

SPECIAL REPORT ON

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TURMERIC

[SEPTEMBER]



Summary

Since the rise of the corona virus cases around the world, the commodity prices have been grappling under the disequilibrium of demand-supply. Many of them are reeling under the pressure of bulky inventories as the consumption has taken a hit. However, overall agri commodities have shown a positive trend on the back of rising domestic & overseas demand, especially this yellow spice with its most active compound curcumin having many scientifically-proven health benefits, and carrying a potential to boost the immunity during this pandemic. **It made a bottom near 5200 and now trading near 6000 levels, a rise of around 15%.**

WEEKLY CHART OF TURMERIC FUTURES



Present Scenario

Source: Reuters

Since past three months, the export demand of turmeric has witnessed a rise as orders are pouring in from the Middle East, the US, Europe and Southeast Asia. Exporters are signing new contracts to cater to Dubai, Malaysia, Iran, US and Europe market. In the last few weeks, the stockiest have received major demand from Bangladesh where the turmeric was sent by rail rakes. According to the Federation of India Spices Stakeholders, right after the covid outbreak, turmeric sales have been continuously increasing and overall in 2020-21, the sales are likely to go up by 25% to 30%.

Export demand has been strong since April for fresh turmeric in retail chains in the UK, Germany and Holland. With many retail chains selling turmeric milk, the trend has caught up globally and going ahead the demand is expected to multi-fold. The Spices Board of India is initiating a series of measures to facilitate seamless and hassle-free movement of export consignments.

The 3% rebate under the merchandise export incentive scheme has helped us to increase the exports. Also, the guideline by the ministry of Ayush on the countless health benefits has pushed the usage of turmeric in juices and immunity booting drinks in the domestic market.

According to the Spices Board of India, amid the Covid-19 induced lockdown, turmeric exports from India's Telangana have created a new record. Telangana has exported 59,580 tonnes of turmeric in the first five months of the year, which is highest for the same period in the last seven years. Exports were sent to countries like the US, the UK, Sri Lanka, and Nepal.

Spot markets scenario

Presently, the traders are receiving fresh orders, examining the samples and purchasing to meet the requirements. The sale at the Erode Cooperative Marketing Society and Regulated Marketing Committee are encouraging, as cent per cent sale are being recorded in the two markets.

At the Erode Turmeric Merchants Association sales yard, finger turmeric was sold at Rs.5,259-6,509 a quintal, and the root variety at Rs.4,599-5,555 a quintal. At the Regulated Marketing Committee, the finger turmeric was sold at Rs.4,889-6,039 a quintal, and the root variety at Rs.4,389-5,450 a quintal. At the Erode Cooperative Marketing Society, the finger turmeric was sold at Rs.5,199-5,944 a quintal, and the root variety at Rs.4,891-5,589 a quintal.

State wise Wholesale Prices Monthly Analysis for Turmeric July, 2020 (Rs./Quintal)

Prices in Rs/Quintal

State	Prices July, 2020	Prices June, 2020	Prices July, 2019	% Change (Over Previous Month)	% Change (Over Previous Year)
Chattisgarh	6000	4520	7000	33	-14
Karnataka	5746	5606	6060	3	-5
Kerala	6237	5807	10543	7	-41
Maharashtra	4945	5337	6551	-7	-25
Tamil Nadu	5522	5633	6496	-2	-15
Uttar Pradesh	9876	9325	11131	6	-11
West Bengal	6331	6306	6539	0	-3
Average	6379	6076	7760		

Source: AGMARK

Research findings

Curcumin, a natural compound found in the spice turmeric, could help eliminate certain viruses, research has found. A study published in the Journal of General Virology showed that curcumin can prevent Transmissible gastroenteritis virus (TGEV) - an alpha-group coronavirus that infects pigs - from infecting cells. At higher doses, the compound was also found to kill virus particles.

As an immunity boosting measure against COVID-19, the Ministry of AYUSH has recommended various Ayurvedic measures, and having turmeric is one of them. The key active ingredient of turmeric, 'Curcumin' has multiple life-enhancing properties and is packed with powerful antioxidant and anti-inflammatory properties.

Price Outlook

Analyzing the fundamentals of demand side as mentioned above, it looks like turmeric will continue to show an upside momentum in days to come. With festivals round the corner and the ease of lockdown in the country as well as in the international market, the consumption is expected to catch the pace. The demand from the HoReCa sector is yet to find its place during this pandemic. Once, the food sector starts using up this yellow spice, the demand will surely witness a rise. Many of the milk federation around the country have launched the age-old "haldi milk" so as to boost the immunity of its consumers.

Overall, we are anticipating that a lower level buying can be initiated near 5700 in September contract, eyeing a target of 6100-6200. The near term support is at 5500.

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