



Indian pepper market to ease on selling pressure from Vietnam

Commodities Bureau
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The pepper market is likely to ease with Vietnam back in business after a short holiday in trade, traders said. With pepper from the Southeast nation likely to arrive in a few days, the market could ease further, on the back of selling pressure from the largest producer, Vietnam.

According to indications from the trade, Vietnam is showing an inclination to sell rather than hoard. Indian pepper is the costliest, despite the fact that the pepper crop is currently being harvested.

Faiyaz Hudani, research ana-

lyst, Kotak Commodity Services Ltd, opined that the domestic market would ease with crop from Karnataka coming into the market in a few days.

"Increased supply in the coming days would bring prices under pressure," he said. The market was firm in the past few weeks due to the less-than-expected arrival of the commodity from Kerala.

"Crop damage in most parts of Kerala have made farmers reluctant to harvest the berries and have left them on the vines due to the prohibitive cost and unavailability of labour," an officer from the state agricultural department told *FE*. Production in the



central and southern region of Kerala has been less than anticipated by the trade and estimated by the state departments.

The smaller size of the Indian crop would encourage more imports due to the big domestic market and the contractual obligations of the processors who grind and powder the spice

for the international flavouring houses. Pepper exports have fallen by 31% in volume and 21% in value during April-December 2008 compared to the performance of the last fiscal.

Trade sources are also optimistic about the size of the Vietnam crop as there have been no negative reports from the Southeast nation.

"Given the uncertainty of the global market, traders are likely to sell the commodity at a fair price rather than wait for better realisation," a prominent exporter from the terminal market at Kochi said. Faiyaz Hudani estimated the Vietnam crop to be above one lakh tonne.