

Turmeric Outlook – July 2018

World Scenario

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. Major turmeric exporting countries are India, Thailand, Taiwan, and several other south-east Asian, Central and Latin American countries. The major turmeric importing countries include Japan, Sri Lanka, Iran, UAE, US, UK and Ethiopia.

Indian Scenario

Major turmeric producing states in India are the southern states of Telangana, Andhra Pradesh, Tamil Nadu and Karnataka, the eastern states of Orissa and West Bengal and the western state of Maharashtra.

Turmeric crop is mainly sown in India during May-August season. For the year 2018 kharif, it is expected that under normal monsoon conditions, all India turmeric area may go up by 12 - 14% as compared to last year (156,307 hectares) due to higher prices. In Telangana as on 1st August 2018, the area covered under turmeric was 46,692 hectares as against to 41,715 hectares in the corresponding period last year. The same in Andhra Pradesh was reported as 12,320 hectares as compared to 7,998 hectares in the corresponding period last year.

Supply of Turmeric

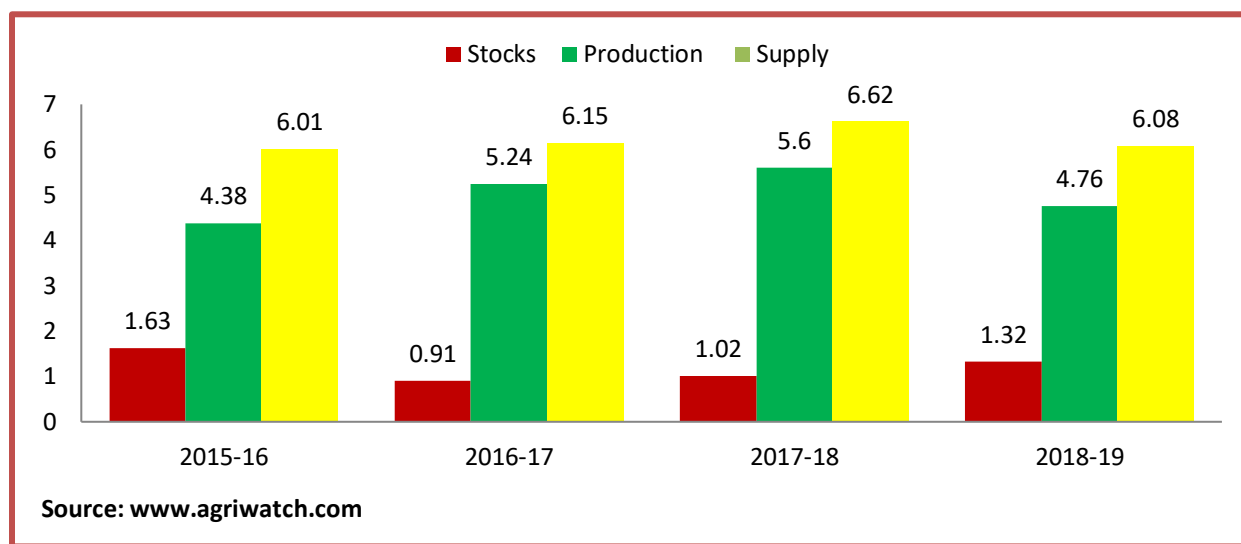


Fig 1: Supply of Turmeric During 2018-19 Marketing Year (in lakh tonnes)

As per turmeric supply figures given in Fig 1 for 2018-19, the beginning stocks reported around 1.32 lakh tonnes and ending stocks are expected to be around 0.71 lakh tonnes, because of increased domestic consumption and exports due to lower production in current year. Production estimate of turmeric was also down to 4.76 lakh tonnes which is less than last two years.

Turmeric stocks reported lower during current year in the spot market. Currently turmeric stocks in Nizamabad (both old and new crop) were estimated around 5.15 lakh bags (1 bag = 70 kg) as compared to around 7.00 lakh bags in the corresponding period last year. As per trade information, currently, all India Turmeric stocks were reported around 24 - 26 lakh bags (1 bag = 70 kg) as compared to last year 35 – 40 lakh bags.

Turmeric Arrivals

Till now, around 90% of last year (2018-19 marketing year) crop has been traded in all major turmeric markets in India. Except for Duggirala and Salem in the last week of month and Erode in the second week of the month, a continuous decline in arrivals was found in other three major markets of turmeric from first to last week of July 2018.

Table 1: Weekly Turmeric Arrivals in Major Markets

Market	29 th to 5 th July 2018	6 th to 12 th July 2018	13 th to 19 th July 2018	20 th to 26 th July 2018
Nizamabad (Telangana)\$	11700	8500	7100	2200
Duggirala (Andhra Pradesh)*	67000	34000	28000	30000
Salem (Tamil Nadu)*	147	93.6	148.3	164
Erode (Tamil Nadu) #	15000	16500	10000	8500
Sangli (Maharashtra) @	5400	3300	900	350
Warangal (Telangana)#	10000	7500	6500	2000

Source: www.agriwatch.com, Arrival * quintals, # 65 kg, \$ 70 kg, @ 60 kg

Domestic Prices of Turmeric

In the month of July 2018, turmeric prices were moved up, while arrivals showed a declining trend. The weekly average prices were above Rs.7300 per quintal in all major markets

of India except in Duggirala market of Andhra Pradesh. This increase in price may be continued during the August month also in the states of Andhra Pradesh, Telangana and Maharashtra.

Table 2: Weekly Spot Prices of Turmeric at different Markets in India (Rs/quintal)

Market	Grade	5 th July 2018	12 th July 2018	19 th July 2018	26 th July 2018
Nizamabad (Telangana)	Nizam quality	7500	7400	7400	7500
	Double polish finger	8500	8400	8400	8500
	Gattah (unpolished)	7300	7200	7200	7300
	Gattah (double polished)	8300	8200	8200	8300
Warangal (Telangana)	Finger	7650	7550	7550	7550
	Round	7650	7550	7550	7550
Erode (Tamil Nadu)	Finger	8700	8200	8200	8200
	Gattah	7600	7600	7600	7500
	Sellem	8000	8600	8010	8800
Salem (Tamil Nadu)	Bulb	8005	8010	8010	7975
	Finger	8990	8950	9160	9150
Sangli (Maharashtra)	Rajpuri/Selam Finger	9500	9500	9600	9500
	Rajpuri Medium	8200	8500	8600	8500
	Desi Kadappa	7300	7300	7400	8000
Duggirala (Andhra Pradesh)	Bulb	7300	6600	6400	6700
	Finger	8300	6600	6500	6750

Source: www.agriwatch.com

Turmeric Prices and Arrivals in Telangana

As per the latest report of Agriculture Department of Telangana for the year 2018 kharif, the area under turmeric in the state was increased by 4977 hectares to 46,692 hectares as against 41,715 hectares last year. Normal rainfall was reported in four turmeric growing districts at the end of July month.

Currently, turmeric (finger, NCDEX quality) in Nizamabad is trading at Rs.7,500 per quintal. We expect that prices may not fall much further from current levels due to lesser arrivals in all major markets. At these price levels, prospective buyers like stockiests, exporters, masala millers are expected to start accumulating.

