

No. 40/18, 1 – 5 October 2018

MARKET REPORT

The market showed a mixed response during the week. Price in Vietnam and Sri Lanka increased; while in India and Sarawak decreased. In Indonesia (Lampung and Bangka) the prices were reported stable. In dollar terms however, the local price decreased marginally, due to a weakening of Indonesian Rupiah against US Dollar.

SPECIAL REPORT: The 46th Annual Session of IPC hosted by the Ministry of Primary Industries, Malaysia and organized jointly by the IPC Jakarta were participated by over 200 officials, researchers, farmers and trade delegates from pepper producing and consuming countries. Papers presented by speakers from the IPC countries as well as spice trade associations from consuming countries were discussed in the meetings. Market scenario for 2017 - 2019 was also discussed. Summary of production, import, export and consumption of pepper by producing countries in 2017 and 2018 in Metric Tons is given below. It was concluded that production and export of pepper in 2018 is estimated to remain high and increase marginally by 2%. Observing low price prevailed in the last few years, it was reported that farmers are not interested to maintain gardens and consequently production of pepper for 2019 is anticipated to decrease.

COUNTRY	2017				2018 (Estimate)			
	Production	Import	Consumption	Export	Production	Import	Consumption	Export
Vietnam	200,000	30,000	7,250	215,200	205,000	30,000	8,000	220,000
Indonesia	70,000	760	29,000	42,700	70,000	850	29,500	40,000
India	57,000	19,775	55,000	14,335	64,000	11,700	58,000	14,000
Malaysia	23,500	2,858	10,550	11,640	23,800	2,400	10,850	12,500
Sri Lanka	29,546	1,398	9,503	13,309	18,600	1,100	11,005	11,200
Brazil	65,000	365	6,200	59,500	72,000	300	6,750	65,000
China	34,500	33,000	67,000	1,300	35,000	41,000	75,000	1,000
Cambodia	20,000	-	1,000	16,500	20,000	-	1,000	18,000
Ecuador	4,800	200	1,000	4,000	6,000	100	1,000	4,750
Thailand	5,000	3,500	8,500	300	5,000	3,700	8,500	200
Madagascar	4,000	-	2,000	2,000	4,000	-	2,000	2,000
TOTAL	513,346	91,856	197,003	380,784	523,400	91,150	211,605	388,650
Black	404,946	81,448	141,330	322,499	411,723	80,000	155,260	330,450
White	108,400	10,408	55,673	58,285	111,677	11,150	56,345	58,200

I. PRODUCERS' PRICE - in US\$/Mt *

Items / sources	01-Oct	02-Oct	03-Oct	04-Oct	05-Oct	Average		% change
						This week	Last week	
<u>BLACK PEPPER</u>								
India <i>Ex-Kochi</i>	5,192	n.a.	5,135	5,058	n.a.	5,128	5,246	-2%
Indonesia <i>Ex-Lampung</i> **	2,147	2,135	2,121	2,115	2,108	2,125	2,147	-1%
Malaysia <i>Ex-Kuching</i>	1,867	1,814	1,814	1,810	1,810	1,823	1,869	-2%
Vietnam <i>Ex-HCMC</i>	2,206	2,206	2,206	2,291	2,291	2,240	2,189	2%
Sri Lanka	3,449	3,451	3,450	3,443	3,435	3,446	3,414	1%
<u>WHITE PEPPER</u>								
Indonesia <i>Ex-Pkl.Pinang</i> **	3,556	3,536	3,513	3,502	3,491	3,520	3,555	-1%
Malaysia <i>Ex-Kuching</i>	3,507	3,383	3,383	3,375	3,375	3,404	3,511	-3%
Vietnam <i>Ex-HCMC</i>	3,748	3,748	3,747	3,747	3,747	3,748	3,534	6%
China <i>Ex-Hainan</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,594	-

* converted from local currency at prevailing exchange rate

** unofficial source

II. **FOB PRICES – in US\$/Mt**

Items / ports & grades	01-Oct	02-Oct	03-Oct	04-Oct	05-Oct	Average		% change
						This week	Last week	
BLACK PEPPER								
Kochi ASTA	5,470	n.a.	5,410	5,330	n.a.	5,403	5,521	-2%
Lampung ** ASTA	2,750	2,750	2,750	2,750	2,750	2,750	2,750	0%
Kuching ** ASTA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-
Ho Chi Minh 500g/l	2,450	2,450	2,450	2,525	2,525	2,480	2,430	2%
Ho Chi Minh 550g/l	2,600	2,600	2,600	2,675	2,675	2,630	2,580	2%
WHITE PEPPER								
Pangkal Pinang ** FAQ	4,250	4,250	4,250	4,250	4,250	4,250	4,250	0%
Kuching ** FAQ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-
Ho Chi Minh FAQ	3,750	3,750	3,750	3,775	3,775	3,760	3,730	1%
Haikou FAQ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,794	-

III. **BUYERS' PRICES AT NEW YORK (in US\$/Mt)**

Items	Spot		Future shipments		
	28 Sep	previous week		28 Sep	previous week
Mal/Lam/Sar. Black	2,975	2,975	M/L/S/B/V Black	3,200 Oct/Nov	3,200 Oct/Nov
Mal/Lam/Sar/Braz/Viet Black	3,045	3,045	M/L/S/B/V Black	3,090 Dec/Jan	3,090 Dec/Jan
Muntok White	6,065	6,065	Mtk/Sar/Brz White	n.a.	n.a.
Sar/Braz/Viet White	4,630	4,630	Vietnam white	n.a.	n.a.
Futures CF					
Items and grade	This week		Previous week		
Malabar black (Garbled 1).	n.a.		n.a.		
Lampung black (ASTA)	n.a.		n.a.		
Brazil black (ASTA)	n.a.		n.a.		
Sarawak black (YL)	n.a.		n.a.		
Vietnam black (ASTA)	n.a.		n.a.		
MBLV black (ASTA)	n.a.		n.a.		
Muntok white (FAQ)	n.a.		n.a.		
Sulawesi Soroako White	n.a.		n.a.		
Vietnam White (DW)	n.a.		n.a.		

Average rates per US\$	Brazil (BRL)	India (INR)	Indonesia (IDR)	Malaysia (MYR)	Vietnam (VND)	Sri Lanka (LKR)
This week	n.a.	73.19	15,060	4.14	23,350	169.47
Last week	n.a.	72.72	14,910	4.14	23,345	168.84

Note:

- Prices given are indicative prices. Quality may differ from place to place. Prices can vary and the IPC is not responsible for loss or damages caused to the users of these prices in the context of business contracts or other transactions
- Producers' price ex Kochi is the price quoted for un-garbled quality at Kochi
- Producers' prices ex Lampung and Pangkal Pinang are average prices received by farmers for unprocessed pepper
- Producers' prices ex Kuching are the average prices offered by local traders to farmers for unprocessed pepper – grade 1
- Producers' price in Sri Lanka is the average price received by growers, collected from 11 pepper growing districts in Sri Lanka – grade 1
- Producers' price ex Ho Chi Minh City is prices for local purchases of pepper (500 g/l for black and 630g/l for white)

Sources:

- Brazil: Unofficial source
- India: AISEF, NCDEX
- Indonesia: Unofficial source
- Vietnam: Vietnam Pepper Association, HCMC
- China: Hainan Pepper Association
- New York: Trader sources

- Malaysia: Malaysian Pepper Board
- Sri Lanka: Department of Export Agriculture
- Europe: Reuter