

12th October 2015

Turmeric

Turmeric known as ‘Indian Saffron’ is originated from Southeast Asia. Turmeric is used as an important ingredient in Indian foods and the root of turmeric plant is used to prepare yellow spice. The botanical name of turmeric is *Curcuma Longa* and belongs to Zingiberaceae family.

Indian turmeric is considered to be the best in the world due to presence of high *Curcumin* content. There are wide uses of this golden spice. Apart from its domestic culinary use, it processed foods. Turmeric is also an important ingredient in cosmetics as well as in the pharmaceutical industry.

Crop Calendar

The harvesting of this plant is done when the leaves of this plant start turning yellowish after 7 to 10 months of plantation. Turmeric requires a warm and humid climate. Turmeric is a kharif crop and requires temperatures between 20°C and 30°C and an annual rainfall of 1500 mm or more. In India the main sowing season begins from June and extends up to August. It is harvested from January and ends by March. Arrivals start during February-April period. Turmeric is recognized as a kharif crop in India. The crop cycle of turmeric is eight months. The plantation starts from June and continues till August. The arrivals of the new crop start coming in January month in Andhra Pradesh and peaking in March due to strong supplies from Tamil Nadu and Maharashtra. Allepey Finger (Kerala), Erode, Salem (Tamil Nadu) and Rajapuri (Maharashtra). Among all these, Erode and Rajapuri varieties are the most popular in international markets as they contains the rich *Curcumin* content of around 3.5-4 per cent. Apart from India, it is cultivated in Pakistan, Malaysia, Myanmar, Vietnam, Thailand, Philippines, Japan, Korea, China, Sri Lanka, Nepal, East & West Africa, South Pacific Islands, Malagasy, Caribbean Islands and Central America. In India, it is cultivated in the States of Andhra Pradesh, Maharashtra, Orissa, Tamil Nadu, Karnataka and Kerala.



State-wise Harvesting Season in India

Months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Andhra Pradesh												
Bihar												
Himachal Pradesh												
Karnataka												
Kerala												
Madhya Pradesh												
Manipur												
Rajasthan												
Tamil Nadu												
Uttar Pradesh												

Source: Indian Spice Board

The other major producing countries are China, Bangladesh, and Myanmar. In China and Bangladesh it is sown during June mid to September and Harvested in the months of January –march. In Myanmar and Peru the crop is sown in the month of Feb- March and comes to market by the month of July. Thus, sowing cycle starts from India followed by China and Bangladesh while Peru and Myanmar has just opposite sowing schedule. Turmeric can be grown as an intern crop with chillies, colocasia, onion, brinjal and cereals like maize, ragi, etc.

COUNTRY	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
INDIA												
CHINA												
MYANMAR												
BANGLADESH												
PERU												

 - Harvesting  - Sowing

Major varieties of Turmeric in India

Turmeric comes from the root of *Curcuma longa*, a green plant, in the ginger family. Rhizome has a tough brown skin and bright orange flesh. Ground turmeric comes from fingers which extend from the root. There are approximately 30 varieties have been recognized in the type of *Curcuma* in which turmeric belongs. Amalapuram, Armour, Dindigam, Erode, Krishna, Kodur, Vontimitra, P317, GL Purm I and II, RH2 and RH10 are some popular Indian varieties among them.

Varieties Name	State Name
Alleppey Finger	Kerala
Rajapore and Sangli turmeric	Maharashtra
Nizamabad, Amoor, Vontimitta, Mydukur, Duggirala, Sugandham etc	Andhra Pradesh
Erode local, BSR-1, PTS-10, Roma, Suguna, Sudarsana and Salem local	Tamil Nadu
Pattent	West Bengal and Assam

- 'Alleppey Finger' (Kerala)
- 'Erode and Salem turmeric' (Tamil Nadu),
- 'Rajapore' and 'Sangli turmeric' (Maharashtra)
- 'Nizamabad Bulb' (Andhra Pradesh)
- In Tamil Nadu, the important varieties cultivated are Erode local, BSR-1, PTS-10, Roma, Suguna, Sudarsana and Salem local. Among these varieties, 70-75% is occupied by the local varieties
- Alleppey Finger Turmeric, Rajapuri, Madras and Erode are some of important exported varieties.

Alleppey finger turmeric is known for its high content of curcumin - a yellow colouring substance. Its bright yellow colour has been preferred by spices importers in Europe and other continents. In Middle East, the UK, USA and Japan, some of the well-accepted varieties are: 'Alleppey Finger' and 'Erode turmeric', 'Rajapore' and 'Sangli turmeric' and 'Nizamabad Bulb'.

Based on the duration of crop in the field to mature the varieties are categorised into three groups:

- Long duration types (9 months) - Tekurpet, Duggirala, Armour and Mydukuru
- Medium Duration types (8 months) - Kothapet, Krishna and Kesar
- Short duration types (7 months) - Amalapuram and Dindigram

Duggirala, Kodur type, Tekurpet, Mydukuru, Sugantham, Alleppey, Kasturi and Kesar are some other commercially popular varieties. Duggirala type has larger rhizomes of good quality and is more suitable for heavy black soils.

Indian Scenario

India is the world's largest producer and supplier of turmeric. Global production of turmeric is estimated around 10 lakh MT. And India leads the turmeric market and contributes 80 per cent to the world production. The major consumers are India, Japan, Sri Lanka and other African countries.

The details of catchment areas of market of turmeric in leading states

States	Districts	Blocks
Andhra Pradesh	Cuddapah	Jammalamdugu, Proddatur, Muddanaru, Kamalapuram, Lakkireddipalle, Rajampet, Rayachoti, Koduru.
	Adilabad	Boath, Mudhol, Nirmal, Utnur, Sirpur, Chinnur, Lakshettipet,
	Medak,	Dubak, Mirdoddi, Siddipet, Sadaseopet, Zanirabad, Sangareddi, Narsapur,
	Nizamabad	Madnur, Bodhan, Banola, Banswada, Kamareddi, Yellareddi,
	Guntur	Piduguralla, Prattipadu, Ponnuru, Pallapatla, Repalle, Manglagiri, Puru, Vinukonda, Durgi.
Gujarat	Kheda,	Kapadwanj, Balasinor, Tharsa, Madhudha, Mehmedabad, Matar.
	Anand	Sojitra, Umrath, Khambhat, Borsad, Sarsa, Tarapur, Undel, Vadtl
	Sabarkantha	Khedbrahma, Vijaynagar, Vadali, Idar, Bhiloda, Himatnagar, Prantij, Meghraj, Malpur, Bayad, Dhansura.
Kerala	Wayanad	Thavinhal, Valatl, Hatika, Puthady, Kalpetta, Chegual, Thariode, Vallarimela, Koltappadi, Vayittri.
	Palakkad	Tudikki, Mukkali, Korgad, Pallavur, Chittadi, Mudarachal, Parambikolam, Elattodu, Kolangod, Naitala,
	Idukki	Painavu, Nadunkandam, Devikulam, Todupulai, PIRAMAD.
	Kollam	Tekku, Todi, Karupra, Veliyam, Kanur, Anchal, Pallinam,
	Kozhikode	Chekkid, Valayam, Mariyur, Kottur, Pudipaddi, Vavad, Kuruvattur, Mavur, Olavanna.
Tamil Nadu	Karur	Paramatti, Muntipalavau, Thantoni, Mayanur, Panjapatti, Kadavur, Kulittatai, Kadavur, Kulittatai, Krishnarayapuram
	Villupuram	Avalurpettai, Gingee, Sankarapuram, Kallakkurichchi, Ulundurpettai, Tirukkovilur, Vlundurpetti, Vanum, Vallam
	Coimbatore	Muttuppalaiyam, Avinashi, Tiruppur, Palladam, Udumallaipettai, Pollac
	Salem	Mettur, Yercaud, Idappadi, Omalpur, Attur, Gangavalli, Sankagiri
	Dharmapuri	Pennagaram, Harur, Pappireedipatti, Palakkodu, Pochampalli
Orissa	Kalahandi	Dharamgarh, Bhawanipatna, Lanjigarh, Jayapatna
	Koraput	Kotapad, Boriguma, Jaypur, Machhakund, Nandapur, Singpuru, Bagra, Rayisingi, Jalaput, Gupteshwar.
	Mayurbhanj	Hemagiri, Banel, Panposh, Raj Gangpur,

Source: AGMARK

Domestic Supply and Demand

Turmeric is a very important spice in India from ancient times. India is the world's largest producer of turmeric, i.e. nearly 80 per cent of the world's total production. Area under turmeric cultivation is about 183 thousand ha annually. The yield will be around 4000-4500 Kg per ha. The production is estimated to be about 8 lakh MT per annum. The major changes mark in production from last three years, India produces about 37 lakh bags of turmeric in 2014-15 lower than 89 per cent produced in 2012-13 about 70 lakh bags. The last year production was seen 52 lakh bags which is 34 per cent lower than the 2012-13 year production. Turmeric is grown as a Kharif crop in India. Due to high *Curcumin*, India's Turmeric is considered to be of best quality. Major producing states in India are Andhra Pradesh, Tamil Nadu, Orissa, West Bengal, Karnataka, and West Bengal. Andhra Pradesh is the major producer and contributes about 36 per cent of total production. Tamil Nadu and Orissa place themselves at the second and third position sharing 26 per cent and 14 per cent respectively.

Particulars	2012-13	2013-14	2014-15
Opening stocks	25	40	32
Production	70	52	37
Total Supplies	95	92	69
Domestic Consumption	47	50	50
Exports	8	10	10
Total Demand	55	60	58
Ending Stocks	40	32	9

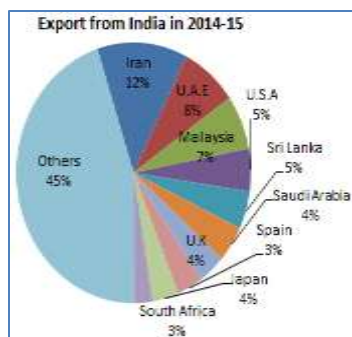
Source: commoditysnights.com

India is also the largest consumer of turmeric in the world. India's Domestic consumption accounts for nearly 90 per cent of total production. Turmeric uses dates back to nearly 4000 years, to the Vedic culture in India for medical purpose. Turmeric has several medicinal properties like tonic, blood purifier and antiseptic. It protects the liver from a number of toxic compounds. It is used in the preparation of medicinal oils and ointments. Due to strong export demand coupled with steady off take of turmeric by exports will reduce the total supplies for the next season and also drag the ending stocks to record lows. The above mentioned table suggests that total ending stocks of turmeric for 2014-15 are projected to reach record lows of 9 lakh bags (Each bag is 75 Kg) due to weak domestic production and steady demand in local mandies.

Turmeric Exports from India

India is the largest producer, consumer and exporter of the yellow spice. Although our nation consumes a significant quantity of its produce domestically and exports very less quantity, the country still dominates the world turmeric export market. The major destination of Indian turmeric is U.A.E., Japan, Iran, Malaysia, U.S. and U.K. Overseas demand has a significant impact on the prices in the domestic market.

Indian Turmeric exports have witnessed a significant jump during the financial year (FY) 2010-11 and 2013-14 and the trend is expected to continue in the



year 2014-15 too. India's export of turmeric in 2014-15 was an all-time high. In 2014-2015 the country's turmeric exports grew 38.91 per cent over last six years from 2009-10 to 70 thousand MT. During this period the maximum export was seen in Iran (12.47 per cent), U.A.E. (7.75 per cent) and Malaysia (6.78 per cent).

Country	2009-10	2010-11	2011-12	2012-13	2013-2014	2014-2015 (Apr-Dec)
IRAN	4255.39	2563.43	3810.23	7638.03	12130.00	8794.00
U.A.E	6719.00	8988.10	16726.31	10961.51	6818.03	5463.52
MALAYSIA	3951.91	4330.36	4298.98	5936.83	5677.89	4780.01
U.S.A	2285.30	2664.02	3323.54	6300.03	4267.82	3729.85
SRI LANKA	3292.71	1913.67	2811.35	3987.22	4186.95	3303.25
SAUDI ARABIA	1338.69	1334.35	2946.83	3738.60	3455.99	3158.17
U.K	3339.68	2091.29	2082.22	3450.10	2867.20	2662.94
SPAIN	573.60	719.99	1534.01	2613.77	2756.03	2511.35
JAPAN	3149.06	3066.03	3214.13	3322.53	2690.17	2527.08
SOUTH AFRICA	2311.51	1891.67	2133.16	2877.01	2423.04	1825.68
Others	19533.21	19687.12	36619.04	38574.23	31087.12	31741.75
TOTAL	50750.06	49250.03	79499.80	89399.86	78360.24	70497.60

Source: Department of Commerce

Prices Trend Analysis



The turmeric market price variation study indicates that the price volatility is on the rise since August 2009 owing to reports of higher export demand. Turmeric market is a structural bull market which has been unveiled with hint of strong growth in domestic and export demand especially with the booming economy and increasing disposable incomes in the hands of consumers, resulting in steep growth in demand thus supporting the price sentiments. The export demand is still supporting prices and much would depend on the winter rains.



The adjacent price curve indicates that prices tend to decline from July to October on account of slackening demand and increased supplies. Moreover, the demand from domestic and overseas markets is expected to improve by the month of October, which would support the bullish moves in the prices. The spot prices at Nizamabad are currently subdued but are expected to move up on support from the increased export demand and reports of lower supplies in the global market.

Outlook

We expect an upward trend in turmeric to continue in the near term on the back of lack of monsoon rains in Andhra Pradesh and Telangana. This has led to reduced sowing for the current crop season. The arrivals of quality crop are less as farmers are holding back their stocks in anticipation of better prices in the coming days. However, no sharp gains may be seen as prices may come under downside pressure once the arrivals of the new season crop picks up momentum and enters the markets in full swing. Also, spot market traders expect fresh export demand November onwards, thus prices may again take cues from the same, if any.

Besides the demand – supply fundamentals, turmeric prices may also take cues from weather developments. Weather forecasters across the globe expect the strongest El-Nino phenomenon to cast more severe weather development in the coming months.

Technical View



Technical Recommendation: The market is expected to find strong support at the levels of 6400 on the downside and has good potential of testing 9800 and 12000 on the higher side by end of February 2015.

Price Expectation

Commodity	Units	Current Market (02.04.2015)	Market View	Technical Projections		
				S1	T1	T2
Turmeric	Rs. / Qtl.	7566	↑	6400	9800	12000

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