

# Vietnam Cassia Update

The market for Cassia has witnessed a slight uptick in prices recently, driven by:

1. Reduced supply after the main harvest season
2. Rising demand from China and Indonesia

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## A. Price:

Grade	Price USD/MT		Change
	5-Jul-2024	26-Jun-2024	
Cigar cassia 8-10cm 70% roll	3840	3750	2%
Cigar cassia 8-10cm 80% roll	3900	3800	3%
Cigar cassia 8-10cm 90% roll	4025	3990	1%
Broken cassia 2%	1230	1230	0
Broken cassia 2.5%	1400	1350	4%
Split cassia thin grade	2320	2280	2%

Over the past week, cinnamon prices have seen a slight increase, though not significant. The conclusion of the main harvest season has resulted in a scarcity of supply, which has subsequently driven prices higher in the cinnamon market.

## B. Supply

### Cultivation

Major cinnamon-growing regions in Vietnam such as Yen Bai, Quang Nam, and Quang Ngai are end of their main harvest season. As these regions transition into the new planting season starting in August, the amount of new arrivals entering the market during this period will be reduced.

The scarcity of supply following the harvest has exerted upward pressure on prices across the cinnamon market. This period marks a critical juncture in the annual market cycle, where the transition from abundant supply during peak harvest to more limited availability post-harvest typically impacts pricing dynamics.

### Export situation

During the first 5 months of the year 2024, which aligns with the main cinnamon harvest season, Vietnam exported nearly 34,000 tons of cinnamon to primary importers such as India, the United States, and Bangladesh. However, this figure represents a slight decrease compared to the same period last year.

### C. Demand:

Recently, there has been a notable surge in demand for cinnamon from China and Indonesia. As the main cinnamon harvesting season in Vietnam draws to a close, this sharp increase in demand from these two markets may be driven by their desire to secure a stable supply and purchase the highest quality product at a lower price, since the quality of cinnamon during the sub-crop season is often inferior. This uptick in demand has significantly influenced the cinnamon market, pushing prices upward.

### D. Our View:

- **The market appears to be experiencing upward pressure on prices after the main harvest season, indicating a tightening of supply.**
- **Given increased demand from China and Indonesia, it may be advisable to monitor closely for price shifts before making purchasing decisions.**

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