

Rob's Crystal Ball



Trilogy is in a strong position to help in many varieties of oleoresins including nutmeg and mace!



MARKET REPORT

APRIL 2018

Capsicum Oleoresin

I just returned from southern India where I learned that the high-heat capsicum chili season is expected to be much smaller than last year's excellent crop. Given this news, prices have advanced. The 2017 volume was 1350MT compared to an estimated crop size of 800 MT for 2018. Teja Chili prices have more than doubled over the last 8 months. Our recommendation is for customers to cover your needs through May 2019 when we hope prices soften. As always, Trilogy is in a strong position to help on all varieties of oleoresin capsicum with various levels of heat and color.



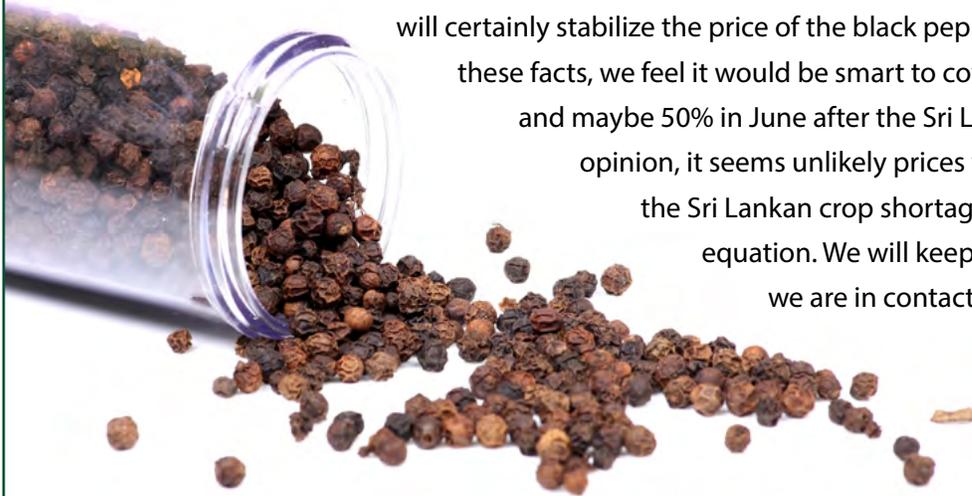
Paprika Oleoresin

Since returning from an extensive Paprika trip in China, I am aware the paprika crop, which started in October 2017, is now ending and the production is a staggering 40% higher. In 2017 it was estimated to be 125,000MT (which was the highest amount in 5 years). In 2018 it is estimated to be 170,000MT, which would be a new record high in China. In the USA, the supply and demand are in balance and prices are at a slight premium to Indian prices. Conversely, the Indian Paprika crop is said to be down 40%, but this year China will produce twice the volume India does. A boon for one region and a bust in another is quickly translated into the global market price. In general, when speaking about 100,000 color units, the prices are approximately 15-20% below last year but it is doubtful we will see prices this low again for many years.



Black Pepper Oleoresin

Black pepper oleoresin is a bit tricky to understand this year. While the entire world sees a significant softening for the ground spice market, the extraction-grade black pepper (oleoresin) market doesn't quite follow the same path. In our last black pepper report, we hinted at lower prices in 2017 and that is what happened. Even today we continue to see a modest decline in prices of all qualities of oleoresin black pepper of various piperine levels. The one wild card is Sri Lanka, the smallest black pepper producing country. The high quality extraction-grade light-berry black pepper from Sri Lanka is forecasted to experience a dismal crop. This news will certainly stabilize the price of the black pepper oleoresin market. Given all these facts, we feel it would be smart to cover 50% of your volume now and maybe 50% in June after the Sri Lankan crop is harvested. In my opinion, it seems unlikely prices will decline much further since the Sri Lankan crop shortage is already factored into the equation. We will keep our customers up-to-date while we are in contact with India on a daily basis.



Black Pepper Oil

Similar to the last report and given all the positive downward price news regarding black pepper, prices should drift slightly lower or remain stable for the next year. Similar to celery oil we have special positions on black pepper oil and invite your inquiries.





Ginger Oleoresin

While the crop in India is expected to be down 20%, the Nigerian crop looks to be 40% higher. These facts, taken together, point to a modest price decline. We have stocks of high quality ginger oleoresin we would like to offer our customers.

Celery Oleoresin

The 2017 celery season is complete and the 2018 crop is just underway. It is reported that the 2018 sowing of celery is down 30% since the land, this year, and is best suited for the cultivation of wheat, for higher financial returns. Most likely, higher prices are on the horizon. We will have more news after the May-June harvest.





Nutmeg & Mace Oleoresin

Indonesia is the major producer of nutmeg in the world. Prices are stable. In India, where there is a small crop, production is expected to decline by 25%. This is another product where the price for the spice does not always synch with the pricing for the oleoresin.

Turmeric

The turmeric season has begun. The crop looks favorable with a modest 15% increase in size. Interestingly, carryover is at a new low even though last year's crop was the largest on record. At this moment, it appears everything is in harmony. Trilogy always has the 10% to 7% curcumin, water soluble qualities on hand. Please inquire.

