



COMMODITY AT A GLANCE: PEPPER

Overview



Commodity overview

- Black Pepper is the dried mature berry of *Piper nigrum*, a perennial shrub found in hot, moist region. The fruit, when dried, is approximately 5 mm in diameter. India is second largest producer of black pepper after Vietnam. In India harvesting starts from December and extends till March whereas the arrivals in the physical markets start from February.

Uses

- Hot and pungent black pepper is one of the most popular spices in the world. Black pepper is used for both its flavour and medicinal properties. It is also used in packaging, canning, pickling, and baking, considering for its preservative value.

Trade Synopsis



Domestic

- Major production states.
Major pepper producing states are Karnataka, Kerala and Tamilnadu. Black Pepper is also grown in some parts of Orissa, Andhra Pradesh, Goa, Maharashtra and North Eastern region. The major trading centres are Kochi, Calicut, Hassan, Chikmangalur, Gonikopal, Alleppey, Nedumangad, Konni, Adoor, Pala, Alwaye, Thodupuzha.
- Fundamentals (macro overview).
Pepper is the world's most traded spice. India produces around 0.5 lakh tons of pepper every year. India is among the largest exporter of Black Pepper. It also imports pepper for value added products which are re-exported.

International

- Global trade profile.
Vietnam is the world's largest producer and exporter of pepper, producing almost one-third of the world's Pepper crop. Other major producers include India (17%), Brazil (13%), Indonesia (11%), Malaysia (8%), Sri Lanka (6%), China (6%), and Thailand (4%).
- Major importing countries.
USA, UK, Germany and Europe are major export market for India. USA, UK and Germany accounts for two third of Indian exports.

Factors influencing the price



- ❑ Domestic fundamentals
- ❑ World production & exports
- ❑ International trading price
- ❑ Domestic and export demand
- ❑ Year ending stocks and stocks-to-consumption ratio
- ❑ Sowing and harvesting of all producing nations
- ❑ Climatic conditions
- ❑ Government policies with regard to imports and exports
- ❑ Soil moisture and rainfall

Contract details



Commodity	Ticker symbol	Basis		Additional delivery center	
Pepper	PEPPER	Kochi		Calicut and Hassan	
Quotation	Trading and delivery unit	Tick size	Expiry date	Tender period	
Rs. per quintal	1 MT	Rs. 5	20 th every month	11 th of every month	
Delivery logic	Aggregate position limit		Near month position limit		Pricing
	Member	Client	Member	Client	
Compulsory delivery	9,000 MT	900 MT	2,250 MT	225 MT	Malabar Garbled 1 ex warehouse Kochi exclusive of GST
Quantity variation	Packaging			Standard allowances	
	Bag pack size	Type of bag			
+/- 2%	50 Kgs (Net)	clean, dry, sound, double, new or unended polypropylene bags in merchantable condition with the mouth of the bag stitched disallowing sweating/ spilling		0.45%	
Quality specifications	Light Berries: 2% Max.				
	Other matter (including pinheads & Broken berries): 0.5% Max.				
	Moisture: 11% Max from November to April. 11.5% Max from May to October.				
	Bulk Density : 550 gm/liter (Minimum).				
	Non-volatile ether extract on dry basis: Not less than 6.0 percent by weight.				
	Volatile oil content on dry basis: Not less than 2.0 percent by v/w.				
	Piperine content on dry basis: Not less than 4.0 percent by weight.				
	The Product shall be free from mould, living and dead insects, insect fragments and rodent contamination. It shall be free from added colour, mineral oil and any other harmful substance.				
Pepper deposited shall conform to all the standards prescribed and as applicable under the Foods Safety and Standards Regulations as notified by FSSAI from time to time.					