

# GLOBAL PEPPER SITUATION

## QUICK HIGHLIGHT

IN THE FIRST **6**  
MONTHS OF 2021

**T**hrough the process of collecting data from different sources such as IPC / VPA / Customs / data from General Statistics Office of Vietnam... We also have received information sharing from Pepper Producing and Exporting countries from leading farmers, pepper producers, exporters, and prestige brokers in the world. We would like to summarize the reports and share overview pepper situation forecasts in 2021.

Due to many limitations, shortcoming cannot be avoided. However, we also hope this is also important data to add more information for you.

**Sincerely Thank you!**



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# GLANCE AT PTEXIM CORP 2021

PTEXIM is one of top pepper & herbs exporter from Vietnam. PTEXIM achieved almost important certificate for world standard. PTEXIM got BRC/ISO/HACCP/GMP/KOSHER/HALAL, beside, a member of SEDEX organization. Especially, PTEXIM is doing Rainforest Alliance project with 120 farmers...

## CERTIFICATE

PTEXIM achieved almost important certificate for world standard, BRC/ISO/HACCP/GMP/KOSHER/HALAL



## CERTIFICATE

- Doing Rainforest Alliance project with 120 farmers...
- Organic certification under processing and available during 2022



**120** Farmers

**228** Hectares

**751** Tons



Available during 2022

## CERTIFICATE

- **PRESTIGIOUS EXPORTER** honoured by Ministry of Industry and Trade Vietnam
- PTEXIM factory has successfully installed rooftop **Solar Power** and is one of the green building factories in Vietnam.
- Validation Of **Steam Sterilizer System** by eurofins

**PRESTIGIOUS EXPORTER**

<https://ptexim.com.vn/en/news/viet-nam-ministry-of-industry-and-trade-announced-ptexim-as-trusted-export-enterprise-in-2019/>

**GREEN BUILDING FACTORY**



**Solar Power**

# BRAZIL AT A GLANCE

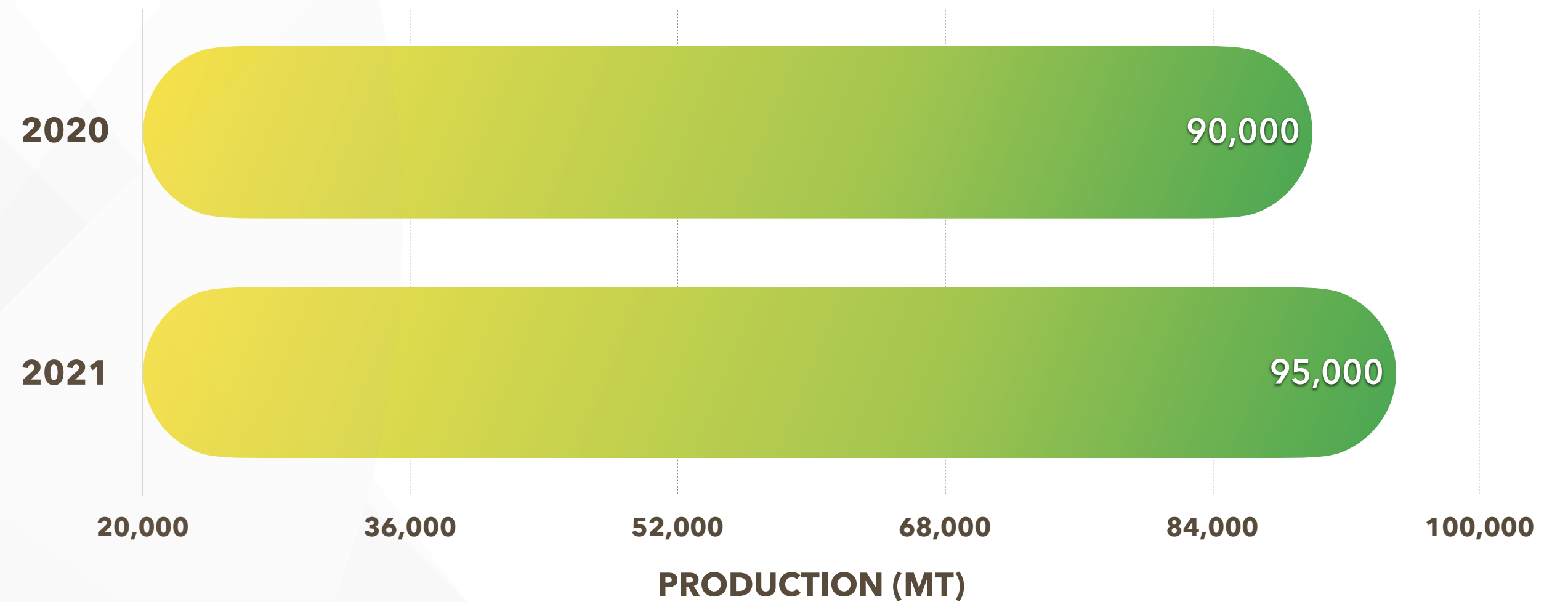


## PRODUCTION QUANTITY

CHANGE **5,000 ↑**

% CHANGE **5.56% ↑**

Year	Production (MT)
2020	90,000
2021	95,000



 Brazilian farmers are actively increasing pepper plantation, so crop size from Brazil is expected to increase continuously in the next 3 years.



## PRODUCTION AREA

### Esprito Santos (**ES**) Production



- Farmers to planting new pepper plantation. Production has been increasing from now until next **3 years** is foreseen.
- 2021 production to exceed **45,000 - 50,000 tons**
- Harvest from **January to June**, can extend from **August to December**

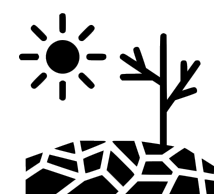
### PARA (**PA**) Production



- Farmers to planting new pepper plantation.
- Aug/Sept/Oct 2021 production is around **35,000 - 40,000 tons**
- Harvest from **August to December**

# BRAZIL AT A GLANCE

The main factors that may affect the Brazil crop and **price of pepper from July to December.**



## DROUGHT ALERT

According to the information we received, Brazil is likely to face a severe drought from June to September and is forecast to be the worst drought in 91 years. This will definitely affect the output of pepper / coffee crop in 2021/2022.

[\(Source: https://www.reuters.com/business/environment/brazil-drought-alert-country-faces-worst-dry-spell-91-years-2021-05-28/\)](https://www.reuters.com/business/environment/brazil-drought-alert-country-faces-worst-dry-spell-91-years-2021-05-28/)

## R\$ BRAZILIAN REAL CURRENCY

[Source: https://tradingeconomics.com/brazil/currency](https://tradingeconomics.com/brazil/currency)

### SUMMARY

The Brazilian real traded slightly higher around **5 per USD** on Friday, as the dollar softened after a key US jobs report showed **job growth** accelerated in the world's largest economy, raising prospects of a global recovery. **Domestically**, investors cheered strong industrial data for **May**. Still, the real continued to be pressured by mounting worries about **rising** Covid-19 infections and domestic political turmoil caused by another corruption **scandal** involving the government and the ongoing investigation on President Bolsonaro's response to the **Covid-19 pandemic**.



### FORECAST

The **Brazilian Real** is expected to trade at 5.13 by the end of this quarter - according to Trading Economics global macro models & analysts expectations. Looking forward, we estimate it to trade at 5.36 in 12 months time.



# **INDONESIA AT A GLANCE**

 **PRODUCTION 2021** **55,000 – 60,000** Tons



**DOMESTIC CONSUMPTION** **25,000 – 30,000** Tons

 **EXPORT VOLUME 2021** • January to June **20,000**\* Tons & • July to December **15,000**\* Tons \*approximately


## **INDONESIAN GEOGRAPHICAL INDICATION**



### **Bangka – Belitung** Production

- The biggest pepper producers in Indonesia
- Mostly produce white pepper (known as **Muntok**)

### **Lampung** Production

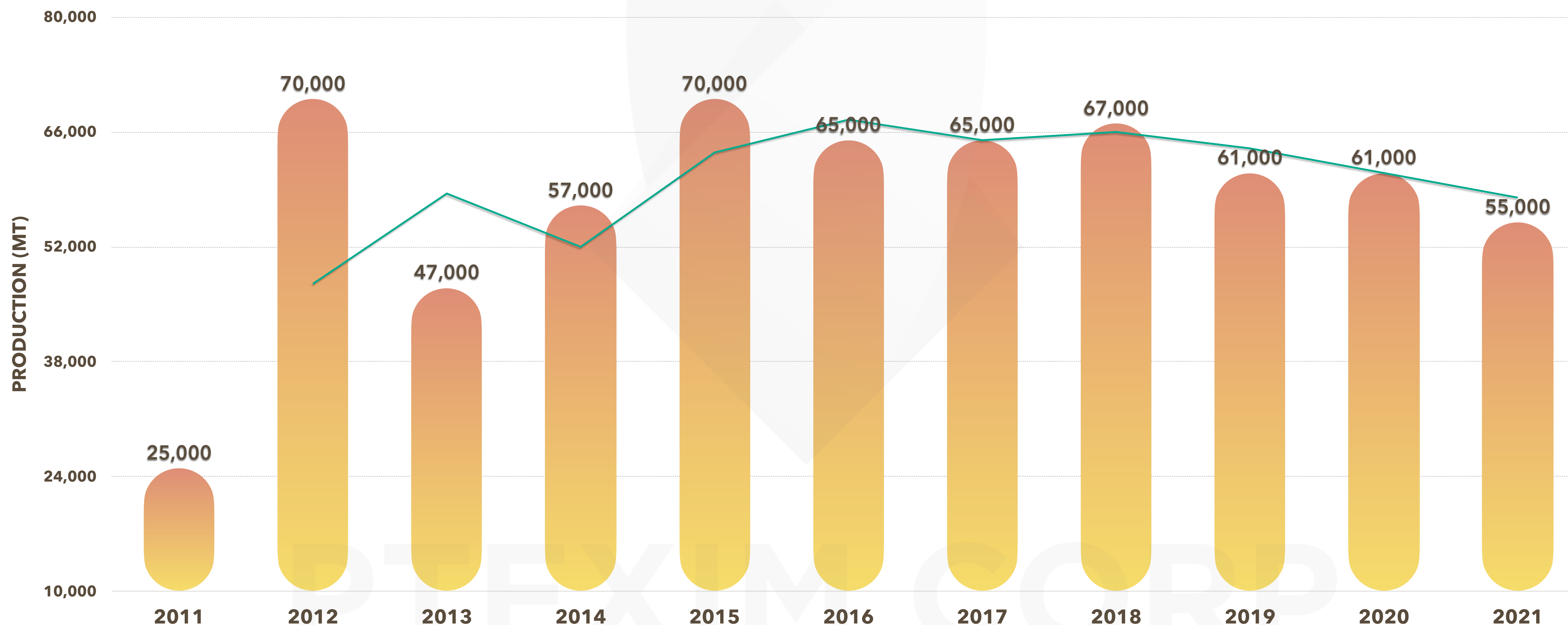
- The second biggest pepper producers in Indonesia
- Mostly produce black pepper 

# INDONESIA AT A GLANCE



## PEPPER PRODUCTION IN INDONESIA FROM 2011 TO 2021

In **2021**, it was estimated that approximately **55 thousand metric tons** of pepper was produced in Indonesia. This figure did not change much from the previous year's.





# MALAYSIA AT A GLANCE



## PRODUCTION AREA

### SARAWAK



Pepper Production Area **98 %**

### PENINSULAR MALAYSIA & SABAH



Pepper Production Area **2 %**



**13,500** Hectares

**HECTARES UNDER PEPPER CULTIVATION IN 2021**



**20,000** Tons

**PRODUCTION QUANTITY**



**7,000** Tons

**DOMESTIC CONSUMPTION**



**11,000** Tons

**EXPORT**

PTEXIM CORP



# SRI LANKA AT A GLANCE



**20,000** Hectares

**HECTARES UNDER PEPPER CULTIVATION IN 2021**



**25,000** Tons

**PRODUCTION QUANTITY**



**12,000** Tons

**DOMESTIC CONSUMPTION**



**8,000-13,000** Tons

**EXPORT**

PTEXIM CORP

# CHINA AT A GLANCE



**18,500** Hectares

**AREA**



**30,000** \*Tons

**TOTAL CROP SIZE**

*\*Estimate*



## CHINA PEPPER MARKET



Major Pepper **Regional** Market








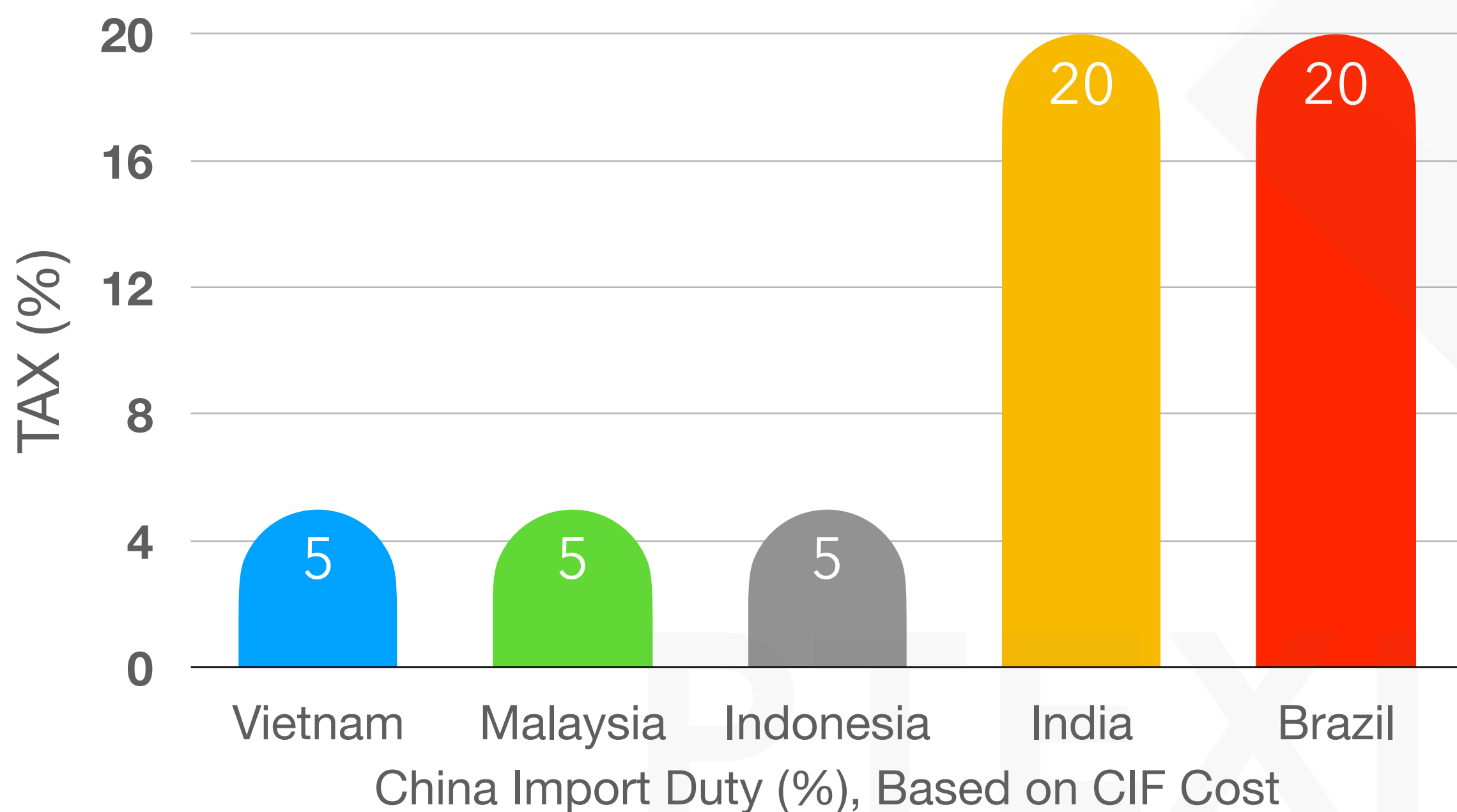
Major Pepper **National** Market

# CHINA AT A GLANCE



## CHINA PEPPER IMPORT DUTY & VAT

Origin Country	China Import Duty (%), Based on CIF Cost	VAT (%), After Duty is Paid
 Vietnam	5	9
 Malaysia	5	9
 Indonesia	5	9
 India	20	9
 Brazil	20	9



**18,500**

Hectares

**HECTARES UNDER PEPPER CULTIVATION IN 2021**



**25-30,000**

Tons

**PRODUCTION QUANTITY**



**85-90,000**

Tons

**DOMESTIC CONSUMPTION**



**2-5,000**

Tons

**EXPORT**

# INDIA AT A GLANCE



## PRODUCTION AREA



**125,000**

HECTARES UNDER PEPPER CULTIVATION IN 2021



**65,000** Tons

PRODUCTION QUANTITY



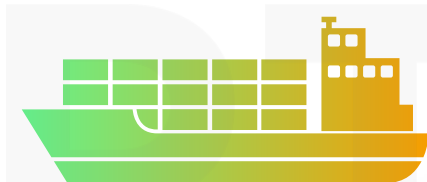
**70,000** Tons

DOMESTIC CONSUMPTION



**13,000-15,000** Tons

EXPORT



**25,000** Tons

IMPORT

PTEXIM CORP

# THAILAND AT A GLANCE



## PRODUCTION AREA & QUANTITY



**4,500** Tons

**PRODUCTION QUANTITY**



**8,500** Tons

**DOMESTIC CONSUMPTION**



**500-1000** Tons

**EXPORT**



**4,500** Tons

**IMPORT**

PTEXIM CORP

# MADAGASCAR AT A GLANCE



## PRODUCTION AREA & QUANTITY



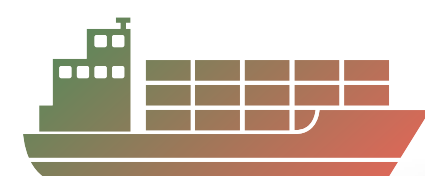
**3,500** Tons

**PRODUCTION QUANTITY**



**1,500** Tons

**DOMESTIC CONSUMPTION**



**1,500-2000** Tons

**EXPORT**

PTEXIM CORP

# ECUADOR AT A GLANCE



## PRODUCTION AREA & QUANTITY



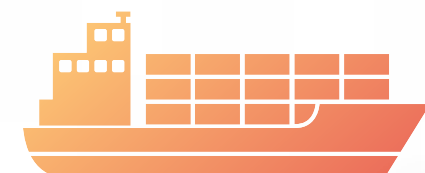
**5,000** Tons

**PRODUCTION QUANTITY**



**1,000** Tons

**DOMESTIC CONSUMPTION**



**4,000** Tons

**EXPORT**

PTEXIM CORP

# VIETNAM AT A GLANCE



## PRODUCTION AREA & QUANTITY

**130,655** HECTARES

**Gia Lai** (12,206 hectares)

HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

**Daklak** (38,616 hectares)

HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

**Daknong** (32,286 hectares)

HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

**Binh Phuoc** (16,084 hectares)

HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

**Dong Nai** (16,725 hectares)

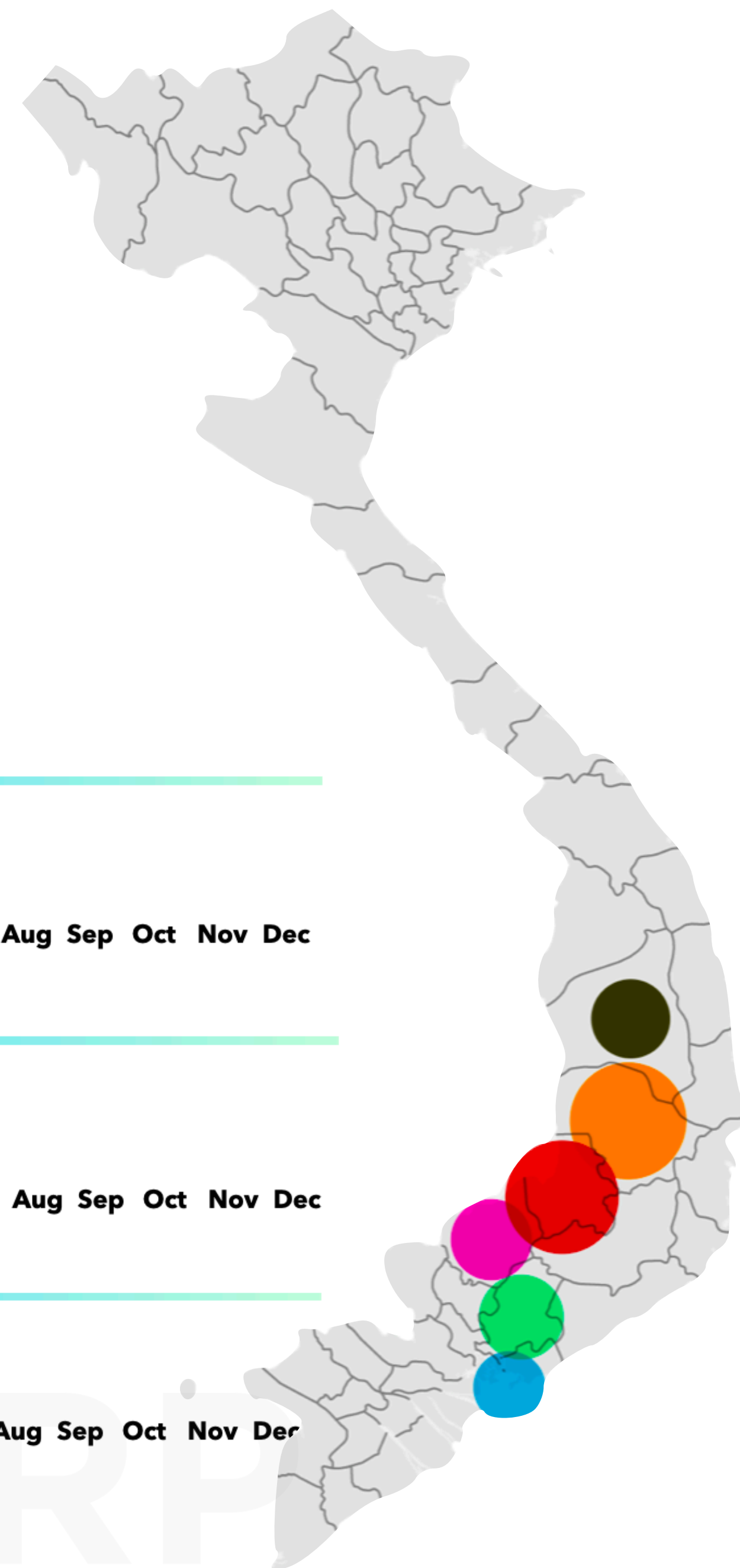
HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

**Baria Vung Tau** (11,038 hectares)

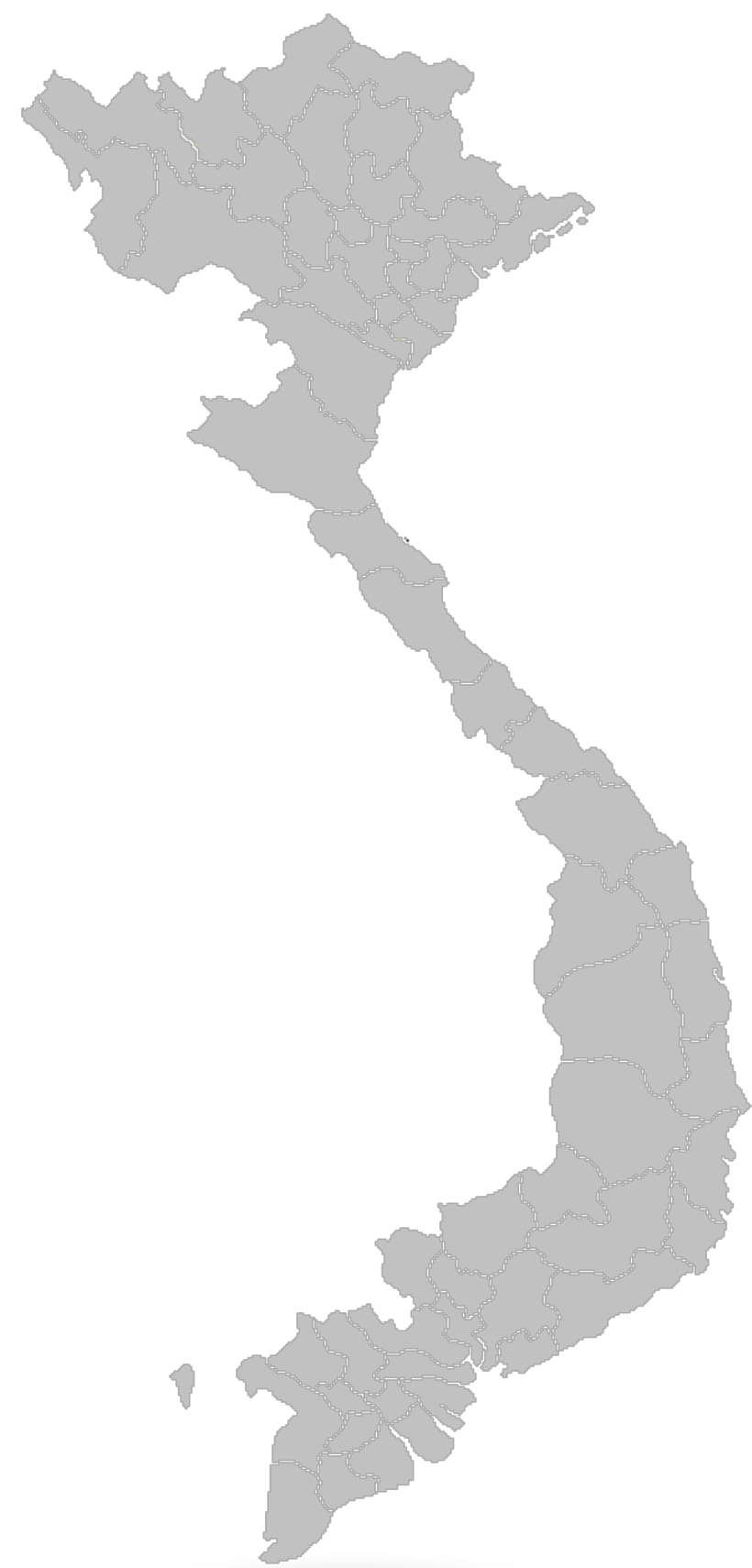
HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

**OTHER** (3,700 hectares)

HARVESTING TIME Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

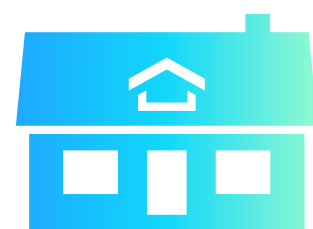


# VIETNAM AT A GLANCE



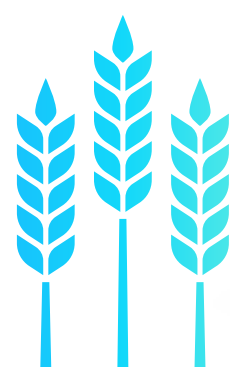
**292,000** Tons

TOTAL PEPPER VIETNAM AVAILABLE QUANTITY 2021



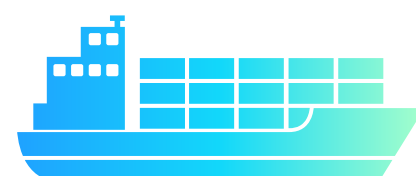
**42,000** Tons

CARRY OVER\*



**220,000** Tons

CROP SIZE



**30,000** Tons

IMPORT TO REPROCESS AND REEXPORT



Carry over **42.000** MTs like **frozen** stock and concentrate on **rich** farmers/collectors/exporters. It may keep a few more years and **no pressure** to offer to the spices market if price is **not attractive**.

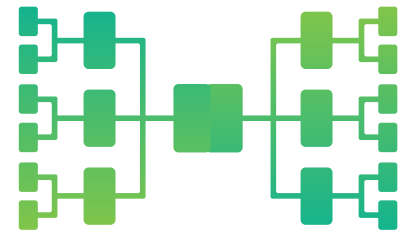


# VIETNAM AT A GLANCE

## BLACK PEPPER PRICE CHART

FROM JAN TO JUNE 2021





# CROP SURVEY CONSOLIDATION

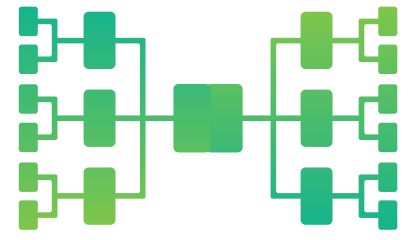
Pepper market in 2021 has been operating for **6 months** until now. Through recent developments and updated information. **Currently**, the black pepper crop has also happened **pretty clearly**. Let's take a look at some market movements in the first 6 months of the year.



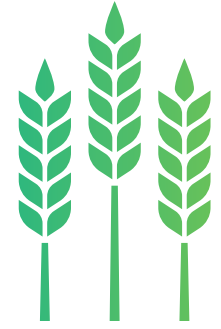
## PEPPER CROP SIZE 2021 AND ESTIMATE EXPORT SITUATION

COUNTRIES	CARRY OVER 2020	IMPORT	CROP 2021	DOMESTIC CONSUMPTION	QUANTITY AVAILABLE TO EXPORT 2021
Brazil	5,500	200	95,000	7,000	93,700
Indonesia	3,500	500	55,000	30,000	29,000
Malaysia	2,000	1,000	20,000	7,000	16,000
Sri Lanka	6,000	0	25,000	12,000	19,000
Cambodia	2,100	0	15,000	450	16,650
China	12,800	60,000	30,000	90,000	12,800
India	20,000	25,000	65,000	70,000	40,000
Thailand	1,000	4,500	4,500	8,500	1,500
Madagascar	1,000	0	3,500	1,500	3,000
Ecuador	700	0	5,000	1,000	4,700
Viet Nam	45,000	30,000	220,000	10,000	285,000
<b>Total</b>	<b>99,600</b>	<b>121,200</b>	<b>538,000</b>	<b>237,450</b>	<b>521,350</b>

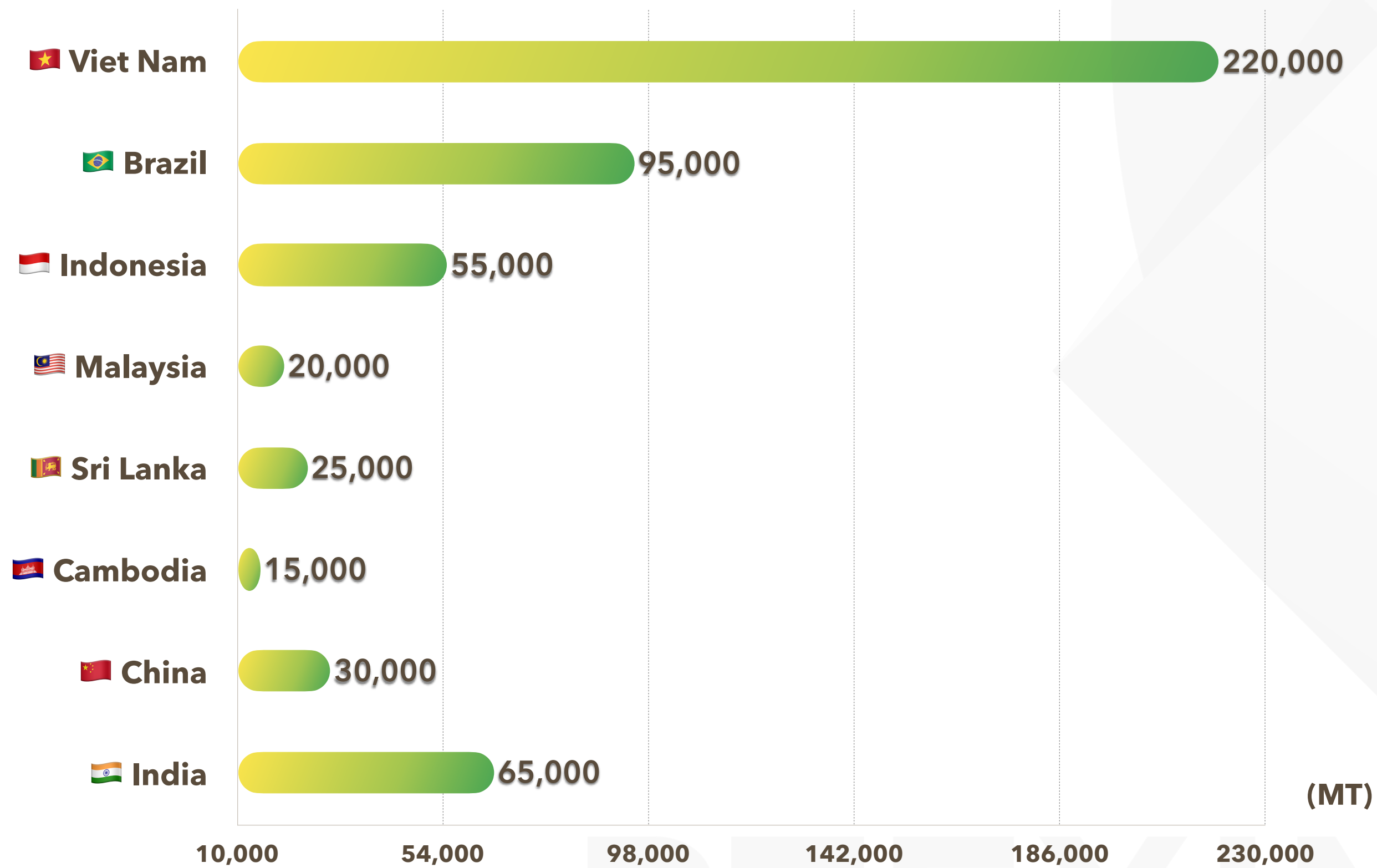
(MT)



# CROP SURVEY CONSOLIDATION



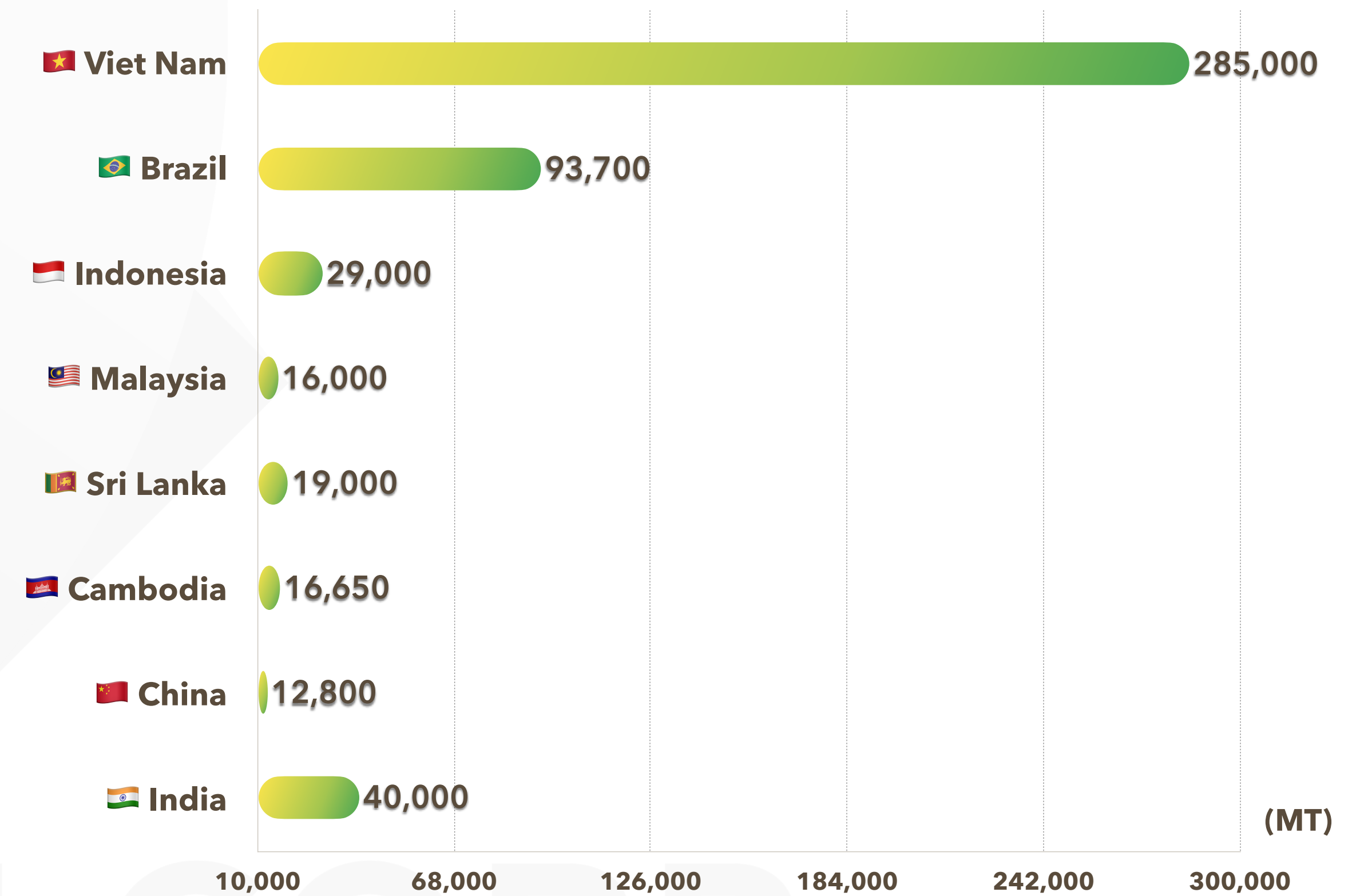
## CROP SIZE 2021



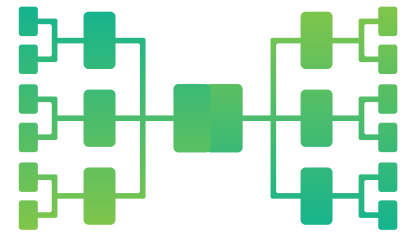
CROP SIZE 2021



## QUANTITY AVAILABLE TO EXPORT 2021



QUANTITY AVAILABLE TO EXPORT 2021



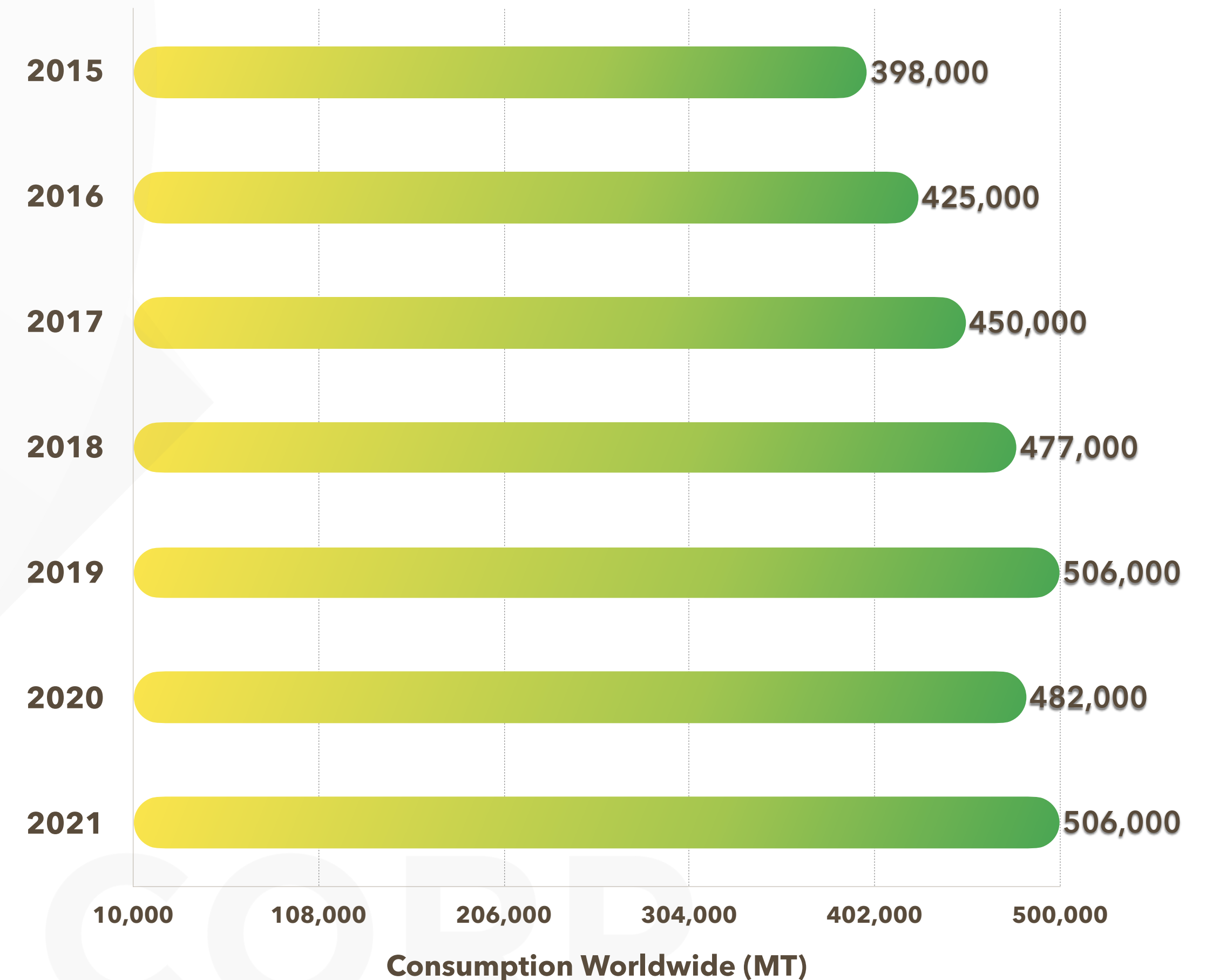
# CROP SURVEY CONSOLIDATION

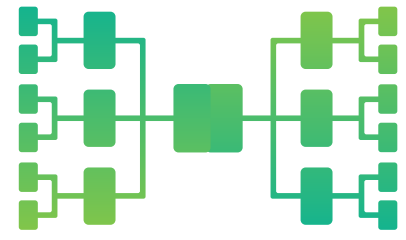


## YEARLY WORLD CONSUMPTION

Pepper consumption of the world is expected to increase by **6-8%** from **2015 to 2019**. In **2021**, the global demand forecasts will increase again by about **5%** at least.

YEAR	CONSUMPTION WORLDWIDE (MT)
2015	398,000
2016	425,000
2017	450,000
2018	477,000
2019	506,000
2020	482,000
2021	506,000





# CROP SURVEY CONSOLIDATION



## FORECAST SECOND HALF 2021 SITUATION

COUNTRIES	QUANTITY AVAILABLE IN 2021	EXPORTED FIRST HALF OF YEAR 2021 (JAN TO JUNE)	CARRY OVER 2021 (FORECAST)	QUANTITY AVAILABLE SECOND HALF 2021 TO EXPORT (JULY TO DECEMBER)
Brazil	93,700	40,000	4,583	49,117
Indonesia	29,000	17,000	2,917	9,083
Malaysia	16,000	5,500	1,667	8,833
Sri Lanka	19,000	5,000	5,000	9,000
Cambodia	16,650	12,000	1,750	2,900
China	12,800	0	10,667	2,133
India	40,000	10,000	16,667	13,333
Thailand	1,500	500	833	167
Madagascar	3,000	0	833	2,167
Ecuador	4,700	0	583	4,117
Viet Nam	285,000	155,000	37,500	92,500
<b>Total</b>	<b>536,850</b>	<b>245,000</b>	<b>83,000</b>	<b>193,350</b>

(MT)



Carry over 2021 is **forecast**. Every year always have stock keeping in exporters / dealers / farmers .The data above not including lost weight when process white pepper in Viet Nam (Estimate around **17.000 metric tons - lost 25%**)



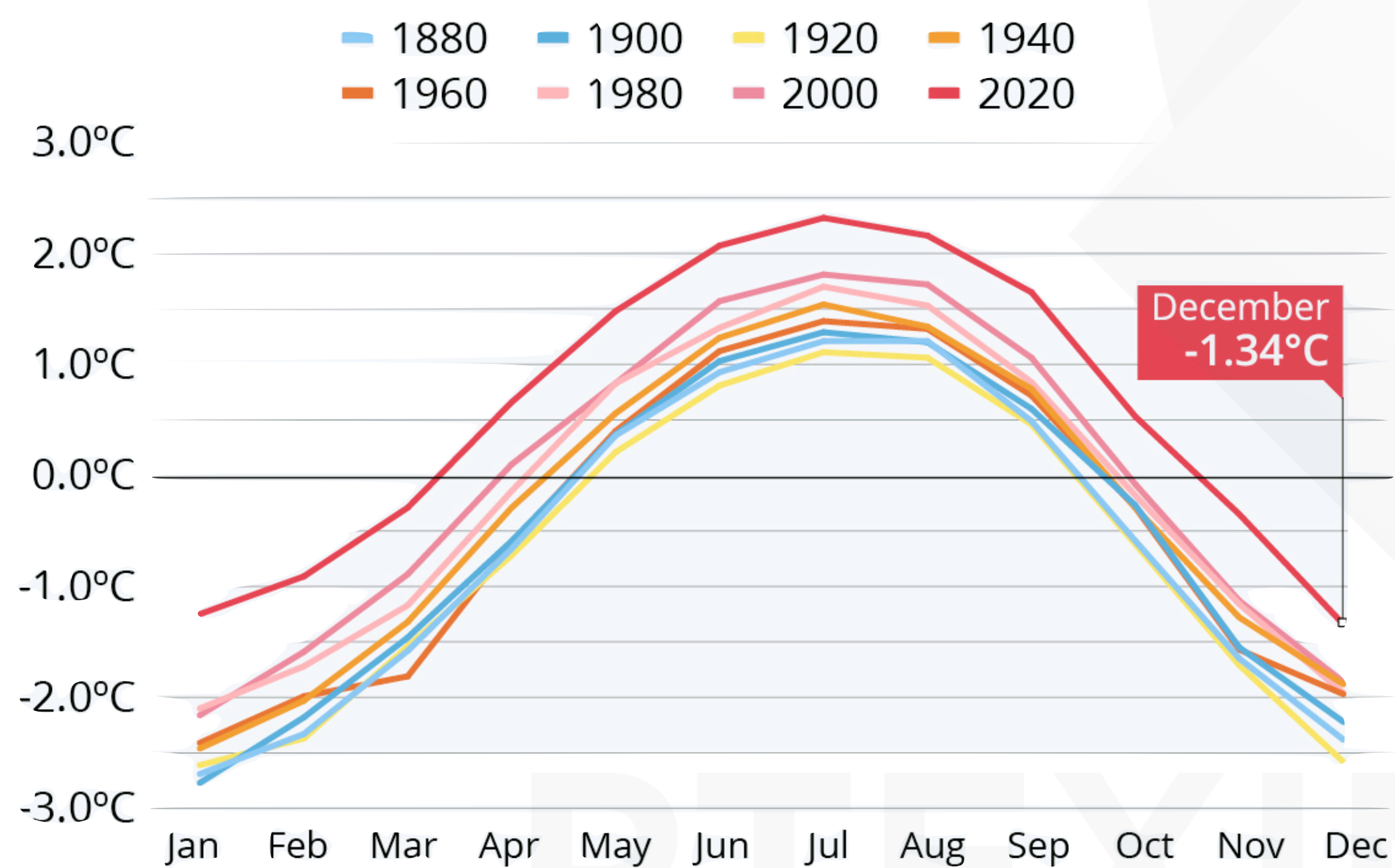
# FACTORS MAY AFFECT PEPPER PRICES IN THE NEAR FUTURE

## CLIMATE CHANGE AT COUNTRIES PROCESS PEPPER



### Earth is Heating Up

Monthly divergence from average temperature (calculated for 1880-2015) in selected years



Source : NASA

*i* Data from **NASA** shows the Earth gradually heating up since the late 19th century. Since the year 2000, this trend seems to have accelerated as shown in the visualization of the data released. December 2020 was just **1.34°C** colder than the average month recorded on Earth since 1880. In past decades, December was frequently **2 to 2.5° C colder**.

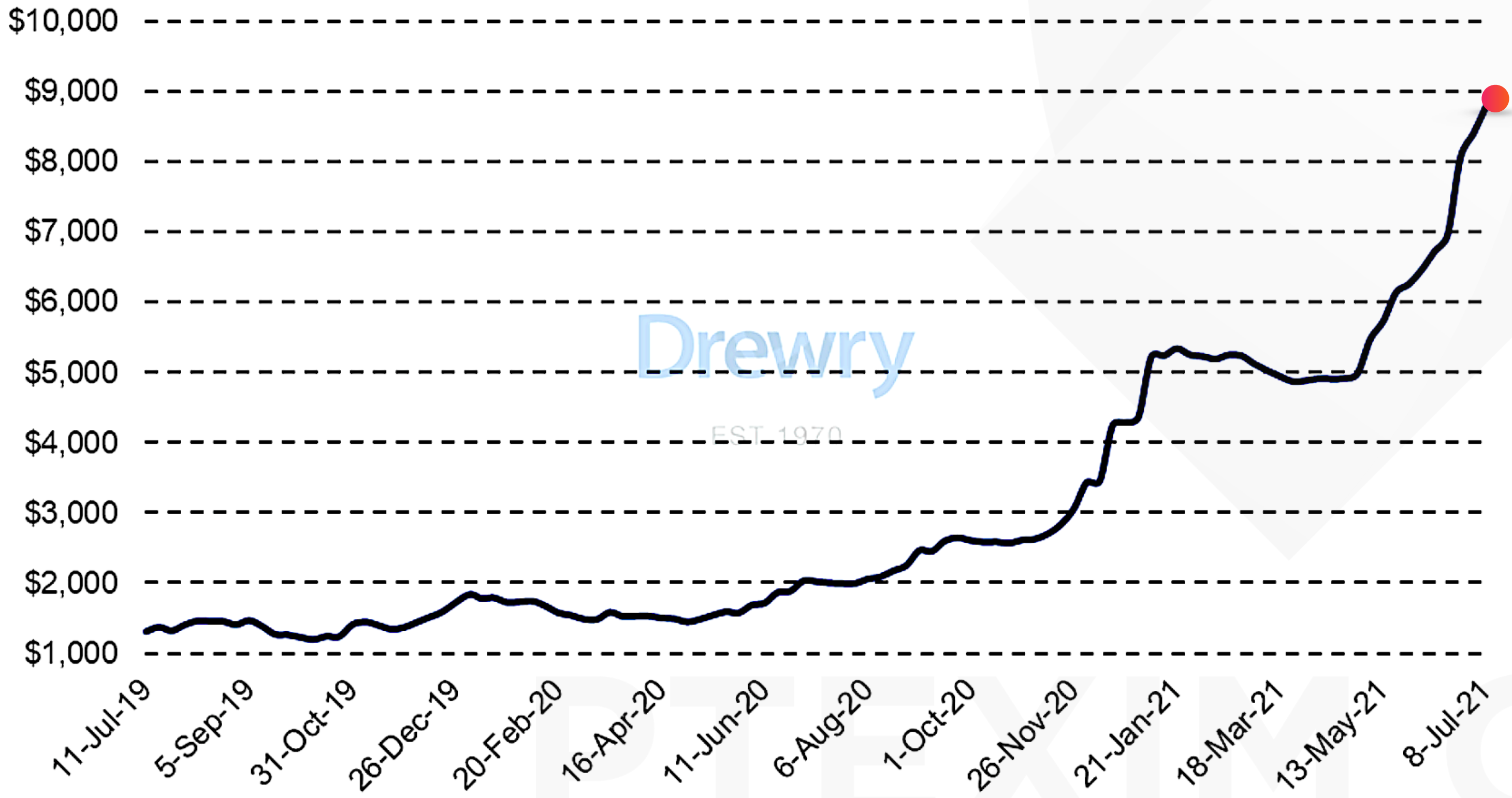


# FACTORS MAY AFFECT PEPPER PRICES IN THE NEAR FUTURE

## SHIPPING & FREIGHT



World Container Index - Assessed by Drewry  
\$ per 40 ft container



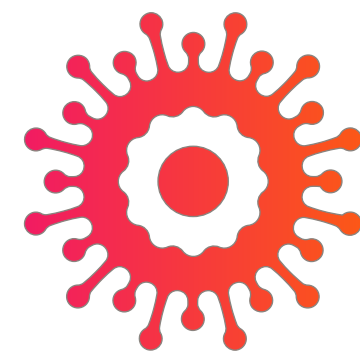
In order to expose Container rates, PTEXIM refers other good source. **World Container Index** (weekly) by **Drewry** (UK) also shows Container Rates have risen from **2019 until now**.

① **Ocean freight** from 🇻🇳 **Vietnam** to 🇪🇺 **EU** at the same time last year was about **\$1,450** per 40FCL container, now **it's \$12,500 - \$13,000!** - an **increase of 800%** over the same period last year.

① **Ocean freight** from 🇻🇳 **Vietnam** to 🇺🇸 **USA** at the same time last year was about 3,350 USD / 1 40FCL container, now it is **15,000 USD!** - an increase of **350%** over the same period.

# FACTORS MAY AFFECT PEPPER PRICES IN THE NEAR FUTURE

COVID-19 VIRUS



Corona Virus is affecting agriculture in two significant aspects: the supply and demand for food. These two aspects are directly related to food security, so food security is also at risk. Beside, because of Corona Virus, containers and Ocean Freight rates have surged, which affected directly in demand, price of Pepper.

## Coronavirus around the world

## CoronaVirus mapped

Total deaths

**4 million**

Latest daily figure

**8,698**

new deaths

56-day trend



Total confirmed cases

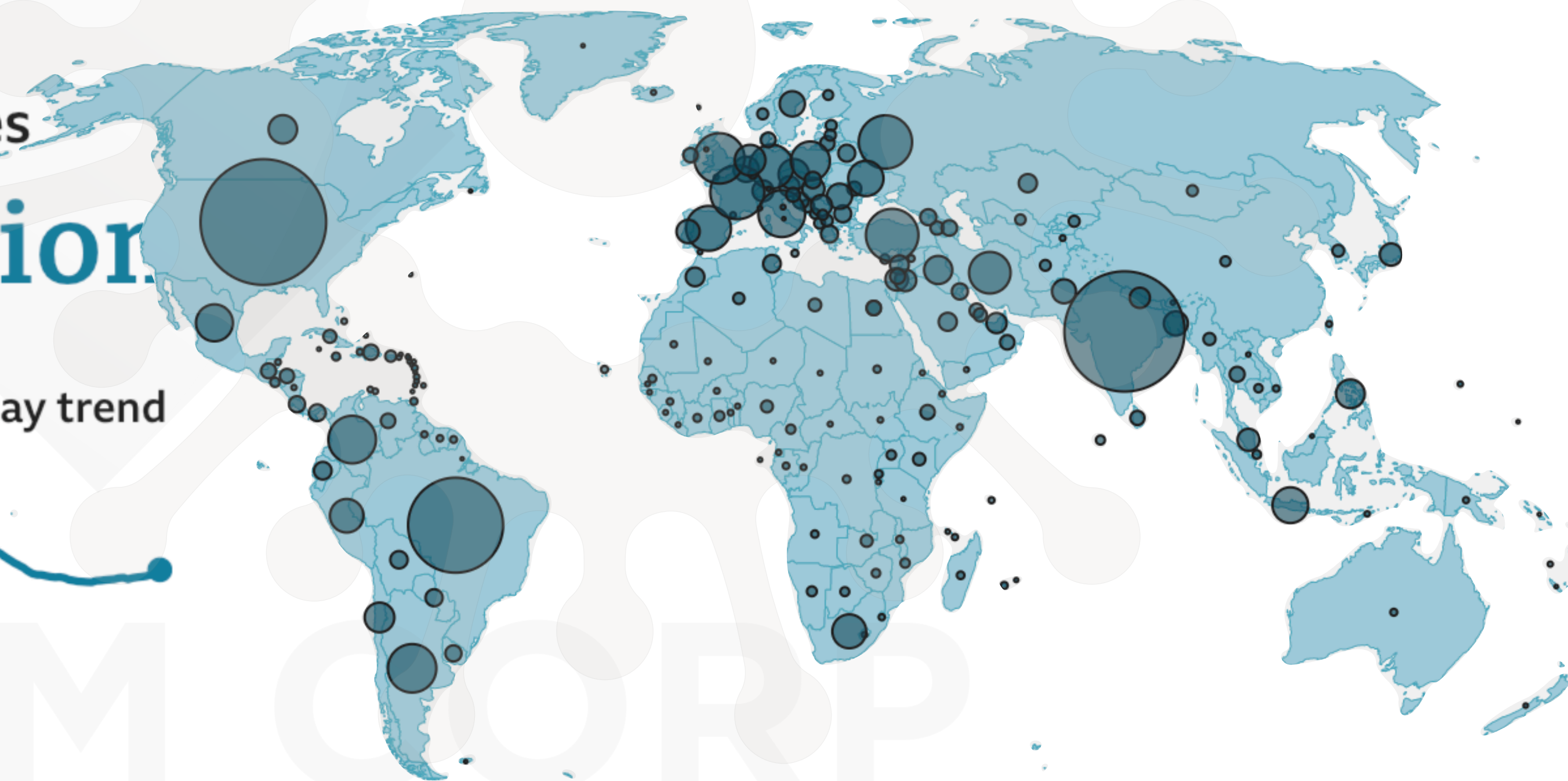
**185.1 million**

Latest daily figure

**462,186**

new cases

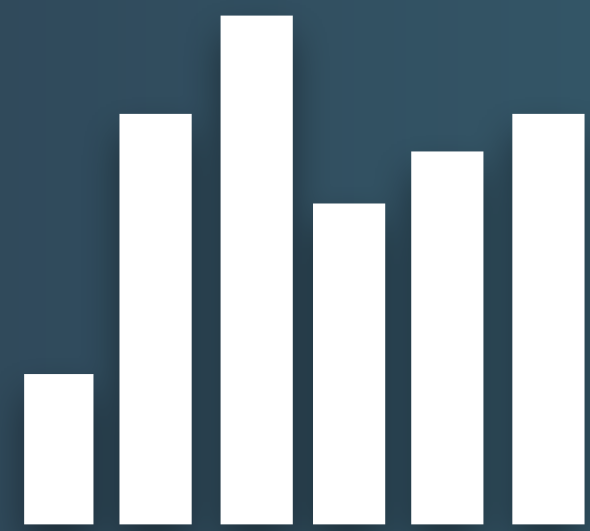
56-day trend



Source: Johns Hopkins University, national public health agencies, 8 Jul



# FORECAST MARKET TREND DURING SECOND HALF 2021 & 2022



**STABLE / FIRM**

 **JULY-AUGUST**

**SHORT-TERM**




**UPTREND**

 **2021**

**MEDIUM-TERM**



**UPTREND**

 **2021-2022**

**LONG-TERM**

# GLOBAL PEPPER SITUATION

IN THE FIRST

6

MONTHS OF 2021



# THANK YOU!

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PTEXIM CERTIFICATE



RAINFORREST ALLIANCE



USDA ORGANIC *Available during 2022*



## PTEXIM FACTORY



**1. WHOLE SPICES FACTORY (Address : Daklak Province, VN)**



**2. FOOD FACTORY (Address : Ba-Ria Vung Tau Province, VN)**

[www.ptexim.com.vn](http://www.ptexim.com.vn)