

# Cardamom Weekly Update

1. Cardamom market witnessed significant price fluctuations due to unfavorable weather conditions.
2. There is a serious shortage of cardamom supply not only in India but also globally.

Jul 2nd, 2024



**Inside**

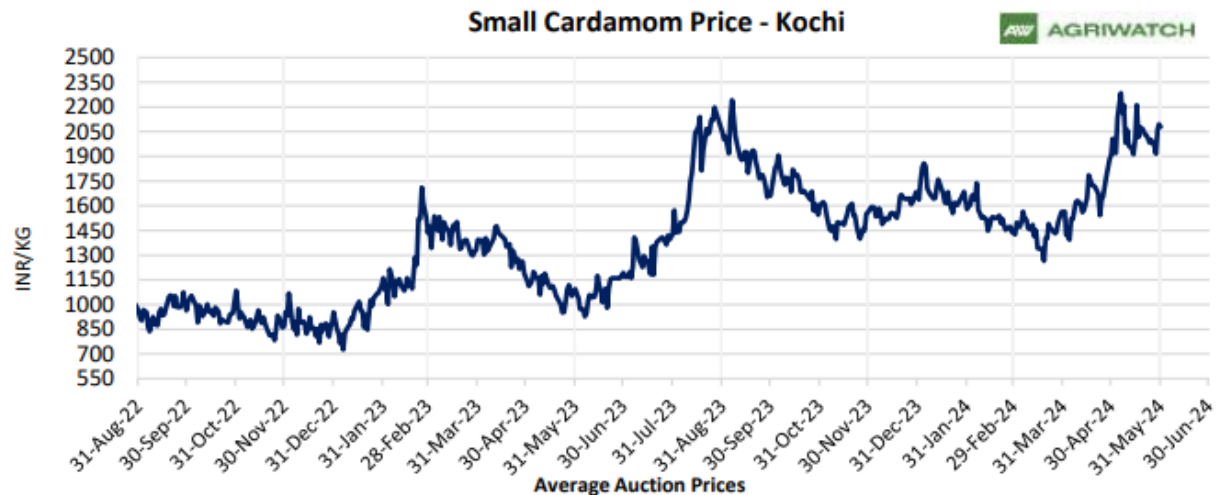
**A. Price**

**B. Supply**

**C. Demand**

**D. Our View**

## A. Price:



Source: Agriwatch

The small cardamom market in June 2024 is exhibiting unusual price behavior compared to the same period last year. In 2023, prices were relatively stable around May and June and only saw significant increases in August. However, in 2024, prices have already surged to about INR 2000 (USD 24) per kilogram well before the harvest period. This early price spike is likely due to extreme weather conditions causing a substantial reduction in crop yields and heightened market anxiety about future supply.

As of early March, prices ranged from \$15.60 to \$16.80 per kilogram. Over the following three months, prices are up to an astonishing \$24.00 per kilogram by mid-June, representing an increase of approximately 48%.

## B. Supply:

**In India**, cardamom production for the 2024-2025 period is projected to decrease by 25% to 30%. This substantial reduction is primarily due to the intense summer heat causing widespread wilting of the plants. However, the recent southwest monsoon has brought rainfall to raise hopes for the next season.

**In Guatemala**, a major cardamom-producing country, severe drought conditions have sharply reduced production by about 25,000 tons compared to the previous season. This significant reduction has tightened global supply and aligned international prices more closely with those of Indian cardamom.

### C. Demand:

Demand for cardamom is expected to rise significantly in the upcoming months, particularly from July to August. Strong demand from export markets, coupled with the need to replenish reduced supplies due to production challenges in both India and Guatemala, has been a key driver of the recent price surge.

### D. Our View:

- **Recent sharp increases in cardamom prices reflect a complex interplay of tight supply and strong demand across global markets.**
- **Unfavorable weather conditions have significantly disrupted production in key regions like India and Guatemala, leading to a more constrained supply environment.**

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

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