

REGIONAL UPDATES ON THE IMPACT OF COVID-19 ON THE SPICE INDUSTRY



EUROPE

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- **Update on COVID-19 in Region**
 - Update on current situation
 - Governmental restriction
- **Impact to Spice Industry**
 - Infrastructural challenges
 - Specific commodity updates
- **Industry and Company Response**
 - Controls/assurances
 - Future plans/expectations

UPDATE ON COVID-19 IN REGION

- What's the current situation?
- Europe is the most affected regions. Especially Italy, Spain, France. Most of the countries are opening up gradually in phases. Air transportation still closed. Truck and sea transport still limited. Critical works operating
- How widespread is the outbreak in your region?
- Affected some countries more than others. Spain that is a growing area very affected. Northern countries + Portugal and Greece less affected
- What measures is the government taking to slow the spread?
- Most of the countries enforced lockdown and in the case of Spain and Italy, stopped all industry and businesses
- Are there governmental restrictions in place? They have just started to release them a little. People can go out during certain time frames. Some small stores and some industries starting to operate

IMPACT TO SPICE INDUSTRY

- Overarching industry impact in region
- Being all non critical industries closed has impacted not only the economy but the transportation availability.
- Infrastructural disruptions: labor, transportation, shipping, etc.
- There are no goods to ship, so trucks have to return empty and sealines have decreased the nr of shipments and vessels.
- Most of drivers and land workers come from eastern countries and north of Africa, so due to movement restrictions and fear to get infected there is a big lack of labor availability
- Specific impacts to commodities – have certain commodities or areas been hit harder than others?
- We have information that Coriander, aniseed and paprika crops in Spain have been affected with less people to work in the country and also higher freight rates in both trucks and sea freights
- Crop conditions
- The land has not been well cleaned and prepared like previous years so we expect the yield per hectare to be less
- Other relevant factors
- Countries like China are still trying to catch up with the freights, so the demand is high, and of course India lockdown is affecting all the spices industry

INDUSTRY AND COMPANY RESPONSE

- How are companies responding?
- First of all companies are taking care of the safety of their workers. Changing shifts, making groups, tele commuting etc.
- Companies are growing their safety stocks and inventories
- What controls/assurances are companies putting in place to comply with new governmental requirements and protect the supply chain?
- In Spain and most European countries, spice companies are considered critical, so we are not facing governmental restrictions
- Future plans/expectations
- We do not expect the situation to get easier in a short term, so the demand will keep steady. Companies will take longer positions and grow inventories as much as possible