

BLACK PEPPER MARKET REPORT

MARKET OVERVIEW:

Is the recent correction in the Black Pepper market a genuine downturn or a temporary reaction?

Black Pepper market price was stable and for the past few weeks but suddenly experienced 4% price drop last week, raising questions about whether this trend will persist, deepen, or reverse.

China has reduced import tariffs for the U.S. market for three months, providing exporters with some flexibility to ship cargo, leading to a 20-30% increase in freight charges.

The Russia-Ukraine war continues with no end so far.

Buyer seems to be in a bit of confused state due to which the market is difficult to make purchase decisions.

So, we request you to please read the complete report in order to get a clear picture.

DEMAND:

Over the past three months, demand for Black Pepper has been sluggish, with limited trading activity. The main reason attributed for this is the unknown tariff situation in the USA, which has led buyers to be in freeze mode as any medium-long term purchase decisions cannot be made in this uncertain environment.

With 45 days elapsed in the 90-day window period given by the USA to all the countries to cover for trade negotiations and this is creating a lot of uncertainty with the inventory dropping to lowest levels at consuming countries. The US/EU Middle east warehouse inventories dropping rapidly as importers await tariff clarity.

In April, Vietnam recorded strong export figures, reaching approximately 26,000 MT. The first half of May also showed solid performance, with exports totaling around 11,000 MT.



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SUPPLY:

The supply from all the origins that is Brazil and Vietnam is quite good. However, Vietnam faced challenges in meeting export targets in the first few months this year, while Brazil has increased its shipments to Vietnam. This has led to a buildup of inventory in Vietnam, contributing to a 5% market price decline last week.

The local price in Vietnam for Black Pepper has been very steady in the month of May but it dropped from 150,000–152,000 VND per kg to 145,000 VND per kg, last week breaking the 150,000 VND resistance level - the level which had been held since January, 2025 and this level was broken signaling a technically weaker market.

Looking ahead, Southern Brazil's upcoming July crop is good, and Indonesia will also harvest their new crop and if the uncertainty prevails in the consuming market, the market could go down further.

PRICE:

Brazil:

Brazilian Black Pepper Asta prices have fallen from USD 6,700/PMT FOB earlier this month to USD 6,500/PMT FOB.

Vietnam:

Vietnam Black Pepper 500 FAQ price which was holding steady at USD 6,100/PMT FOB and the Black Pepper 5MM Bold holding steady at USD 7,100/PMT FOB levels came down to USD 5,800/PMT FOB for 500 FAQ and USD 6,700/PMT FOB levels for BP 5MM Bold.

We are hearing the market prices had a slight recovery by USD 150/PMT due to short covering, with local Vietnamese Dong price increasing from 145,000 to 149,000 VND but the question is will it be able to sustain or drop down again?

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OUR REVIEW:

We have been informing all our buyers since the beginning of the year that we see the Brazilian Black Pepper Asta prices in the year 2025 in the range between USD 6,000–7,000/PMT FOB, and Vietnamese Black Pepper 5MM Bold between USD 6,500–7,500/PMT FOB.

Our view has been maintained with prices not going up more than USD 7,000/PMT FOB for Brazilian Black Pepper Asta and USD 7,200/PMT FOB for Vietnamese Black Pepper 5MM Bold.

Looking at the supply situation for next 6-7 months for Brazil and Vietnam with export quantity declining up to March but increasing modestly in April and First Half of May and also the uncertain international trade situation caused by import tariffs in the USA, we feel that the buyer should not keep very big stock levels and should focus on buying only their immediate requirements which they need as per the demand in their market.

The only bright spot we see is the low inventory system in all the markets which could spark sudden demand and push prices higher, but we feel even if this happens the prices will not sustain on the higher side for too long.

Further, if you have any queries or need any detailed information that would help your sourcing decisions, please feel free to reach out to us, and we are always available to give the best information to get the timing right to maximize your profits.

Thanks, and best regards,



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