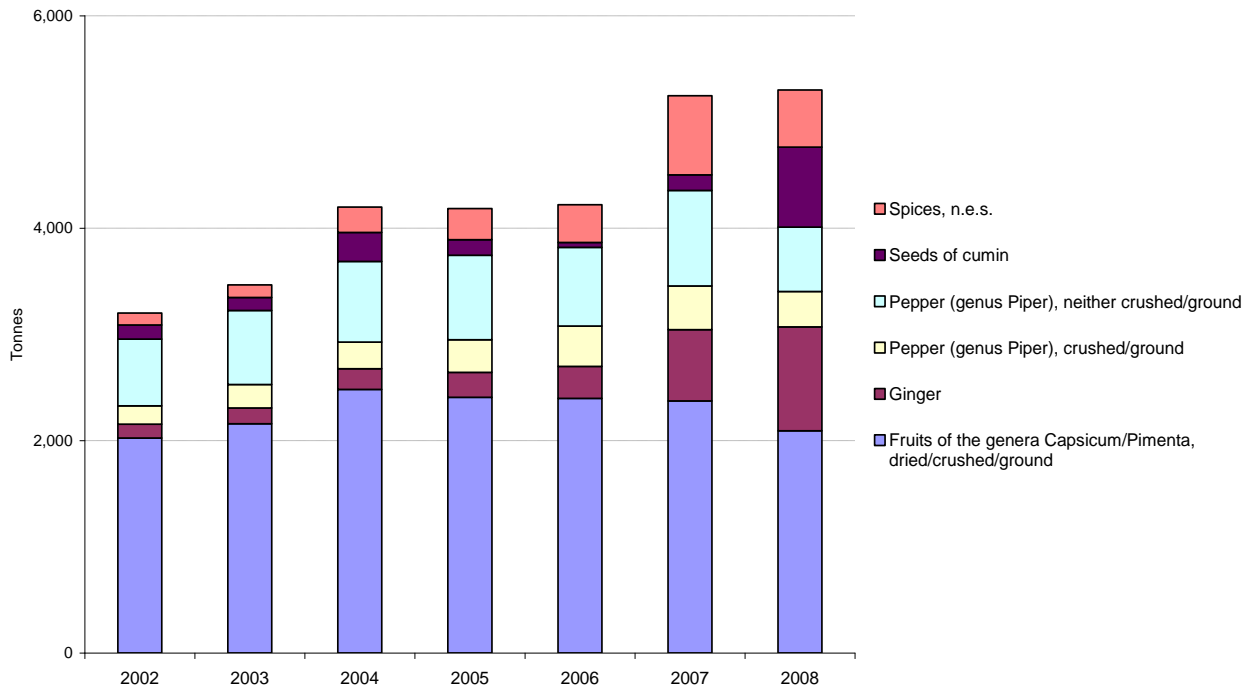
Top 6 Spice Imports to the Russian Federation



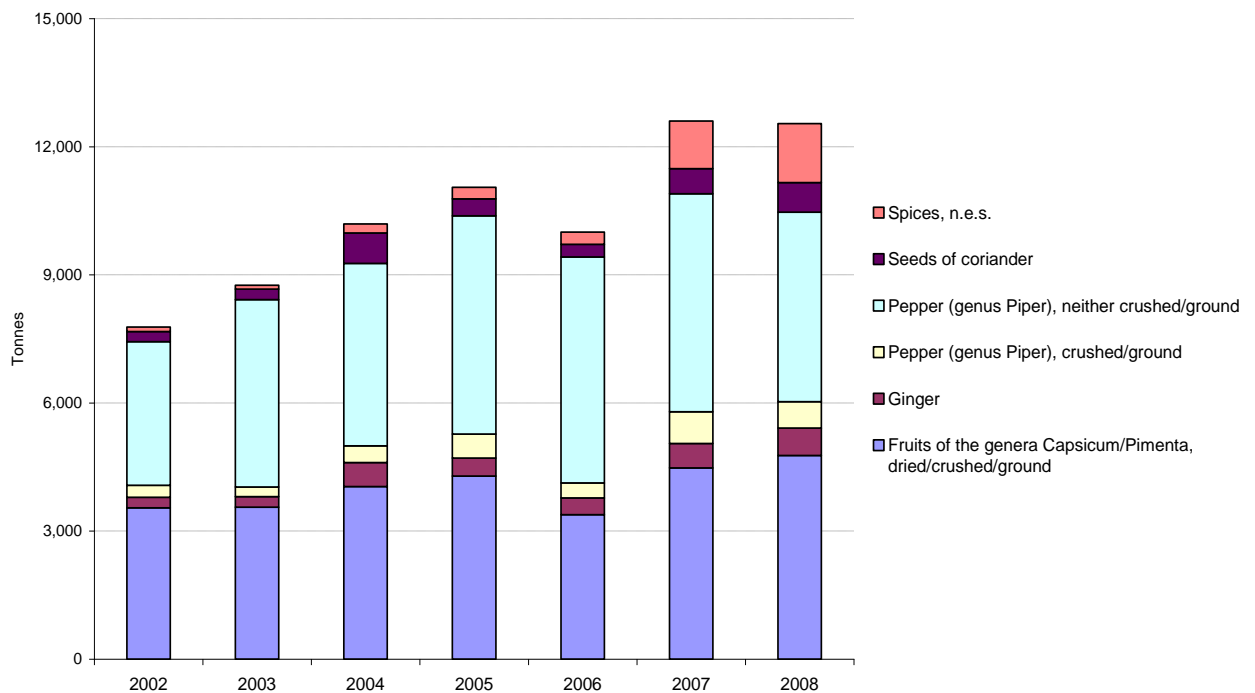
Top 6 Spice Imports to the Ukraine

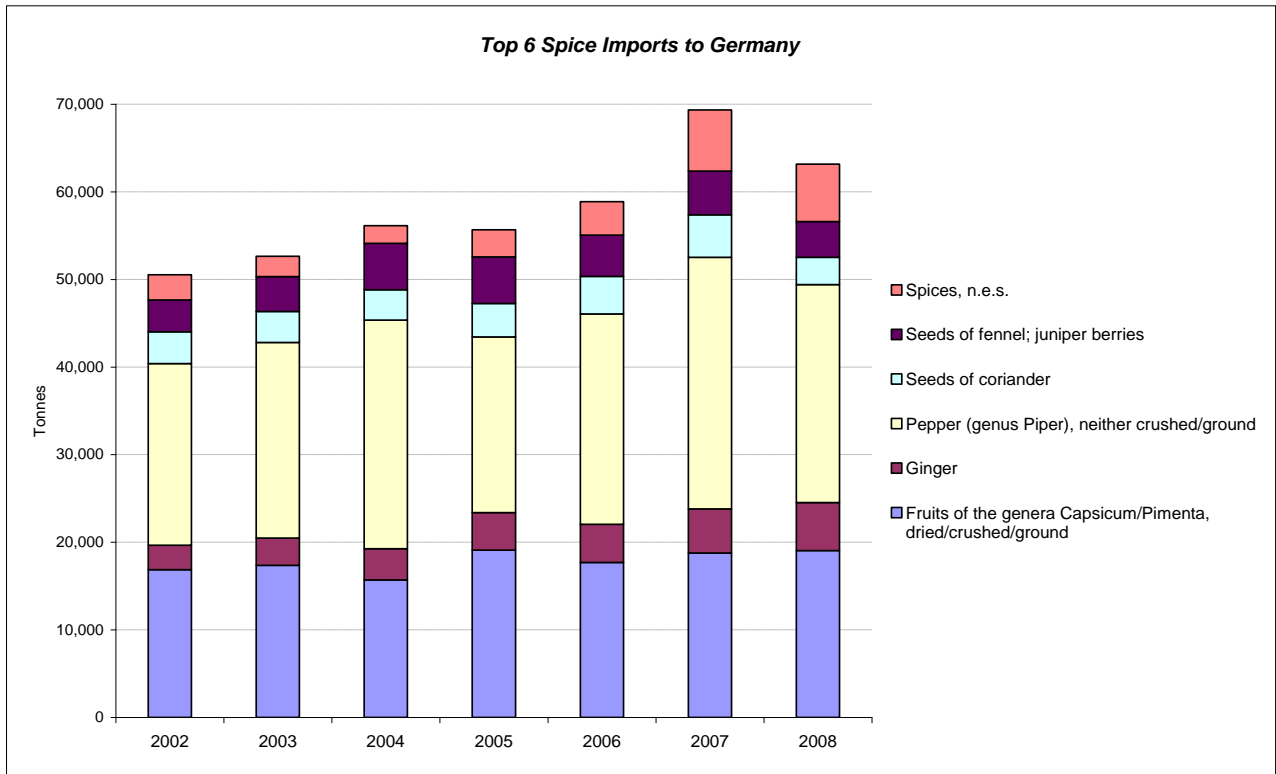
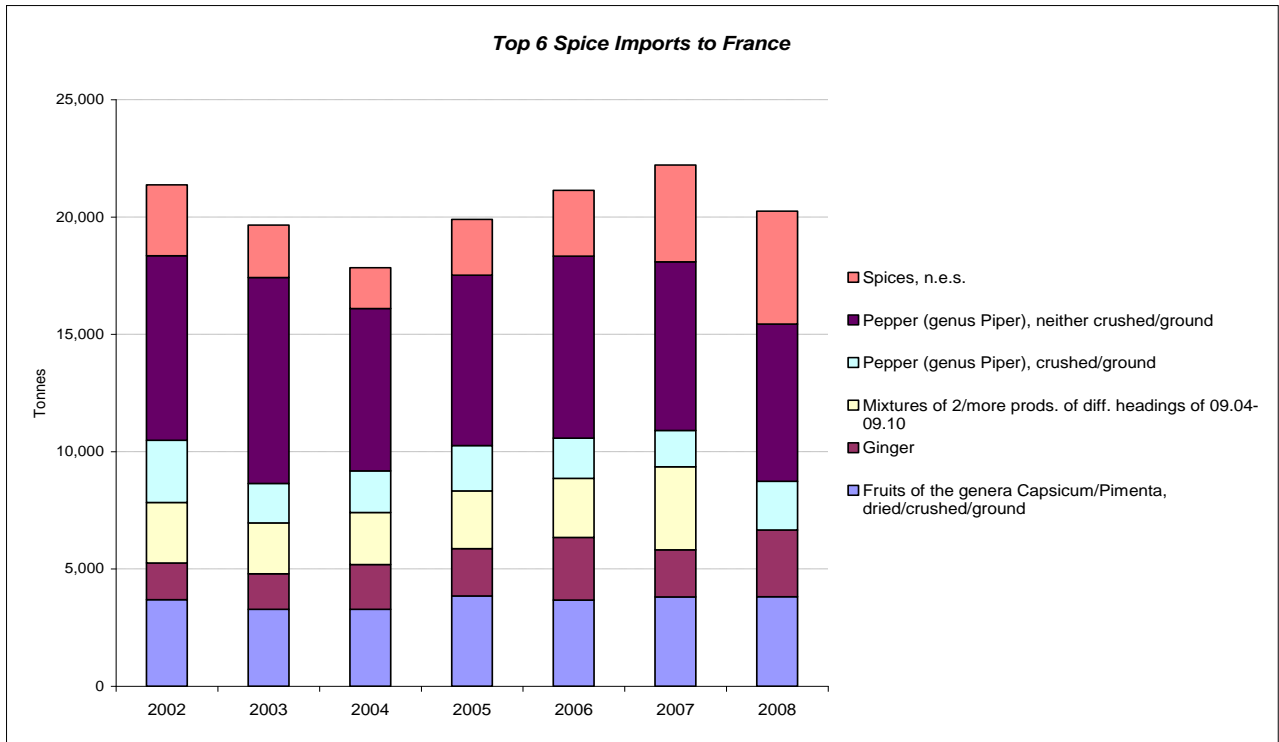


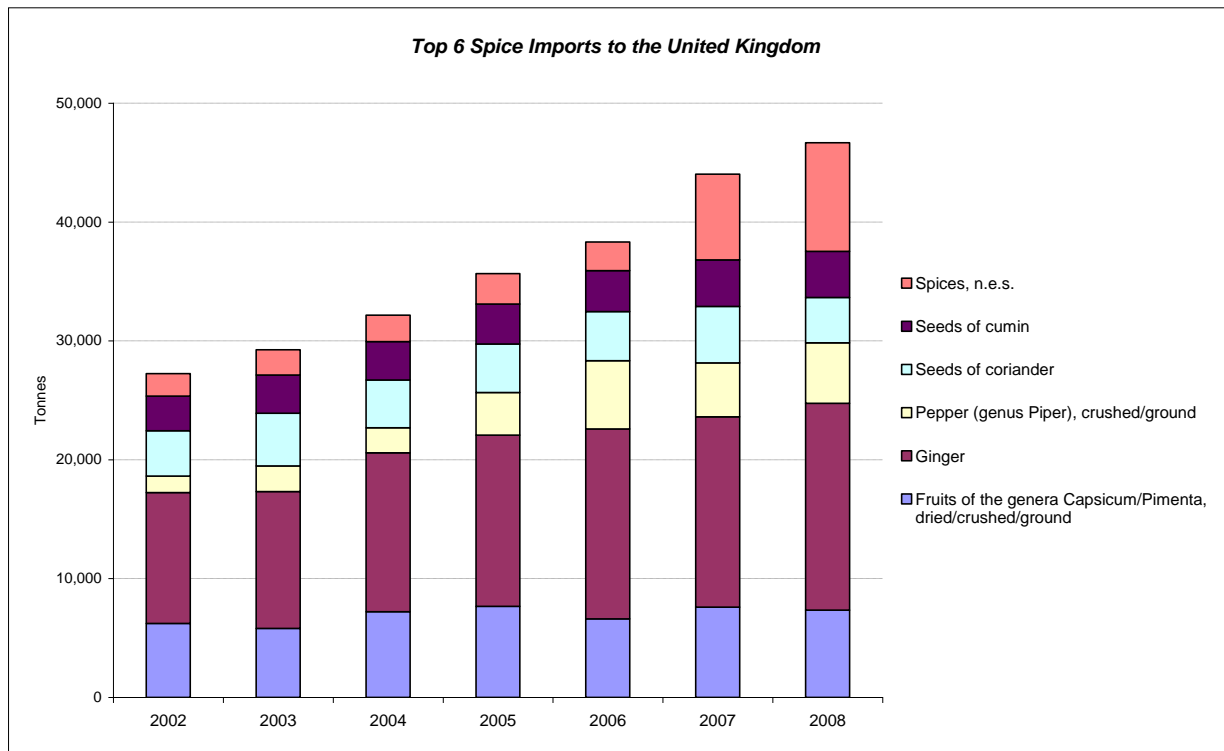
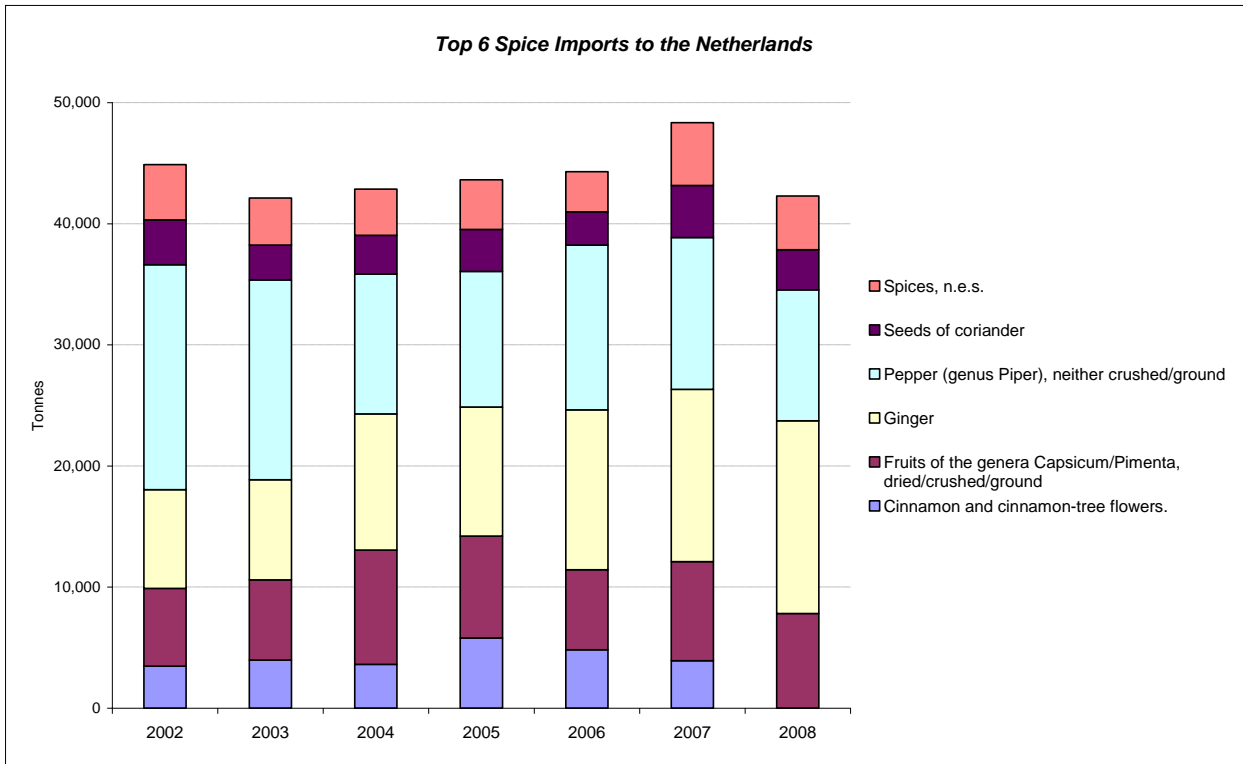
Top 6 Spice Imports to the Czech Republic



Top 6 Spice Imports to Poland







Prices in the market place

Grade = quality, grade, origin or other price related details
 PLEASE REMEMBER THESE ARE ONLY PRICE INDICATIONS

All prices are quoted in US\$/Kg

PRODUCT	USA				JAPAN				EUROPE				KUWAIT					
	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE			GRADE	PRICE				
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		
Black Pepper	Spot	\$3.44	\$3.37	\$2.75	Sarawak	\$4.00	\$4.10	\$3.05	FAQ 500g/l	\$2.95	\$3.08	\$2.50	MG1		n.q.			
	Tellicherry Extra Bold	\$4.19	\$4.19	\$4.19	Mal MG-1	\$3.80	\$3.75	\$3.15	FAQ 550g/l	\$3.10	\$3.23	\$2.70						
	Nearby Delivery	\$3.44	\$3.37	\$2.75	Lampung				SteamTreated 550g/l	\$2.95	n.q.	\$3.00				FAQ Vietnam		n.q.
White Pepper	Muntok FAQ spot	\$5.40	\$5.40	\$4.30	Muntok	n.q.	n.q.	n.q.	Muntok FAQ spot	\$5.00	\$5.2	\$3.90	FAQ		n.q.			
	Muntok nearby				Brazil				Brazilian spot	\$4.65	\$4.70	\$3.80						
	Vietnam	\$4.96	\$4.96	\$4.08	Sarawak	\$6.50	\$6.80	\$5.00	Steam treated Muntok spot	\$4.50	\$4.50	\$4.30						
Aniseed	Whole China star	\$5.73	\$5.50	\$3.97					Syrian 1%	\$7.00	\$6.50	\$4.55						
	Syrian	\$7.94	\$6.61	\$4.75					FAQ	\$6.10	n.q.							
Caraway	Canadian	\$2.54	\$2.47	\$2.30					FAQ									
	Dutch	\$2.54	\$2.47	\$2.30					Dutch	2.70	2.63	\$2.70						
Cardamom	Fancy Green	\$30.86	\$18.65	\$13.80	India AGS1	\$24.50	\$17.50	\$12.50	MYQ	\$18.75	\$11.00	\$7.00	No 1		n.q.			
	Mixed Green	\$19.29	\$10.58	n.q.	India AGS	n.q.	n.q.	n.q.	Bold	\$25.25	\$15.60	n.q.	No 2		n.q.			

All prices are quoted in US\$/Kg

	USA			JAPAN			EUROPE			KUWAIT		
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Cassia	Korintji A 3.00 ML/SVO	\$1.32	\$1.28	\$1.20	China whole	\$1.90	\$1.90	\$1.95	Korintji B Br & Cl	\$1.12	\$1.00	\$0.98
	Vera C/W AA	\$2.76	\$2.36	\$1.92	China broken	\$1.70	\$1.70	\$1.75	Vera AA	n.q.	n.q.	n.q.
	Vietnamese 5ML/SVO	\$3.13	\$3.13	\$3.00	Vietnam QNV	\$2.10	\$2.10	\$2.10	China broken			n.q.
Celery	Indian spot	\$1.37	\$1.37	\$1.70	Indian	n.q.	n.q.	n.q.	Indian 99%	1.38	1.50	\$2.55
Chili	Indian S4	\$2.54	\$2.43	\$2.30	Indian Sannam	n.q.	n.q.	n.q.	S4 grade	\$2.00	n.q.	n.q.
	African fukien	\$3.97	\$3.97	\$3.97	Chinese	n.q.	n.q.	n.q.	Malawi Bird's Eye	\$6.00	\$6.30	
Cinnamon	Ceylon H2	\$7.28	\$7.28	\$7.30	Sri Lanka C5 SP	\$14.00	\$14.00	\$13.00	Sri Lanka c5 cut	n.q.	n.q.	n.q.
Cloves	Sri Lanka hand picked	\$9.37	\$9.37	\$9.37	Madagascar	\$6.00	\$5.40	\$4.50	Comores / Madagascar	\$5.40	\$4.70	\$5.00
	Zanzibar	\$5.95	\$5.51	\$4.65	Zanzibar	n.q.	n.q.	n.q.				n.q.
	Indo stems	\$1.10	\$1.10	\$1.10								
Coriander	Bulgarian	\$1.30	\$1.30	\$1.45					98% East European	\$1.28	\$0.95	\$1.20
	Canadian	\$1.54	\$1.54	\$1.55								n.q.
Cumin	Turkish	n.q.	n.q.	n.q.					Turkish 98%	\$3.30	\$3.05	\$2.80
	Syrian	\$3.20	\$2.89	\$2.70					Syrian 99%	\$2.88	\$2.85	\$2.60
	Indian	\$3.20	\$2.89	\$2.70	Indian	n.q.	n.q.	n.q.	Indian 99%	\$3.24	\$2.82	\$2.95
Dill	Indian	\$1.50	\$1.50	\$1.81					Indian 99%	\$1.75	n.q.	\$2.09
Fennel	Fancy Egyptian	\$1.98	\$1.87	\$1.65					Egypt 99%	\$2.20	n.q.	n.q.

All prices are quoted in US\$/Kg

	USA				JAPAN				EUROPE				KUWAIT			
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Fennel	Indian ASTA	\$2.54	\$2.20	\$1.43	Indian	n.q.	n.q.	n.q.	Indian 99%	\$2.43	\$2.13	\$1.40	Indian			n.q.
Fenugreek	Turkey	\$1.10	\$1.10	\$1.15					Indian 99%	\$0.85	\$0.83	\$0.86	Indian			n.q.
Garlic	Ch. Powder	\$1.65	\$1.46	\$1.20					Flakes	\$1.90	\$1.90	\$1.15				
	Ch. Minced	\$1.85	\$1.61	\$1.40					Powder	\$1.36	\$1.15	\$1.00				
Ginger	Cochin	\$3.20	\$3.42	\$2.90	Cochin	\$4.80	\$4.20	\$3.90	Cochin	\$3.15	\$2.70	n.q.				
	Chinese sliced	n.q.	n.q.	\$1.92	Chinese sliced	n.q.	n.q.	n.q.	Chinese sliced	\$2.99	\$2.36	\$1.85	Chinese			
	Chinese peeled	\$2.87	\$2.65	\$2.01	Chinese whole	n.q.	n.q.	n.q.	Chinese peeled	\$3.20	\$2.32	\$2.60				
	Nigerian	n.q.	n.q.	\$1.54					Nigerian	\$1.80	\$1.70	\$1.30				
Mace	Siauw No 2 siftings	\$11.57	\$11.57	\$11.57	Siauw whole	\$16.50	\$15.50	\$11.00	PNG Whole	\$11.70	\$11.45	\$11.25				
Mustard	No 1 Yellow Canadian	\$1.43	\$1.50	\$2.09					Canada Yellow	n.q.	\$1.20	\$1.65				
	Brown oriental	\$1.37	\$1.43	\$1.98					Australian			n.q.	Indian			n.q.
									India	n.q.	n.q.					
Nutmeg	W.I. ABCDs	\$10.14	\$10.14	\$10.14	Indo 110's	\$12.50	\$9.95	\$9.60	Indonesian SS	n.q.	\$10.05	\$8.20				
	E.I. cracked	\$9.81	\$9.37	\$7.72					WI 110's	n.q.	n.q.	\$9.75				
									ABCD	\$11.88	\$10.65					
Onion	Egypt pow	n.q.	n.q.	n.q.					Powder	\$1.99	\$1.99	\$2.00				
	India pow	\$2.40	\$2.40	\$2.40					Flakes	n.q.	n.q.	\$2.50				
Paprika	Spanish 120 ASTA	\$4.63	\$4.63	\$4.63												

All prices are quoted in US\$/Kg

	USA			JAPAN			EUROPE			KUWAIT		
PRODUCT	GRADE	PRICE			GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago		This Week	2 Month ago	1 Year Ago
Paprika	Spanish visual	n.q.	n.q.	\$2.05					Spanish 80 ASTA	\$2.29	\$2.70	\$2.55
	Hungarian	\$6.60	\$6.60	\$6.60					Hungarian 100 ASTA	n.q.	n.q.	n.q.
	120 ASTA	n.q.	n.q.	\$2.60					Peru HT90 ASTA	n.q.	n.q.	
Pimento	Mexican	\$3.20	\$3.09	\$3.05	Mexican	\$3.30	\$3.20	\$3.10	Mexican	\$2.90	\$2.80	\$2.80
	Guatemala	\$3.31	\$3.20	\$3.40					Guatemala	\$3.12	\$2.90	\$3.40
	Jamaica	\$3.97	\$3.97	\$5.50	Jamaica	n.q.	n.q.	n.q.	Jamaica	\$3.68	\$3.60	\$4.95
Poppy	Dutch	\$1.74	\$1.74	\$2.87					Dutch	\$1.60	\$1.60	\$1.95
	Australian	\$1.98	\$1.98	\$2.87					Turkey	n.q.	n.q.	n.q.
Sesame	Indian Natural	\$1.83	\$1.90	\$1.83								
	Central American hulled	n.q.	n.q.	\$3.31								
	Indian hulled	\$2.14	\$2.14	\$2.15					Indian Hulled	\$2.05	\$2.05	\$2.76
Turmeric	Al'pey 5.25 curcumin	\$2.65	\$2.65	\$1.87	Madras fingers	\$2.80	\$3.10	\$1.20	Madras fingers	n.q.	n.q.	n.q.
	Al'pey 5.0 curcumin	n.q.	n.q.	n.q.	Alleppey fingers	n.q.	n.q.	\$1.85	Powder	\$2.10	\$2.10	
	Indian ground	n.q.	n.q.	n.q.	Indian Rajapuri	n.q.	n.q.	n.q.				Madras powder
Vanilla ¹	Bourbon	\$28.00	\$28.00	\$28.00					Bourbon	\$25-30	\$25-30	\$25-30
									Non-bourbon	\$20-25	\$20-25	\$20-25

¹ Vanilla – the prices given here are indicative of the value of bulk sales at origin. Selling prices within Europe are substantially higher as they reflect much smaller quantities that may be specially packaged.

Monthly average prices in the domestic markets are reported by the Spice Board of the Government of India for December 2009 as follows:-

USD/kg	Change	Dec-09	Nov-09	Oct-09	Dec-08
Black Pepper	⇒	3.06	3.16	3.03	2.16
Cardamom – Small	↗↗↗	17.86	15.31	13.61	8.93
Cassia	↗↗	1.71	1.73	1.55	1.44
Chili	⇒	1.20	1.28	1.19	1.08
Cloves	⇒	6.64	6.65	6.61	5.68
Coriander	↗	0.94	0.97	0.89	1.24
Cumin	↗↗	2.61	2.67	2.25	1.91
Fennel	↗↗	2.40	2.42	2.18	1.18
Fenugreek	↗↗	0.71	0.71	0.64	0.64
Garlic	↗↗	1.11	1.13	1.01	0.22
Ginger	↗	2.78	2.83	2.70	1.66
Turmeric	↗↗↗	3.20	3.33	2.46	1.45

Prices in the market place

Herbs

All prices are quoted in US \$/Kg

PRODUCT	USA				EUROPE			
	GRADE	PRICE			GRADE	PRICE		
		This Week	2 Month Ago	1Year Ago		This Week	2 Month Ago	1Year Ago
Basil	Egyptian FAQ	\$2.25	\$2.25	\$2.65	Egypt	\$1.52	\$2.14	\$2.65
	Egyptian Extra Fancy	n.q.	n.q.	n.q.	Egypt fines			n.q.
Bay leaves	Turkish Fancy	n.q.	n.q.	n.q.	FAQ	\$3.36	\$4.13	n.q.
	Turkish semi select	\$3.75	\$3.75	\$3.64	Turkish semi-select	\$6.05	\$6.05	\$4.95
Chervil				German	\$10.22	\$10.60	\$9.65	
Dill weed	Egyptian	\$3.20	\$3.20	\$3.20	German	\$2.56	\$2.65	\$2.85
	Californian	\$12.02	\$12.02	\$12.02				
Marjoram	Spot	\$3.00	\$3.00	\$3.85	Egypt ASTA	\$2.70	\$4.21	\$3.65
Mint	Peppermint	\$5.07	\$5.07	\$5.07	Egyptian	\$4.62	\$4.75	\$4.35
	Spearmint	\$4.96	\$4.96	\$4.96				
Oregano	Turkish 30# Ex Fancy	\$2.98	\$2.98	\$4.10	Turkish	\$2.04	\$3.95	\$4.65
	Turkish FAQ	\$2.31	\$2.31	\$2.90				
	Turkish 30# Fancy	\$2.75	\$2.75	\$3.85				
Parsley	Israeli	\$6.83	\$6.83	\$7.30	European 2mm	\$6.08	\$6.49	\$6.10
Rosemary	Morocco	\$1.65	\$1.65	\$1.76	Spanish	\$1.67	\$2.51	\$2.45
	Spanish	n.q.	n.q.	n.q.				
Saffron	Spanish	\$4,850	\$5,500	\$4,000	Iranian	n.q.	n.q.	\$2,500
Sage	Albanian	\$4.30	\$3.95	\$3.85	Turkish	\$4.54	\$5.61	\$7.10
Savoury	Albanian	\$3.30	\$3.30	\$4.20	German	\$4.97	\$5.17	\$5.05
Tarragon	Extra fancy French	\$14.55	\$14.55	\$14.55	French	\$24.35	\$25.30	\$23.30
Thyme	Spanish	n.q.	n.q.	\$3.55	Spanish	\$3.05	\$4.06	\$3.70

All prices are quoted in US \$/Kg

PRODUCT	USA				EUROPE		
	GRADE	PRICE			GRADE	PRICE	
		This Week	2 Month Ago	1Year Ago		This Week	2 Month Ago
Thyme	Spanish Extra Fancy	\$3.97	\$3.97	\$3.95			
	Moroccan	\$2.98	\$2.98	\$4.10	Moroccan	\$2.75	n.q.

Appendix

Abbreviations

Ino = Indonesia
= refers to mesh number
FAQ = Fair Average Quality
HU = Heat Units
ASTA = American Spice Trade Association
WI – West Indies
Del = delivery
Imp = Impurities
ASTA (paprika) = refers to colouring units as determined by ASTA method
sm = small
spec. = specification
ESA = European Spice Association.
USD = United States Dollars
G/l = grams per litre
Ch = Chinese
S.A. = South Africa
MYQ = Mixed Yellow Quality
Br & Cl = Broken and cleaned

Rates of Exchange 31st December 2009

Currency	Code	Units/1 USD	Units/1 EUR
Bahraini Dinar	BHD	0.3782	0.5421
British Pound	GBP	0.6279	0.9000
Chinese Yuan Renminbi	CNY	6.8372	9.8000
Egyptian Pound	EGP	5.5201	7.9122
Indian Rupee	INR	46.8936	67.2141
Indonesian Rupiah	IDR	9,416.2	13,496.5
Japanese Yen	JPY	92.2401	132.213
Kuwaiti Dinar	KWD	0.2882	0.4131
Malaysian Ringgit	MYR	3.4292	4.9152
Pakistan Rupee	PKR	85.0364	121.8850
Saudi Riyal	SAR	3.7517	5.3774
Singapore Dollar	SGD	1.4054	2.0144
Sri Lanka Rupee	LKR	114.52	164.1450
Swiss Franc	CHF	1.038	1.4877
Thai Baht	THB	33.4514	47.9468
Utd. Arab Emir. Dirham	AED	3.6738	5.2658
Vietnamese Dong	VND	18,670	26,761
EURO	EUR	0.6977	

Daily rates can be found on

www.ft.com

Historical rates are available at

www.oanda.com/convert/fxhistory



International
Trade
Centre



Street address
International Trade Centre
54-56 Rue de Montbrillant
1202 Geneva, Switzerland

P: +41 22 730 0111
F: +41 22 733 4439
E: itcreg@intracen.org
www.intracen.org

Postal address
International Trade Centre
Palais des Nations
1211 Geneva 10, Switzerland