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Jeera production likely to witness 20-25% decline

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Unfavourable weather conditions are likely to bring down production of jeera crop by 20-25 per cent this year as compared to last year, according to traders and market analysts.

The area of sowing has increased but the foggy and humid climate in Gujarat during the winter season has damaged the jeera crop to a large extent. According to the trade body, jeera production for the new season may not be more than 28-30 lakh bags (1 bag contains 50 kg) this year. At present, the carry forward stock of jeera is about 5-7 lakh bags in India as compared to 10 lakh bags last year. But it can come down as local demand has seen an increase in the last five years.

Minesh Patel, managing director of Famous Export-Import Pvt. Ltd. from Unjha said, "The area of jeera sowing has increased but the climate has not been favourable for the crop this year. Fog and hot waves have damaged the crop production by at least 20-25 per cent in Gu-

- Unfavourable weather conditions are likely to bring down jeera production by 20-25 per cent this year as compared to last year
- In Unjha, the price per 20 kg best quality jeera has reached Rs 2,100-2,150, whereas, for lower quality it is Rs 1,800-1,850
- Most of the jeera traders believe that the situation will be more clear only after mid February, when the new crop arrives



jarat. India currently has a carry forward stock of approximately 7 lakh bags."

According to Mahendra Shah of Mumbai-based Narotamdas Harivallabhdas & Co, "The weather should be colder to be favourable for the production of better quality jeera. With the increasing domestic demand, the prices of jeera are decreasing in the markets as traders book profits."

Currently, the market is quite volatile, prices are not stable and traders are booking profits for old stocks. In Unjha, the price

per 20 kg best quality jeera has reached Rs 2,100-2,150, whereas, for lower quality it is Rs 1,800-1,850. Most of the jeera traders believe that the situation will be more clear only after mid February, when the new crop arrives.

"Even as the markets are awaiting fresh arrival of the jeera crop, the production has come down by 30 percent due to the unsuitable weather. Presently there is no export-related buying in the market. Also, the volume of domestic buyers is not much," said Seddharth Adani of Rajkot-based Adani Food Prod-

ucts Pvt. Ltd. "India exports 10 percent of its total jeera production every year. Domestic consumption is huge but the market is still export oriented. All this may lead to the new season price touching Rs 2,000 per 20 kg," Adani added.

Jeera acreage is estimated to be 34,604 hectares, 32,525 hectares, 111,740 hectares, 18,220 hectares, 7,767 hectares, 2,664 hectares, 25,800 hectares and 7,771 hectares in Rajkot, Jamnagar, Surendranagar, Junagadh, Amreli, Bhavnagar, Porbandar and Kutch respectively.

"Jeera prices at the benchmark Unjha markets were quoted at steady to slightly lower rates tracking futures. There are lower stocks with the Indian exchanges. This may keep the prices firm in the coming days. Reports of lower production of jeera in 2009 may support the prices to strengthen in the short term to medium term. Further, the weather in the growing regions of Rajasthan and Gujarat will be crucial to determine the trend in the medium term," said Fayaz Hudani, analyst from Kotak commodities from Mumbai.