

Released on 20-08-2010

## PEPPER SEASON TO END ON A HAPPY NOTE

The Agricultural Market Intelligence Centre (AMIC) of Kerala Agricultural University under the ICAR assisted NAIP project had in its first crop forecast for the current pepper season released on 28-12-2009 had indicated the possibility of pepper price firming up by April, May 2010, and therefore advised pepper farmers to store their commodity till April when the market situations would appear more bright and promising. The second release by the Centre on 7-5-2010 had reassessed the changed market scenario and had highlighted the global supply shortage for pepper and the impending possibility of pepper prices soaring on this account. The latest analysis to be released by the Centre reiterates that the present pepper season is likely to end on a happy note because the northward looking prices are likely to continue till the current crop season in December 2010.

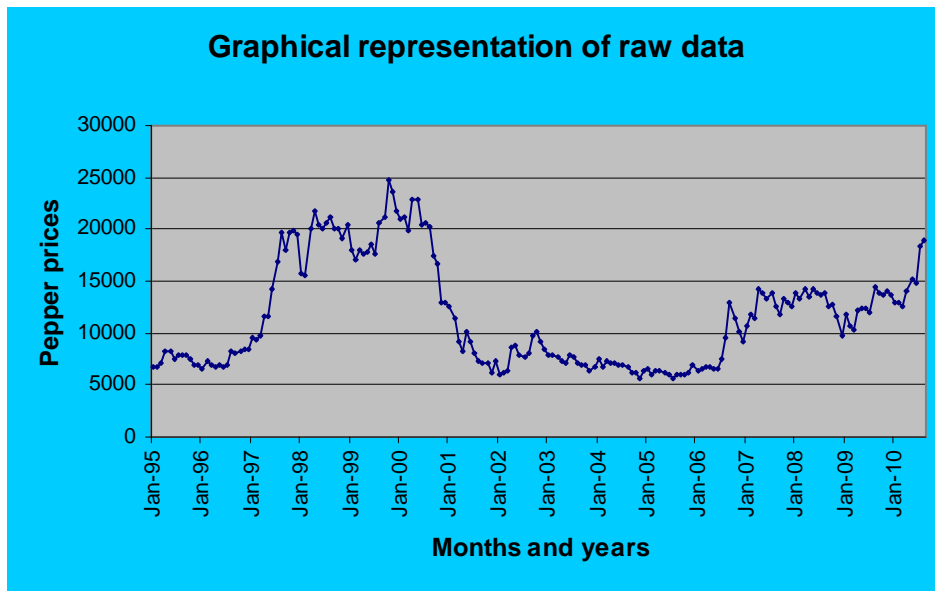
The present analysis and the new market survey indicate that the following market sentiments are more likely to prevail:

- The second half of the pepper season is usually more influenced by the crop output from Indonesia. Anticipating more physical supply, bearish speculations pulled down the prices in the early August. However, available data indicates a lower crop output, cash requirements of Ramadan and volatile global trends compelled Indonesia to off load or contract most of their stocks.
  
- Vietnam has also liquidated bulk of the current production and is believed to be holding very little physical stock to be carried over.
  
- This provides ample flexibility for the Indian growers, who had a poor crop but better prices this time. But, most of the small and marginal farmers sold off their commodity while the prices were ruling high in May and June. The physical availability of pepper in the domestic market is tight and only the large farmers and upcountry traders are holding physical stocks. However, the current climatic conditions favour an early crop harvest by November.
  
- The advancement of winter, marriage, festival seasons in Northern India and Christmas demand from Europe and America are likely to stir up the demand.

Based on the econometric analysis and considering the ruling market sentiments, the Agricultural Market Intelligence Centre of Kerala Agricultural University, Vellanikkara considers that the following prices may prevail for the next 4 months for pepper:

<b>Commodity Form</b>	<b>Month</b>	<b>Price Forecasts (Rs/Kg)</b>
Pepper (Ungarbled)	Sep'10	190 - 205
	Oct' 10	205 - 215
	Nov'10	195 - 205
	Dec'10	185 - 200

Farmers who are holding the stock are advised to synchronize their sale accordingly.



Visit [www.kauhort.in](http://www.kauhort.in) / [www.kau.edu](http://www.kau.edu) / [www.amickau.edu.in](http://www.amickau.edu.in)  
or contact [amickau@gmail.com](mailto:amickau@gmail.com) or 8129628797 for more details