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# SPICE MARKET REPORT

May 2026

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## Impact of Middle East Conflict on Supply Chains

The Middle East conflict and the effective disruption of shipping through the Strait of Hormuz have now moved from being a short term shock to a structural constraint that global supply chains are having to live with. Vessel rerouting longer voyages and schedule disruptions continue, and many carriers have introduced emergency surcharges and higher war risk premiums, keeping both sea and air freight costs well above pre-conflict levels. For many trade lanes, longer transit times and reduced schedule reliability are now the baseline rather than the exception.

These logistics pressures are feeding directly into the cost of petroleum linked inputs. Prices of key polymers and solvents have surged, with several grades up by 40-60% since the escalation of the conflict, and in some cases more, as crude linked feedstock and petrochemical flows are disrupted. Suppliers are passing through a large part of these increases into packaging materials, containers, LPG and selected additives, so that non spice inputs now account for a much larger share of the total landed cost of spice and ingredient products than in previous years.

Fertilizer markets remain a critical area of risk. The Gulf region is a major exporter of urea and phosphate fertilizers, and supply shocks through Hormuz have revived concerns about availability and pricing of urea and DAP for the coming seasons. Any sustained tightness or price spike in these fertilizers would put further pressure on farm economics and may influence planting choices and input application rates in key spice growing regions over the next year.

At the same time, higher interest rates, elevated risk premiums, and a stronger US dollar have raised the cost of trade finance and increased local currency import costs in many markets. Many buyers are responding by shortening contract tenors, staggering purchases, or in some cases front loading orders where they can secure capacity, which can temporarily tighten nearby availability even when overall crop prospects are normal.

The crop and price updates in this report reflect the situation as of the end of April, but the combined impact of higher input costs, more expensive freight and greater delivery risk is now firmly embedded in product pricing and procurement decisions, and is likely to remain a key driver of volatility for the foreseeable future.

# Capsicum

## Market Updates

Major growing regions :  
Andhra Pradesh & Telangana, Madhya pradesh and Maharashtra



HARVEST  
SEASON

Southern India



### Southern India

**Crop update:** Capsicum harvesting is now in its late stage in South India, with around 85-90% of the crop completed in key states such as Andhra Pradesh, Telangana and Karnataka. Cold storage stocks are markedly lower than last season, and current estimates suggest carry over has dropped by about 45-50%, leaving buyers with less buffer stock to blend and less flexibility on timing and quality. Total output for the current season is expected to be lower by around 30-35%, mainly due to reduced cultivated area and weaker yields in major capsicum and chilli belts. Domestic buyers are active in building coverage, and availability of pesticide compliant material is tight, with strong demand and limited supply keeping IPM grade capsicum in short supply and at a clear premium. Export demand from Bangladesh and Thailand is moderately active, while Chinese buying remains subdued, and several domestic players are entering forward contracts ahead of the planned market holidays in Guntur in the second week of May, which is adding to nearby firmness in the physical market.

**Price update:** Market prices are currently about 6% higher than last month and roughly 60% higher compared with the same period last year, reflecting the combined effect of a smaller crop, sharply lower carry over stocks, active domestic buying and limited availability of compliant material. Prices are now trading in a significantly higher band than usual for this time of year, and the balance of risk remains tilted to the upside if late season arrivals underperform in volume or quality, or if export demand from key Asian markets strengthens later in the season.

# Paprika

## Market Updates

Major growing regions : Karnataka

HARVEST  
SEASON

India



## India

**Crop update:** Paprika harvesting is now in its final stage in the main South Indian growing regions, with more than 95% of the crop completed and fresh arrivals expected to taper off soon. As field arrivals wind down, the market will increasingly rely on cold storage stocks from around mid-May onwards, but these are estimated to be much lower than last year, with carry forward reported to have declined by about 50-60%. Overall production for the season is expected to be lower, driven by an estimated 35% reduction in cultivated area and around a 10% drop in yields. Farmers have used more pesticide sprays this season in an attempt to protect yields, which has reduced the share of lots that meet stricter residue limits and left residue compliant material in shorter supply and more concentrated with a few holders. As the season nears its end, quality is showing a declining trend, with more late harvest material displaying weaker colour and higher defects, while domestic powdering companies remain active buyers and export demand is comparatively softer.

**Price update:** Market prices for hybrid paprika are currently about 9% higher than last month and roughly 60% higher compared with the same period last year, reflecting the combined impact of lower crop size, sharply reduced carry forward stocks and firm domestic powdering demand. Prices are now trading in a much higher band than usual for this time of year, and with limited cold storage stock and weaker late season quality, near term downside appears limited unless demand from both domestic and export segments eases more significantly.

# Ginger

## Market Updates

Major growing regions : Karnataka, Madhya Pradesh, North East, Kerala, and Maharashtra

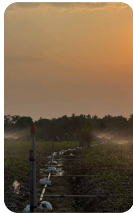


### Southern India

**Crop update :** Fresh ginger has moved into a tighter phase in South India, with peak arrivals behind us and current inflows relatively low, just as demand has spiked sharply in recent days and lifted fresh prices. Sowing for the new crop is more advanced than last month, with an estimated 60-70% of the area already planted, but lack of rain and low water availability are starting to delay remaining sowing and related operations. Early field surveys indicate that farmers are planning a sizeable 15-30% increase in acreage; however, reports of ginger sprouts showing a yellow shade in some pockets point to potential disease issues that could cap yield gains if they spread. The demand picture has also become more polarised: fresh ginger is seeing strong offtake, led by North Indian buyers, while dry ginger demand is muted, quality has slipped compared to earlier in the season and availability of IPM grade ginger suitable for condiments remains tight, with a low pesticide compliance ratio still limiting options for residue sensitive users.

**Price update :** The recent demand surge has pushed fresh ginger prices sharply higher at a time of thinner arrivals, reinforcing the premium on good quality fresh lots. In contrast, dry ginger prices have eased by around 7% compared with the previous month amid softer near term buying and quality concerns, but they remain about 30% above the same period last year, signalling that the market is only correcting at the margin within an overall structurally firm environment.

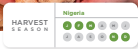
## Ginger - Karnataka



# Ginger

## Market Updates

Major growing regions : Kaduna



## Nigeria

**Crop update :** Nigeria's 2025-26 ginger season has transitioned from harvest to a holding phase. Harvesting is complete and most farmers have monetised a large share of the crop in fresh form, helped by strong local and export interest and attractive farm gate prices. Sowing for the new season is underway in some regions and will continue until May, guided by the progression of rainfall, with many farmers consciously setting aside more fresh ginger as seed to avoid the shortages and disease pressures experienced in recent years. Better returns from ginger compared with turmeric are encouraging growers to favour ginger in their cropping plans, which supports a gradual rebuild in Nigeria's ginger area but does little to ease tightness for the current marketing window. Export demand for dry ginger remains firm, yet physical availability at origin is very limited because so much of the crop moved early in fresh form and farmers are in no rush to release remaining stock, leaving buyers with fewer alternatives to Indian supply.

**Price update :** Dry ginger prices in Nigeria remain firm, and there are still no workable export offers from origin, with local holders and traders maintaining a bullish stance in anticipation of higher prices as the season progresses. This absence of offers is forcing international buyers to seek coverage from other origins and to rely more on shorter term or spot strategies, underlining how tight Nigerian supply remains despite farmer interest in expanding ginger cultivation.

# Turmeric

## Market Updates

Major growing regions : Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Meghalaya, Odisha, Kerala



## India

**Crop update :** Turmeric harvesting is now in its final stage across the main growing regions, and the market is in a transition phase, with late harvest arrivals overlapping with the start of sowing. Arrivals remain steady overall, with sizeable volumes coming from Tamil Nadu, while low carry over stocks from the previous season continue to support the market despite the ongoing flow of new crop. Speculators are active, and NCDEX futures are influencing short term sentiment and spot prices. Pesticide compliant material is currently reasonably available, giving a good window for coverage for export, and branded spice mix users, although this balance could change later in the season if weather or disease pressure increases. Land preparation and sowing have started in parts of Karnataka, but lower rainfall and limited water availability are creating uncertainty for the next planting phase; with a higher chance of El Nino in the coming months, uneven or delayed rains could reduce sowing progress and yield, even if farmers go ahead with the larger area they are currently planning.

**Price update :** Turmeric prices are slightly firmer, currently about 1% higher than last month and around 2% above April last year. The small month on month increase suggests the market is largely in a wait and watch mode, with weather and sowing progress expected to play a bigger role in setting the next price trend.

## Turmeric - Karnataka



# Fennel

## Market Updates

Major growing regions : India - Gujarat, Rajasthan, Madhya Pradesh



### India

**Crop update :** Fennel harvesting is now in its last stage in the main growing areas, with peak arrivals in progress and expected to continue until the end of May. Market arrivals are broadly steady compared to last month, but overall production is still estimated to be about 7-10% lower than the previous crop, and carryover stocks are assessed to be 30-35% lower than last year. This means the underlying supply situation remains tighter than a year ago, even though heavy peak season arrivals are currently putting some downward pressure on prices. Premium grade lots with good colour and bold size continue to fetch higher prices, as export buyers and quality focused domestic users are selectively bidding for better material, while more price sensitive segments are taking advantage of the current easing in average grades.

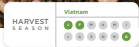
**Price update :** Prices have decreased by around 8% compared to last month and are currently at par with last year's levels, reflecting the impact of bulk arrival pressure during the harvest peak despite lower production and reduced carryover stocks. This suggests that the present soft tone is mainly seasonal, and once arrivals start to decline after the harvest peak, the tighter underlying supply is likely to limit further downside and could support a steadier to firmer price trend later in the season.

# Black Pepper

## Market Updates

Major growing regions :

Vietnam - Dak Nong, Dak Lak, Gia Nai



## Vietnam

**Crop update :** Vietnam's black pepper harvest is ongoing and currently at peak levels, with an estimated 70-80% of the 2025 crop harvested so far. Overall output is expected to be lower than the previous crop, and with carry forward stocks already at multi year lows, the total pepper available from Vietnam in 2025 is likely to be materially below recent years, even though supplies feel ample during the peak harvest window. Peak arrivals are expected to decline from May onwards as harvesting ends in major regions. Material availability is slowly improving as more of the new crop comes to market, but farmers are selling selectively, releasing volumes mainly to cover cash needs while holding back a portion of stock in anticipation of higher prices. Vietnam continues to supplement its own crop by sourcing pepper from Cambodia, Brazil and Indonesia to support export commitments. Demand from key destinations such as the USA and China remains steady and is helping to keep export pipelines active, while demand from the Middle East is lower amid regional tensions and higher freight and risk costs. Market participants and speculators remain active, with sentiment responding to evolving news around the conflict and possible ceasefire developments.

**Price update :** Vietnamese black pepper prices are about 7% higher than last month but remain roughly 9% lower than the same period last year, placing current levels in a high yet slightly softer band compared with last year's peaks. Given the combination of a smaller new crop, very low carry forward stocks, steady demand from major importers and cautious farmer selling, the scope for a significant further decline from current price levels appears limited once the peak harvest phase passes.

# Black Pepper

## Market Updates

Major growing regions :

Sri Lanka - Kandy, Matale, Bibile, Ratnapura, and Kegalle



## Sri Lanka

**Crop update :** The main harvest season for Sri Lankan light berry pepper has started and is expected to peak during May-June, with mature pepper arrivals likely from June and continuing until August. Weather conditions so far are generally favourable and have supported good berry setting, pointing to a broadly good crop for 2026, although recent rains in some areas are temporarily hindering the drying process. Carry over stocks are reported to be minimal compared with last year, but for now this is being offset by a good new crop outlook and softer spot buying from India, which is the key destination. Speculators are active in anticipation of higher prices later in the season, and firm green pepper prices are encouraging farmers to harvest actively, which should support a steady flow of material as the season progresses.

**Price update :** Bold pepper prices are currently stable compared to last month and are broadly at par with last year's levels, reflecting the balance between minimal carry over, a generally good new crop and cautious Indian demand. Light berry prices are trading about 5-6% lower than during the same period last year, keeping Sri Lankan light berry pepper relatively competitive versus some other origins, with scope for firmer levels if Indian buying picks up once the new crop is fully available.

# Black Pepper

## Market Updates



### Indonesia

**Crop update :** The next main Indonesian black pepper harvest is expected to start around August–September, with some risk of delay due to earlier weather patterns. Availability from the old crop remains limited, and carry forward stocks are reported to be among the lowest in recent years, which will keep nearby supply tight until the new crop comes in. The 2026 crop is expected to show some recovery compared with last season's lower output, as good and well distributed rains in key growing regions are supporting flowering and fruit setting and could lead to better yields if conditions remain favourable; however, this is a partial recovery from a weak base rather than a return to earlier peak production levels

**Price update :** Indonesian black pepper prices are currently stable, with levels broadly similar to last month and close to last year's prices, as very tight carry forward stocks and a cautiously optimistic outlook for the upcoming crop are effectively balancing each other. The market is holding in a firm range for now, with limited downside while old crop availability remains thin and any meaningful increase in supply from the new harvest is still several months away



# Cumin

## Market Updates

Major growing regions :

India - Rajasthan, Gujarat, Madhya Pradesh



### India

**Crop update:** Cumin harvesting is nearing completion in the main growing regions, with peak arrivals expected to continue until the end of May and daily inflows now broadly at par with last year. Carry forward stocks are assessed to be similar to last season, and since last year's carry forward was already higher than normal, this larger old crop cushion is offsetting the impact of a smaller new crop. As reported earlier, cultivated area is estimated to be about 5% lower than the previous year, and overall output is expected to be 5-10% lower, but improved arrivals compared with last month and the still sizeable stock position are keeping nearby supply adequate. Availability of IPH grade material has improved versus last month, and these lots are trading at a premium of around 5-10% over comparable cleaned conventional grades, giving residue sensitive buyers a better opportunity to build coverage while overall market conditions are softer.

**Price update:** Prices have declined by around 8% compared to last month, and current levels are about 5% lower than the same period last year, as high carry forward stocks and steady peak season arrivals more than offset the impact of lower production. This has pulled prices back from last year's elevated range towards a more normal band, but with new crop output still below last year and India remaining a key supplier to global markets, the scope for further downside from current levels may be limited once arrivals start to taper after the harvest peak.

# Celery

## Market Updates

Major growing regions :  
India - Punjab, Haryana



### India

**Crop update:** Celery seed harvest has started in the major growing regions of Punjab and Haryana, with peak arrivals expected to continue until the end of May. Minor and scattered rains have been reported in some harvest areas, but overall weather conditions are currently favourable and are supporting harvest and post harvest operations. Acreage is estimated to be 25-30% higher than last year, and the crop outlook is better, but low carry forward stocks mean that much of this larger crop will first go towards rebuilding depleted pipelines rather than creating a surplus. Demand from export buyers and domestic branded and processing segments remains steady to firm, which is adding to the pull on new season supply and limiting the scope for a sharp price correction despite the increased area.

**Price update:** Prices are stable compared to last month but remain approximately 30-35% higher than last year's levels, supported by low carry forward stocks and firm underlying demand. Current price stability at a higher base suggests that this season is more about normalising availability after a tight year than about returning to previous low price bands, and buyers may not see significant downside unless demand softens or the crop turns out larger than current expectations.

Celery - Amritsar



# Fenugreek

## Market Updates

Major growing regions : India - Gujarat, Rajasthan, Madhya Pradesh



**Crop Update :** The fenugreek harvest is now in its final stage, with peak arrivals ongoing in the main growing regions. Arrivals are lower than last year because both the current crop and carry over stocks are smaller, and overall production is projected to decline by around 10-15%, mainly due to reduced acreage, while carry over stock is estimated to be 40-50% lower than last year. This leaves the overall supply pipeline notably tighter than a year ago, even though we are in the high arrival phase of the season. Domestic demand is currently good and export interest is steady, and together with active participation from speculators, this is helping to absorb arrivals and maintain a firm undertone in the market.

**Price update :** Prices have increased by around 5% compared to last month, and current levels are still approximately 25% higher than last year, reflecting the impact of lower production, sharply reduced carry over stocks and firm demand. With the market structurally tighter than last season, there appears to be limited room for a significant downside once peak arrivals ease, unless demand slows or a larger than expected volume comes to market later in the season.

# Coriander

## Market Updates

Major growing regions :

Russia (Krasnodar), Bulgaria, Europe



### Eastern Europe

**Crop update :** Sowing is ongoing in the main coriander growing regions of Eastern Europe, and the next harvest is expected around August, with sown area so far reported to be similar to last year's levels. Current sales are mainly coming from limited carry forward stocks, which are reported to be significantly low, and there are very few workable fresh offers from origin because of regional uncertainty and constraints in logistics and financing. Demand from major importers remains firm, with buyers focused on securing reliable and compliant supply, and the lack of offers from this region is pushing part of that demand towards other origins such as India and Peru.

**Price update:** Prices are up by approximately 4% compared to last month and are about 35-40% higher than last year's levels, reflecting tight nearby stocks and continued firm demand from key importing markets. The combination of low carry forward, limited forward selling and ongoing regional risk is keeping the price outlook stable to firm until there is greater clarity on the size and quality of the upcoming August harvest.

# Coriander

## Market Updates

Major growing regions :  
Rajasthan, Gujarat, Madhya Pradesh



### India

**Crop update:** Harvest is nearing completion in the major growing regions, with peak arrivals in progress and expected to continue until the end of May. Production is reported to be 10-15% lower than last year due to reduced acreage and weaker yields, and lower carry forward stocks together with 15-20% lower market arrivals mean that physically available coriander is clearly below last year's levels, even in this peak period. While export demand is generally lower, domestic demand is reported to be good, and speculators are active in the market, with the NCDEX index already reflecting upward pressure on prices. A firm trend in international markets and lower availability of East European coriander are also pushing more enquiries towards Indian origin, adding further upward pressure on Indian prices.

**Price update:** Current prices are about 3% higher than last month and are roughly 60-70% higher compared to the same period last year, placing coriander in a multi year high range. With tighter domestic supply, strong local buying and speculative participation outweighing softer exports and limited alternatives from other origins, the near term risk for Indian coriander prices remains tilted to the upside.

# Nutmeg

## Market Updates

Major growing regions : India - Kerala, Sri Lanka - Kandy



HARVEST  
SEASON

India



Sri Lanka



## India

**Crop update:** The nutmeg crop in Kerala is now at the maturation stage, and new crop arrivals have started but are still coming in more slowly and in lower volumes than last year. Peak arrivals of premium whole nutmeg are expected during June-July, while BWP grade arrivals are likely to see their main peak between May and June. Lower rainfall so far has reduced BWP arrivals in the market in this early phase, and although carry forward stocks are similar to last year, the slower pace of new crop inflow is keeping nearby availability relatively tight. Rain is expected in the main growing area, which may gradually increase the share of BWP material compared with premium grades over the coming months as more weather affected lots move into that segment. Demand from both domestic and export markets remains on a steady trend, and with current arrivals still below last year, this is supporting a firm undertone.

**Price update:** Prices for BWP nutmeg have increased by about 12% compared to last month and are now broadly at par with last year's levels, while premium whole nutmeg prices are around 6% higher than last month and about 6% higher than the same period last year. Both BWP and premium grades are trading firm, as low early season arrivals and steady buying interest are tightening the balance ahead of the main June-July arrival window.

## Sri Lanka

**Crop update:** Nutmeg crop arrivals have started reaching the market in Sri Lanka, with premium quality material expected to see peak arrivals by June and BWP grade likely to peak from mid-May. The current crop output is expected to be lower than last year because yields have been affected by unfavourable weather conditions during the flowering phase. However, export demand remains sluggish, and this weaker buying interest is offsetting the impact of the lighter crop and keeping overall market activity subdued.

**Price update:** Prices are stable compared to last month and remain about 25-30% lower than last year's levels, reflecting the combination of reduced export demand and a smaller crop. Unless demand strengthens later in the year, this softer tone is likely to continue, with the lighter production acting more as a constraint on further downside than as a clear trigger for a price rebound.



# Thank You

Plant Lipids has been at the forefront of innovation in value-added spice products, consistently setting new benchmarks in the global spice industry since 1979. From our origins as a pioneer in spice distillation, we have evolved into a world-renowned leader in spice extracts, essential oils, and natural food colours, catering to a diverse clientele across more than 85 countries.

