



PTEXIM CORPORATION

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MONTHLY REPORT | **JULY**



IMPORTANT INFORMATION
OF PEPPER'S MARKET IN
JULY 2021

MONTHLY REPORT | JULY 2021



PHUC THINH EXPORT IMPORT INVESTMENT CORPORATION (PTEXIM CORP)

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Foreword

“ The pepper market in July had a fluctuation in the month due to many factors such as very low demand of the whole market, long holiday, the situation of freight rates, complicated epidemics...

We would like to send you a summary of the July report as well as the factors that may affect the market in the near future.

We hope to provide you with a clearer view of how the pepper market will operate in the last 5 months of 2021.

Wish everyone will have a new working week, a new working month with lots of health, excitement, convenience and happiness.

Best regards! ”



VIETNAM BLACK PEPPER PRICE CHART

JULY 2021

- Highest price of July at 78,000 VNĐ, then price sideway almost month.
- From 24th-27th July, Black pepper price decreased to 75,000 and kept at this price only 4 days then come back to its main price of July - at 76,000 VNĐ.
- From 1/1/2021 to 7/31/2021, black pepper price has risen up to 41%.



FROM 2020 - JULY 2021

VIETNAM BLACK PEPPER PRICE CHART

i From 1/1/2020 to 7/31/2021, black pepper price has risen up to **74%**. Increased from 44,000 at 1/1/2020 to 76,500 at 7/31/2021



2020

2021

JULY

#2

SIZE OF PEPPER MARKET

EXPORT VIETNAM BLACK PEPPER INSIGHT

JULY
2021



JAN TO
JULY 2021



It is forecasted that the export volume in July will reach approximately 29,000 tons, bringing the total export volume in 7 months 2021 reached 183,000 tons (same period last year reached 184,571 tons).

Many large agents / dealers, many manufacturers have suspended operations, causing the situation that production supply for export has been affected. If the market demand suddenly increases again, the impact is likely to be strong when most export producers are unable to meet the current conditions. The supply chain has been broken and the ability to supply pepper and other product for export has been seriously affected.

BROKEN SUPPLY CHAIN



1



FARMERS IN PEPPER AREAS

- Households are also very limited in contact with and selling to agents /dealers due to social distancing / lockdown from the government as well as fear of epidemics situation.
- Many raw material areas also lock down and government tight control for movement.



2



DOMESTIC AGENTS / DEALERS

- The quantity of raw material **circulating** in the market is **low** from farmers.
- Afraid of the **disease spreading** when buying and selling with farmers, so agents only buy and sell in moderation or temporarily stop working. (several biggest collectors **closed** in temporary and **not delivery** raw material to the processor)

3 | INLAND TRANSPORTATION

- Transporting domestic raw material from agents to manufacturing and exporting companies is difficult because many conditions must be met such as;
- Drivers must be tested and have negative results when passing through stations control between provinces
- Transport drivers are also afraid to move and domestic freight rates increase rapidly, with limited services.





- Slow buying and selling due to low demand from importing countries with many long holidays in USA / EU / Middle East...from **1st July to 23rd July**.
- Last week demand more coming from oversea customer in USA / EU trying to build stock.
- Manufacturing and exporting companies are currently operating in moderation or temporarily suspending production or offering new orders, only focusing on delivering goods for signed orders;
- Factory has organized production activities according to **Directive 16** and applied measures to strongly strengthen the implementation of social distancing by the Chairman of Ho Chi Minh City People's Committee, adhering to the principle of "**3 at the spot**" (On-site production - eating at the spot - resting at the spot) and ensuring "**1 route - 2 locations**" (Only one route to transport workers from the production place to the worker's residence)
- Feeling afraid of disease when having to interact with many different people.
- The ability to receive from the raw material area is very limited. Most have to take inventory to produce.
- Current Inventory reducing fast.



5



STATE AGENCIES

- State agencies such as Plant Production Department (Phyto certification) / CO / Customs/ Shipping / express delivery agencies such as DHL / FEDEX... are also being disrupted, so the procedures for issuing export documents, sending export documents, receiving and Booking payment was interrupted quite seriously.
- As such, the supply chain has been severely affected from farmers to exporters.

6



HO CHI MINH PORT

- On July 31, Saigon Newport Corporation announced that it would temporarily **stop receiving import and export** cargo at Cat Lai Port (HCM Port) , Thu Duc City, Ho Chi Minh City.
- The quantity of imported containers in stock at Cat Lai port is increasing rapidly because many factories and enterprises reduce production or stop operating due to epidemic prevention requirements, adversely affecting the receipt and delivery of goods, cargo for export...
- Shipping lines, shipping agents, Cat Lai port **temporarily suspends** receiving **imported goods** from customers who are stopping production; encourage receive cargo but for immediate export.

☁ CLIMATE CHANGE IN VIET NAM

Thought many reason can be affected to price and quantity of black pepper, with experience growing sustainable agriculture via Rain Forest Project, Organic, GAP...we believe that weather is one of the most important thing affects directly into Black pepper price and quantity next years.

- Annual average temperature increased about 0.5°C. (During the last 50 years from 1958 to 2007).
- Winter temperatures increased faster than those of summer.
- Inland temperatures increased faster than those of coastal and island zones.
- According to NASA, 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.

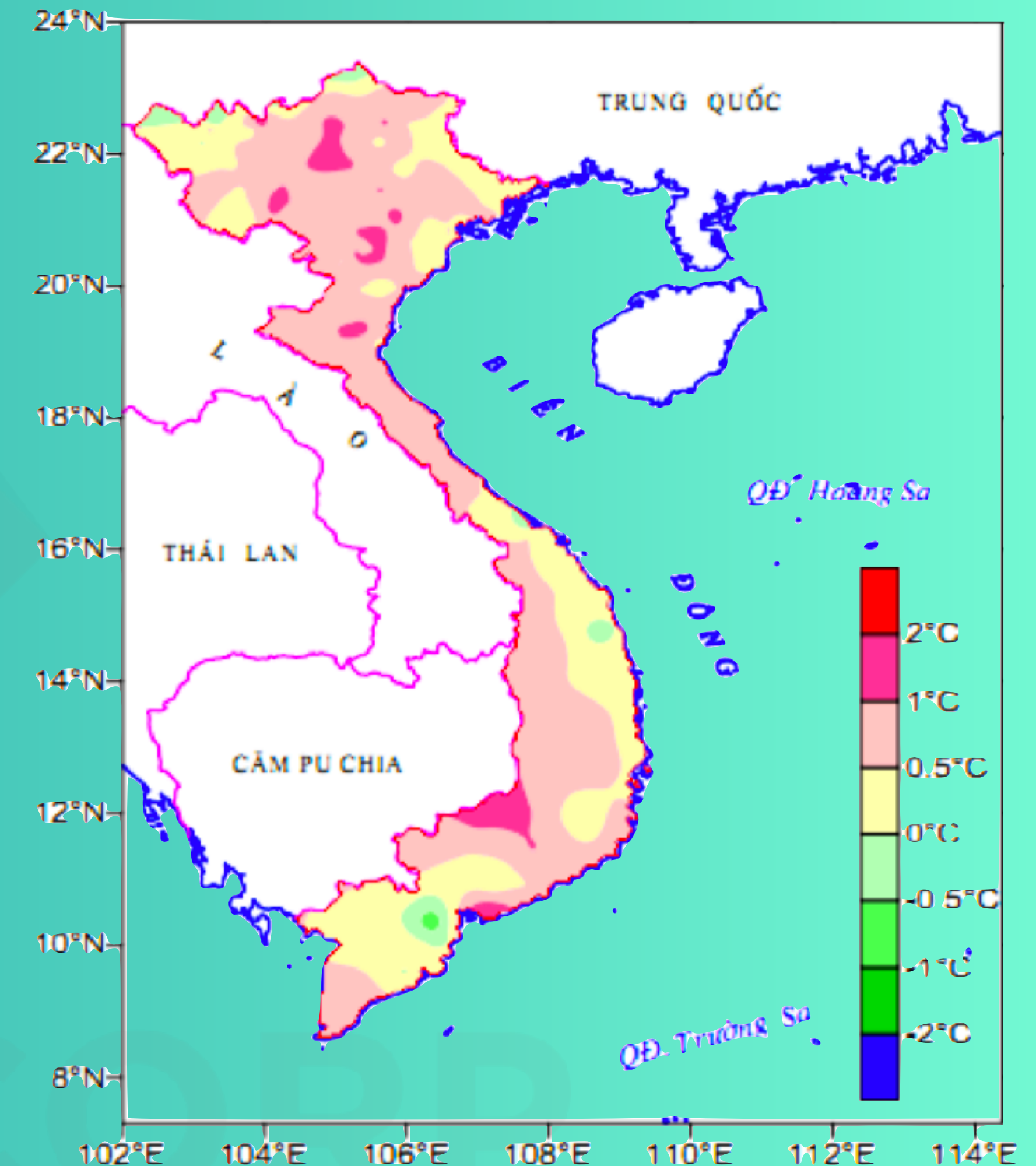


Figure: Heat map chart shows as climate change in Vietnam from 1958 to 2007.

Source: MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT DEPARTMENT OF METEOROLOGY, HYDROLOGY AND CLIMATE CHANGE VN

SEA FREIGHT RATES HAVE **SOARED 800%**. HERE'S WHY

Let's look into sea freight rates have soared in 2021

HOW MUCH HAVE SEA FREIGHT RATES INCREASED?

**VIETNAM TO EU MAIN PORT
HAMBURG; ROTTERDAM**

130000\$

796% ↑

**% CHANGE
2020 VS 2021**

1450\$

2020

2021

(Ocean Freight from Vietnam to Valencia / Gdynia / Antwerp / Bergen / Fos/ Trieste / Livorno ... are higher than Vietnam to Rotterdam; Hamburg about **500\$** once 40 feet Hight Cube Container - 40" DC)

**VIETNAM TO U.S.A
NEW YORK/BALTIMORE**

170000\$

407% ↑

**% CHANGE
2020 VS 2021**

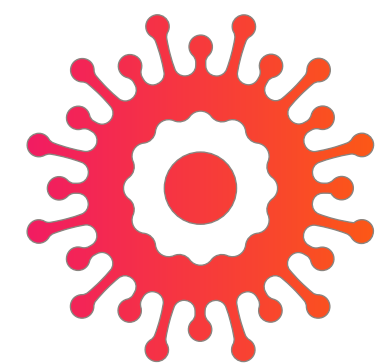
3350\$

2020

2021

(Ocean Freight from Vietnam to U.S.A Chicago / Norfolk... are higher than Vietnam to (New York/Baltimore) about **200\$** once 40 feet Hight Cube Container - 40" DC)

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

Total deaths

4.1 million

Latest daily figure

56-day trend

11,644

new deaths



Total confirmed cases

196.6 million

Latest daily figure

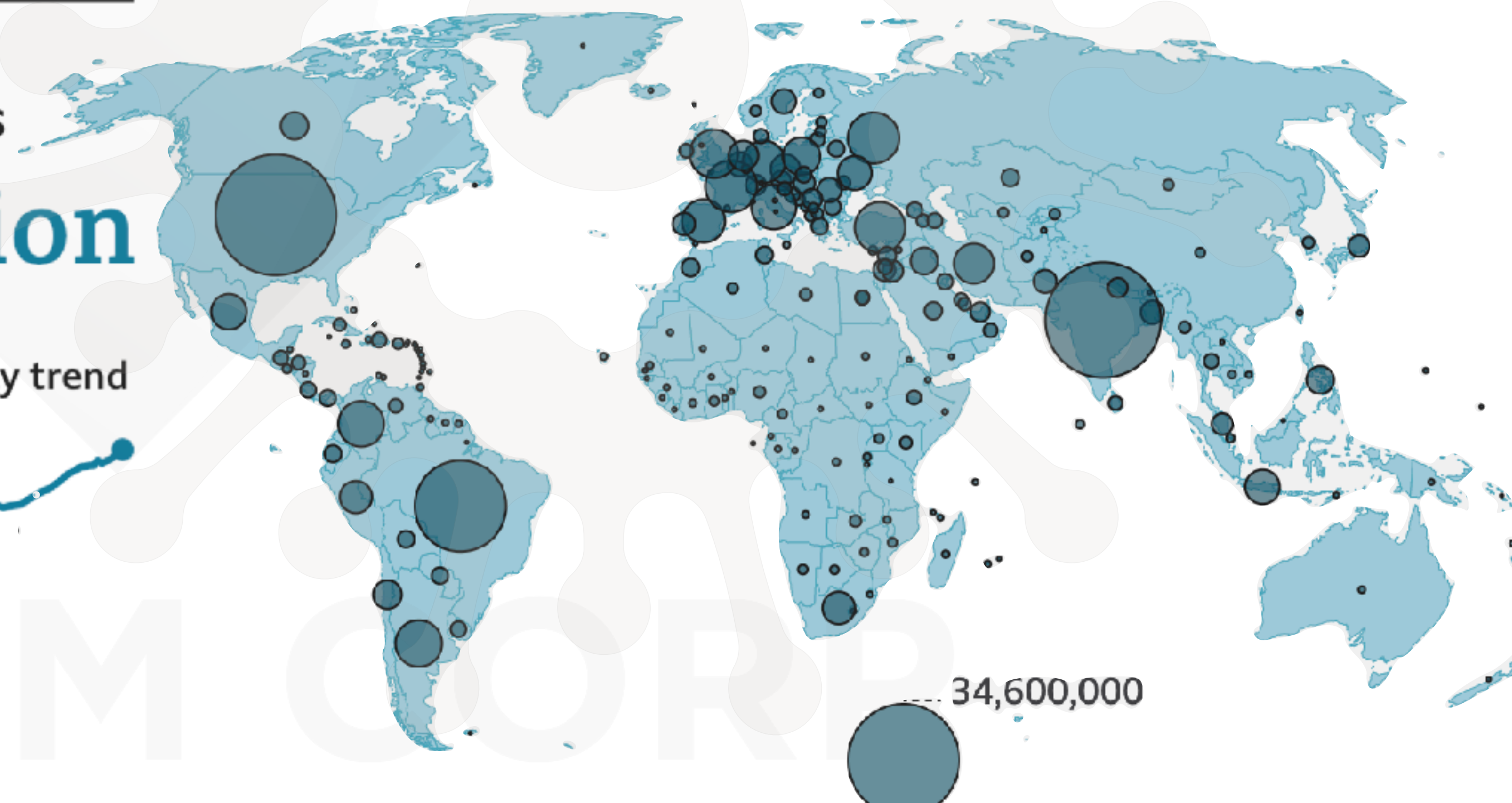
56-day trend

657,714

new cases



CoronaVirus mapped



Source: Johns Hopkins University, national public health agencies, 30 Jul

\$ CURRENCY



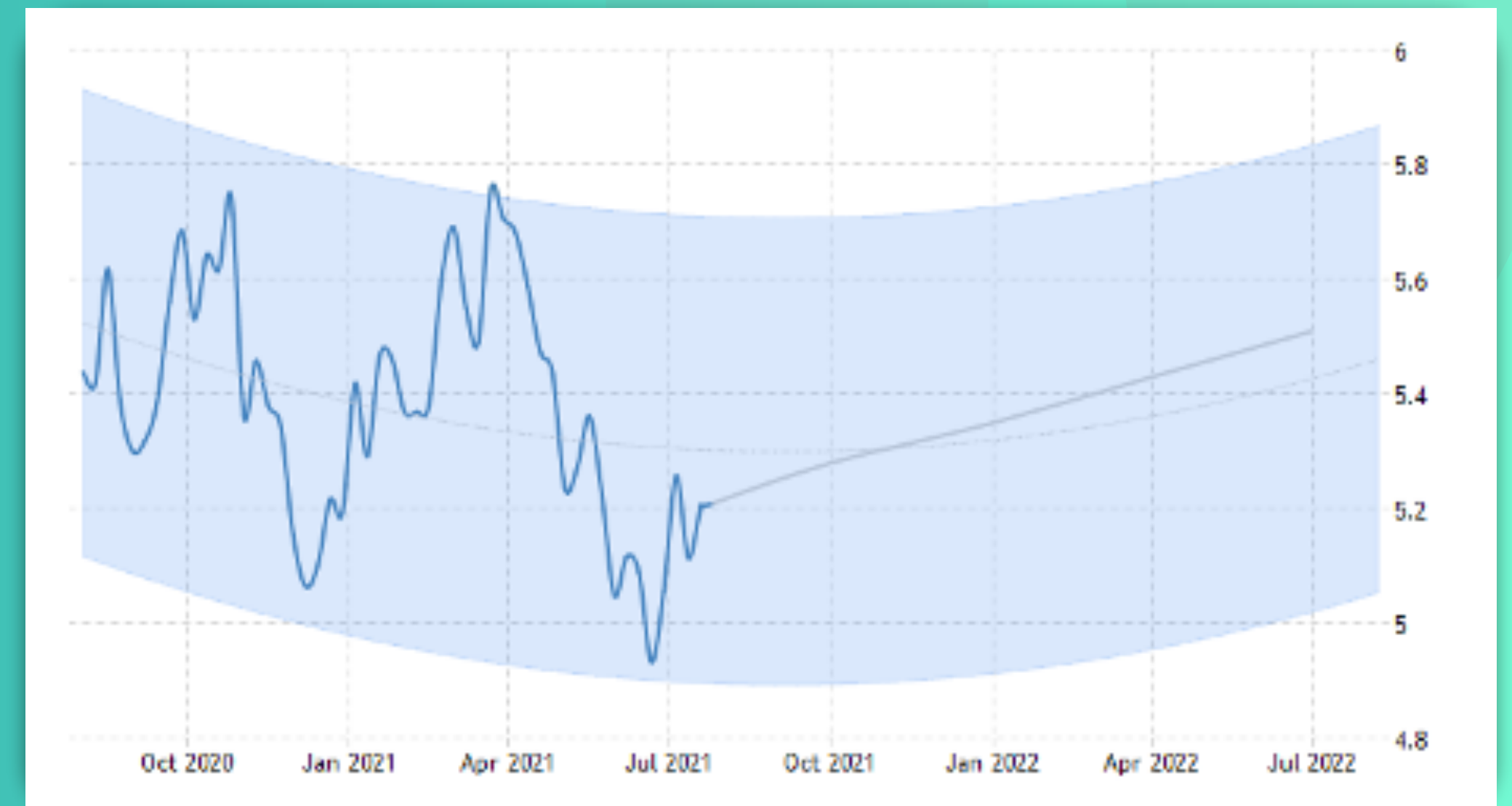
VIETNAMESE DONG



- The Vietnamese Dong is expected to trade at **23005.00** by the end of this quarter, according to Trading Economics global macro models and analysts expectations. Looking forward, we estimate it to trade at 23005.00 in 12 months time. (<https://tradingeconomics.com>)
- US withdraws Vietnam from currency manipulator list so we can foresee VN currency will becoming stable or stronger against compare with USD from now until 2022 even Vietnam's trade deficit has reached \$2.7 billion in the first 7 months of the year 2021.

R\$ BRAZILIAN REAL CURRENCY

- The Brazilian Real is expected to trade at **5.28** by the end of this quarter, according to Trading Economics global macro models and analysts expectations. Looking forward, we estimate it to trade at **5.51** in 12 months time. (<https://tradingeconomics.com>)





About Brazil

- The second crop in Brazil has been harvested with quantity available around 40.000 tons from July to December.
- Some information about frost in Brazil pushed coffee prices up 15% last week.
- 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
- Freak Brazil frost hits heart of coffee belt, damaging crops.



About Indonesia

- The epidemic situation in Indonesia is very serious, which has severely affected the harvest of the 2021 **crop**. Currently the supply chain from Indonesia has been **interrupted**.
- Freight rates from Indonesia are high and getting containers / bookings from shipping lines is **not feasible**.

LOOK UP LATEST NEWS PEPPER MARKET

 According Data collected by Admin Dept's PTEXIM, we would like to take important information:

- Last week, the pepper price **increased** by **50-75 \$** compared to the previous week due to the demand from various countries such as USA / EU / ASIA / CHINA...
- Many different countries have started buying again after the long holiday and preparing for raw materials for production orders of the third and fourth quarters of 2021.
- Due to the situation of not being able to buy raw material from Indonesia, manufacturers had to increase their purchases from Vietnam to make up for the shortage not only from oversea customer but also internal processor.

OFFER & UPDATING PEPPER PRICE

I would like to give you an indication price PEPPER / CASSIA / STAR ANISE / TURMERIC... based on NET FOB HCM as follows

• WHOLE PEPPER

NO	ITEM	FOB (USD/MT)	EU MAINT PORT	NY/BAL
PINHEAD PEPPER				
1	PINHEAD < 1MM SUPER CLEANED	\$968	\$1,780	\$1,818
2	PINHEAD 1.5MM - 2MM CLEANED	\$1,686	\$2,499	\$2,536
3	PINHEAD 2MM - 2.5MM CLEANED	\$1,909	\$2,722	\$2,759
4	PINHEAD SUPERIOR QUALITY	\$2,355	\$3,167	\$3,205
5	LIGHT BERRIES TO EXTRA OIL (6-7% PIPERINE)	Please Contact	Please Contact	Please Contact
WHOLE PEPPER				
6	VBP 500 G/L FAQ	\$3,489	\$3,953	\$4,169
7	VBP 550 G/L FAQ	\$3,720	\$4,184	\$4,400
8	VBP 500 G/L Spiral Cleaned	\$3,771	\$4,235	\$4,451
9	VBP 550 G/L Spiral Cleaned	\$3,873	\$4,338	\$4,553
10	VBP 550 G/L Spiral Cleaned Pesticide	\$4,073	\$4,538	\$4,753
11	VBP 570 G/L ASTA	\$3,941	\$4,406	\$4,621
12	VBP 5MM Jumbo Size	\$4,062	\$4,526	\$4,742
13	White PEPPER 630 G/L DW	\$5,472	\$5,937	\$6,152
14	White PEPPER 630 G/L ASTA	\$5,517	\$5,981	\$6,197

• STEAM STERILIZED PEPPER & PESTICIDE GUARANTEE EU COMPLIANCE

NO	ITEM	FOB (USD/MT)	EU MAINT PORT	NY/BAL
STEAM STERILIZED PINHEAD PEPPER FOR GRINDING				
1	Steam Sterilized Pinhead < 1MM	\$1,318	\$2,130	\$2,168
2	Steam Sterilized Pinhead 1.5MM - 2MM	\$2,036	\$2,849	\$2,886
3	Steam Sterilized Pinhead 2MM - 2.5MM	\$2,259	\$3,072	\$3,109
4	Steam Sterilized Pinhead Super Quality	\$2,705	\$3,517	\$3,555
STEAM STERILIZED PEPPER				
5	Steam Sterilized Pepper 500G/L	\$4,034	\$4,498	\$4,714
6	Steam Sterilized Pepper 550G/L	\$4,172	\$4,637	\$4,852
7	Steam Sterilized Pepper 570G/L	\$4,241	\$4,706	\$4,921
8	Steam Sterilized Pepper 5MM	\$4,339	\$4,803	\$5,019
9	Steam Sterilized White Pepper 630G/L	\$5,904	\$6,368	\$6,584
STEAM STERILIZED PEPPER - EU COMPLIANCE				
10	Steam Sterilized Pepper 500G/L	\$4,214	\$4,678	\$4,894
11	Steam Sterilized Pepper 550G/L	\$4,352	\$4,817	\$5,032
12	Steam Sterilized Pepper 570G/L	\$4,421	\$4,886	\$5,101
13	Steam Sterilized Pepper 5MM	\$4,519	\$4,983	\$5,199
14	Steam Sterilized White Pepper 630G/L	\$6,084	\$6,548	\$6,764

• CASSIA/TURMERIC/STAR ANISE

NO	ITEM	FOB (USD/MT)	NOTE
1	WHOLE CASSIA;	\$3,611	>4% VO
2	CASSIA SPLIT;	\$3,522	>4% VO
3	CASSIA BROKEN CLEANED 2% VO;	\$2,312	>2% VO
4	CASSIA BROKEN CLEANED 2.5% VO;	\$2,668	>2.5% VO
5	CASSIA BROKEN CLEANED 3% VO;	\$2,890	>3% VO
6	CASSIA BROKEN CLEANED 3.5% VO;	\$3,423	>3.5% VO
7	CASSIA BROKEN CLEANED 4% VO;	\$4,089	>4% VO
8	CASSIA STICK CUT 6 - 10CM - ROLLED 90%;	\$5,765	>4% VO
9	CASSIA CIGARETTE LONG STICK	\$5,721	>4% VO
10	CASSIA POWDER 1 - 1.5% VO;	\$1,868	1-1.5% VO
11	CASSIA POWDER 2% VO;	\$2,312	2% VO
12	CASSIA POWDER 2.5% VO;	\$2,757	2.5% VO
13	CASSIA POWDER 3% VO;	\$2,979	3% VO
14	STAR ANISE SUPERIOR;	\$13,559	2.5cm, 80%
15	STAR ANISE STANDARD;	\$13,115	2.0cm, 80%
16	TURMERIC FINGER;	\$1,504	
17	POLISHED TURMERIC FINGER;	\$1,730	
18	TURMERIC POWDER;	\$1,414	
19	TURMERIC SLICE SUN DRIED;	\$1,459	
20	WASHED TURMERIC SLICE SUN DRIED;	\$1,594	
21	TURMERIC SLICE MACHINE DRIED;	\$1,594	

• CASSIA STEAM STERILIZED PESTICIDE GUARANTEE

NO	ITEM	FOB	EU MAIN PORT	USA MAIN PORT
1	STEAM STERILIZED CASSIA BROKEN 2% VO;	\$2,812	\$3,606	\$3,812
2	STEAM STERILIZED CASSIA BROKEN 2.5% VO;	\$3,168	\$3,962	\$4,168
3	STEAM STERILIZED CASSIA BROKEN 3% VO;	\$3,390	\$4,184	\$4,390
4	STEAM STERILIZED CASSIA BROKEN 3.5% VO;	\$3,923	\$4,717	\$4,923
5	STEAM STERILIZED CASSIA BROKEN 4% VO;	\$4,589	\$5,383	\$5,589
6	STEAM STERILIZED CASSIA POWDER 1 - 1.5% VO;	\$2,368	\$2,908	\$3,048
7	STEAM STERILIZED CASSIA POWDER 2% VO;	\$2,812	\$3,352	\$3,492
8	STEAM STERILIZED CASSIA POWDER 2.5% VO;	\$3,257	\$3,797	\$3,937
9	STEAM STERILIZED CASSIA POWDER 3% VO;	\$3,479	\$4,019	\$4,159

• PEPPER POWDER PESTICIDE GUARANTEE

GROUND STEAM STERILIZED BLACK PEPPER	(USD/MT)
Half Cracked HTST black pepper;	\$5,460
Granulate HTST black pepper;	\$5,358
Coarse HTST black pepper 12 -> 14# ;	\$5,103
Table HTST black pepper 18 -> 28# ;	\$5,059
Fine HTST black pepper 30 -> 34# ;	\$5,014
Ground HTST black pepper 40 -> 100# ;	\$4,881
GROUND STEAM STERILIZED WHITE PEPPER	(USD/MT)
- Half Cracked HTST White Pepper;	\$7,692
- Granulate HTST white pepper;	\$7,545
- Coarse HTST white pepper 12 -> 14# ;	\$7,326
- Table HTST white pepper 18 -> 28# ;	\$7,262
- Fine HTST white pepper 30 -> 34# ;	\$7,198
- Ground HTST white pepper 40 -> 100# ;	\$7,007

PTEXIM MONTHLY

REPORT | JULY

Warm Regards!

Please do not hesitate to send me if you have any further request.

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PTEXIM CERTIFICATE



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