

Turmeric Commodity Outlook – February 2018

India is the largest producer, consumer and exporter of turmeric in the world. Indian turmeric is considered to be the best in the world market because of its high curcumin content. India accounts for about 80 per cent of world turmeric production and 60 per cent of world exports. Other major producers are Pakistan, China, Haiti, Jamaica, Peru, Taiwan and Thailand. Asian countries consume much of their turmeric production.

India is the largest turmeric producer with 75-80% of the global production and demand for the commodity has been increasing rapidly from the medicinal and cosmetic industry. The important turmeric growing States in India are Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Maharashtra, Orissa, Assam, and West Bengal, in which Telangana occupies large area under Turmeric.

Turmeric in India

Turmeric sown area for current year would be around 1,56,307 hectares as compared to last year's 1,87,713 hectares. As per Agriwatch first preliminary production estimate of Turmeric production for 2017-18 is estimated at 4,85,719 MT (Dry crop) compared to previous year's 5,60,177 MT.

Table 1: Turmeric Arrivals in Major Markets

Market	29 th Dec 2017 to 4 th Jan 2018	12 th to 18 th Jan 2018	19 th to 25 th Jan 2018	19 th to 25 th Jan 2017
Nizamabad (Telangana)	15200	9500	24000	14400
Duggirala (AP)*	931	NA	6000	1836
Salem (TN)*	587.7	4020	147.4	6
Erode (TN) #	12000	11000	7500	12000
Sangli (Mah.)	700	1800	4500	4500
Warangal (Telangana)#	105	115	180	500

Source: www.agriwatch.com, Arrival * quintals, # 65 kgs.

Turmeric export reported 59,000 MT during April to September 2017. As per market information, in Nizamabad, turmeric stocks reported around 1.25 lakh bags (1 bag = 70 kgs) as compared to around 2.00 lakh bags in the corresponding period last year. As per market

information currently in Tamil Nadu, farmers have around 5 lakh bags (1 bag = 75kg) turmeric stocks as compared to around 9 lakh bags during last year.

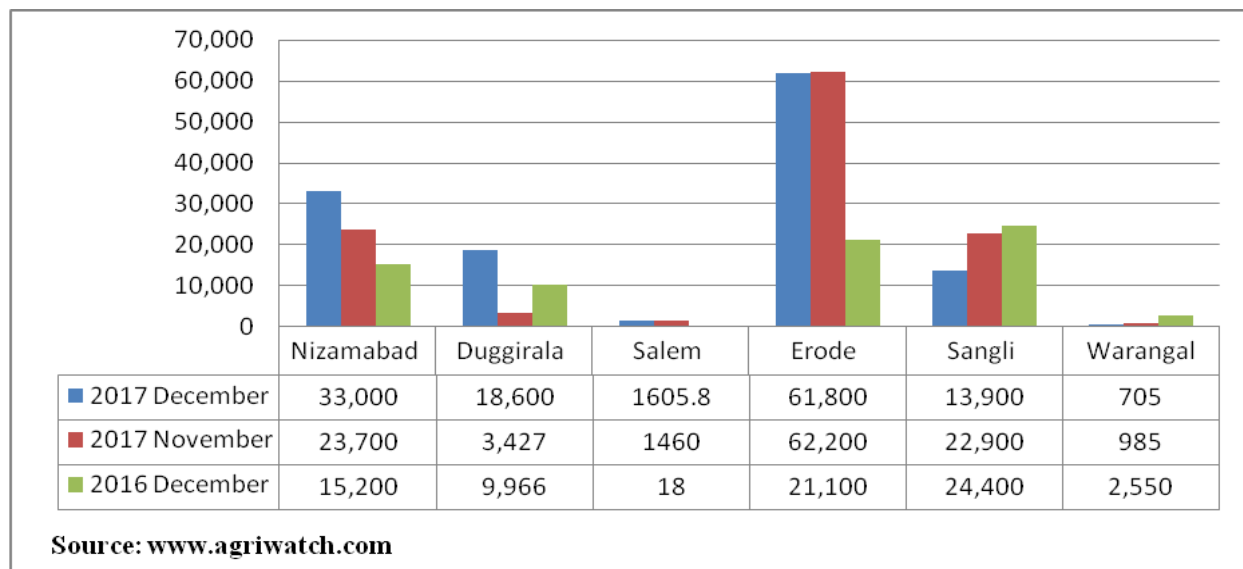


Figure 1: Monthly Arrivals of Turmeric in Major Markets (in bags of 75 kg each)

In Erode market, lower supply reported as farmers and stockists were holding back their stocks on expectation of higher prices in coming days as current year production is likely to decline by 40-45% in Tamil Nadu due to lower acreage.

Domestic Prices of Turmeric

Turmeric prices are found to be declined from November 2017 to January 2017 at almost all major markets as new crop supply (both early sown / short duration crop and regular crop) is coming to the market. Prices of this crop will remain capped initially, because of higher moisture content.

Table 2: Turmeric Spot Prices at Different Markets in India (price: Rs. /quintal)

Market	Grade	29-Dec-16	30-Nov-17	29-Dec-16	4-Jan-18	11-Jan-18	18-Jan-18	19-Jan-18
Nizamabad (Telangana)	Nizam quality	7900	8200	7900	8000	7900	7900	7700
	Double polish finger	8400	8500	8400	8600	8600	8500	8300
	Gattah (unpolished)	7400	8000	7400	7800	7700	7600	7500
	Gattah (double polished)	8400	8500	8400	8500	8400	8300	8100
Warangal (Telangana)	Finger	8700	7850	8700	8376	NA	8101	7550
	Round	8700	7850	8700	NA	NA	NA	7550
Erode (Tamil Nadu)	Finger	8600	8400	8600	7575.5	7630	NA	8000
	Gattah	8000	7900	8000	3000	NA	NA	7700
	Sellem	9100	8700	9100	8400	8200	8200	8400
Salem (Tamil Nadu)	Bulb	8700	8100	8700	3000	5000	2500	7800
	Finger	9400	9050	9400	7100	7100	7100	9350
Sangli (Maharashtra)	Rajpuri/Selam Finger	7700	10300	7700	8400	8250	8325	12600
	Rajpuri Medium	7700	11500	7700	122.8	NA	4019.5	10000
	Desi Kadappa	7100	8300	7100	7799	NA	7406	8000
Duggirala (Andhra Pradesh)	Bulb	6865	6870	6865	6950	6900	NA	6500
	Finger	6865	6870	6865	7575.5	7521	NA	NA

Source: www.agriwatch.com

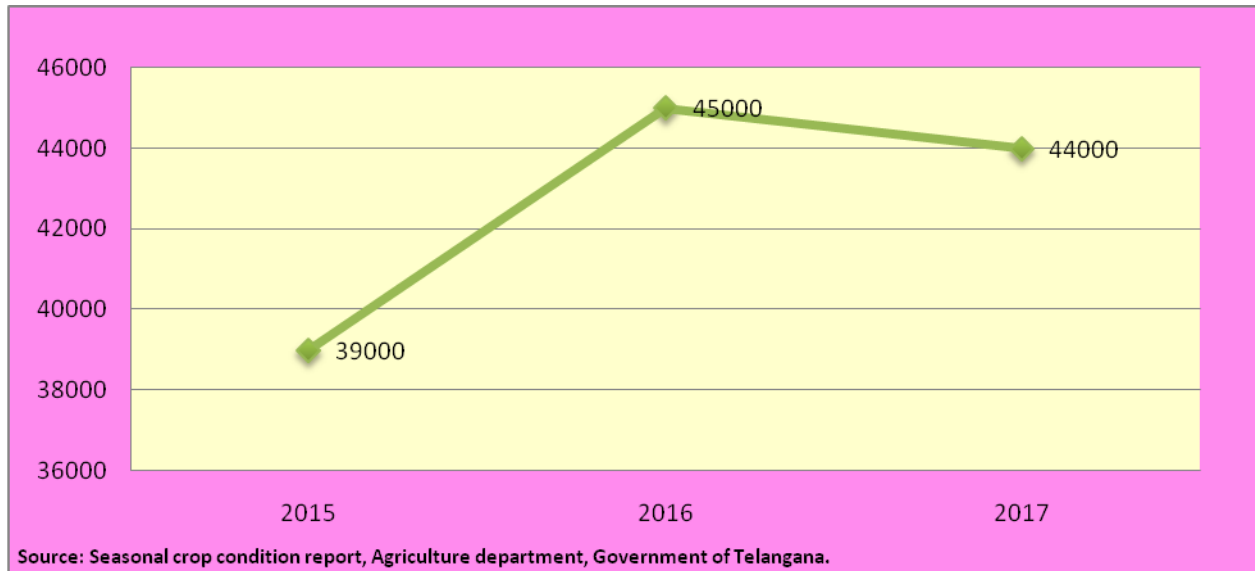
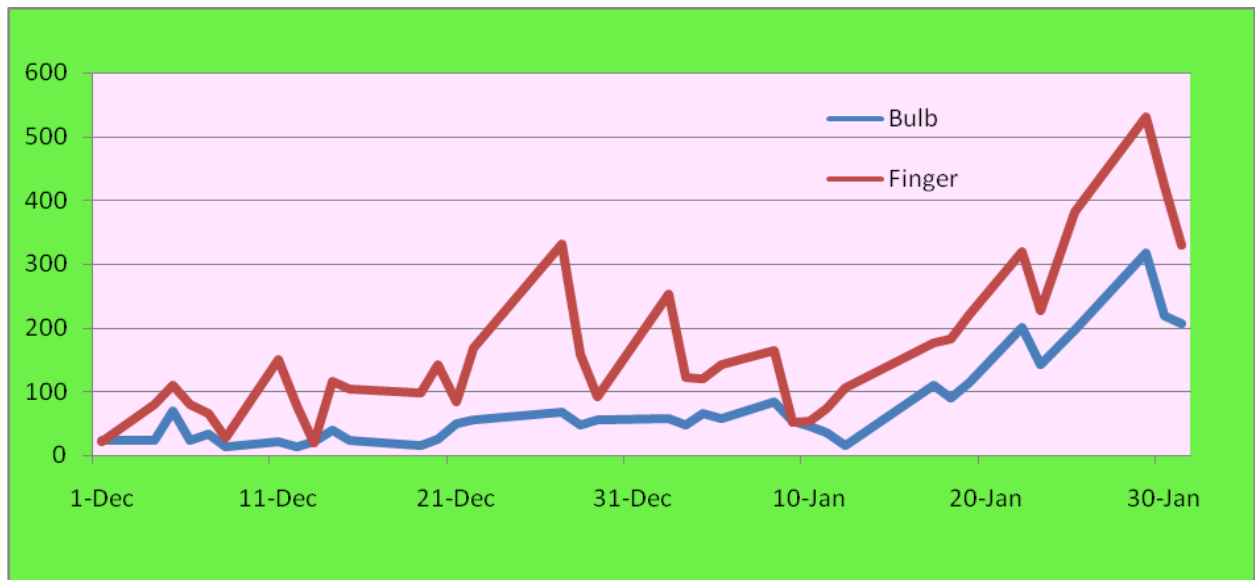


Figure 2: Area under Turmeric in Telangana (Area in hectares)

For 2017-18, turmeric area sown in Telangana was also down by 2.2% to 44,000 hectares as compared to last year acreage of 45000 hectares.

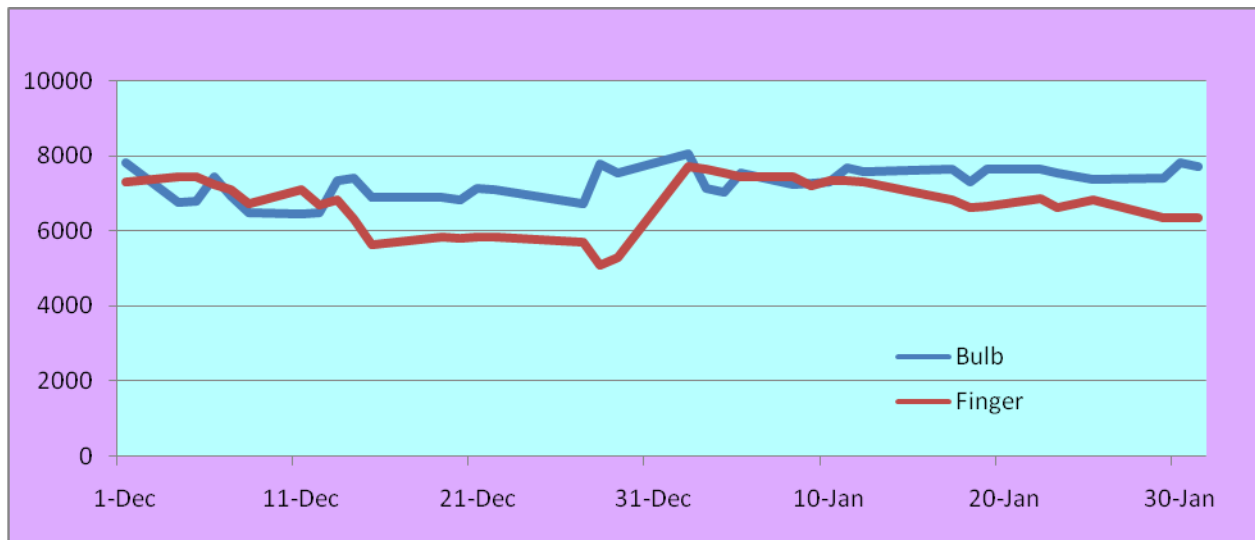


Source: Agriculture marketing department, Government of Telangana

Figure 3: Turmeric Arrivals at Nizamabad Market in tonnes during January 2018

As per trade information, new crop supply (regular crop) likely to enter Nizamabad, market after 15th January and put cap on prices from higher levels due to moisture content arrivals. We expect that prices may not fall much further from current levels - at most another

Rs.400 - 500 per quintal fall is expected. At these price levels, prospective buyers like stockists, exporters, masala millers are expected to start accumulating.



Source: Agriculture marketing department, Government of Telangana

**Figure 4: Turmeric Model Prices at Nizamabad Market in Rs/quintal
(Dec 2017 to Jan 2018)**

As per trade sources, due to lower production expectation during current year, stockists and large farmers are expecting higher prices in coming days and farmers and stockists are only interested in releasing their old stocks at higher prices level.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Turmeric prices are likely to trade in price range between Rs.6500-7300 per quintal during February and March 2018.