



Market Report – August 2024

BASIL: Offers from Egypt are 15-20% higher this year than last year. The driving forces are primarily economical, including currency and inflation, but also freight. While we are seeing freight relief in other parts of the world, shipping companies are still avoiding Egyptian ports and limiting vessels and voyages. Additionally, farmers were unhappy with basil levels last year and are demanding higher prices. Basil is a single-source commodity. Political unrest in the Middle East has importers and exporters nervous. Coverage should be reviewed as soon as possible.

CARDAMOMS: There are still some qualities from the current crop available. However, the selection is limited and the quantities are minimal. Poor growing conditions are an indication of a later than usual new crop collection. Quite often a late crop is indicative of a small crop and that seems to be the consensus at this time. Now is the time to stay ahead of this item's trajectory.

BLACK PEPPER: Offers from Vietnam eased slightly this week. Insignificant demand over the past several weeks has increased selling pressure. Freight rates and raw material reserves are still a big worry for exporters. Spot prices in the U.S. are reflective of replacement levels. We recommend taking advantage of these dips as volatility is expected in the months ahead. Prices in Vietnam increased this week. Rising demand, shrinking reserves and a stronger Dong led the way. Exporters remain bullish given the landscape looking forward. Remaining inventory is reported to be held in strong hands. Indonesian offers were limited this week mostly due to supply concerns. Spot prices in the U.S. are sideways despite replacement gains however sellers remain motivated to move stocks.

SESAME: Prices have remained remarkably stable despite significant challenges in origin countries, impacts from climate change, and higher freight rates. Unlike most traditional spices, sesame is grown primarily for oil and crushing grade quality is the majority of global acreage. African and Indian harvests have proven stable in recent years while Pakistani crops have recovered from devastating floods in 2022. New crop sowing in the key western states of India has been completed and the harvest is expected in October. Reports indicate a significant decline in sown acres as farmers turn towards more lucrative crops. Near term coverage is recommended.

PARSLEY: New crop arrivals in Europe are easing supply strains. Offers remain firm as importers race to fill empty pipelines. Most origins are reporting a good crop. Weather conditions will need to hold out until the harvest is complete in October/November. That is the earliest we can expect any price relief. Egyptian material is also available for importers whose applications will allow for it.

GINGER: The last few crops from multiple origins were plagued with problems as nature did not cooperate. Nigeria lost 90% of its crop to disease just as it was about to be harvested. India reported many of its fields were less than productive and remains an importer. China's crop was small compared to domestic demand and this combination set prices off to the races. Now as we approach another season, exporters are cautiously optimistic that the new crops will help to alleviate the price pressure on the market. All major growing regions appear to have withstood weather issues and are looking to come to market with a healthy outturn. It is too early to rule out last minute issues but so far things are looking better than last year. Prices remain high and stocks are almost nil for any decent quality. With several months ahead before harvesting and minimal carryover, prices appear to hold steady. Offers remain limited and expensive for good quality stocks. With several months remaining before new crops are available the trade is stretching it out. There is optimism that the upcoming crops should be sufficient to ease the pressure on the market but we have seen this hope dashed before.

CASSIA: A recent surge of demand sent prices climbing for the last several weeks. There is a strain on supply lines as Indonesian exporters fight to obtain raw materials. Collectors in the mountains are facing more obstacles harvesting and this is sending prices up, especially on the higher oil qualities. Also, increasing scrutiny by customers requiring more testing adds to delays. Longer voyage times keeps our trade going hand to mouth with arrivals and we are starting to see spot shortages. The local market in Indonesia continues firming and offers are becoming more expensive as exporters work to meet new challenges. With supplies of higher oils tighter, the Indonesian Rupiah strengthening, high interest rates and expensive freight rates there remain a lot of obstacles to overcome. Offers of CWVAA sticks are particularly limited and require longer preparation time. The Chinese and Vietnamese autumn harvests will begin soon and quotes remain stable for now

RED PEPPERS: Last month in China, there were rains every week leading to flooding in major plantation areas. This is reported to have severely damaged farmlands and local markets reacted immediately. Speculators are running with the news and domestic prices firmed. Carryover stocks in cold storage appear normal but are unlikely to mitigate an economy recently consumed with speculative fever on commodities. Pakistan is an outlier again as its crop yield predictions have been reversed by 11 weather disruptions. The China-Pakistan Economic Corridor Program has been training agricultural technicians to increase chili production but has yet to make an impact on the supply as local issues dominate the outcome. Indian sowing is still underway and surveys indicate similar acreage to last year despite lower prices. Cotton prices have also declined helping to maintain many farms. The current rain and associated landslides in southwestern India are mainly impacting hill areas and should not cause damage to the red pepper crop. Higher freight rates are the primary price driver of late and could go much higher.

ONION: California is reporting domestic crop limitations this season including allocations and price hikes as labor costs keep rising. Imports have increased as the quality continues to improve from reliable international manufacturers. China is now harvesting and beginning dehydration for its white onion and prices have eased with fresh arrivals. Indian exporters have also been making headway into the market and we could see prices come down in the first quarter of 2025 when the crop there is harvested.

SUNFLOWER: Eastern European new crop harvests are underway and early returns are raising some concerns. Hot summer temperatures and lack of rain have combined to stunt seed growth. As a result, yields are projected to fall this year and organic material will have additional challenges without the support of fertilizers. Farmgate prices have increased over 20% from their 2024 lows and higher freight prices are adding to landed costs. First shipments should start moving in September with organic material available in October / November. Long term coverage is strongly recommended this year.