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SPICE MARKET

REPORT

July 2026

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Special Report: El Niño Confirmed, Monsoon Deficit Widens: Middle East Disruptions Persist

El Niño conditions have now developed in the tropical Pacific, confirmed by the World Meteorological Organization in early June. This is a shift from last month when El Niño was still being assessed as a likely event for the coming months. It is now a confirmed reality, and forecasters expect it to strengthen further in the months ahead, with some pointing to the possibility of a very strong event.

The India Meteorological Department has forecast the 2026 southwest monsoon at around 90% of the long period average, placing the season in the below normal category. A neutral Indian Ocean Dipole is not expected to offset the impact of El Niño on rainfall this year. This is no longer just a forecast risk. India has already seen a significant rainfall deficit through June, with shortfalls running well below normal across large parts of the country. The deficit has been most severe in southern and eastern India, the very regions that grow a large share of India's spices.

Reservoir levels are reflecting this shortfall. Water storage in India's major reservoirs is running well below last year's levels, with the steepest declines reported in the southern states of Karnataka, Kerala, Tamil Nadu and Telangana. These states depend on reservoir water for irrigation during exactly the period when several key spice crops are being sown or are in their early growth stages.

El Niño can affect spice crops in several ways. Below normal and erratic rainfall, higher temperatures, moisture stress, and increased pest pressure can all reduce yields, tighten supply and support higher market prices. The extent of impact will vary by crop and by region, shaped by local weather conditions on top of the broader El Niño pattern.

On the Middle East, the picture remains fluid. Indirect talks between the US and Iran are continuing, and a ceasefire framework was reached in mid-June. However, the status of the Strait of Hormuz has been disputed since, with conflicting reports of closures and normal shipping activity. Shipping volumes through the strait remain well below pre-conflict levels, and war risk premiums remain elevated. Freight and insurance costs for the spice trade continue to reflect this uncertainty.

The crop and price updates that follow reflect the situation as of the end of June. Between a confirmed El Niño , a widening monsoon rainfall deficit, critically low reservoir levels in key growing states, and continued uncertainty in the Middle East, the spice market is now dealing with multiple pressures at the same time.

Capsicum

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

Southern India

Crop update : Harvest of high pungent chilli is fully completed across the growing regions. Carryover stocks are running around 40-45% lower than last year, continuing and slightly deepening the tightness seen through recent months.

On the demand side, export interest from Bangladesh and Thailand is moderate, while demand from the US and China is on the lower side. Domestic demand remains moderate, with steady buying from spice powder and masala companies continuing to support the market. Availability of IPM grade chilli is limited and continues to trade at a premium.

Nursery sowing for the new season is progressing in South India, with seed sales running 30-40% higher than last year, a trend that has now held steady since May and confirms farmer confidence in expanding area is continuing rather than fading. Transplantation is expected to begin from August in South India. In central India, transplantation in Madhya Pradesh has progressed well and has now reached 70-80% completion. However, lack of rainfall is being reported across all major growing regions, raising uncertainty over the pace of remaining transplantation.

Telangana and Andhra Pradesh have both reported deficient rainfall in June. These two states are also among those showing the steepest declines in reservoir storage this season, and with capsicum cultivation depending heavily on irrigation from these reservoirs during the critical transplantation and early growth period, this rainfall deficit is a direct and current concern rather than a distant risk.

Price update : Current prices are around 10% higher than last month and approximately 60% above the same period last year. This reverses the brief month on month softening seen in May, when prices had eased slightly even as the year-on-year premium held firm. With carryover stocks tight, IPM material scarce, and rainfall deficient across key growing states during a critical stage for the new crop, the market has moved back into a firmer upward trend.

HARVEST SEASON

Capsicum
Southern India

J	F	M
A	M	J
J	A	S
O	N	D

Paprika

Major growing regions :
Karnataka

Southern India

Crop update : Harvest is fully over, and current sales are being met entirely from carryover stocks. Carryover stocks are estimated to be around 50% lower than last year, holding at the same tight level reported last month. Availability of IPM grade material remains lower, driven by both a smaller crop this season and reduced carryover stock from the previous season.

Export demand is lower, while domestic demand from powdering companies is moderate and continues to provide steady support to the market.

Paprika chilli seed sowing for the new season is progressing well across major cultivation areas, with farm sowing showing an increase in acreage of around 40% and nursery sowing in South India showing an increase of around 40-50%, based on seed sales data. This confirms the strong farmer interest in expanding paprika acreage that was already visible last month.

Many paprika growing regions depend on canal water for irrigation, and reservoir levels in Karnataka are currently running critically low. Karnataka is among the states showing the steepest decline in reservoir storage this season, and any further deficit in rainfall would have a direct and significant impact on water availability and, in turn, on crop yields for the new season. This is a genuine and current risk for paprika given how central Karnataka is to the growing region.

Price update : Current prices are around 2% lower than last month and approximately 65% above the same period last year. Unlike some other commodities this month, paprika has settled into a fairly narrow and elevated price range rather than showing a sharp move in either direction. With carryover stocks tight and reservoir levels in Karnataka a real concern for the new crop, the market remains firmly supported even as near term price movement stays limited.

HARVEST SEASON

Paprika
India

J	F	M
A	M	J
J	A	S
O	N	D

Ginger

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

Southern India

Crop update : Fresh ginger harvest is continuing at a slow pace. Only superior grade fresh ginger is currently available in the market, and it is trading at a clear premium. Demand from the domestic market remains strong.

Farmers are increasingly choosing to sell ginger fresh rather than drying it. Higher labour costs, attractive prices for fresh ginger and the faster money rotation that comes with fresh sales are all encouraging this shift. This is reducing the volume of ginger going into drying, adding further to the tightness in dry ginger supply.

Sowing for the new season is almost complete in the South Indian belt. However, rainfall has been lacking in major growing regions during this period, and this is raising uncertainty over the yield of next year's crop. Sowing is happening right now, at the same time as the rainfall deficit confirmed across the country this month, which makes this a current and direct risk rather than a distant one.

Availability of extraction grade dry ginger is very limited. Compliant dry ginger has almost depleted, a clear escalation from last month when compliant material was already tight. Demand from the condiments segment remains active, adding further pressure on the little compliant material that remains. Carryover stocks of dry ginger from the previous season are limited. New season arrivals of extraction grade dry ginger are not expected until October, meaning buyers are looking at several more months before any meaningful relief.

Price update : Dry ginger prices are 5-10% higher than last month and around 65% above the same period last year. This continues the sharp upward trend seen through May, when prices were already 55% above last year. The combination of almost depleted compliant stocks, farmers favouring fresh sales over drying, and no new supply until October is keeping the market firmly in an upward trend, with no clear signal of relief in the near term.

Ginger

Major growing regions :
Kaduna

Nigeria

Crop update : Sowing for the new Nigerian ginger season is complete. Cultivated area is estimated to be around 5-10% higher than last year. The current market is stable, with no major price changes reported in recent weeks.

Seasonal climate predictions point to an earlier onset of rainfall this year, followed by a longer dry spell during the ginger growing period. This is a weather risk worth watching closely for the new crop, particularly given the wider El Niño conditions now confirmed across the region. No major weather issues have affected the standing crop so far, and better clarity on how this plays out is expected over the coming months.

Strong demand for fresh ginger continues in the local market, and this is keeping the dry ginger market firm. Carryover stock of dry ginger remains unavailable, a continuation of the situation reported last month, driven by previous crop failures and tight supply.

Price update : There are no valid export offers available from Nigeria currently. Prices are similar to last month and around 15% above the same period last year. This is a narrower year on year premium than last month's 20%, though this reflects base effects from last year's price levels rather than any easing in the underlying supply picture, which remains unchanged. With no dry ginger stock available and a new weather risk now on the radar for the coming crop, Nigeria's supply position remains constrained.

HARVEST
SEASON

Ginger
Nigeria

J	F	M
A	M	J
J	A	S
O	N	D

Turmeric

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

India

Crop update : Turmeric harvesting is fully complete across all major growing regions, and peak arrivals are now behind us.

Sowing for the new season has been completed in Karnataka. Progress elsewhere is slower than it should be at this point in the season, with Tamil Nadu at around 60% and Maharashtra at around 80%. Lack of rainfall and heat waves have been delaying sowing operations, and the current progress figures already reflect this slowdown. Rainfall has been deficient across most major growing regions in June, with large variations between origins.

Carryover stocks are estimated to be lower than last year, continuing the tight supply picture from previous months. Export demand is showing signs of recovery, while domestic demand remains steady.

Speculators are active in the market, and this has pushed NCDEX futures prices higher. Physical spot prices, however, have not moved in the same way and remain steady. Buyers should note this gap, as futures activity is currently signalling more concern about supply than the physical market is reflecting for now.

Price update : Turmeric prices are steady compared to last month and at par with the same period last year. This stability in the physical market stands in contrast to the upward movement seen on NCDEX. With sowing progress behind schedule in key origins and rainfall deficient across most growing regions, the risk to the new crop is building even though it has not yet shown up in spot prices.

HARVEST SEASON

Turmeric

India

J	F	M
A	M	J
J	A	S
O	N	D

TURMERIC CULTIVATION, KARNATAKA

Black Pepper

Major growing regions :
Dak Nong, Dak Lak, Gia Nai

Vietnam

Crop update : Black pepper harvesting in Vietnam was completed by May. Overall crop production is estimated to be around 8-10% lower than last year, due to reduced yields caused by unfavourable weather conditions during the growing season, consistent with the wider El Niño related weather pressures affecting pepper growing regions this year.

Carryover stocks remain lower than last year. Farmers and traders continue to hold back stocks in anticipation of better prices, and speculators remain active in the market.

To support export commitments despite the smaller domestic crop, imports from Brazil, Cambodia and Indonesia are showing an increasing trend compared to last year. Overall demand remains steady. As in previous months, demand from the Middle East continues to be subdued due to the ongoing regional situation, while other key markets continue to buy at a consistent pace.

Price update : Current prices are around 1% lower than last month and approximately 6% lower than the same period last year. This is a small improvement from last month, when prices were down 2% month on month and 7% below last year. The decline has narrowed slightly, though it is too early to call this a clear turnaround, given carryover stocks remain low and the crop is smaller than last year.

HARVEST SEASON

Black Pepper
Vietnam

J F M
A M J
J A S
O N D

Black Pepper

Major growing regions :
Kandy, Matale, Bibile, Ratnapura, and Kegalle

Sri Lanka

Crop update : Harvesting is ongoing across the major growing regions. Peak arrivals in the light berry segment are now complete, and bold pepper arrivals have started on a small scale, with fuller arrivals expected from July.

The crop outlook remains favourable, with production now expected to be around 10-15% higher than last year. Carryover stocks from the previous crop remain low. Scattered rains have been reported in some regions, delaying post-harvest operations. Demand from India for bold pepper remains firm due to limited availability from other origins. Speculators are active in the market. Green pepper prices continue to hold steady. Local prices are also being influenced by currency exchange rate movements.

Price update : Current prices are around 3% lower than last month and approximately 7% below the same period last year, a mild softening from last month's stable trend. This likely reflects the market beginning to price in the better production outlook ahead of bold pepper's fuller arrival from July onwards. Once bold pepper volumes build and Indian buying picks up, this could shift the price direction again.

HARVEST
SEASON

Black Pepper
Sri Lanka

J	F	M
A	M	J
J	A	S
O	N	D

Black Pepper

Indonesia

Crop update : Harvesting has started slowly in the major producing regions, with peak arrivals expected by August. Arrivals have improved compared to the previous month. The crop is expected to be around 10-15% better than last year, supported by higher expected yields.

Carryover stocks are on the lower side. Overall demand remains stable, with the USA, China and Vietnam continuing to be the main active buyers in the market. Some farmers in key growing areas continue to shift away from black pepper towards coffee and durian, attracted by better returns from these crops. This remains a structural trend worth watching, as it could limit the pace of Indonesia's pepper production recovery in future seasons even as this year's crop shows improvement.

Price update : Prices have declined by 1% compared to last month and are around 3% lower than the same period last year. This is a significant narrowing from last month when prices were down 7% month on month and 10% below last year. Similar to Brazil, Indonesia's price weakness from May has largely eased, even as the underlying shift of farmers towards other crops remains a factor to watch for the longer term.

HARVEST SEASON

Black Pepper

Indonesia

J	F	M
A	M	J
J	**A**	**S**
O	N	D

Black Pepper

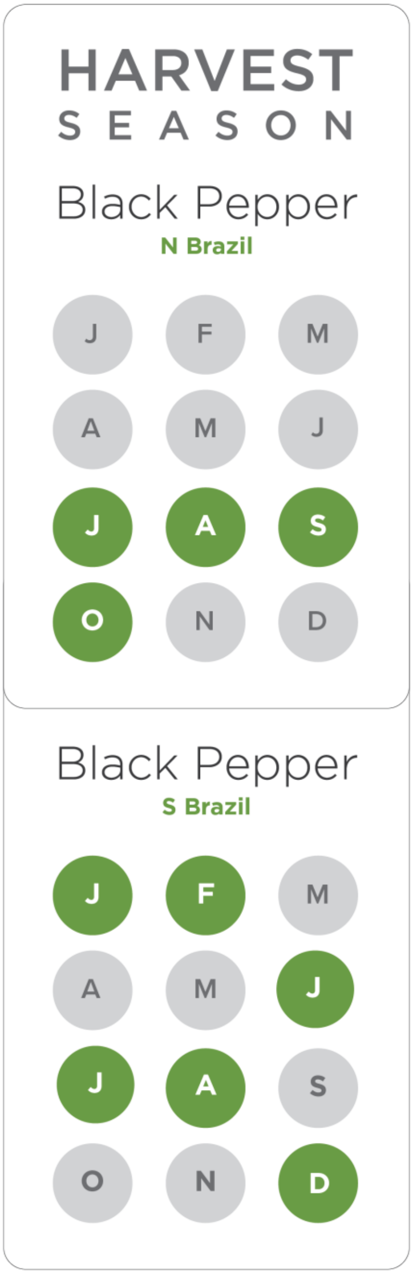
Major growing regions :
Espirito Santo and Para

Brazil

Crop update : Harvest is ongoing in the major growing regions, with peak arrivals expected in the coming weeks and the season continuing until September. Yield levels are better this year due to favourable weather conditions, with production expected to be around 10-15% higher than last year.

Carryover stocks from the previous crop remain at good levels, as farmers and traders continue to hold back material for better price realisations. Export demand is firm, with exports estimated to be around 10-15% higher than last year. Vietnam continues to be the major buyer of Brazilian pepper.

Price update : Current prices are around 1% lower than last month and at similar levels compared to last year. This is a significant narrowing from last month, when prices were down 6% month on month and 8% below last year. Brazil's price weakness from May has largely reversed, even as the country continues to hold a comfortable supply position with good carryover stocks and a better crop this season.



Cardamom

Major growing regions :
Kerala

India

Crop update : New crop cardamom arrivals have started slowly in Kerala. Erratic rains are currently affecting post-harvest operations, disrupting the drying, and processing of the material that has come in so far. Overall market arrivals are lower compared to last month.

Peak arrivals from the new crop are expected from the end of July onwards. Carryover stocks are available in the market and are at better levels than last year, a notable positive in an otherwise tight season across most other spices in this report.

Export demand is slowly picking up, while domestic demand remains steady. Speculators are active in the market. Labour shortages and rising labour costs continue to influence pricing.

Separately from the current post-harvest rain disruption, forecasts of El Niño and lower rainfall at origin are raising uncertainty over the yield of the upcoming crop. Kerala's reservoirs are among those running below the ten year average this season, and any continued rainfall shortfall could affect the crop still developing in the field. As things stand today, overall yield is still expected to be better than last year, but this outlook depends on how rainfall develops over the coming weeks.

Price update : Current prices are around 11% higher than last month and are now at par with the same period last year. This is a sharp reversal from last month when prices were stable and around 5% below last year. Better carryover stocks and an improving crop outlook have not been enough to offset the combination of erratic rains disrupting post-harvest processing, labour cost pressures, and slowly recovering demand, all of which have pushed prices up sharply this month.

Coriander

Major growing regions :
Rajasthan, Gujarat, Madhya Pradesh

India

Crop update : Coriander harvest is fully over. Production is reported to be around 15-20% lower than last year, driven by lower acreage and reduced yields, holding at the same level of tightness reported through recent months. Carryover stocks are also lower than last year.

Export demand remains lower, continuing to reflect the impact of the ongoing Middle East and Russia-Ukraine conflicts on trade flows and buyer activity. Domestic demand, however, is strong, and this is the dominant force in the market right now.

Speculators are active, and NCDEX is showing a clear upward price movement. This follows the brief softening seen in May, which was driven by harvest pressure and weak export demand at the time. That softening has now proven temporary, and the underlying tightness in the market has reasserted itself strongly through June.

Price update : Prices are around 15% higher than last month and approximately 85% above the same period last year, both a sharp reversal from May's month on month dip and a further increase in what was already the highest year on year premium across this report. With production and carryover stocks both tighter than last year, and strong domestic demand continuing to absorb available supply, the market has moved firmly back into an upward trend.

HARVEST
SEASON

Coriander
India

J	F	M
A	M	J
J	A	S
O	N	D

Coriander

Major growing regions :
Russia (Kransnodar), Bulgaria, Europe

Eastern Europe

Crop update : Sowing is fully complete across the major coriander growing regions of Eastern Europe. Sowing area is estimated to have increased marginally compared to last year, a small positive signal for the crop that will come to market from August onwards.

Weather conditions have remained favourable so far, with no major issues reported on the standing crop. Carryover stocks are no longer available in the market, a further step down from last month, when stocks were already significantly lower than last year. With no carryover left and the new harvest still months away, the market is trading on very limited availability until the August harvest arrives.

Price update : Prices are stable compared to last month and around 40% above the same period last year, unchanged from last month's level. This stability is notable given that carryover stocks have now essentially run out. It stands in contrast to Coriander India, where prices have moved up sharply this month despite a similarly tight stock position. With very little material left to trade, buyers in this market appear to be waiting for clarity on the August harvest rather than actively bidding for the limited remaining stock.

HARVEST SEASON

Coriander
E Europe

J F M
A M J
J **A** **S**
O **N** D

Cumin

Major growing regions :
Rajasthan, Gujarat, Madhya Pradesh

India

Crop update : Cumin harvest is fully complete, and with peak arrivals now over, market arrivals have slowed down. Total crop is estimated to be around 5-10% lower than last year. Carryover stocks remain above average levels, continuing to be the defining feature of this year's cumin market.

Domestic and export demand are still on the lower side, but both have improved compared to last month. This modest pickup in demand is the main reason prices have recovered from the dips seen in recent weeks.

Price update : Prices are around 4% higher than last month and are now at similar levels to the same period last year. Last month, cumin was the only major spice in this report trading below last year's levels. That gap has now closed, with prices recovering to par with last year. Above average carryover stocks continue to limit how far prices can move in either direction, but the improvement in demand has been enough to bring the market back in line with where it stood a year ago.

HARVEST
SEASON

Cumin
India

J	**F**	**M**
A	M	J
J	A	S
O	N	D

Celery

Major growing regions :
Punjab, Haryana

India

Crop update : Celery harvest is fully completed across the growing regions of Punjab and Haryana. Arrivals through the season were slower than a regular year, and total supplies fell well short of demand, pushing prices to historically high levels.

Celery is grown by farmers as an additional crop alongside their main crops, rather than as something they depend on exclusively. This means farmers are under no pressure to sell at any particular time, and many are continuing to hold on to their inventories in expectation of even better prices during the off-season. Carryover stocks from the previous year were already nearly exhausted at the start of this season, leaving very little cushion to begin with. Prices have been on a continuous upward trend since harvest, and this trend has only accelerated through June.

Price update : Current prices are around 25% higher than last month, a sharp acceleration from May's 9% month on month increase. Prices have now more than doubled compared to the same period last year. This is one of the most significant price moves across the entire spice market this season. With farmers under no pressure to sell and carryover stocks already exhausted at the start of the year, there is little near term prospect of relief until the next harvest.

HARVEST SEASON

Celery
India

J	F	M
A	**M**	**J**
J	A	S
O	N	D

Nutmeg

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

India

Crop update : Nutmeg tree yields in Kerala are lower than last year, continuing the pattern seen through recent months. With the onset of the monsoon, arrivals of both nutmeg and mace have picked up, though BWP grade availability remains around 15-20% lower than last year.

Both domestic and export demand remain subdued. Carryover stocks are lower than last year. Arrivals of premium grade nutmeg are expected to start soon. Overall production is estimated to be lower than last year, and this risk is a current one rather than a distant possibility. Rainfall this June has already come in below normal across large parts of the country, and if this pattern continues alongside higher temperatures, further yield loss is likely for this year's crop.

Despite demand remaining weak, prices have moved higher this year compared to last year. This marks a shift from last month, when weak demand was the main force keeping prices under pressure even with a smaller crop and lower stocks. Supply tightness now appears to be the stronger factor shaping prices, even though demand itself has not picked up.

Price update : BWP grade prices have decreased by 5% due to arrival pressure as monsoon-driven arrivals come to market. Premium grade prices, on the other hand, have increased by 2% compared to last month, a shift from last month's flat trend. Compared to last year, prices overall are up around 20%. With yield loss still a real possibility if rainfall remains below normal, the balance between weak demand and tightening supply will be the key factor to watch in the coming weeks.

Sri Lanka

Crop update : Peak arrivals of BWP grade nutmeg are now complete, with only minor arrivals still coming into the market. Premium grade arrivals have increased and are expected to peak in the coming weeks.

Overall production is expected to be around 15-20% lower than last year, due to reduced yield from unfavourable weather conditions. Carryover stocks in the market are low. Overall demand is reported to be lower.

Price update : BWP grade prices are at the same range as last month and around 10% lower than the same period last year. Premium grade nutmeg is trading 4% lower than last month.

This is a notable divergence from India, where premium grade nutmeg has actually firmed by 2% this month. Buyers with flexibility across origins for premium grade material may find Sri Lanka currently offers a softer entry point than India.

HARVEST SEASON

Nutmeg
India

J	F	M
A	M	**J**
J	**A**	S
O	N	D

Nutmeg
Sri Lanka

J	**F**	M
A	M	**J**
J	**A**	S
O	N	**D**

Rosemary

Morocco

Crop update : Harvest has started slowly in some areas, with the major harvest expected to begin by mid-July. Overall crop output is expected to be similar to last year's levels. The standing crop is currently in good condition, with no major issues reported so far. Carryover stocks from the previous season are not available in the market. Prices have shown a firming trend this season, with some short-term ups and downs along the way as demand fluctuates. Prices are expected to remain steady to firm through the upcoming season.

Price update : Current prices are around 10% higher than last month and approximately 20% above the same period last year. With no carryover stock available and the major harvest still a few weeks away, the market is likely to stay firm until fresh material starts arriving in meaningful volumes from mid-July onwards.

HARVEST SEASON

Rosemary

J F M
A M J
J A S
O N D

Fennel

Major growing regions :
Gujarat, Rajasthan, Madhya Pradesh

India

Crop update : Fennel harvest is fully complete, and with peak arrivals now over, market arrivals have slowed down. Overall production is lower than last year, and carryover stock is well below last year's levels. Together, lower production and significantly lower carryover stock are keeping prices firm.

Availability of green bold fennel has declined, and this premium grade is commanding a noticeably higher price as a result. Export demand remains lower, while the domestic market is steady.

Price update : Current prices are around 4% higher than last month and approximately 20% above the same period last year, up from May's 15% year on year premium. This reverses the month-on-month softening seen in May. Fennel joins capsicum and coriander this month in moving from a softening trend to a firming one, reflecting the broader tightening across the spice market this season. With green bold fennel in particularly short supply, the premium segment is likely to remain firm through the coming weeks.

HARVEST SEASON

Fennel
India

J	**F**	**M**
A	**M**	J
J	A	S
O	N	D

Fenugreek

Major growing regions :
Gujarat, Rajasthan, Madhya Pradesh

India

Crop update : Fenugreek harvest is fully complete, and with peak arrivals now over, market arrivals have slowed down significantly. Overall crop production is reported to be around 10-15% lower than last year, and carryover stocks are also lower, continuing the tighter supply picture from previous months.

Export and domestic demand are both firm, an improvement from the steady demand reported last month. Speculators are active in the market, adding to the firm undertone.

Despite this firmer demand, prices have not moved much yet this month. The anticipated firming has not fully shown up in the market so far, and prices are expected to increase as the off-season progresses and stocks continue to be drawn down.

Price update : Prices are stable compared to last month and around 30% higher than the same period last year, a modest move up from May's 28% year on year premium. While demand has firmed and speculators remain active, this has not yet translated into a sharp price move. With fresh supply now several months away and stocks tightening gradually, prices are expected to firm further as the off-season continues.

HARVEST
SEASON

Fenugreek
India

J	F	M
A	M	J
J	A	S
O	N	D

plant lipids
good. by nature.

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.