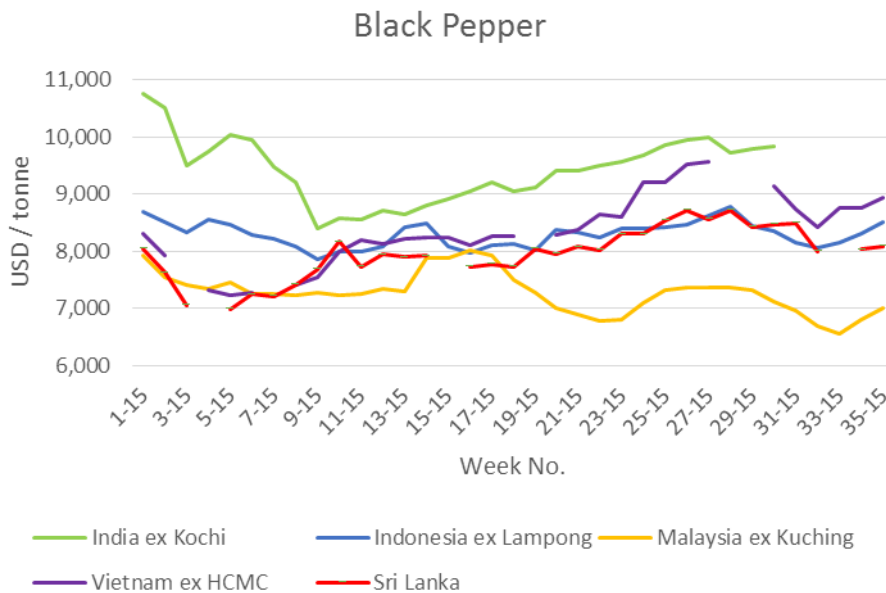


Market Dynamics

Pepper – As the Indonesian harvest moved to a maximum at the outset of August prices drifted off. The Indonesian crop was coming in better than expected. All origins with availability were affected and weakness in the Dong also impacted on Vietnamese prices. But the respite for buyers was short lived and pepper end the month on a firmer note though still below July levels. In the consuming markets, prices weakened by up to 5% but remain exceptionally high.

The International Pepper Community (IPC) have reported producer prices as follows: (Indicative prices as received by growers. Based on information received from regional reporters)



Source: IPC Weekly Prices Bulletin data

August proved to be a quiet month in the spice trade. The northern hemisphere consuming markets scaled back activity for the summer holidays. At origin, there was excitement in the vanilla trade with speculation in Madagascar pushing prices to levels not seen for a few years. At the time of writing there has been little sign of downward pressure. Clove prices have drifted down a little but cumin has strengthened.