



No.05/12, 30 Jan – 03 Feb 2012

## MARKET REPORT

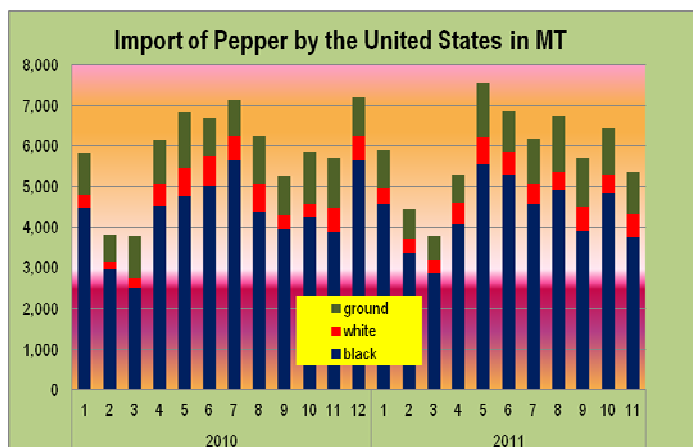
**BLACK PEPPER:** Domestic markets of producing countries showed a mixed response during the week. In Kochi, India local prices remained steady while at the futures market spot prices drop by 3%. Feb and March contract on NCDEX decreased by 8%, April & May by 7%, June & July contract decreased by 6%. Local prices in Lampung were stable while in Sri Lanka and Malaysia the local prices have increased.

Meanwhile harvesting in India is going on and the peak arrival is estimated to come in second half of Feb. This year, India is reported to produce lower than last year's crop. In Vietnam, pepper harvest will be starting soon. It was reported that due to unfavourable weather and prolong rainfall, pepper production in the growing areas in Tan Phu and Xuan Loc of Dong Nai province will be lower by around 30%. In Lampung, uncertain weather pattern last year, has affected the production of pepper from this growing area with more light berries now enter the market. From Brazil it was reported that Pepper from the state of Espirito Santo were offered at USD 6,600 per mt BASTA and USD 6,550 per mt B1 560gl (FOB Vitoria, for shipment February).

**WHITE PEPPER:** White pepper prices were relatively stable at most origins, with the exception of local price in Sarawak, which increased marginally.

### IMPORT OF PEPPER TO THE UNITED STATES

Import of pepper in to the United States during January – November 2011 was 64,276 mt comprising of 47,742 mt whole black, 5,331 mt white and 11,203 mt ground pepper. The import was slightly higher when compared to the US import of 63,274 mt during the corresponding period last year. Import of whole black and white pepper increased by 3% and 1% respectively, while that of ground pepper decreased by 4%. Indonesia remained the largest supplier of whole black pepper to the US market, shipping 17,844 mt (37%), followed by Vietnam (12,424 mt), Brazil (11,427 mt) and India (5,285 mt). These four countries supplied 98% of whole black pepper to the United States. Indonesia and Vietnam were the main sources of whole white pepper for United States, supplying 2,700 mt (51%) and 2,250 mt (42%) respectively. In the case of ground pepper, India and Vietnam were the largest suppliers, contributing 74% (India 4,510 mt - 40% and Vietnam 3,770 mt - 34%)



### I. PRODUCERS' PRICE - in USD/MT<sup>\*)</sup>

Items / sources	30-Jan	31-Jan	01-Feb	02-Feb	03-Feb	Average		% change
						This week	Last week	
<b>BLACK PEPPER</b>								
Brazil <i>Ex-Para **)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-
India <i>Ex-Kochi</i>	6,363	5,998	5,996	6,045	-	6,101	6,111	0%
Indonesia <i>Ex-Lampung **)</i>	5,454	5,444	5,431	5,511	5,511	5,470	5,448	0%
Malaysia <i>Ex-Kuching</i>	5,259	5,254	5,254	5,297	5,297	5,268	5,192	1%
Vietnam <i>Ex-HCMC</i>	5,281	5,281	5,281	5,281	5,281	5,281	-	-
Sri Lanka	8,284	8,284	8,284	8,284	8,284	8,284	7,385	12%
<b>WHITE PEPPER</b>								
Brazil <i>Ex-Para **)</i>								
Indonesia <i>Ex-Pkl.Pinang **)</i>	8,347	8,333	8,313	8,435	8,435	8,373	8,338	0%
Malaysia <i>Ex-Kuching</i>	8,135	8,127	8,127	8,194	8,194	8,149	8,065	1%
Vietnam <i>Ex-HCMC</i>	8,444	8,444	8,444	8,444	8,444	8,444	-	-
China <i>Ex-Hainan</i>	9,220	9,220	9,220	9,220	9,220	9,220	9,220	0%

<sup>\*)</sup> converted from local currency at prevailing exchange rate

<sup>\*\*)</sup> unofficial source

II. FOB PRICES – in USD/MT

Items / ports & grades	30-Jan	31-Jan	01-Feb	02-Feb	03-Feb	Average		% change
						This week	Last week	
<b><u>BLACK PEPPER</u></b>								
Belem **) ASTA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-
Kochi ASTA	6,616	6,270	6,250	6,250	-	6,347	6,317	0%
Lampung **) ASTA	6,400	6,400	6,400	6,400	6,400	6,400	6,400	0%
Kuching ASTA	7,500	7,500	7,500	7,500	7,500	7,500	7,500	0%
Ho Chi Minh 500g/l	5,700	5,700	5,700	5,700	5,700	5,700	-	-
Ho Chi Minh 550g/l	6,150	6,150	6,150	6,150	6,150	6,150	-	-
<b><u>WHITE PEPPER</u></b>								
Belem **) FAQ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-
Pangkal Pinang **) FAQ	9,300	9,300	9,300	9,300	9,300	9,300	9,300	0%
Kuching FAQ	10,250	10,250	10,250	10,250	10,250	10,250	10,250	0%
Ho Chi Minh FAQ	9,050	9,050	9,050	9,050	9,050	9,050	-	-
Haikou FAQ	9,420	9,420	9,420	9,420	9,420	9,420	9,420	0%

III. MALABAR BLACK PEPPER PRICES IN INDIA in USD/MT

Spot / Futures prices	30-Jan	31-Jan	01-Feb	02-Feb	03-Feb	Average		% change
						This week	Last week	
Spot Garbled Close	6,250	6,239	6,230	6,301		6,245	6,422	-3%
Futures Garbled	Feb-11	6,052	5,933	5,933	6,005	5,992	6,501	-8%
	Mar-11	6,047	5,994	6,013	6,075	6,021	6,517	-8%
	Apr-11	6,061	6,046	6,097	6,154	6,054	6,539	-7%
	May-11	6,096	6,141	6,125	6,233	6,118	6,551	-7%
	June-11	6,148	6,178	6,184	6,273	6,163	6,582	-6%
	July-11	6,179	6,250	6,266	6,280	6,215	6,597	-6%

IV. PRICES IN EUROPE (CIF Rotterdam/Hamburg) in USD/MT

Items & spot/shipment prices	30-Jan	31-Jan	01-Feb	02-Feb	03-Feb	Average		% change
						This week	Last week	
White Pepper FAQ - Spot	9,950	9,950	9,950	9,950		9,950	9,950	0%
Shipment - Feb/Mar	9,850	9,850	9,850	9,850		9,850	9,850	0%

V. BUYERS' PRICES AT NEW YORK (in USD/mt)

Items	Spot		Futures			
	27 Jan	previous week		27 Jan	previous week	
Mal/Lam/Sar. Black	7,055	7,055	M/L/S/B/V Black	6,945 Feb/Jun	6,945 Feb/Jun	
M/L/S/B/V Black	7,055	7,055	M/L/S/B/V Black	6,945 Jul/Dec	6,945 Jul/Dec	
Muntok White	10,365	10,365		-	-	
Vietnam white	9,810	9,810		-	-	
Items and grade	Futures CF / FOB					
	This week			Previous week		
Malabar black (Garbled 1).	6,659 CF Feb/Mar			6,990 CF Jan/Feb/Mar		
Lampung black (ASTA)	6,615 CF Feb			6,790 CF Jan/Feb		
Brazilian black (ASTA)	n.a.			n.a.		
Vietnam black (ASTA)	6,720 CF Feb/Mar			6,725 CF Feb/Mar		
Muntok white	9,450 CF Feb			9,550 CF Jan/Feb		
Vietnam white D/W 630	9,000 CF March			n.a.		
Average rates per USD	Brazil (BRL)	India (INR)	Indonesia (IDR)	Malaysia (MYR)	Vietnam (VND)	Sri Lanka (LKR)
This week	n.a.	49.46	8,958	3.04	21.02	113.34
Last week	n.a.	50.08	8,995	3.06	n.a.	113.95

**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*
- *Malaysia: Malaysian Pepper Board*
- *Sri Lanka: Department of Export Agriculture*
- *Vietnam : Vietnam Pepper Association, HCMC*
- *China: Hainan Pepper Association*
- *New York: Trader sources*
- *Europe: Reuter*