

# CROP REPORT

- Winter 2025 Crop Reports
- January 23, 2025



# CROP REPORT

# BLACK PEPPER

- Winter 2025 Crop Reports
- January 23, 2025

Mathew George

Harris Spice Group



# THIS PRESENTATION COVERS 4 ASPECTS

I. THE PEPPER MARKET: HISTORICAL TRENDS

II. CROP SITUATION IN PRODUCING COUNTRIES

III. CONSUMPTION TRENDS

IV. MARKET OUTLOOK



**PART I**  
**THE CURRENT MARKET**  
HISTORICAL PRICE CYCLE AND CURRENT MARKET MOVEMENT

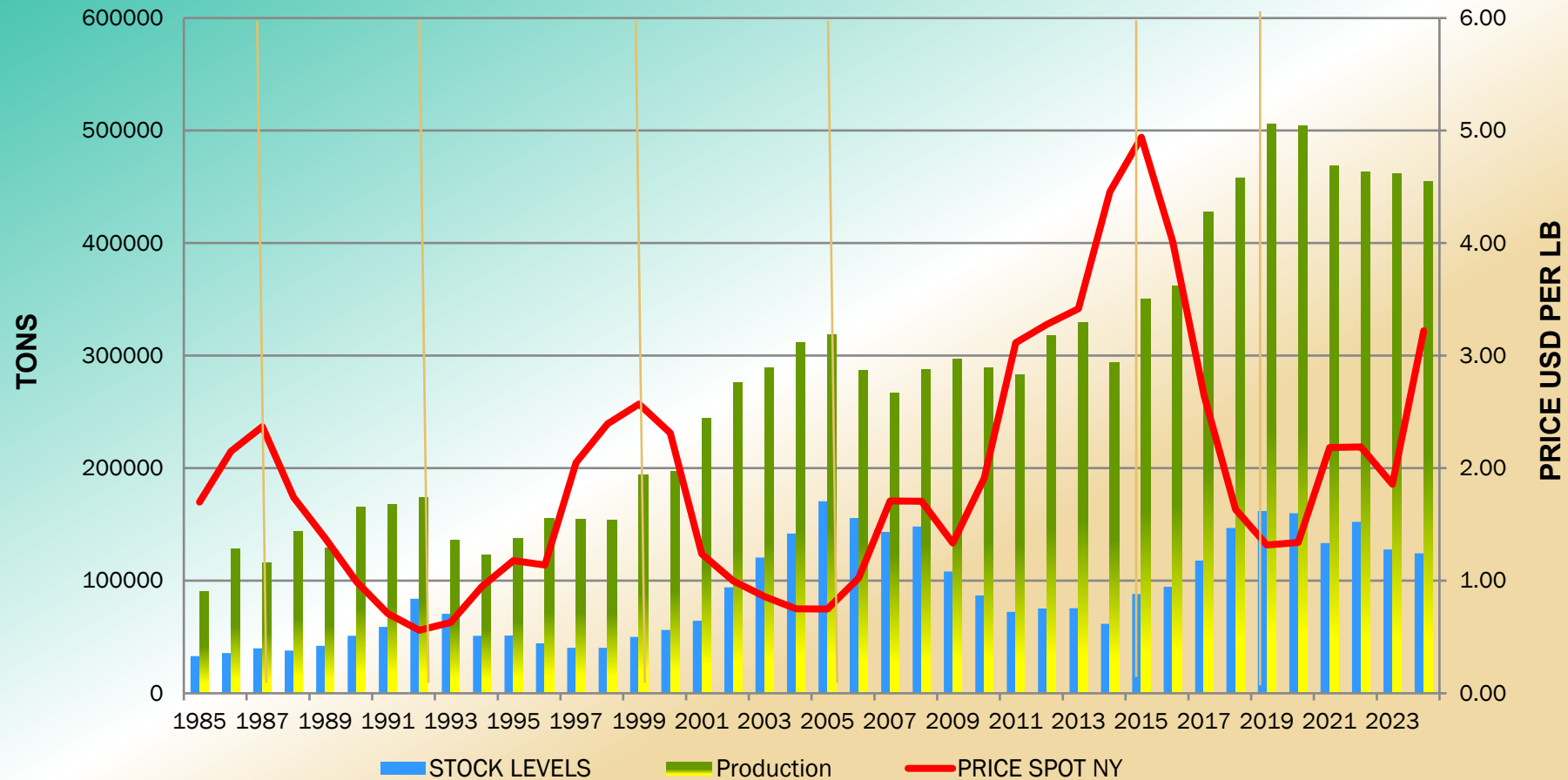
I. THE PEPPER MARKET: HISTORICAL TRENDS

CROPREPORTS



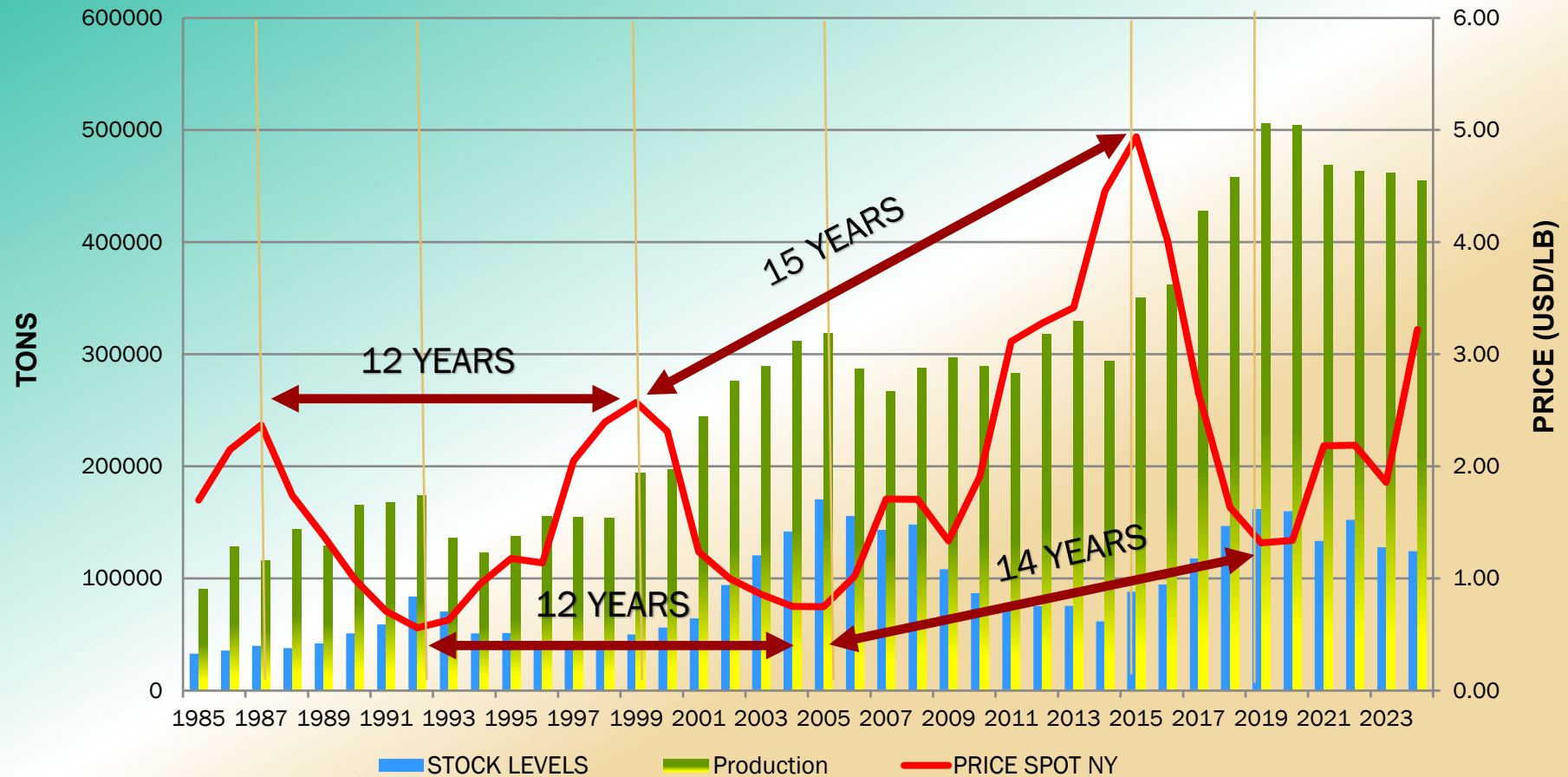
# PRICE MOVEMENT: THE BLACK PEPPER PRICE CYCLE

## PRODUCTION - STOCKS - PRICE



# PRICE MOVEMENT: THE BLACK PEPPER PRICE CYCLE

## PRODUCTION - STOCKS - PRICE



# MARKET MOVEMENT: THE PAST 5 YEARS

2020–2024: BULL PHASE OF THE PRICE CYCLE

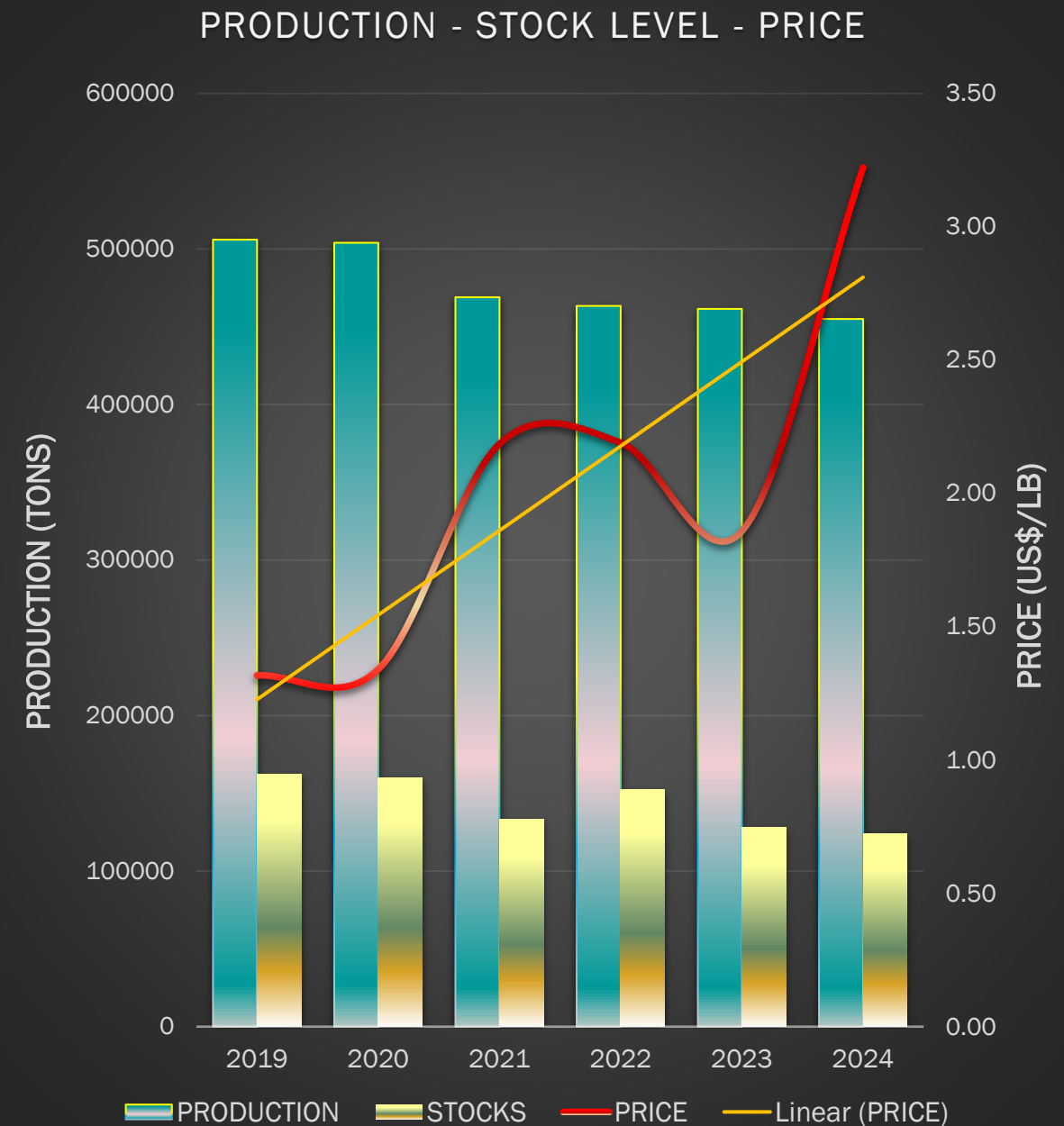
2018 – 2019: LESS NEW PLANTING

2023 - 2024: STRONG EL NINO.

END 2023: EXTREME HEAT & DROUGHT IN BRAZIL.

EARLY 2024: HEATWAVE IN SOUTH-EAST ASIA

2024: DECLINE IN PRODUCTION IN VIETNAM & BRAZIL.

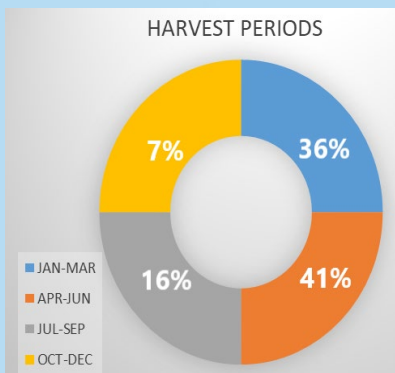
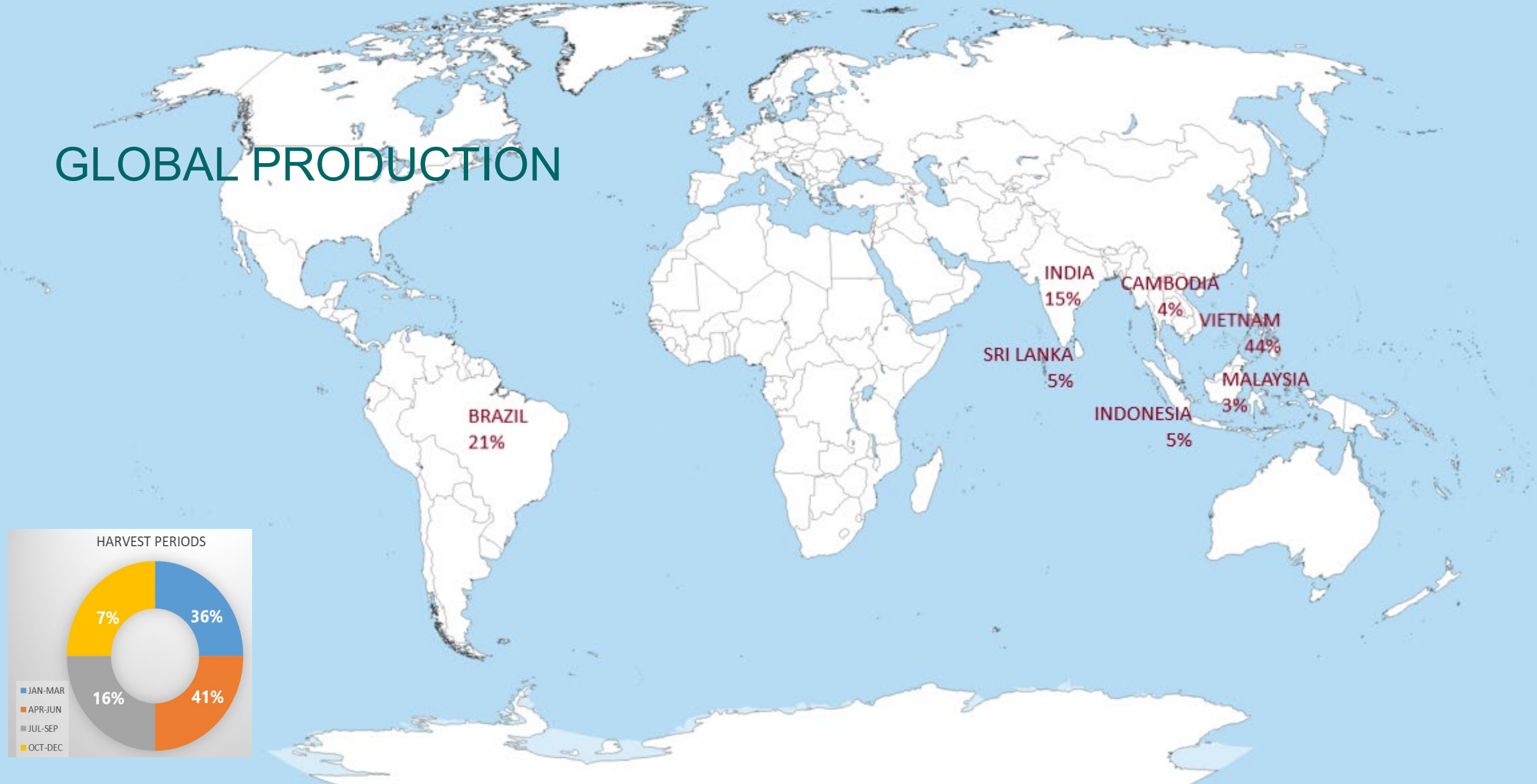




PART II  
THE SUPPLY SIDE  
THE CROP SITUATION IN PRODUCING COUNTRIES



# GLOBAL PRODUCTION

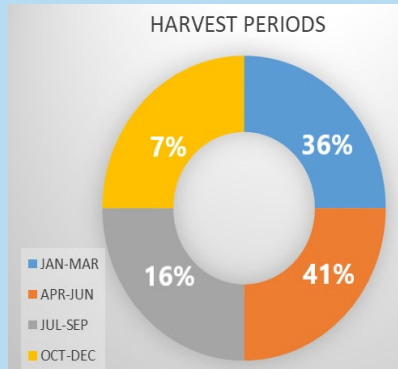


# GLOBAL PRODUCTION

TROPIC OF CANCER

EQUATOR

TROPIC OF CAPRICORN



BRAZIL  
21%

ESPIRITO  
SANTO

INDIA  
15%

CAMBODIA  
4%

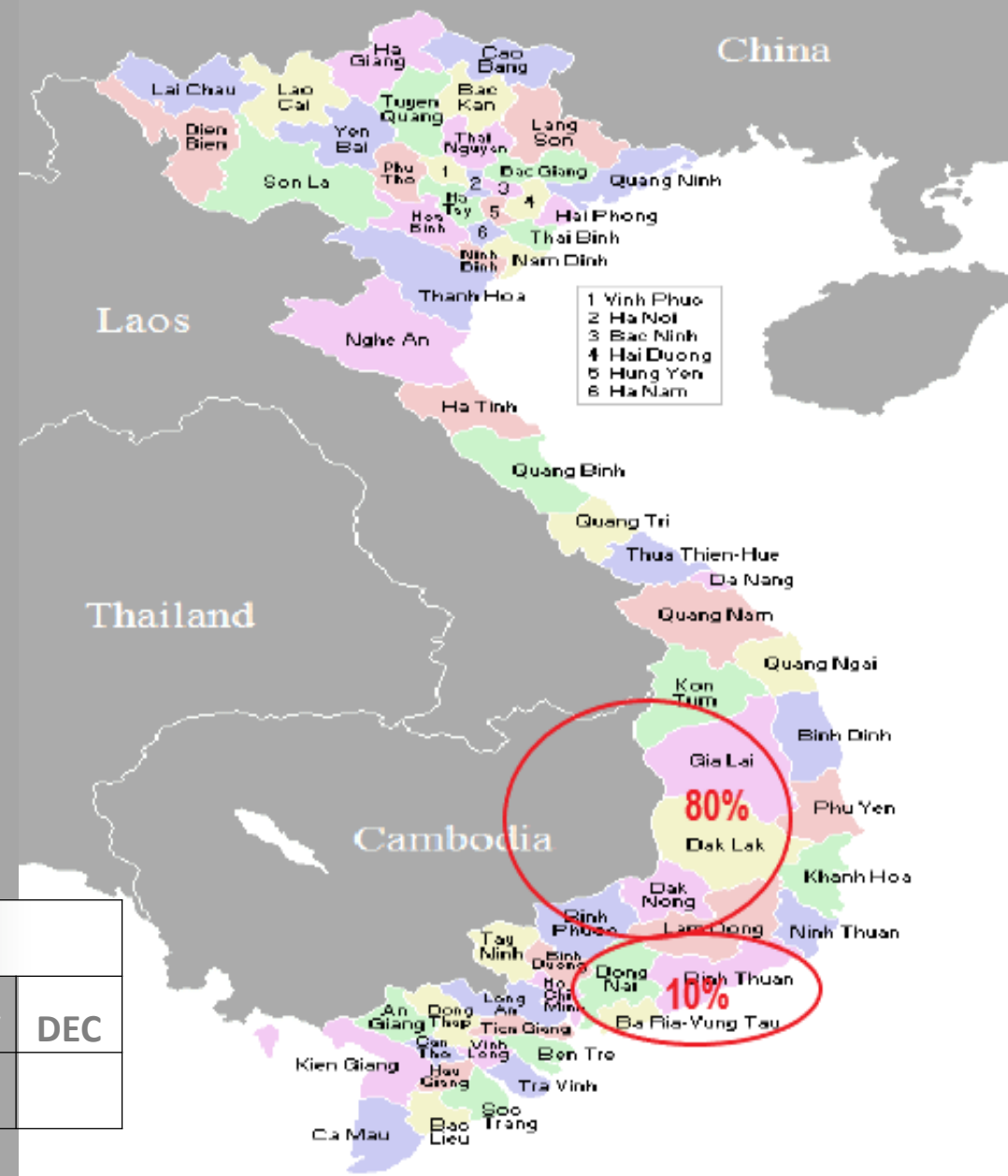
VIETNAM  
44%

SRI LANKA  
5%

MALAYSIA  
3%

INDONESIA  
5%

# VIETNAM



- 1 Vinh Phuc
- 2 Ha Noi
- 3 Bac Ninh
- 4 Hai Duong
- 5 Hung Yen
- 6 Ha Nam

HARVEST PERIOD												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
VIETNAM												

## II. THE SUPPLY SIDE: THE CROP SITUATION IN PRODUCING COUNTRIES

# VIETNAM CENTRAL HIGHLANDS

GIA LAI, DAK LAK & DAK NONG



# VIETNAM CENTRAL HIGHLANDS

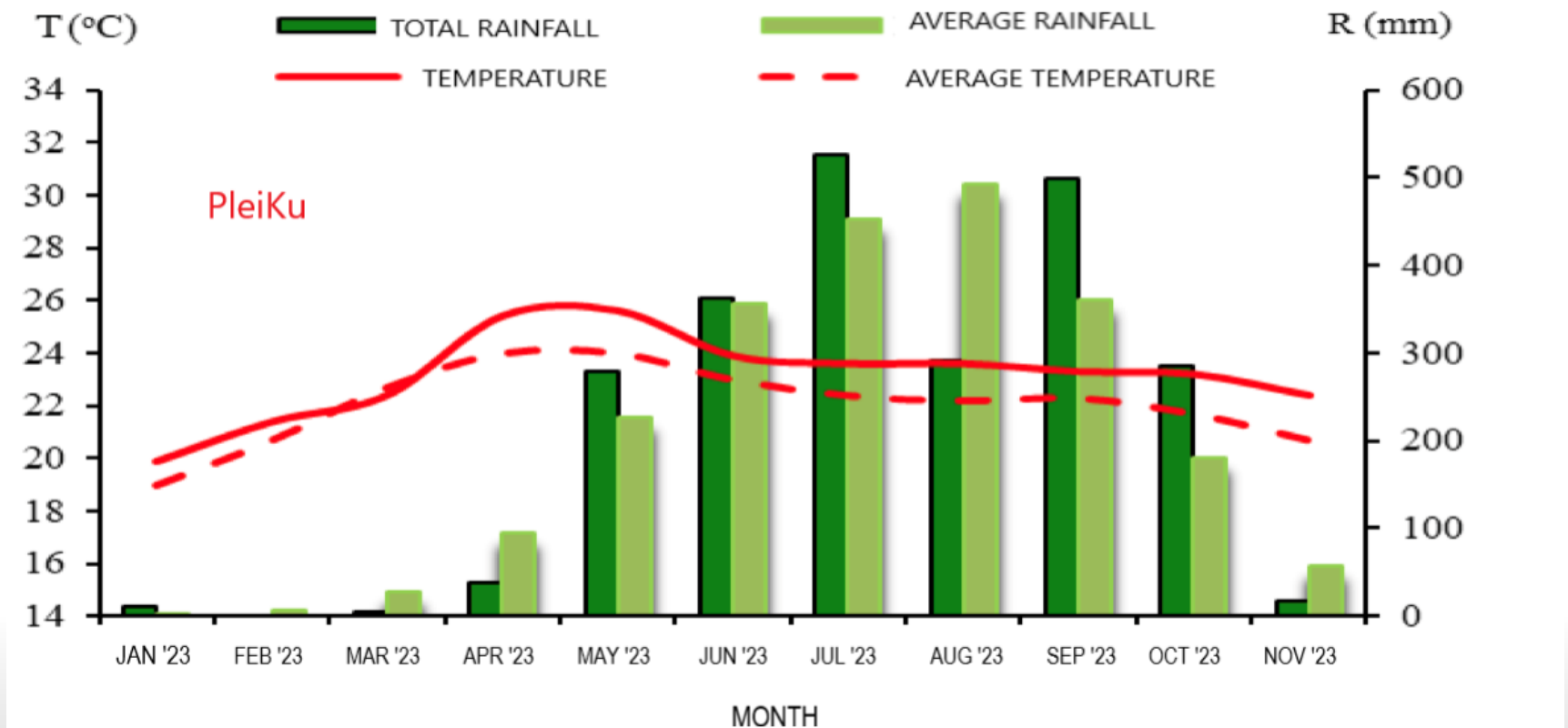
GIA LAI, DAK LAK & DAK NONG



# VIETNAM

## CENTRAL HIGHLANDS

### RAINFALL: GIA LAI



# VIETNAM

## SOUTHERN PROVINCES

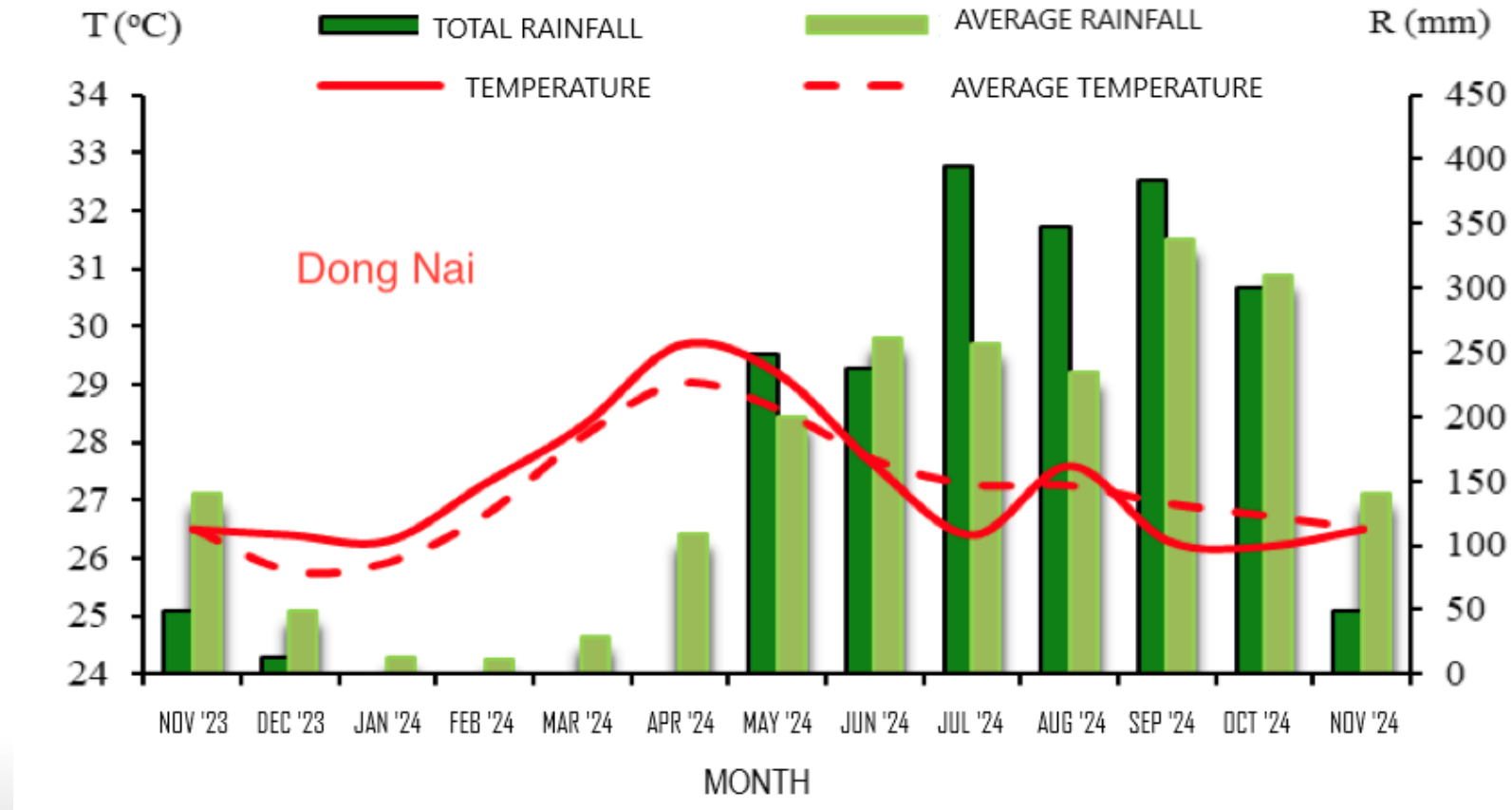
### DONG NAI & BA RIA – VUNG TAU



# VIETNAM

## SOUTH-EASTERN REGION

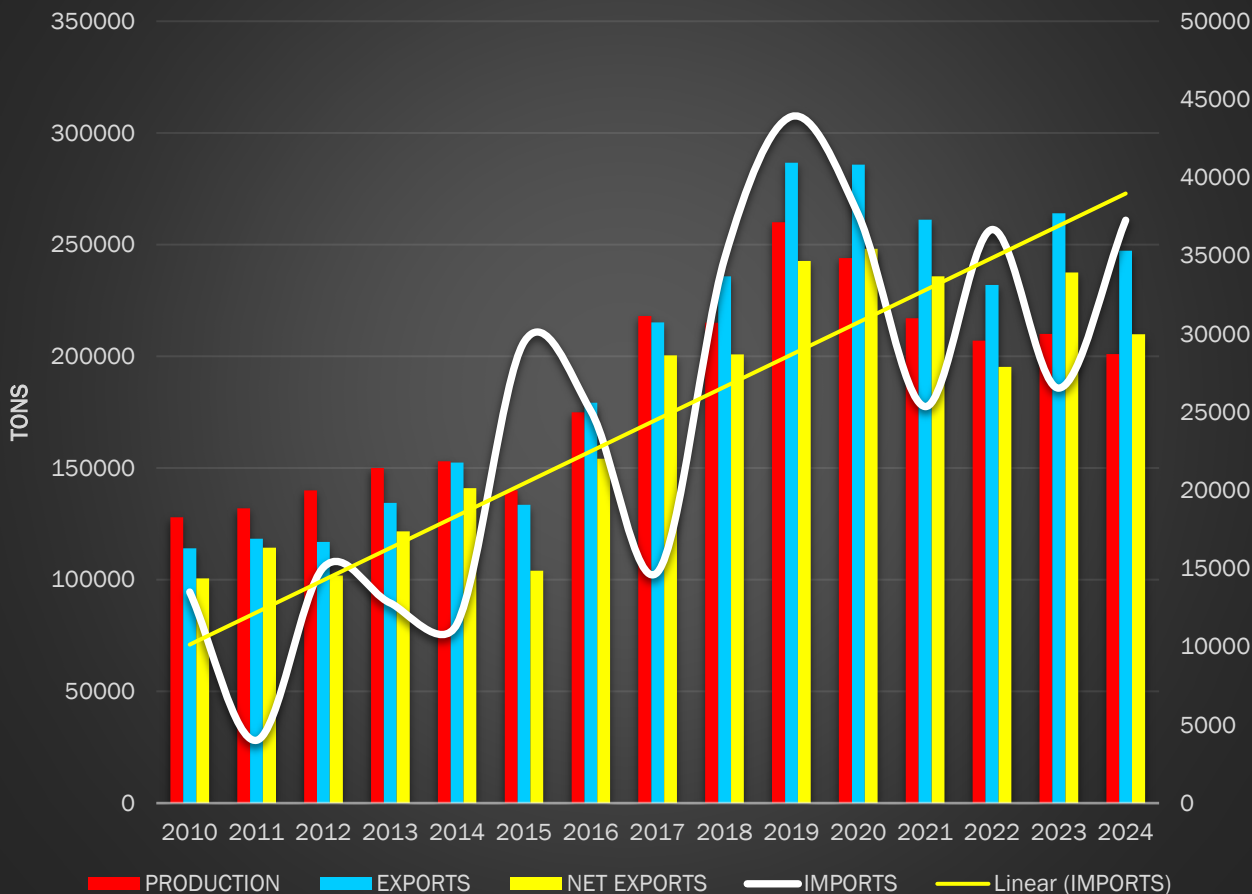
### RAINFALL: DONG NAI



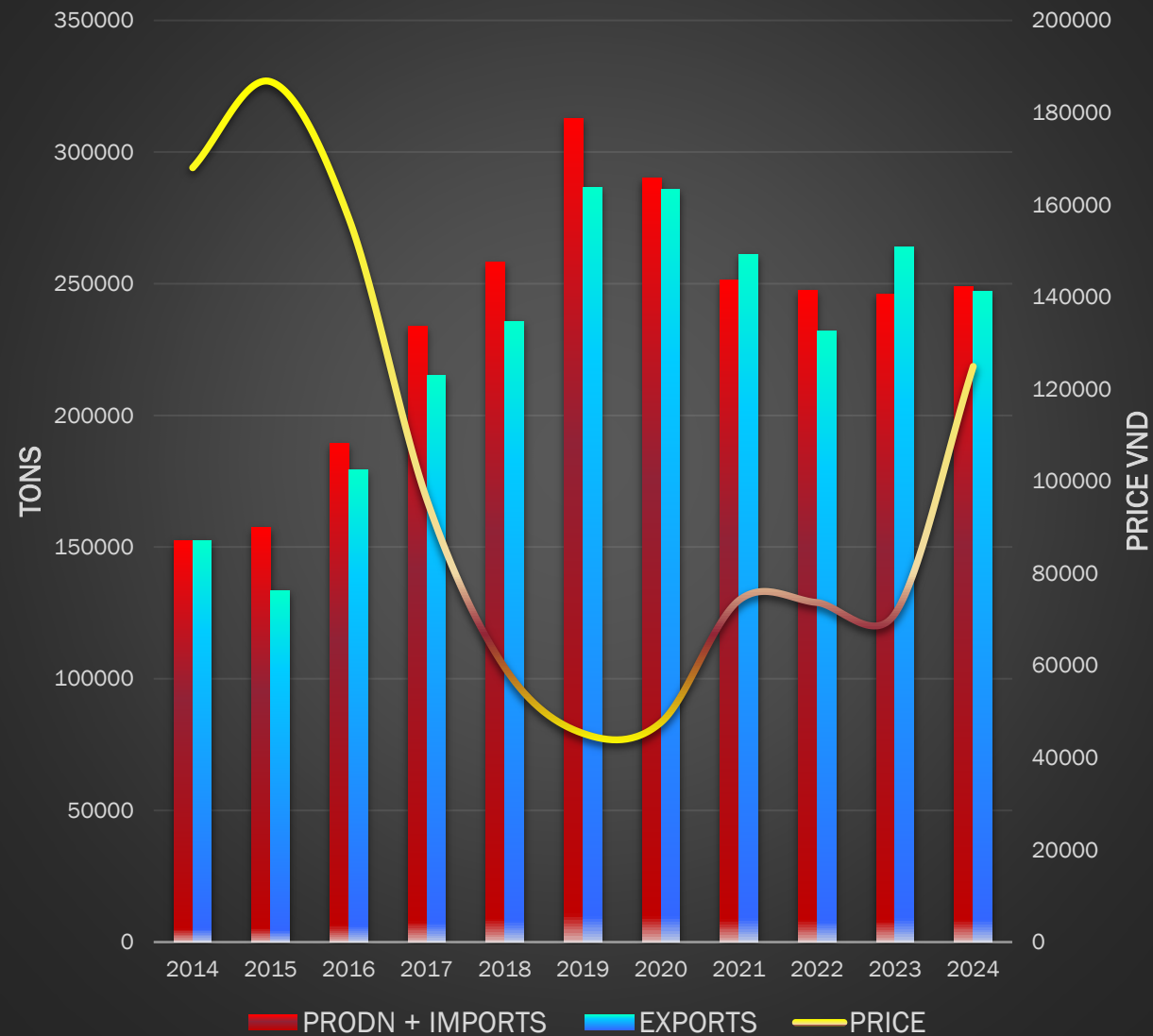


# VIETNAM

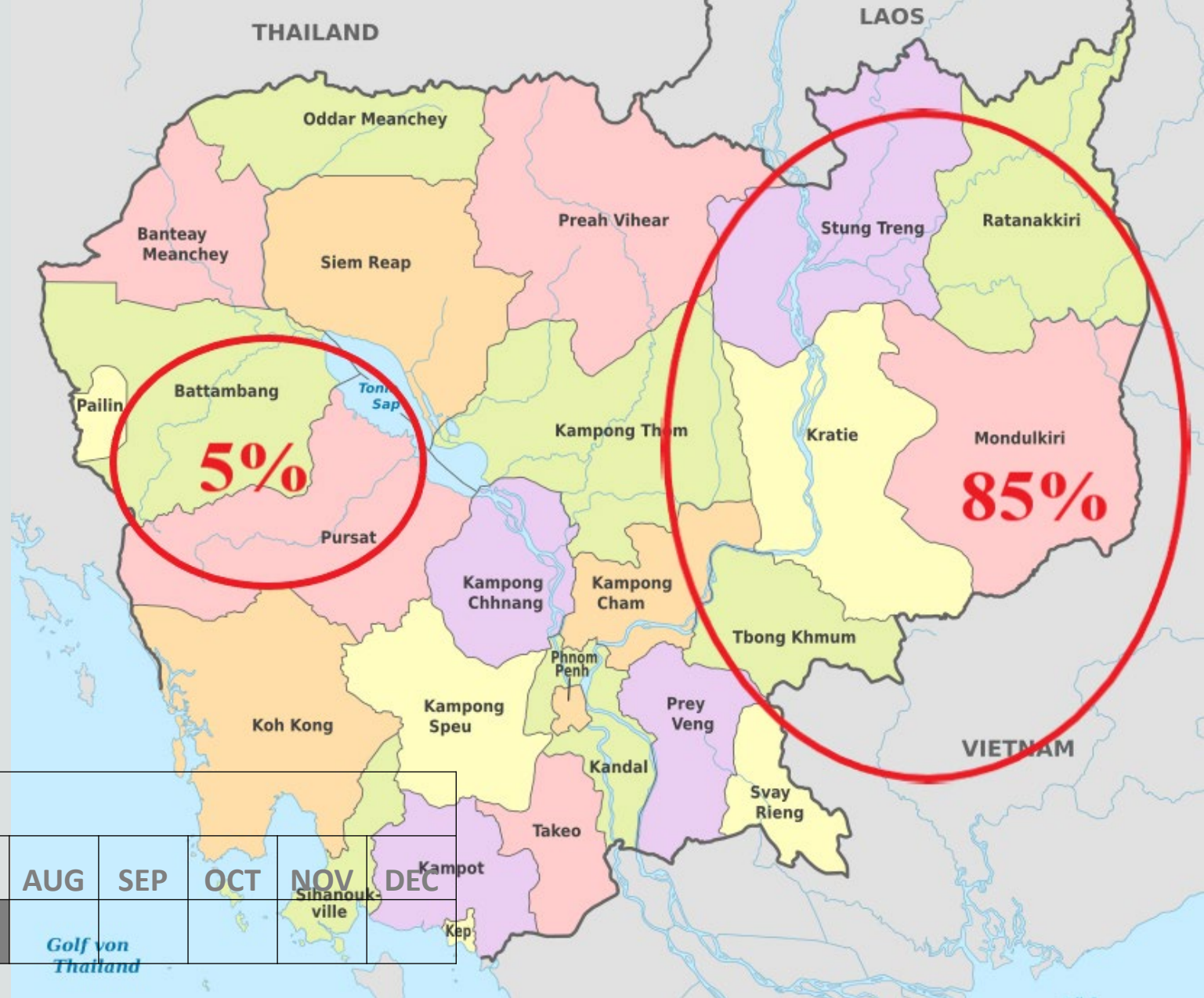
## PRODUCTION - IMPORTS - EXPORTS VIETNAM



## SUPPLY - EXPORTS - PRICE VIETNAM



# CAMBODIA



HARVEST PERIOD												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
CAMBODIA												

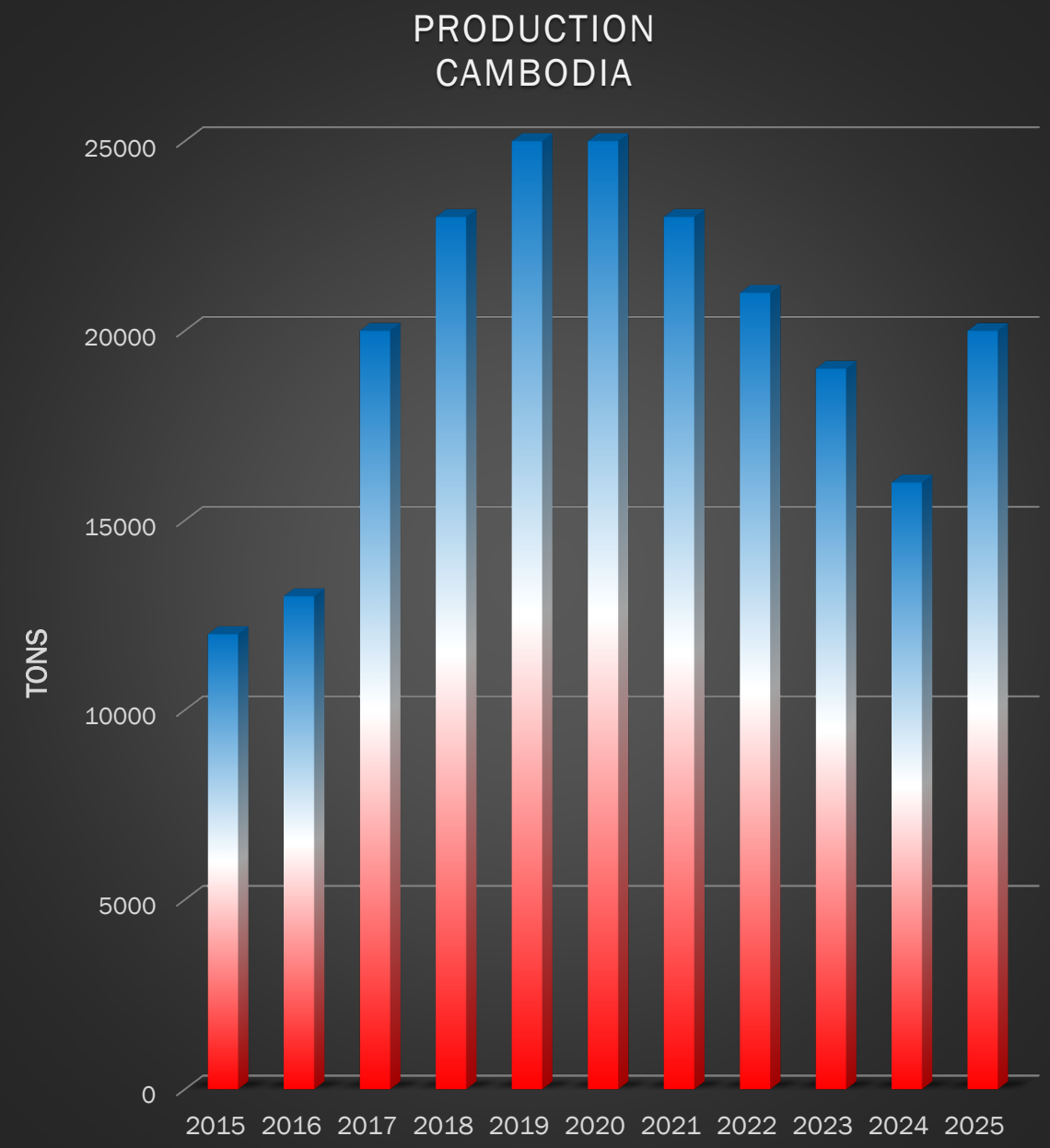
# CAMBODIA

## PRODUCTION

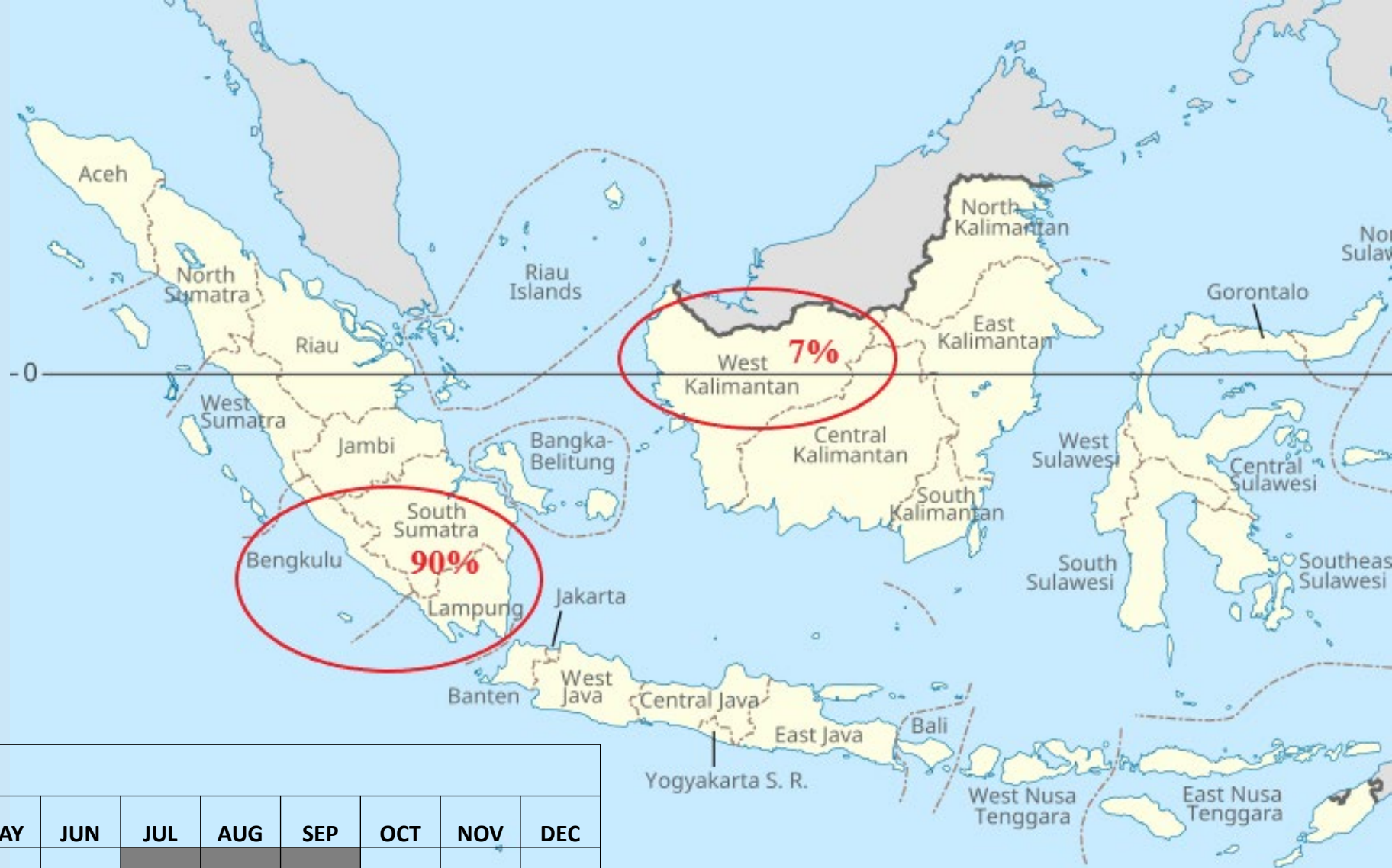
2024: 15,000 – 16,000 TONS

2025: 20,000 TONS

EXPORTS TO VIETNAM  
AND THAILAND



# INDONESIA



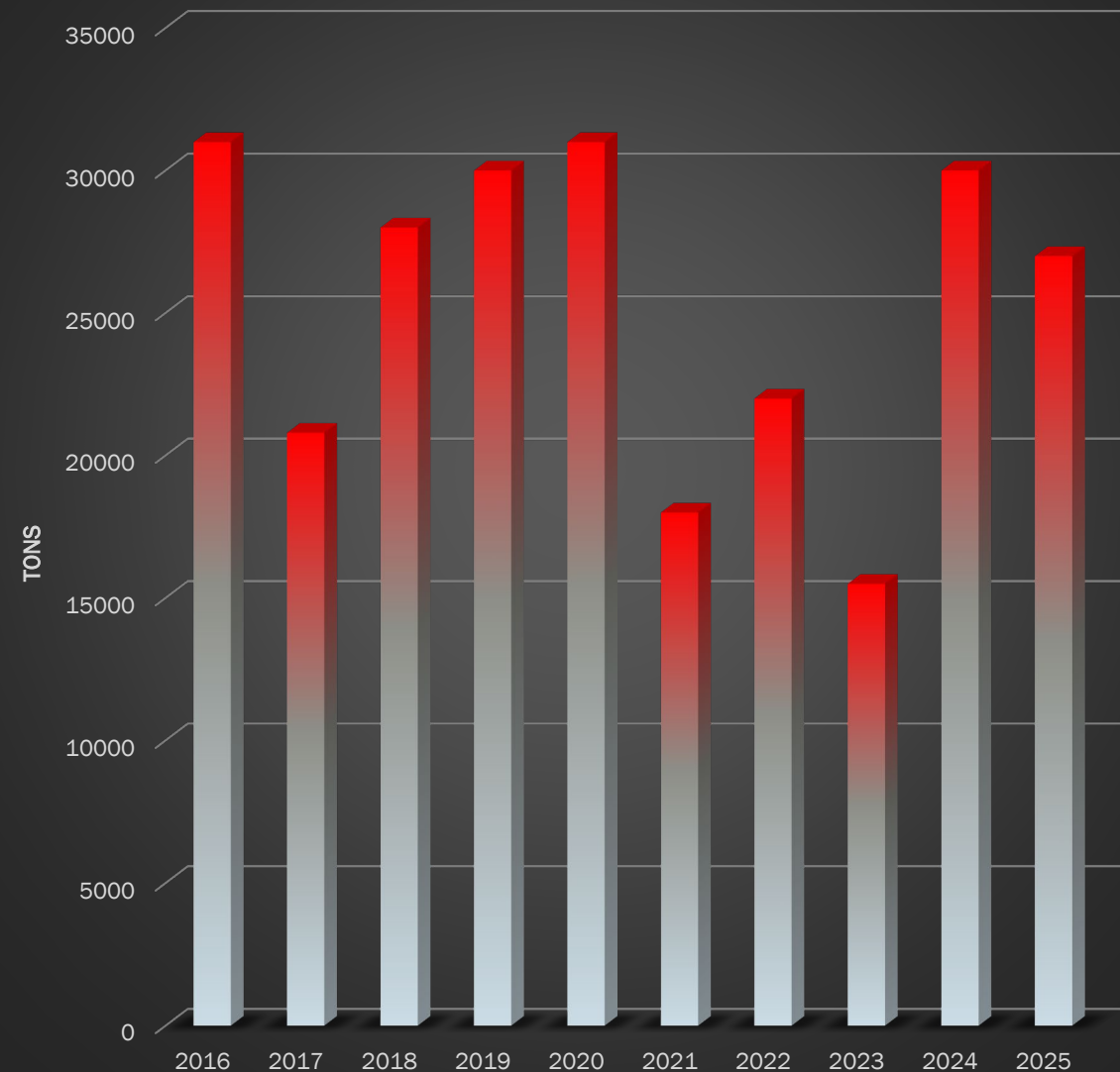
HARVEST PERIOD												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
LAMPUNG												
WEST KALIMANTAN												

# INDONESIA

PRODUCTION REMAINS  
RANGEBOUND DUE TO:

- WEATHER UNCERTAINTIES
- ALTERNATE CROPS
- DISEASES

## PRODUCTION INDONESIA



# INDONESIA LAMPUNG





# INDIA



HARVEST PERIOD												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
INDIA												

## II. THE SUPPLY SIDE: THE CROP SITUATION IN PRODUCING COUNTRIES



# INDIA

## IMPORTS

- 2012: 16000 MT
- 2023: 35000 MT

## EXPORTS

- 2012: 29000 MT
- 2023: 15000 MT

## PRODUCTION

- DECREASE IN TRADITIONAL AREAS OF KERALA COMPENSATED BY NEW AREAS IN SOUTH KARNATAKA & TAMIL NADU.

## CONSUMPTION

- STEADILY INCREASING

## IMPORTS

- STEADY INCREASE OVER THE PAST 10 YEARS.

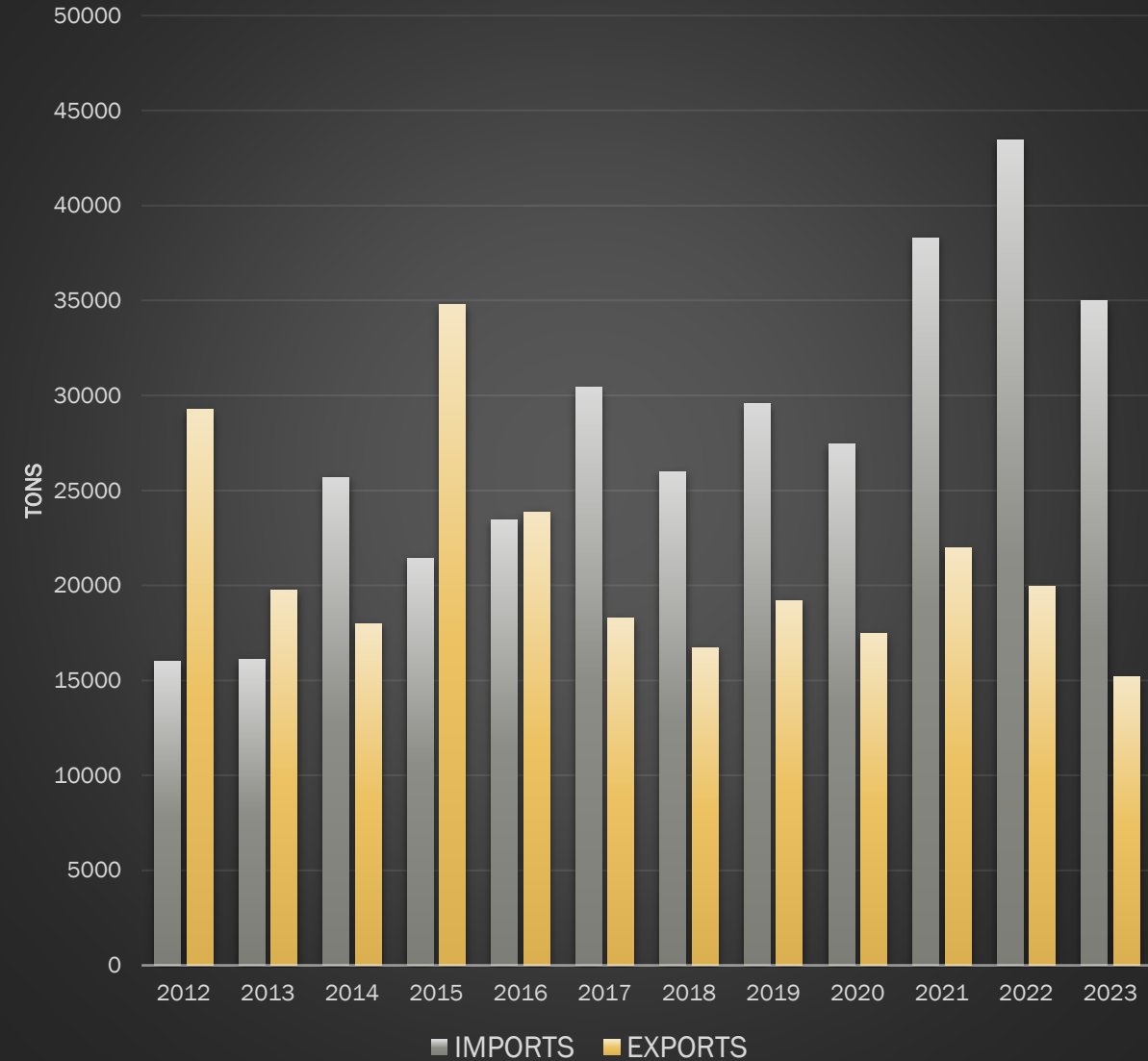
## PRICES

- REMAINING ABOVE INTERNATIONAL LEVELS.

## EXPORTS

- DECLINING DUE TO HIGH LOCAL PRICES.

## EXPORTS - IMPORTS INDIA



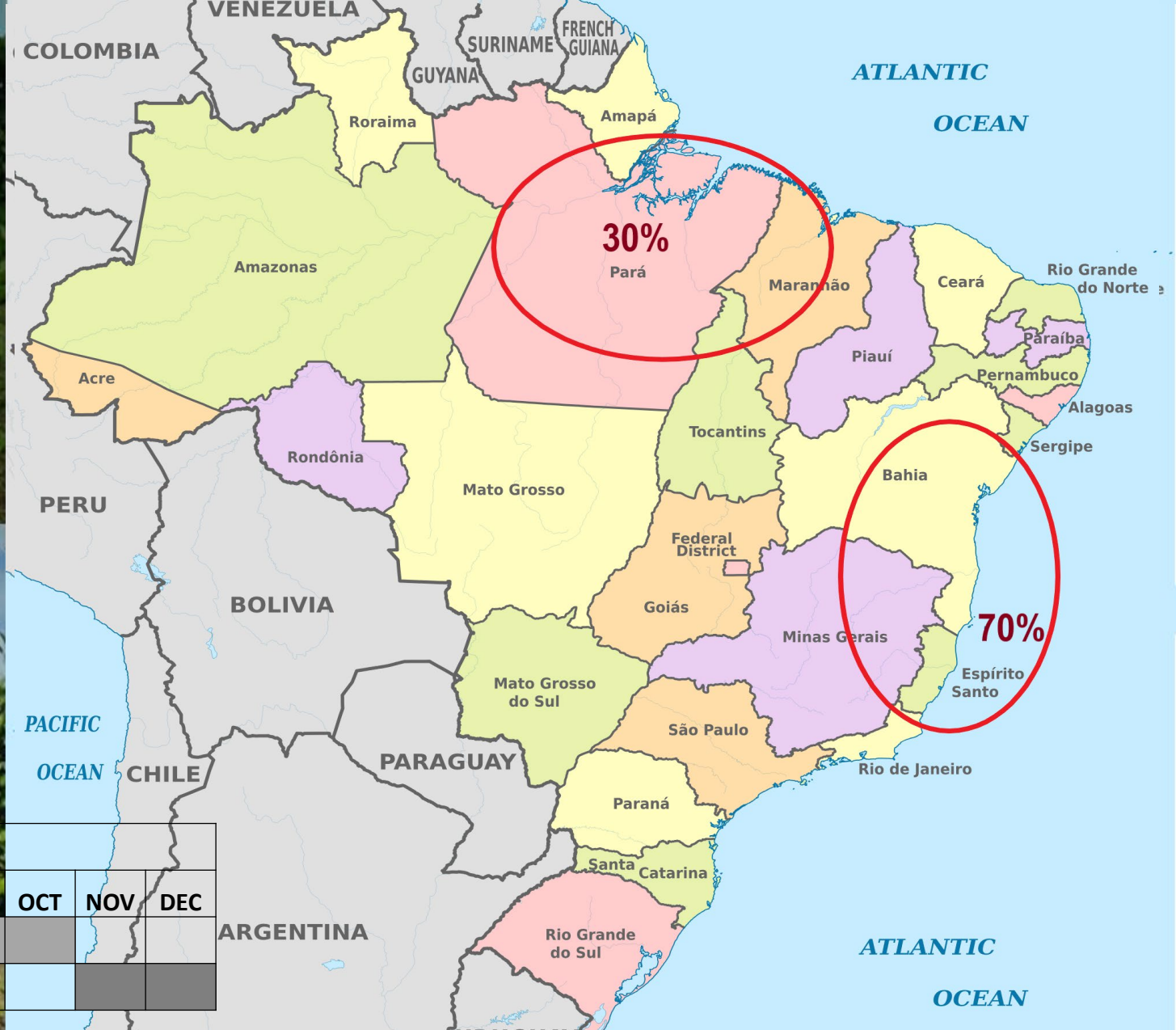
# INDIA

2024

2025



# BRAZIL



## HARVEST PERIOD

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
PARA												
ESP SANTO & BAHIA												

# BRAZIL

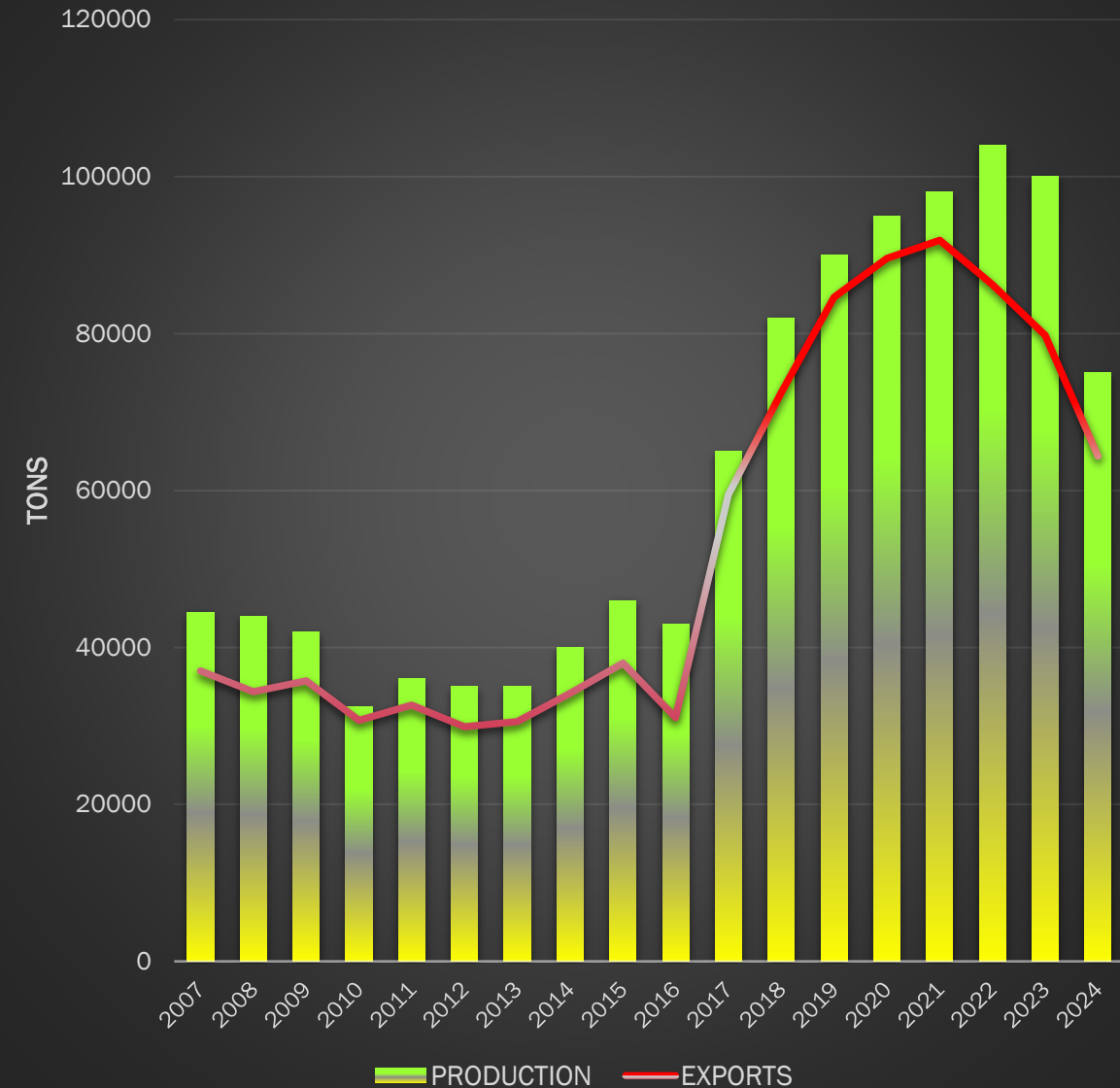
2024

- EXTREME HEAT IN END-2023 AND EARLY-2024 DUE TO THE EL NINO.
- FLOWERING WAS LOW IN 2024.
- BERRY SETTING WAS INCOMPLETE.
- PRODUCTION DROPPED IN 2024.

2025

- HARVESTING IN ESPIRITO SANTO IN JAN-MAR 2025.
- WEATHER CONDITIONS NORMAL SO FAR.
- DROPPING OF SPIKES REPORTED IN ESPIRITO SANTO.

## PRODUCTION - EXPORTS BRAZIL



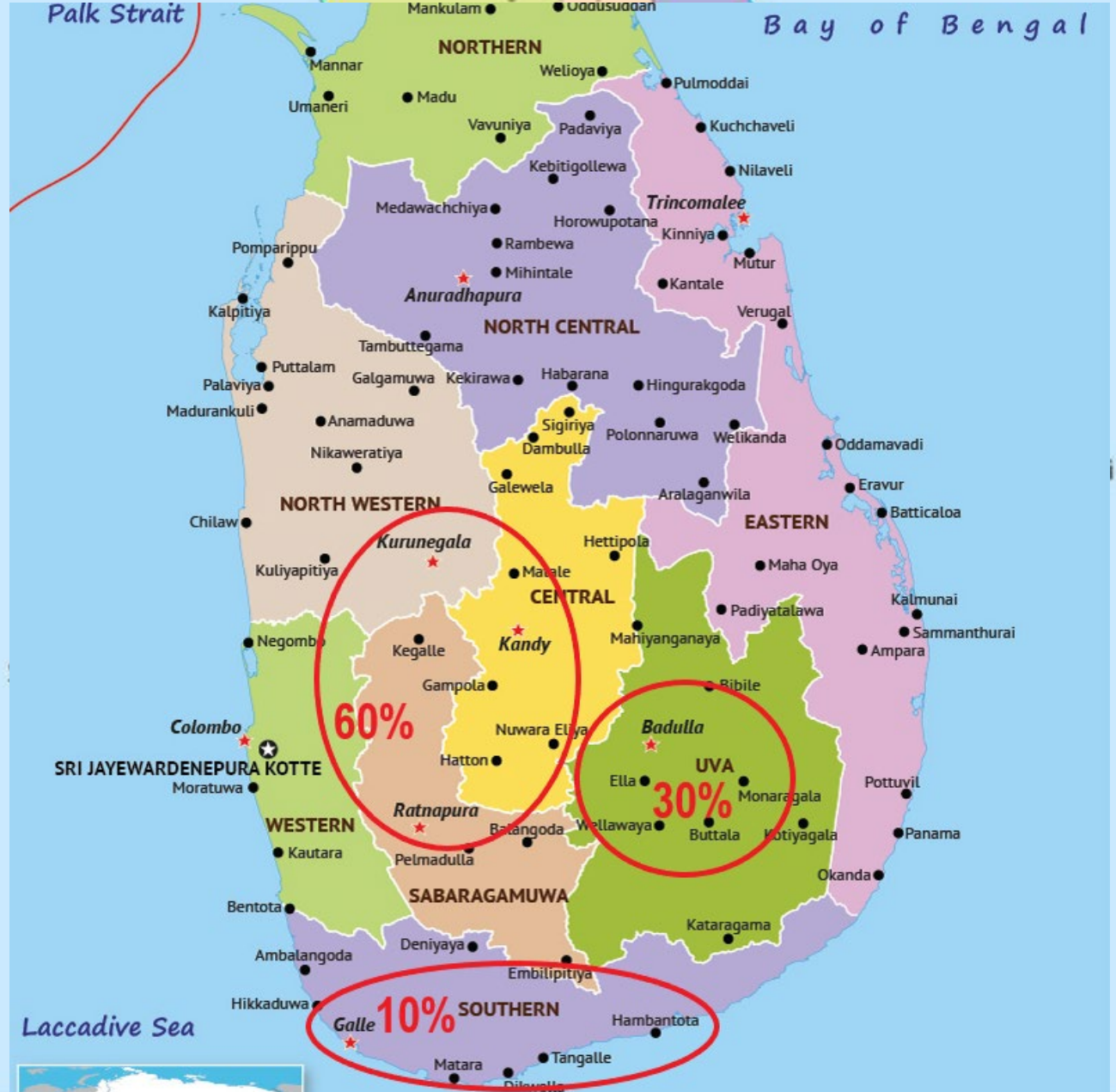
# SRI LANKA

CENTRAL PROVINCE

UVA PROVINCE

SOUTHERN PROVINCE

HARVEST PERIOD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
MAIN CROP												
KANDY												

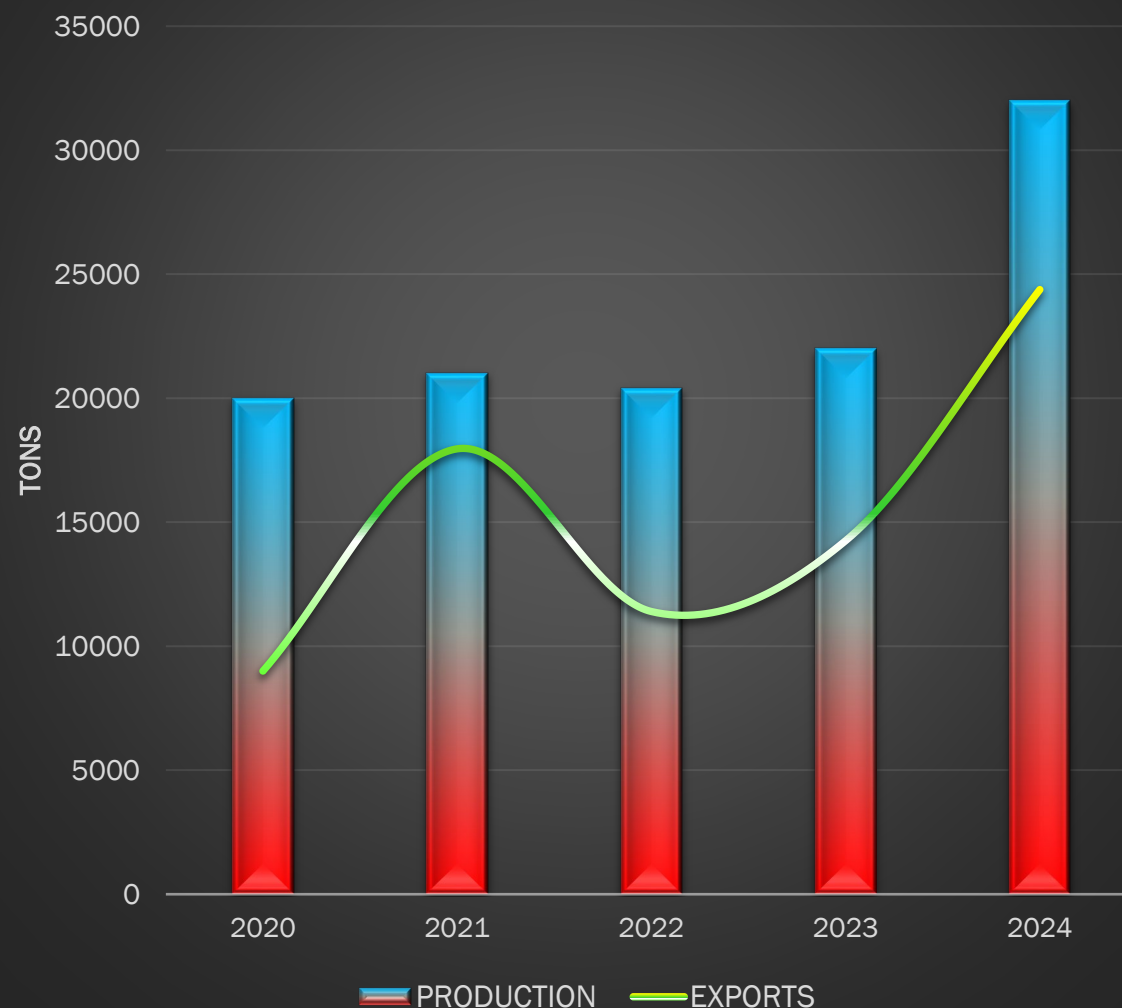


# SRI LANKA

PRODUCTION REMAINS  
RANGEBOUND DUE TO:

- WEATHER UNCERTAINTIES
- INTERCROPPING /  
HOMESTEAD FARMING
- ALTERNATE CROPS / SPICES
- GREEN BERRY PICKING

PRODUCTION - EXPORTS  
SRI LANKA

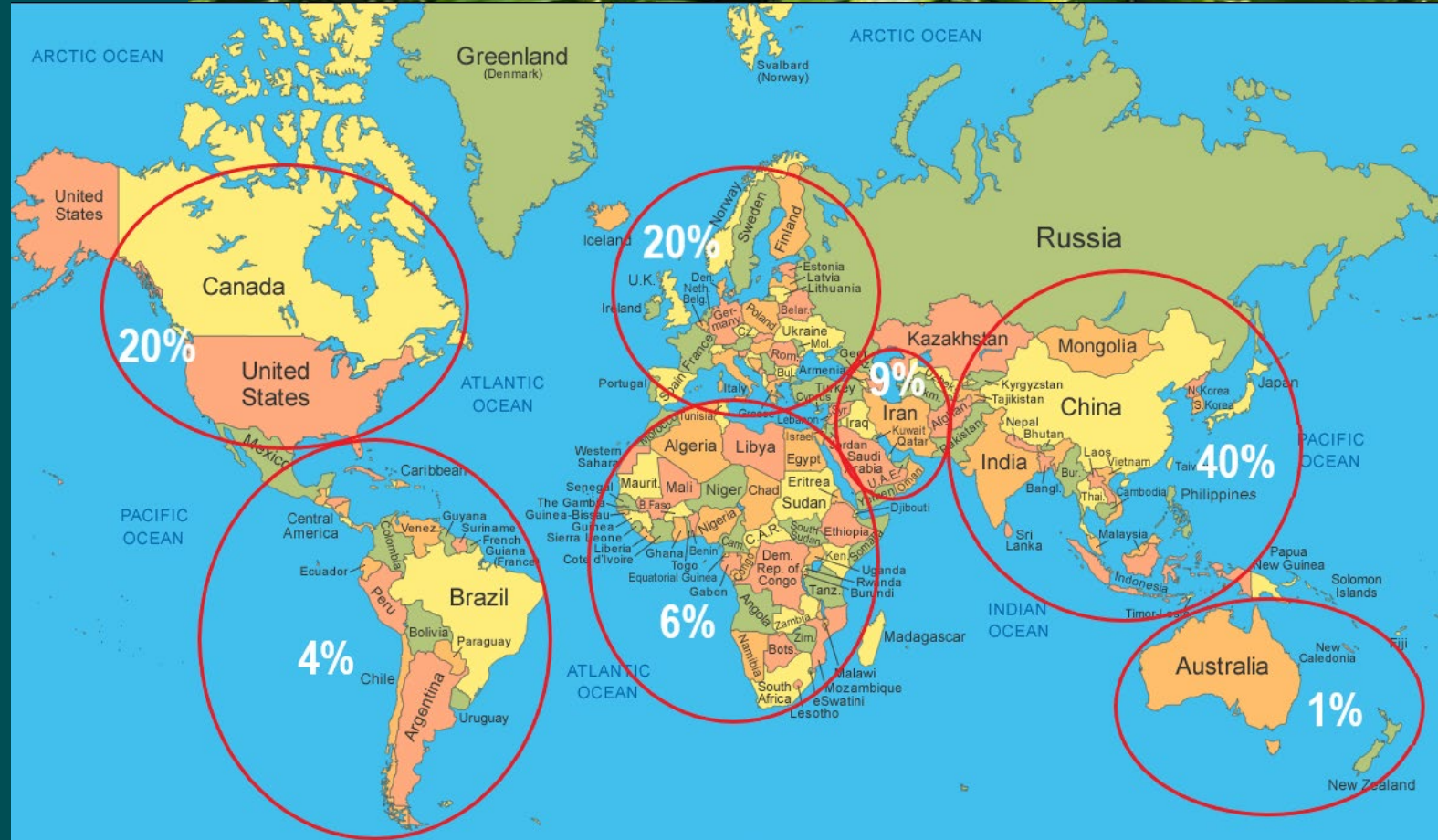
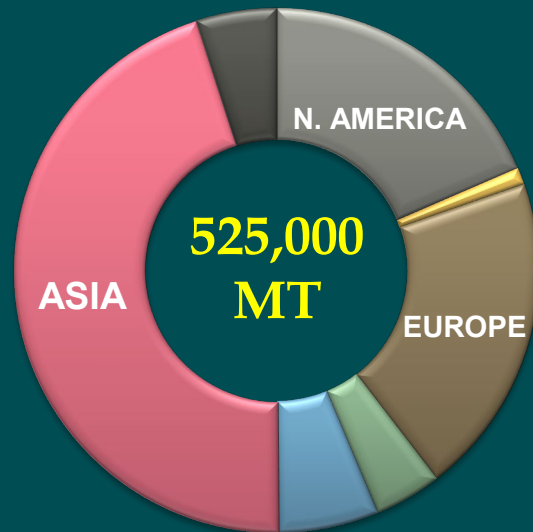




PART III  
THE DEMAND SIDE  
CONSUMPTION TRENDS

# CONSUMPTION: REGION-WISE

## GLOBAL CONSUMPTION

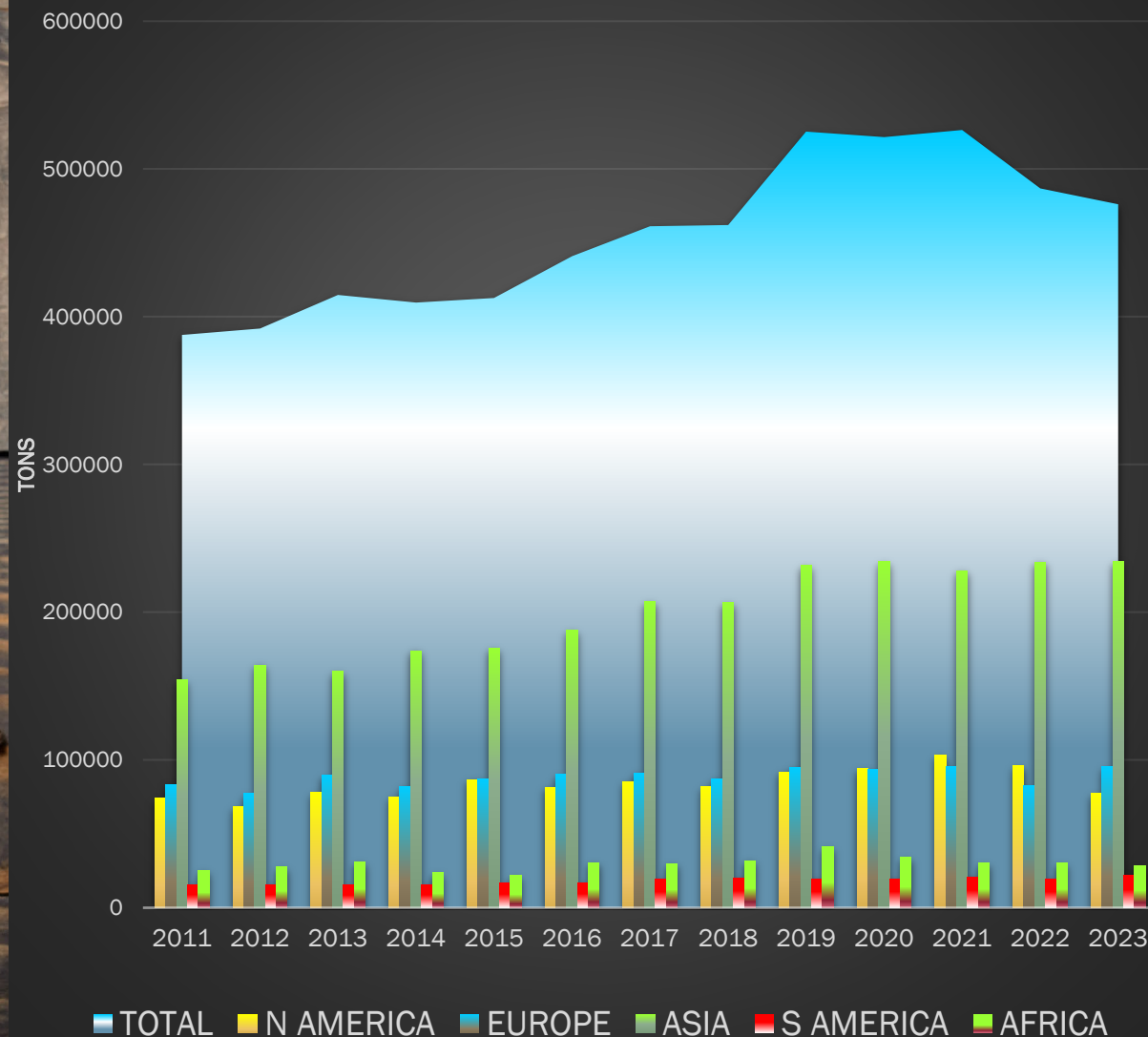




# CONSUMPTION: REGION-WISE

ANNUAL IMPORTS  
INCREASE:  
GLOBAL: 3%

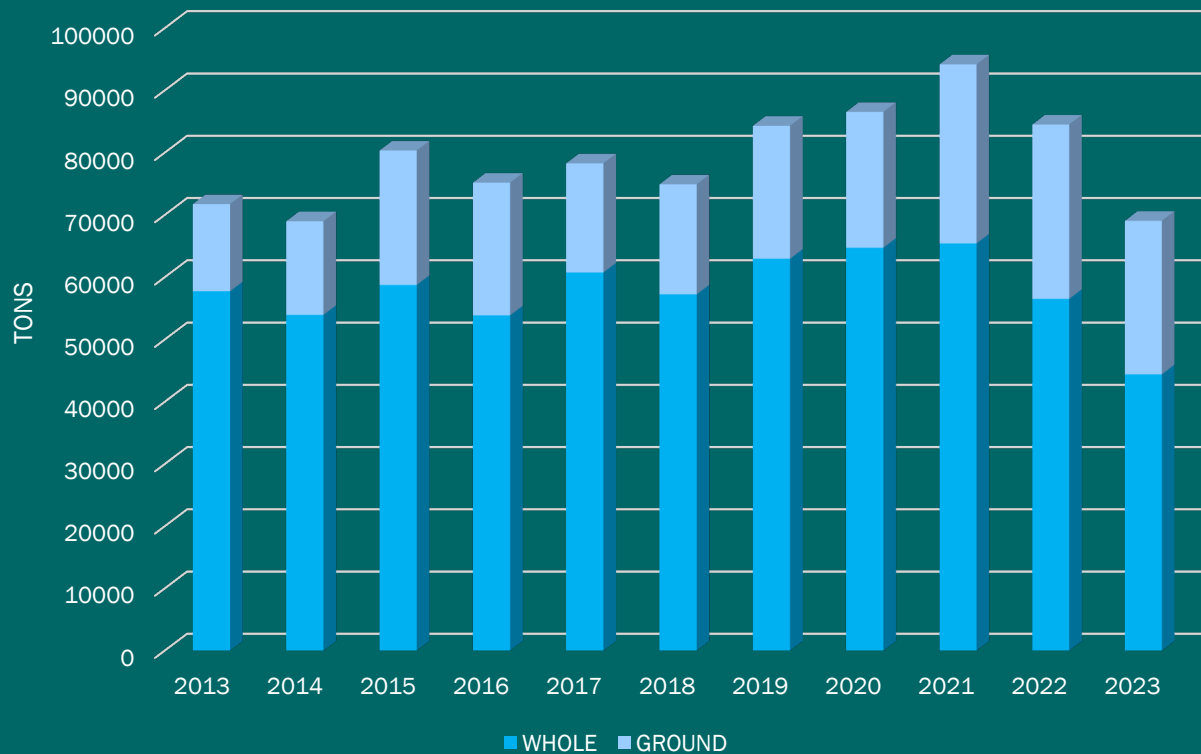
## IMPORTS & CONSUMPTION REGION-WISE



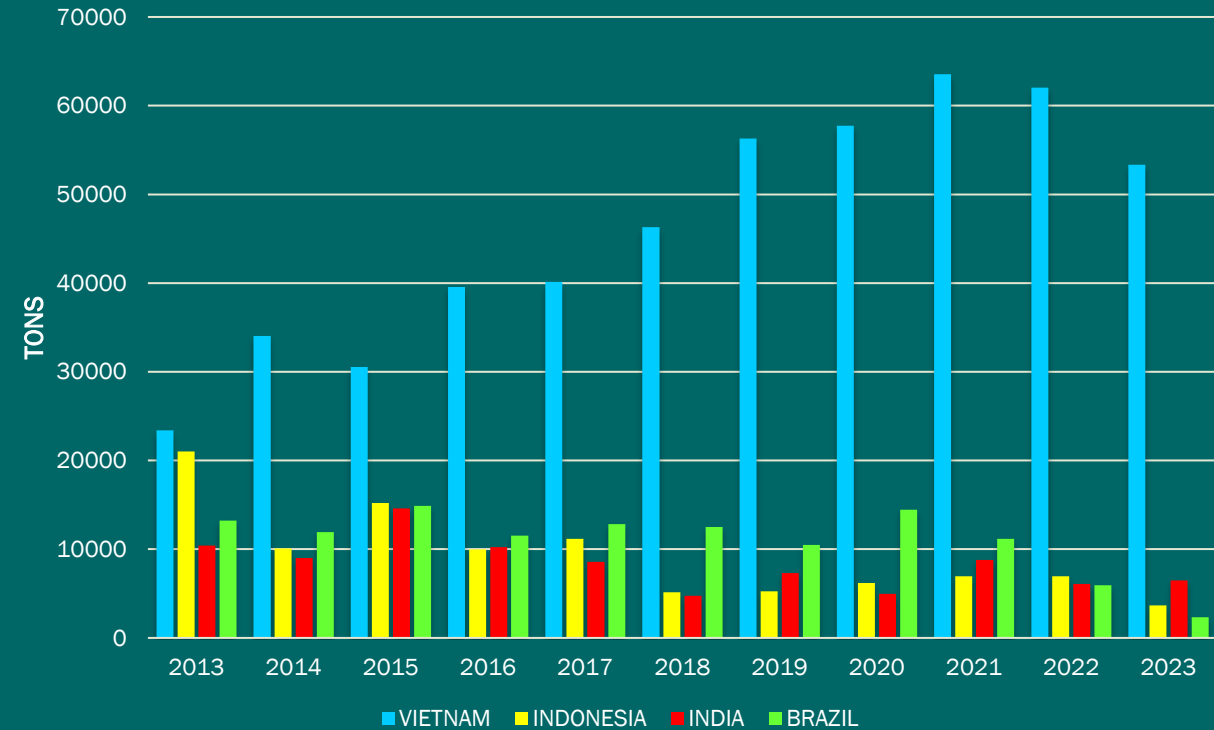
# CONSUMPTION: IMPORT TRENDS - USA

- DECREASE IN TOTAL IMPORTS IN 2022-'23. IMPORTS HAVE RECOVERED IN 2024.
- GROUND PEPPER IMPORTS HAVE BEEN INCREASING WHILE WHOLE PEPPER IMPORTS HAVE BEEN MOSTLY STEADY.
- INCREASE IN IMPORTS FROM VIETNAM WHILE IMPORT FROM OTHER COUNTRIES HAS STEADILY DECLINED.

USA PEPPER IMPORTS  
WHOLE - GROUND



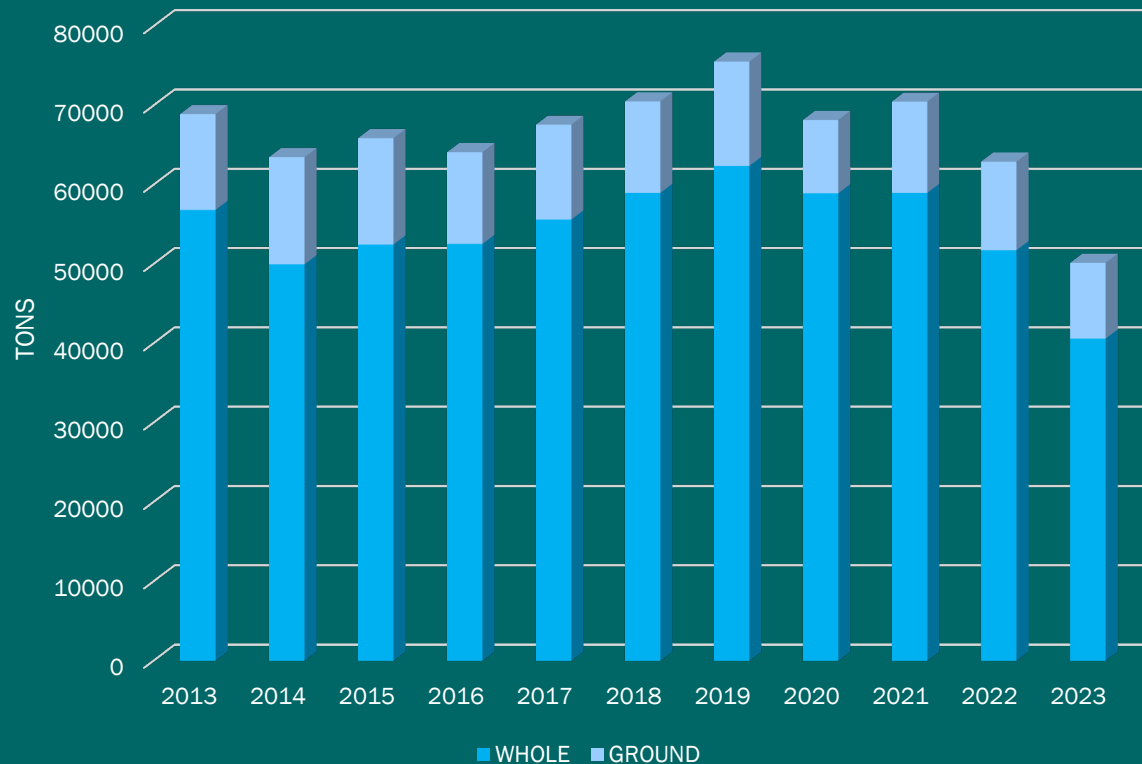
US PEPPER IMPORTS  
ORIGIN WISE



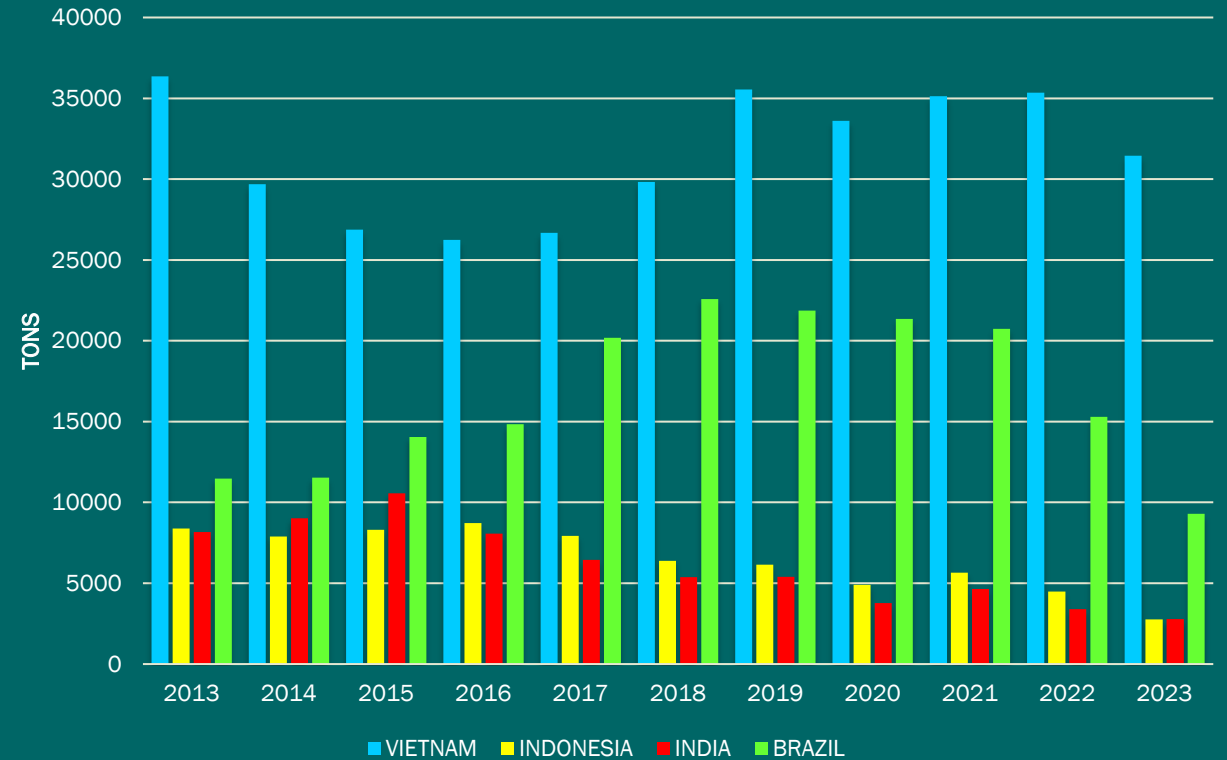
# CONSUMPTION: IMPORT TRENDS - EU

- DECREASE IN TOTAL IMPORTS IN 2022-'23.
- GROUND PEPPER IMPORTS HAVE BEEN MOSTLY STABLE WHILE WHOLE PEPPER IMPORTS FELL IN 2022-'23.
- INCREASE IN IMPORTS FROM BRAZIL, WHILE IMPORTS FROM INDONESIA & INDIA HAVE DECLINED.

EU PEPPER IMPORTS  
WHOLE - GROUND



EU PEPPER IMPORTS  
ORIGIN-WISE





PART IV  
2025: MARKET OUTLOOK

CURRENT MARKET SITUATION, PRICE OUTLOOK & DISRUPTIVE FACTORS

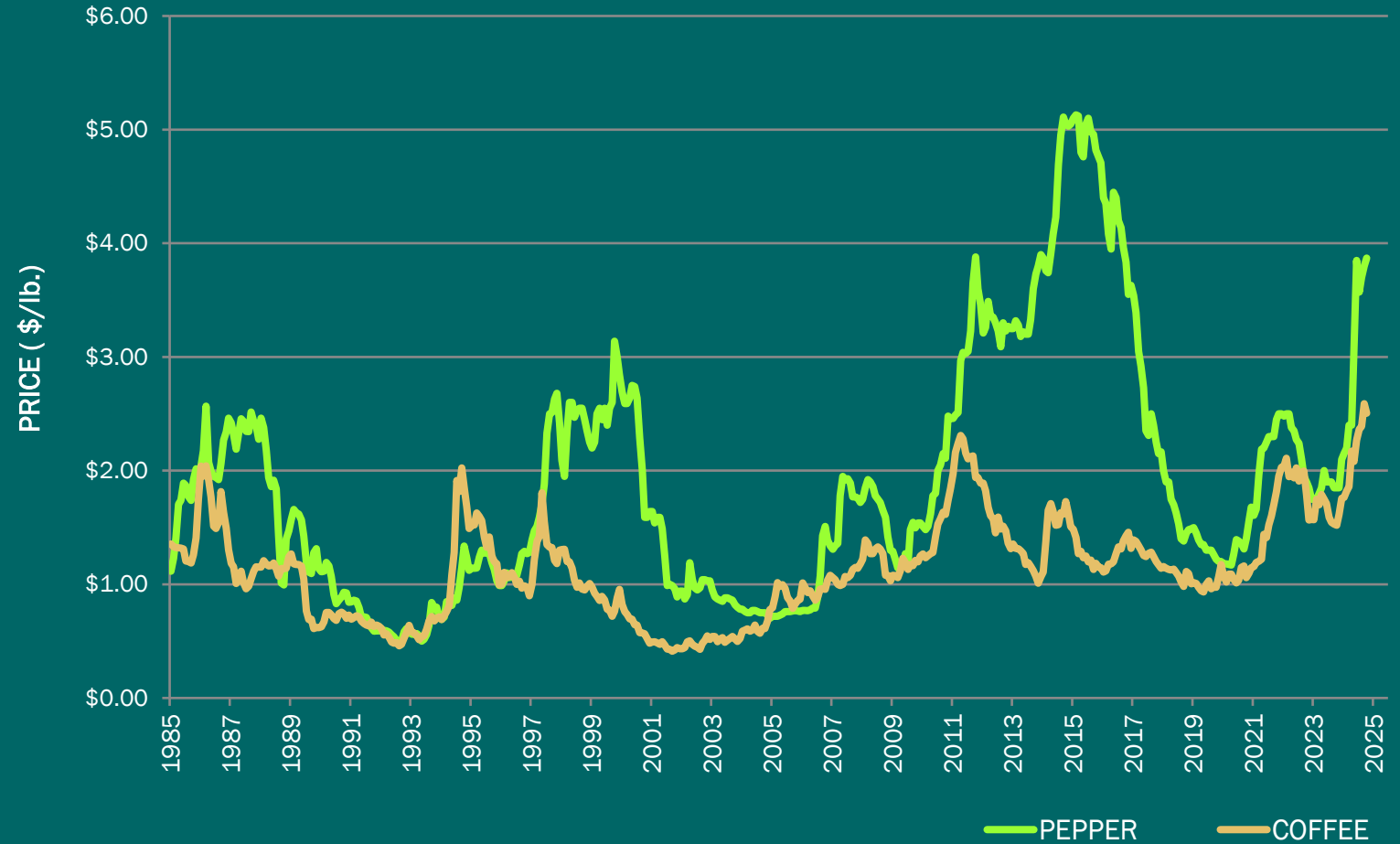
# 2025: OUTLOOK

## IMPACT OF ALTERNATE CROPS: COFFEE

- HISTORICALLY, PEPPER AND COFFEE HAVE FOLLOWED VERY SIMILAR PRICE MOVEMENTS.
- COFFEE PRICES HAVE TOUCHED HISTORICAL HIGHS IN DEC 2024 DUE TO CROP CONCERNS IN BRAZIL AND VIETNAM.



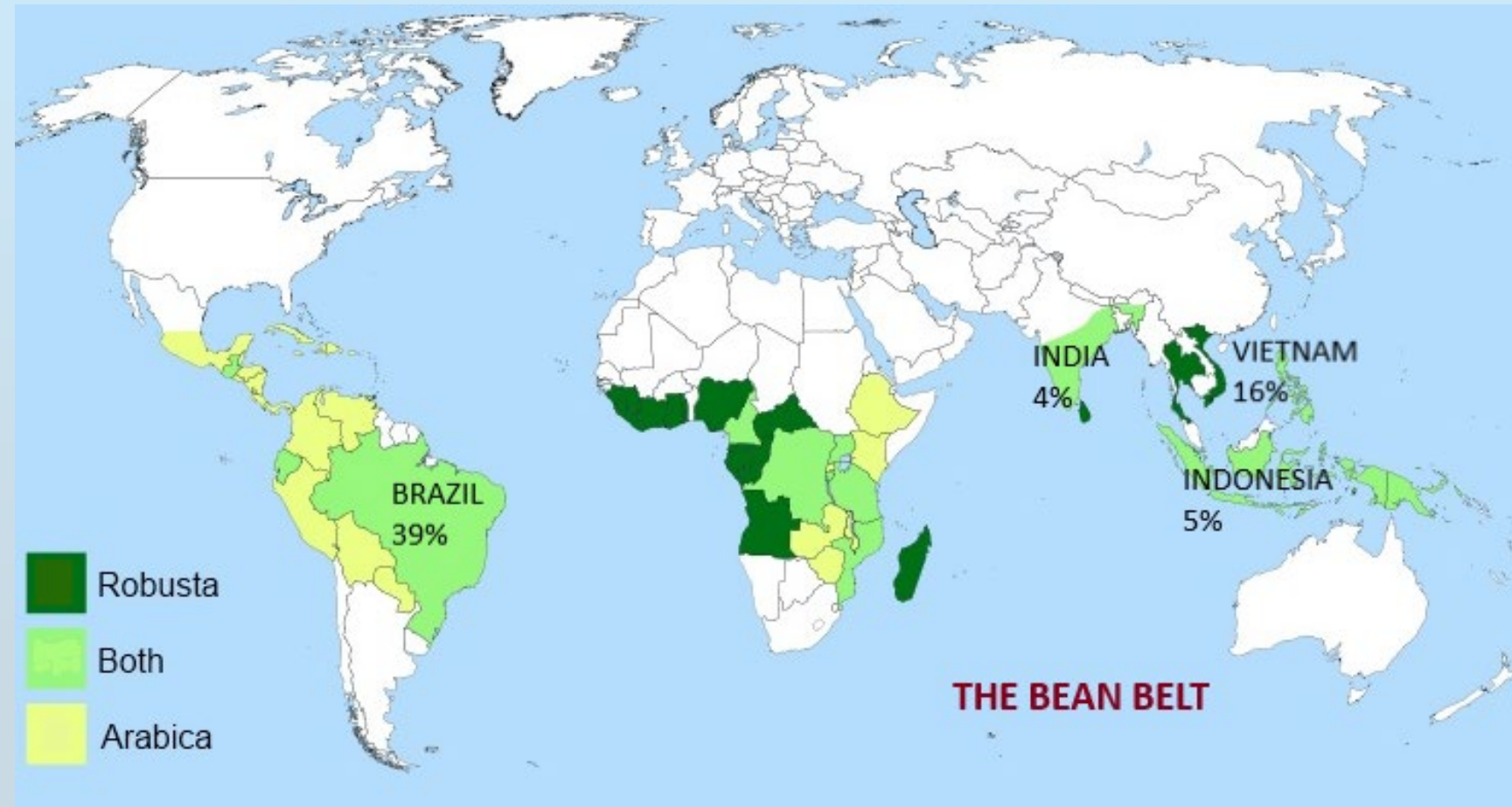
## PRICE COMPARISON: PEPPER - COFFEE



# 2025: OUTLOOK

## IMPACT OF ALTERNATE CROPS: COFFEE

- THE MAJOR PEPPER GROWING COUNTRIES ARE ALSO MAJOR COFFEE PRODUCERS.
- THE BEAN BELT LIES MOSTLY BETWEEN THE TROPIC OF CANCER AND THE TROPIC OF CAPRICORN.

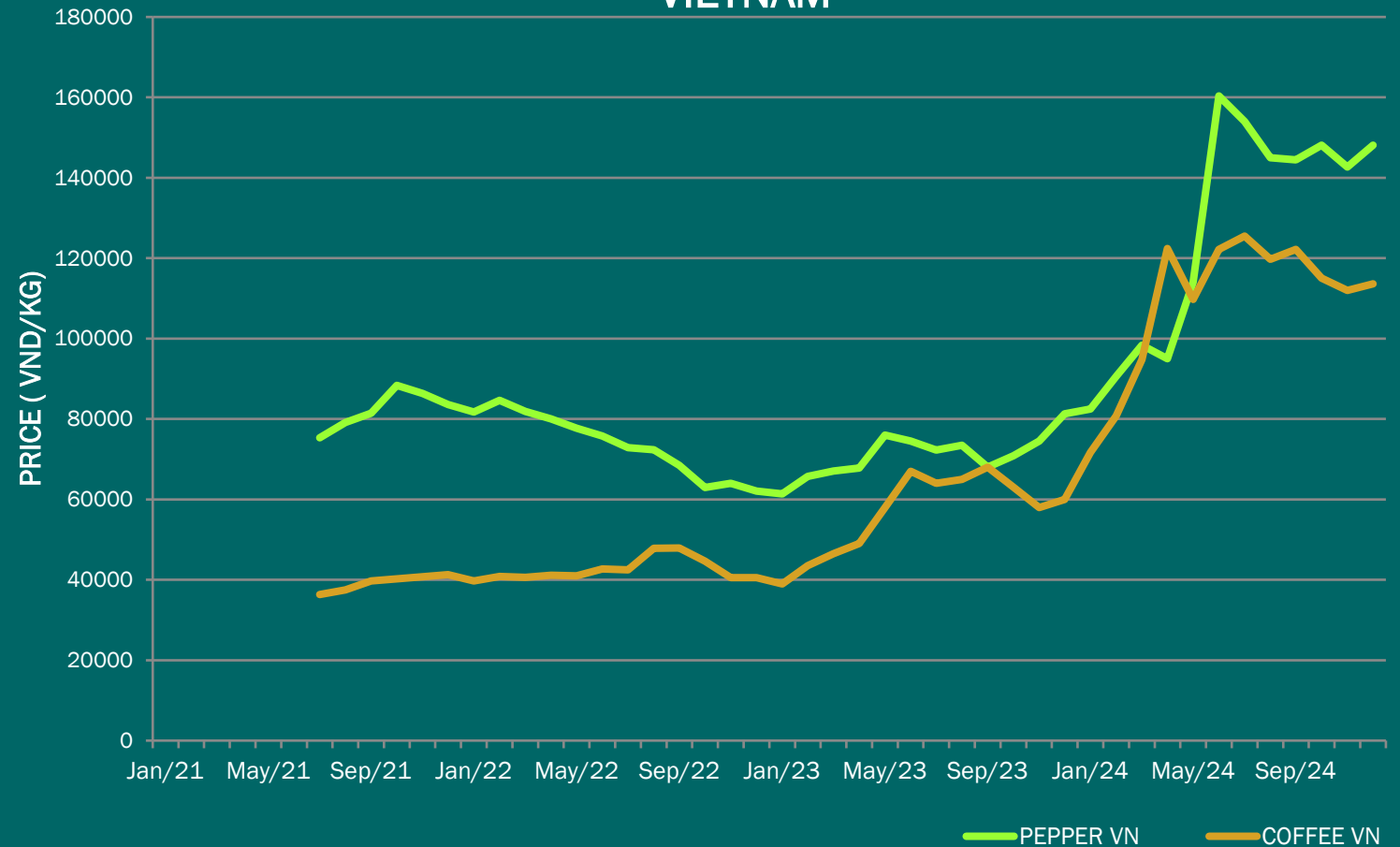


# 2025: OUTLOOK

## IMPACT OF ALTERNATE CROPS: COFFEE

- HISTORICALLY, COFFEE PRICES IN VIETNAM HAVE BEEN ABOUT HALF THAT OF PEPPER.
- DURING 2023 AND EARLY-2024, COFFEE PRICES HAVE BECOME VERY SIMILAR TO PEPPER PRICES.
- IMPACT ON HOLDING CAPACITY OF PEPPER FARMERS, SELLING BEHAVIOUR OF FARMERS AND ACREAGE UNDER PEPPER CULTIVATION.

## PRICE: PEPPER – COFFEE VIETNAM

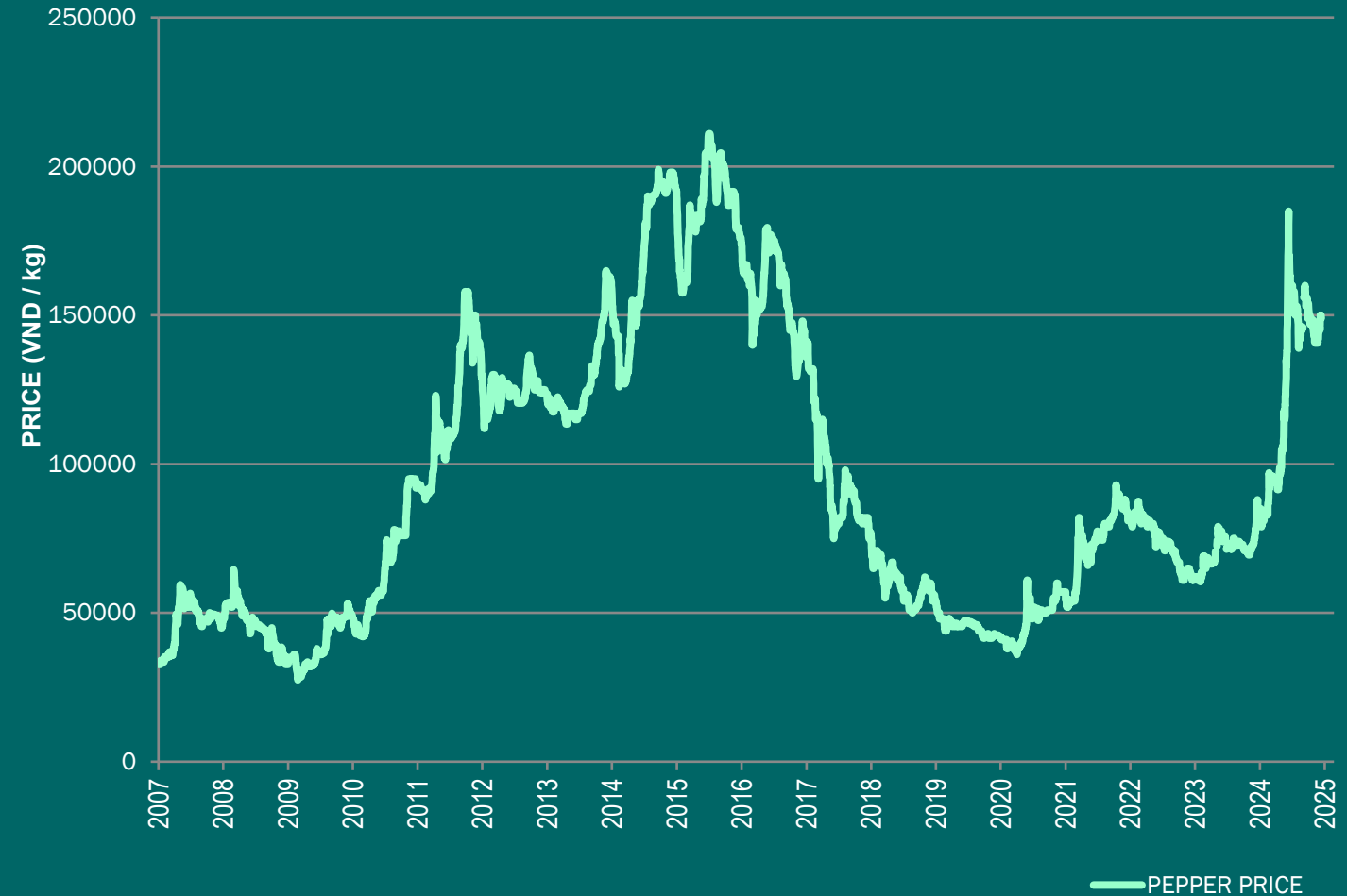


# 2025: OUTLOOK

## MARKET SENTIMENTS

- GENERAL BULLISH FEELING AMONG GROWERS AND LOCAL TRADERS THAT THE CYCLICAL BULL PHASE WILL CONTINUE.
- LOCAL PRICES HAVE REACHED VND 185,000 IN JUNE 2024 – PSYCHOLOGICAL TARGET PRICE FOR MANY FARMERS.
- IMPACT ON SELLING BEHAVIOR OF FARMERS AS WELL AS SPECULATORS.

## SPOT PRICE : VIETNAM

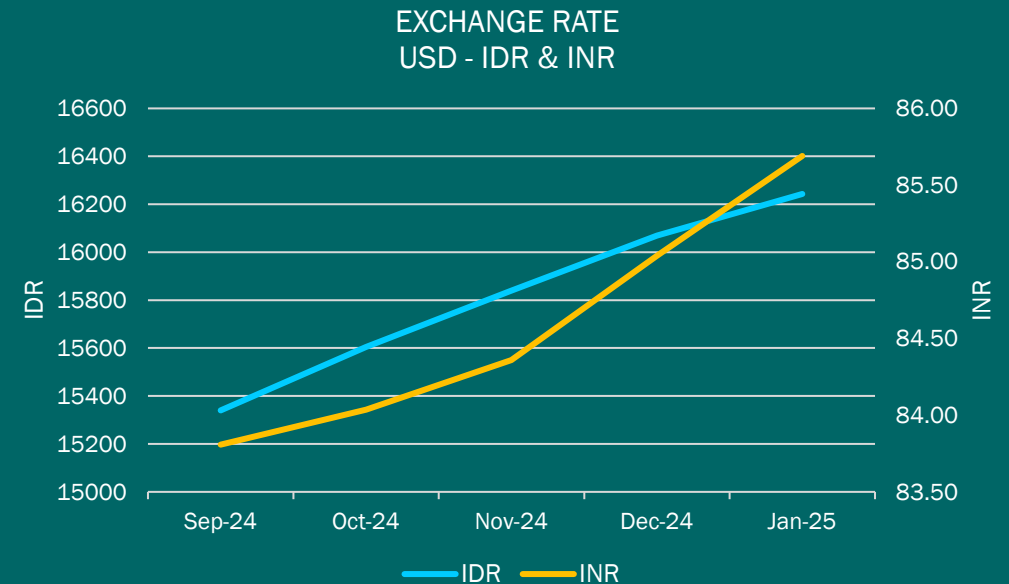
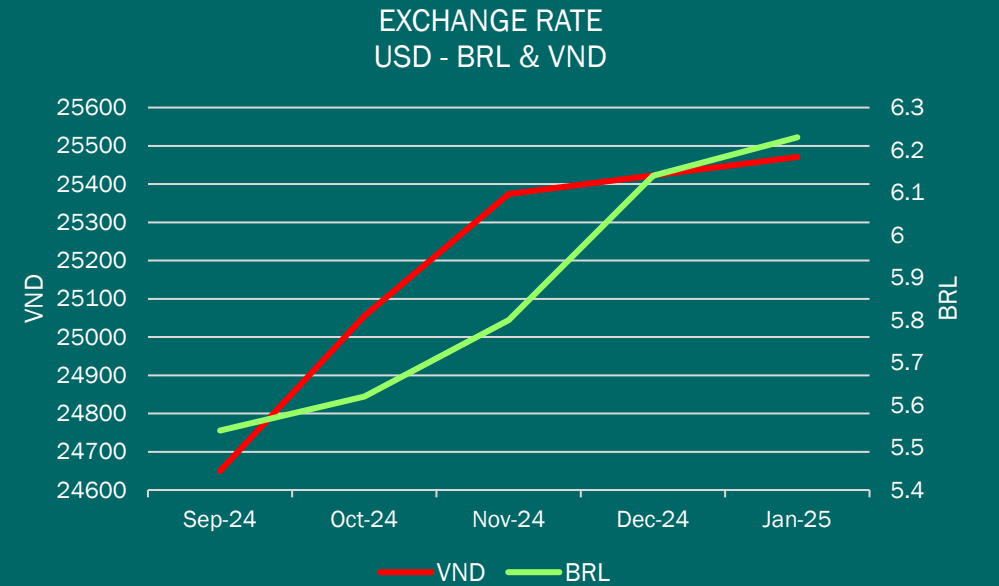




# 2025: OUTLOOK

## CURRENCY RATES

- THE USD HAS GAINED AGAINST ORIGIN CURRENCIES SINCE THE LAST QUARTER.
- THE USD HAS GAINED DUE TO STRONG US ECONOMIC DATA AND THE FEDERAL RESERVE SIGNALLING FEWER RATE CUTS IN 2025.
- DURING THE PAST 5 MONTHS, THE BRAZIL REAL HAS WEAKENED BY ABOUT 10% AND THE INDONESIA RUPIAH BY ABOUT 6% AGAINST THE USD.
- THIS WILL LOWER THE COST OF IMPORTS TO THE US RELATIVE TO EXPORTS.



# 2025: OUTLOOK

GEO-POLITICAL FACTORS:  
CONFLICTS IN MIDDLE EAST &  
EASTERN EUROPE

- QUANTITIES IMPORTED ARE LIMITED:  
DIRECT IMPACT ON TRADE WILL NOT  
BE SIGNIFICANT.
- LIMITED INDIRECT IMPACT ON  
MARKET SENTIMENTS, CURRENCY  
FLUCTUATIONS AND FREIGHT  
CHARGES.



# 2025: OUTLOOK

## GEO-POLITICAL FACTORS: CHINA – CAMBODIA FREE TRADE AGREEMENT (CCFTA)

- THE CCFTA CAME INTO EFFECT ON 01 JAN 2022.
- CHINESE TARIFFS ON IMPORTS FROM CAMBODIA ELIMINATED FOR 97.53% OF CAMBODIA'S TRADED ITEMS.
- PEPPER IS INCLUDED UNDER CATEGORY A: ZERO TARIFFS.
- IMPACT ON CAMBODIAN PEPPER BEING EXPORTED TO VIETNAM, AND DEMAND FROM CHINA IN VIETNAM. ALSO POSSIBILITY OF PEPPER FROM VIETNAM EXPORTED TO CHINA THROUGH CAMBODIA.

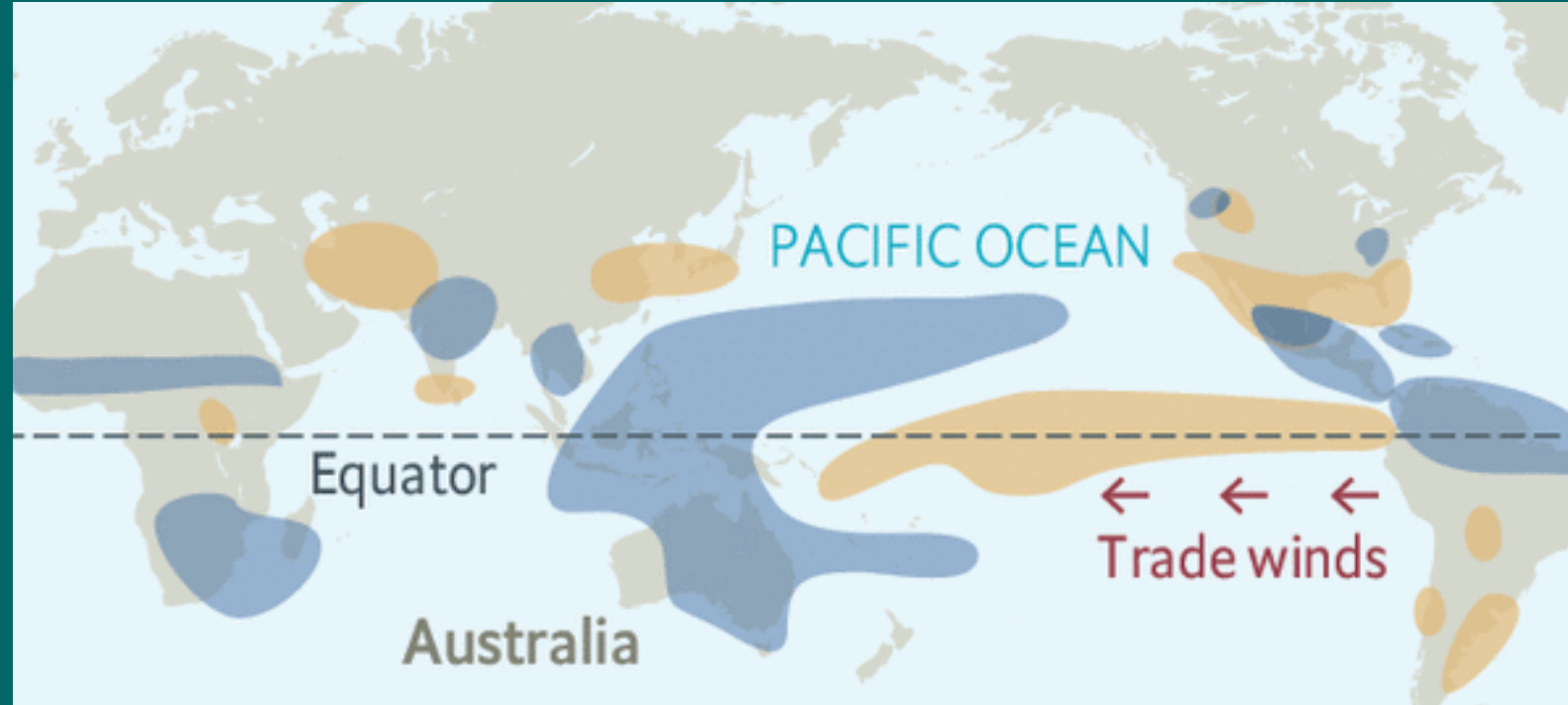


# 2025: OUTLOOK

WEATHER: LA NINA

NATIONAL WEATHER SERVICE /  
NOAA UPDATE : JAN 2025

- LA NINA CONDITIONS ARE PRESENT AND ARE LIKELY TO PERSIST THROUGH FEB – APRIL 2025.
- RAINS IN ASIA DURING THIS PERIOD COULD AFFECT PRODUCTION IN 2025.



# 2025: OUTLOOK

## FREIGHT RATES

- RED SEA AND SUEZ CANAL CHALLENGES TO CONTINUE IN 2025. THE ALTERNATIVE LONGER ROUTE AROUND SOUTH AFRICA'S CAPE OF GOOD HOPE CONTINUES TO RAISE SHIPPING COSTS.
- THE LAUNCH OF TWO NEW SHIPPING ALLIANCES SIMULTANEOUSLY ON FEB 1, 2025 MEANS LARGE SCALE SCHEDULE CHANGES WHICH MAY CAUSE POSSIBLE DELAYS.
- NEW TARIFFS AND INCREASED PROTECTIONIST MEASURES UNDER THE TRUMP ADMINISTRATION COULD AFFECT IMPORT COSTS.
- STORMS, FLOODS & DROUGHTS AS THE IMPACT OF CLIMATE CHANGE COULD AFFECT TRANSIT TIMES AND ADD TO CONGESTION AT TRANS-SHIPMENT PORTS.
- TRANSPORTATION RATES SET TO REMAIN VOLATILE IN 2025.

# 2025: OUTLOOK

## FACTORS THAT COULD AFFECT PRICE MOVEMENT

### BEARISH:

- REPLANTINGS DURING THE LAST 3 YEARS: PRODUCTION RECOVERY IN VN & BRAZIL
- STOCKS IN PRODUCING COUNTRIES

### BULLISH:

- INCREASING DEMAND
- PRODUCTION DISRUPTION: ADVERSE WEATHER IMPACT (LA NINA)



# 2025: OUTLOOK

## SCENARIO 01: PRODUCTION RECOVERS IN MAJOR AREAS

### IF PRODUCTION IN 2025 RECOVERS

- PRODUCTION RECOVERS IN BRAZIL & VIETNAM, WHILE INDIA, INDONESIA & SRI LANKA HAVE AVERAGE OUTPUT
- MODERATE ANNUAL INCREASE IN DEMAND
- ANNUAL CARRY-OUT REMAINS MOSTLY STABLE
- STOCK TO USE RATIO MARGINALLY DROPPING

SUPPLY & DEMAND [FIGURES IN MT]	2022	2023	2024	2025	2026
CARRY-IN	141623	163423	142939	143270	141842
SUPPLY	556097	536298	542751	543490	567490
DEMAND	534297	556782	542421	544918	565866
CARRY-OUT	163423	142939	143270	141842	143466
STOCK - USE RATIO	37%	29%	31%	31%	30%

# 2025: OUTLOOK

## SCENARIO 02: PRODUCTION MAINTAINS CURRENT GROWTH RATE

IF PRODUCTION IN 2025 RECOVERS

- SLIGHT RECOVERY IN BRAZIL & VIETNAM, WHILE INDIA, INDONESIA & SRI LANKA HAVE AVERAGE OUTPUT
- INCREASED ANNUAL DEMAND
- ANNUAL CARRY-OUT DECLINES
- **STOCK TO USE RATIO FALLS SHARPLY:  
BULLISH MARKET SCENARIO**

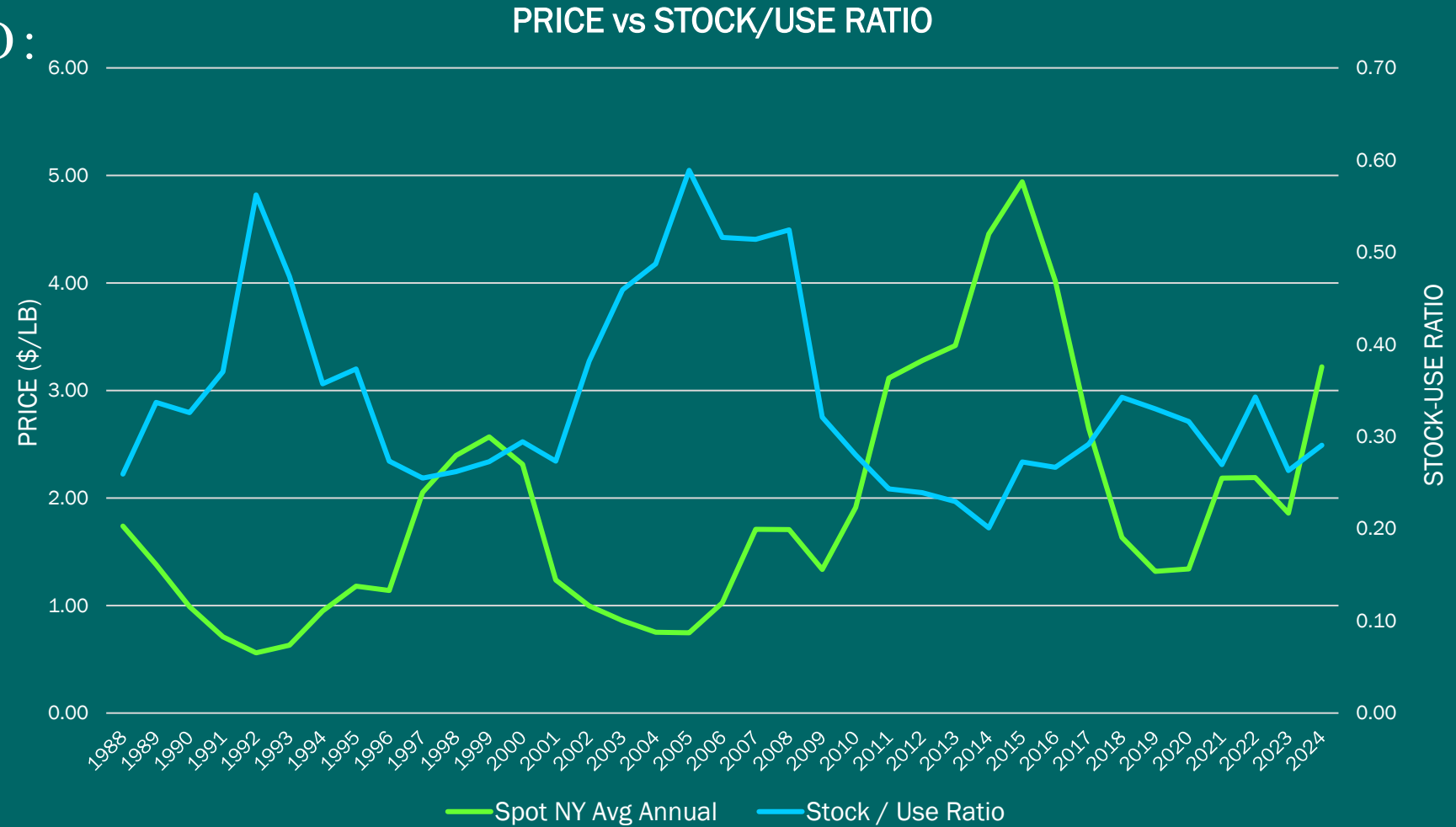
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DEMAND	534297	556782	542421	554918	565866
CARRY-OUT	163423	142939	143270	121842	123466
STOCK - USE RATIO	37%	29%	31%	<b>26%</b>	<b>26%</b>



# 2025: OUTLOOK

## THE STOCK/USE RATIO:

*The stock to use ratio indicates the level of carryover stock for any commodity as a percentage of the total demand or use of the commodity.*



# RECAP:

- THE BULL PHASE OF CURRENT PEPPER PRICE CYCLE IS IN ITS 4<sup>TH</sup> YEAR. FARMERS HAVE STARTED TAKING CARE OF PLANTATIONS, AND REPLANTING IS SEEN.
- PEPPER SUPPLY AND DEMAND WILL REMAIN CLOSELY BALANCED, EVEN IF PRODUCTION RECOVERS IN THE MAJOR PRODUCING COUNTRIES, VIZ. BRAZIL AND VIETNAM.
- GLOBAL CONSUMPTION IS INCREASING AT AN ANNUAL RATE OF ABOUT 3%.
- LIMITED AVAILABILITY OF MATERIAL COULD CONTINUE TO HAVE A BULLISH IMPACT.
- IF PRODUCTION FALLS OR DEMAND INCREASES, IT COULD FURTHER SUPPORT THE CURRENT BULLISH TREND.

Thank you...

**MATHEW GEORGE**

**CROP**REPORTS

