

Cumin Weekly Update

Given the high production, even if demand increases the cumin market is positioned to remain stable in the short term.

If you need to stock up on cumin for the year-end months, now is the right time.

Sept 30th, 2024



Inside

A. Price

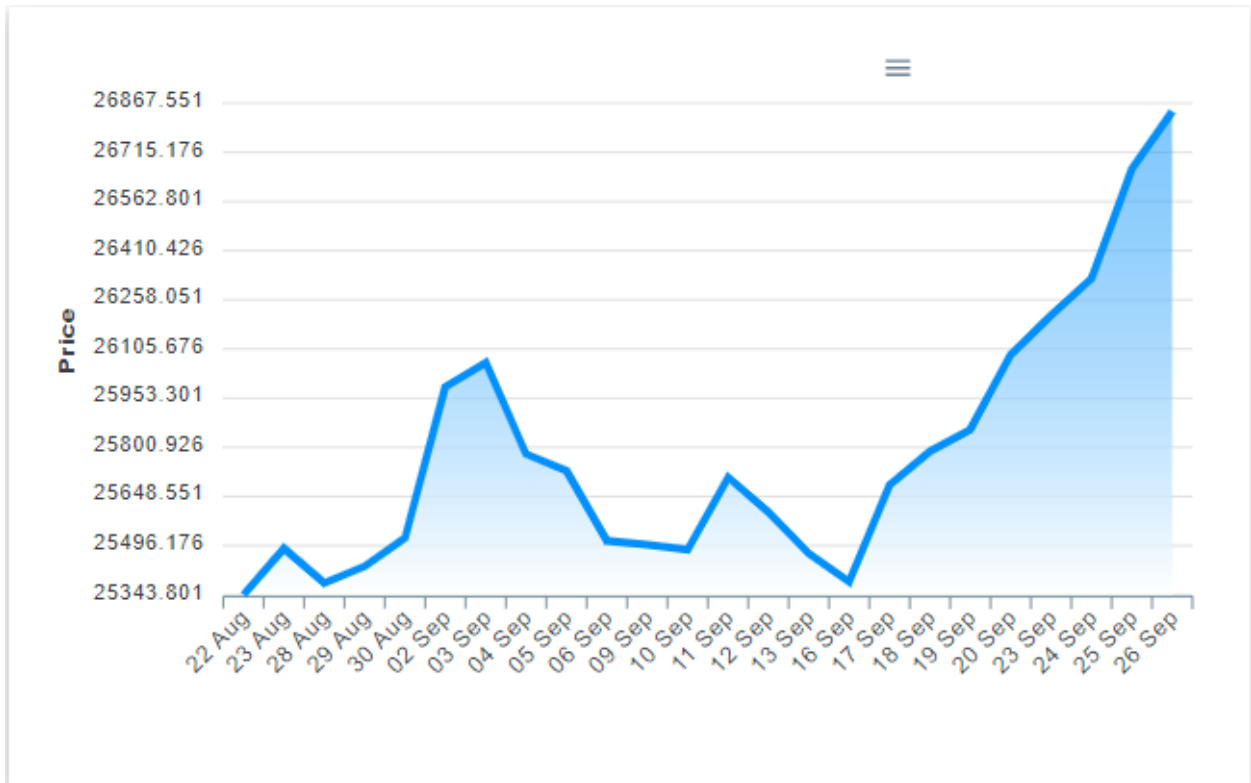
B. Supply

C. Demand

D. Our View

A. Price:

NCDEX Spot Chart



After a prolonged period of decline and stagnation around the \$3,000 per MT, the cumin market is currently experiencing a slight recovery. Over the past few weeks, prices have increased by approximately \$100/ per MT, signaling potential signs of a market rebound.

B. Supply:

Cumin is a short-duration crop, which means that farmers can choose to plant or switch to other crops with relative ease based on market conditions and profitability. This characteristic of cumin cultivation introduces a unique dynamic to the supply-demand balance each year, making it particularly sensitive to price fluctuations and market sentiment.

In the current market environment, where cumin prices have remained relatively low and below expectations, there is a concern that farmers may lose motivation to continue planting cumin in the next season. If prices do not recover to a level deemed profitable, there is a real possibility that farmers will opt for alternative crops with better financial returns, such as coriander, fennel, or other short-duration crops.

According to recent estimates from Agriwatch, the total cumin production from March 2024 to February 2025 is projected at approximately 4.57 lakh metric tons (LMT), which marks a significant increase of 66.18% compared to last year's output. Even if there is a decline in cumin acreage next year due to shifting farmer preferences, the excess supply available this year will provide some level of stability. The high stock levels will act as a cushion, mitigating the impact of any potential reduction in new crop arrivals.

C. Demand:

Demand from major markets appears to be gradually picking up again as importers and wholesalers start preparing for the year-end festive season, including celebrations like Easter and New Year. These festivals typically drive a surge in demand for spices, including cumin, as it is a key ingredient in various seasonal dishes and traditional cuisines.

D. Our View:

- Given the high production, even if demand increases the cumin market is positioned to remain stable in the short term.
- If you need to stock up on cumin for the year-end months, now is the right time.

For any questions or comments please feel free to contact our team:

Mr. Jasvinder

Jasvinder@namagro.com

Ms. Han

giahan@namagro.com

