



Alleppey Finger Turmeric:

The tale of a disappearing crop

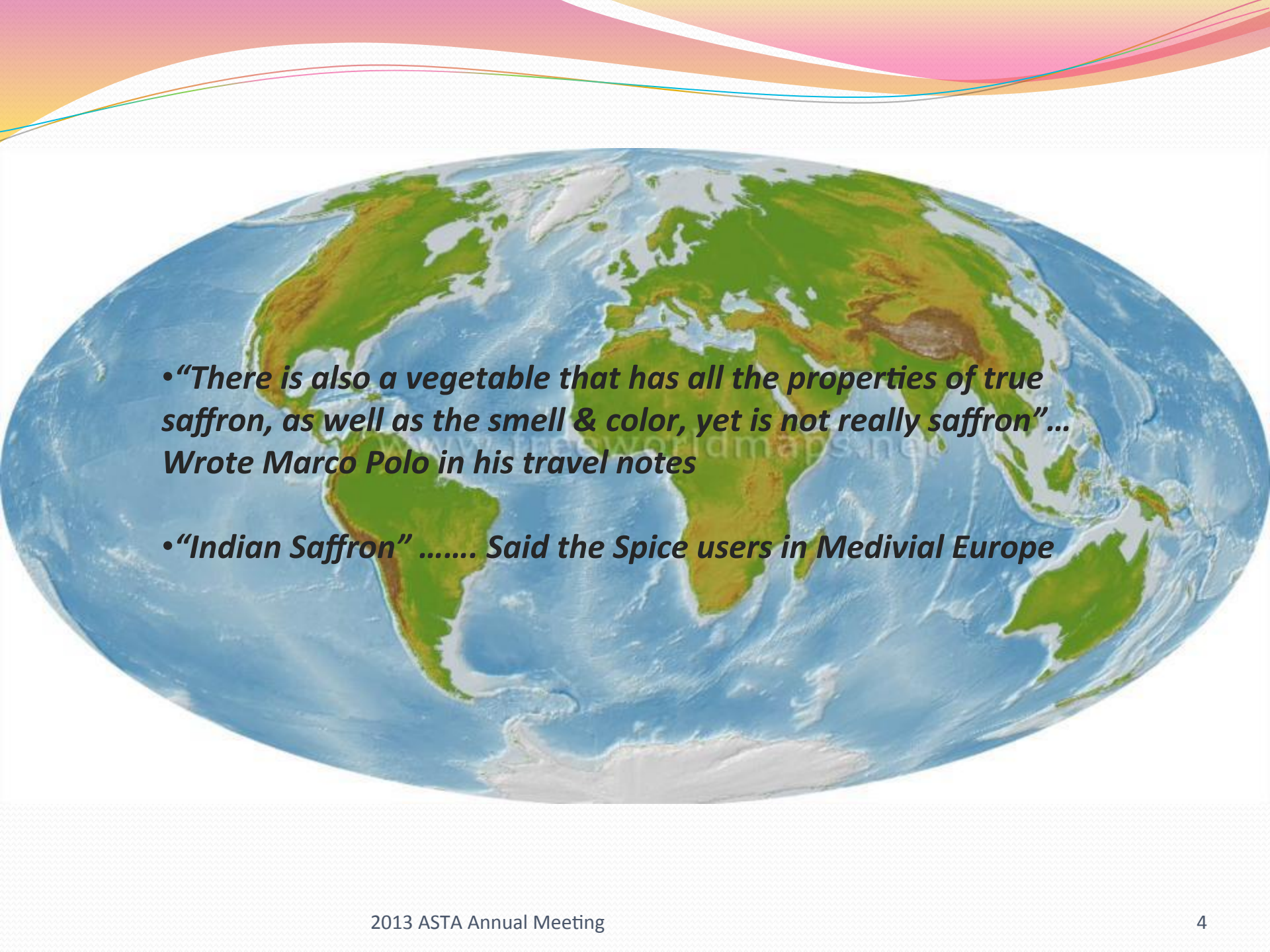


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Director & Chief Executive Officer
AVT McCormick Ingredients P Ltd
April 29, 2013



Outline

- What is Alleppey Finger Turmeric?
- History
- Some Statistics
- The Current Scenario
- The Future

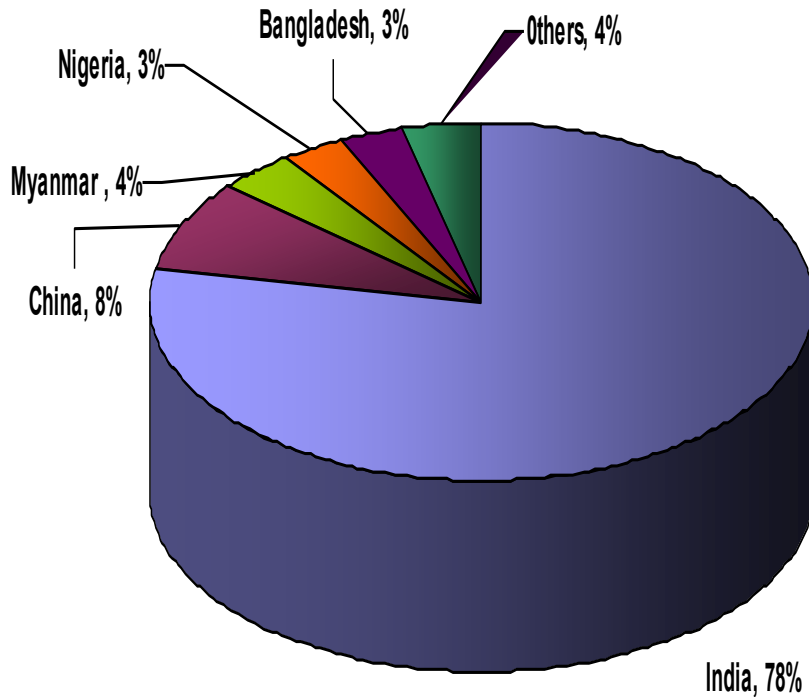
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- *“There is also a vegetable that has all the properties of true saffron, as well as the smell & color, yet is not really saffron”... Wrote Marco Polo in his travel notes*
 - *“Indian Saffron” Said the Spice users in Medivial Europe*

Turmeric Facts

- **Botanical name:** Curcuma longa L
- **Family name:** Zingiberaceae
 - *Turmeric is the dried, boiled, cleaned and polished rhizomes of Curcuma longa, a herbaceous perennial 60-90 cm high with a short stem and tufted leaves, plant native to India and China.*
- **Color:** Bright “Orangy” Yellow
- **Flavor & Aroma:** Earthy aroma and a pungent, slightly bitter flavor
- **Bouquet:** Earthy and slightly acrid

Turmeric Facts

percentage share of Turmeric in global production

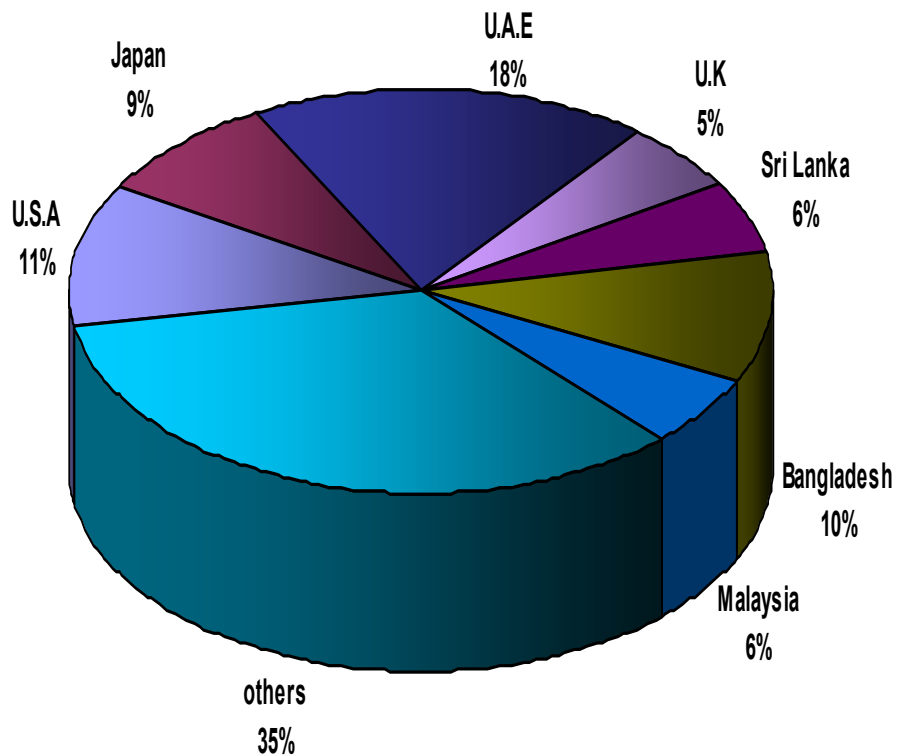


- Major producers : India, China, Myanmar Nigeria Bangladesh, Burma and Indonesia etc.
- Global production is approx. 0.95- 1.0 million tons
- Asian countries consume nearly 90 per cent of their own turmeric production
- **India is a dominant player in the global market for production, consumption and exports**

India contributes around 60% to the total global exports



Indian Exports



- Average annual export demand is approx. 50,000 tons
- Major importers :UAE ,**USA**, Bangladesh, Japan, Sri Lanka, UK and Malaysia
- These importing countries represent 75% of the turmeric world trade
- Exported in different forms: dry turmeric, fresh turmeric, turmeric powder , curcuminoids, dehydrated turmeric powder, oils and oleoresin



Imported into the USA	2012	2011	2010	2009	2008
Turmeric (in Million lbs)	8.89				

✓ AFT exported to the US markets was used in coloring Mustard sauce, an integral part of Hot Dogs.

5.0-5.5% Curcumin spec became a norm even though the color was the main criteria behind it's use in Mustard Sauce.

Turmeric Facts: India

Andhra Pradesh	Nizamabad Bulb
Tamil Nadu	Erode & Salem
Kerala	Alleppey Finger
Turmeric	
Maharashtra	Rajepore & Sangli

Sowing	Jun-Jul
Harvesting	Oct-Feb
Arrivals	Feb-May



AFT: Brief History

- Turmeric grown in the Midlands, 150-600 Feet above Sea Level, or the hillocks between the coastal area and mountains of Kerala had 5-6% Curcumin
- The Red Laterite soil, the Monsoon rains and the humid tropical micro climate are the majors factors behind the higher Curcumin in AFT
 - At one point, even if low Curcumin Seed material was grown in these areas,, it would give higher Curcumin AFT after 1-2 seasons.

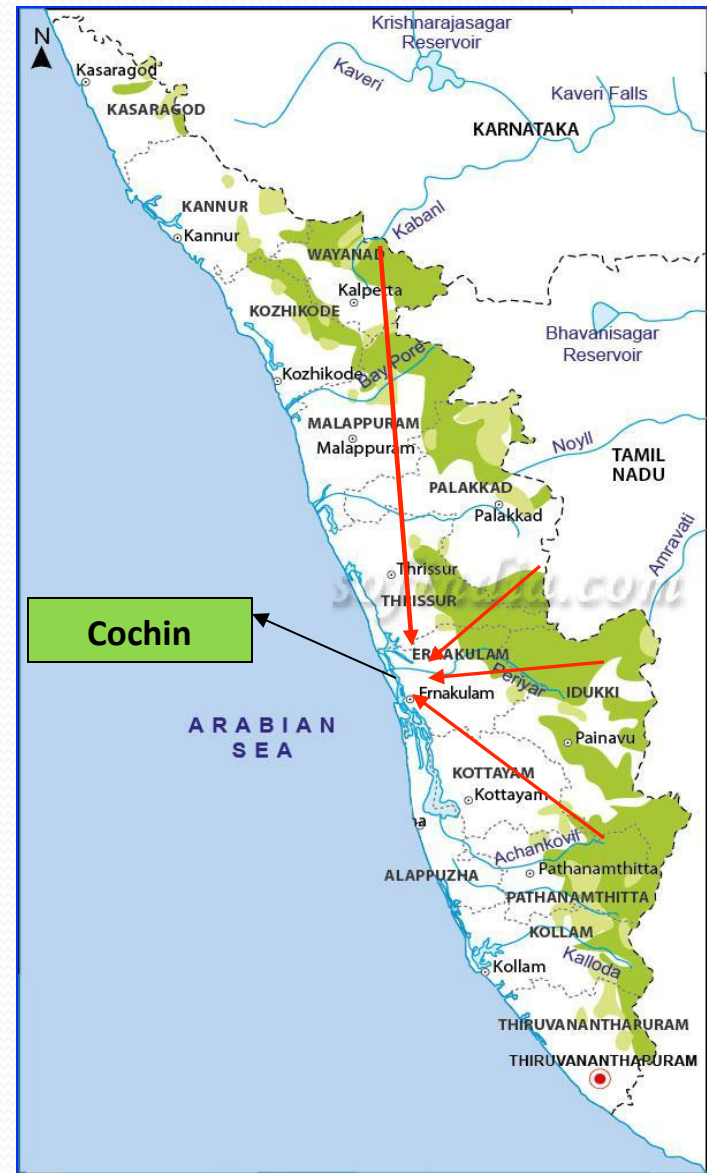
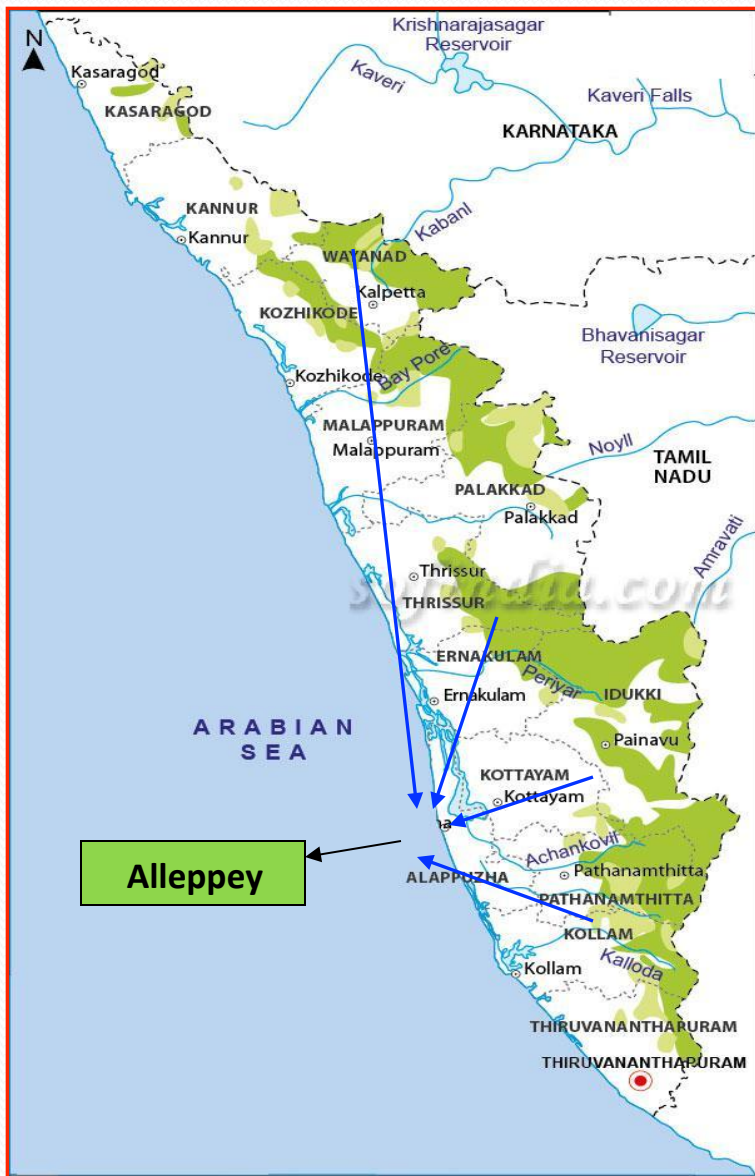
AFT: Brief History

- Historically Pepper, Cardamom, Ginger, etc. were shipped out of Alleppey, the then major port in Kerala, until Cochin became an all weather port.
 - Major spice exporters of India were located in Alleppey
- *The Cochin port was formed naturally due the great floods of Periyar in 1341 AD, which choked the Muziris port (Kodungallur), one of the greatest ports in ancient world.*
- *Sir Robert Bristow made an Island in the Cochin Estuary by dredging the sand and Modern Cochin port became a reality in 1928.*

AFT: Brief History

- ***So Turmeric Produced in Kerala, exported through **Alleppey**, became known by the Trade Name AFT or Alleppey Finger Turmeric***
 - Low Curcumin lemony yellow Turmeric which is grown in Erode area of Tamil Nadu , the former Madras region, was exported through Madras Port, became known by the trade name as MFT – Madras Finger Turmeric

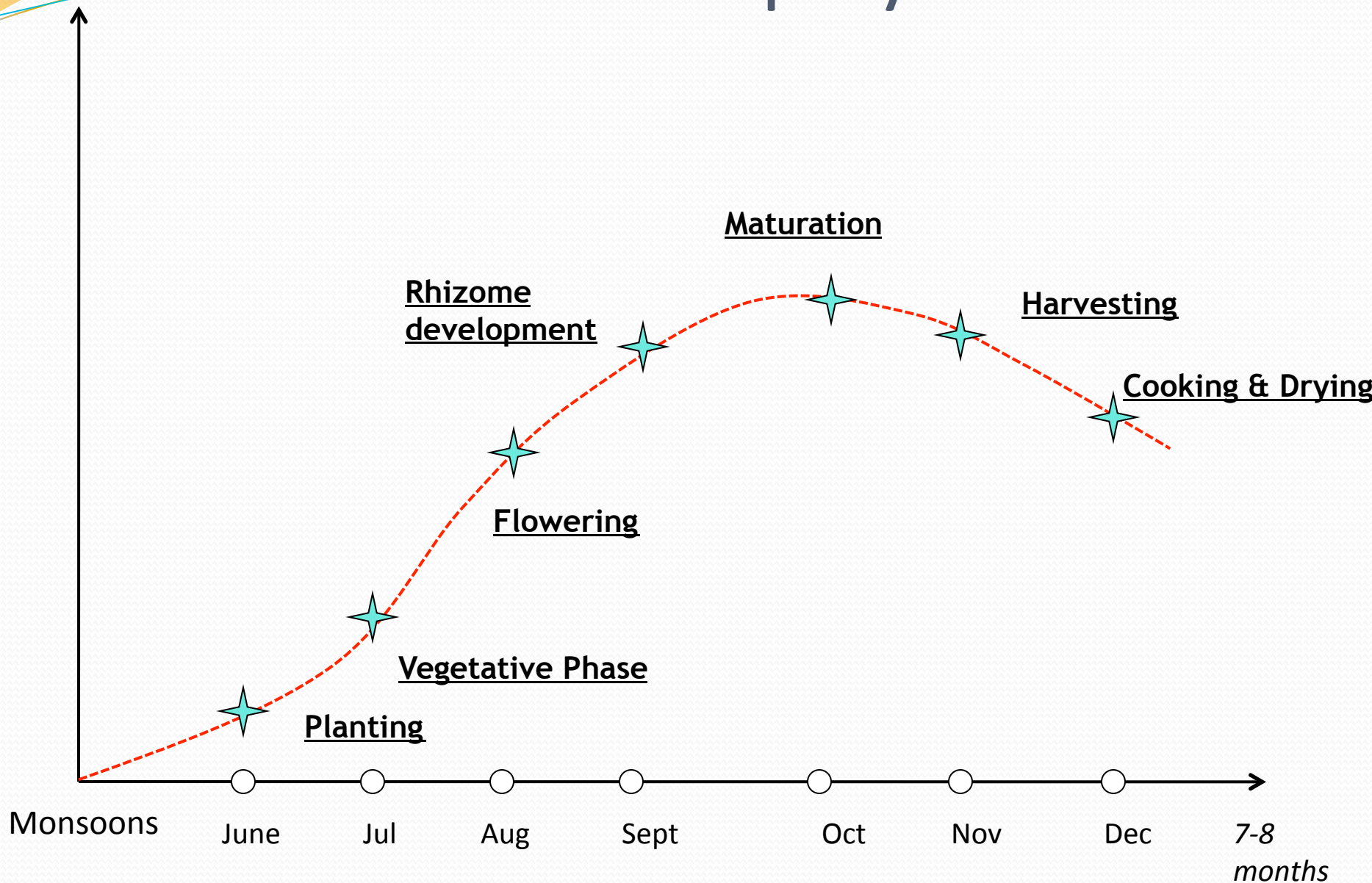
Spice Supply Routes of Kerala Old and New



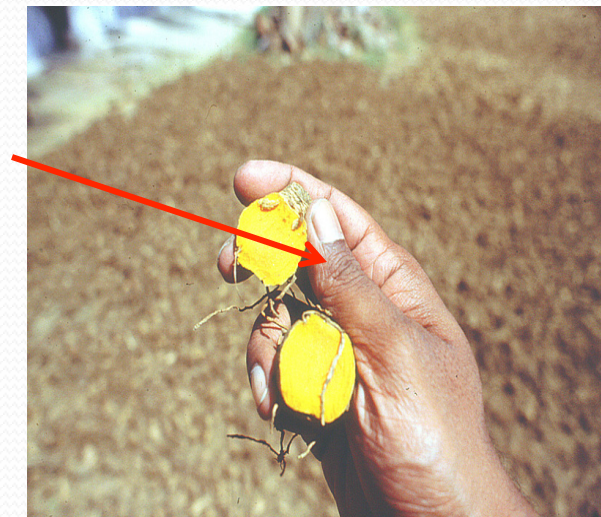
AFT Statistics

- Production was in the range of 15-20million lbs during 1980s
 - Approx. 8-10 million lbs exported; US the major importer
 - Remaining quantity was used by Oleoresin extractors
- Weather and Climate – Humid and tropical climate with sufficient rains (1500 to 2500 mm rainfall per year)
- Location – 150 to 600 meters above sea level
- Soil Conditions – Red laterite soil (abundant in the mid-hill regions of Kerala)

Turmeric - Crop Cycle



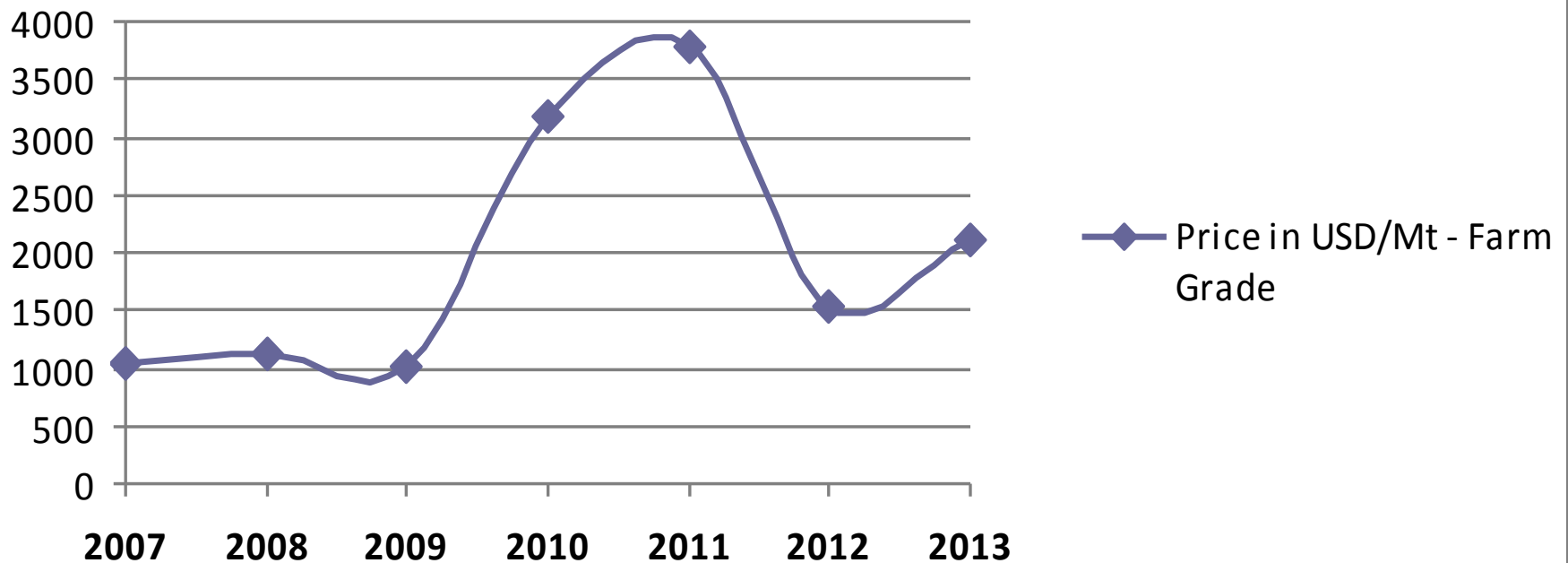






AFT Price Trend

AFT Prices in USD/Mt - Farm Grade



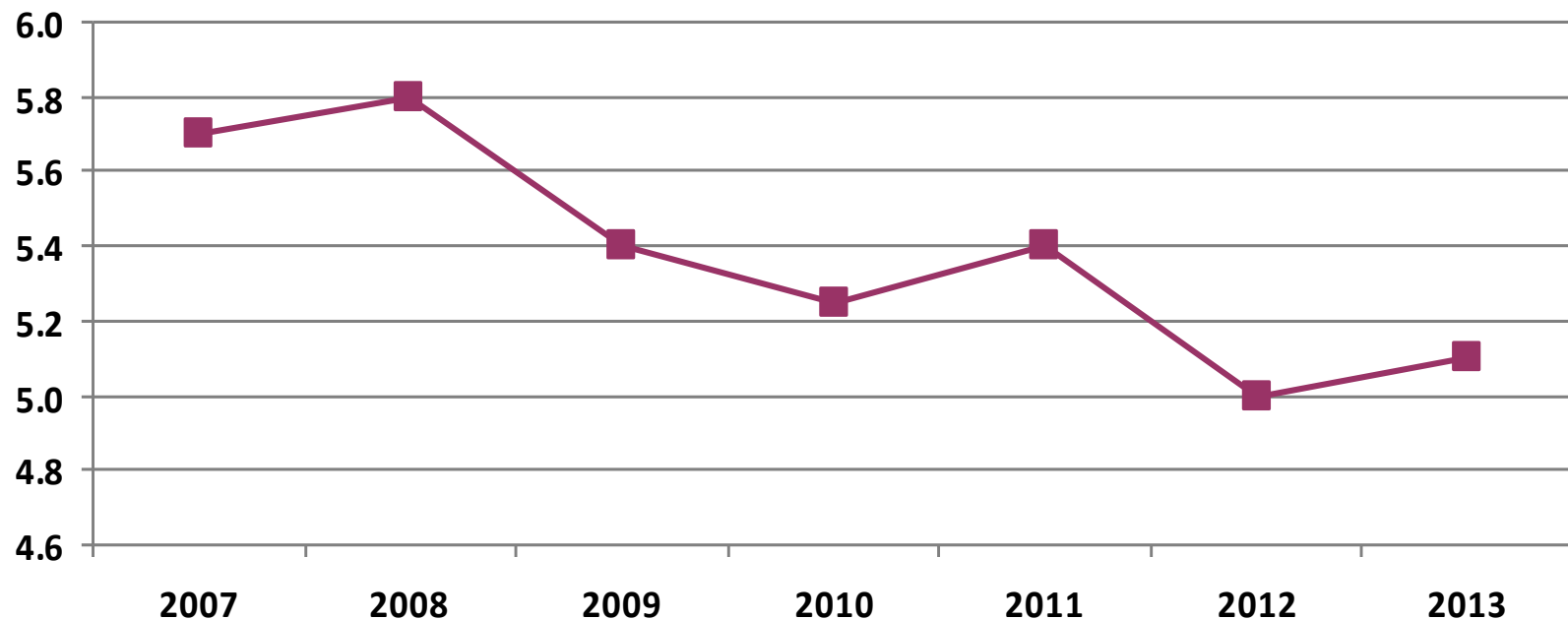
Source – AVT-McCormick

AFT Current Situation

- In the last 15 years, rubber price began to increase; Rubber cultivation has become a very lucrative option for the farmers.
- Most of the traditional AFT growing regions in Kerala were ideal for rubber cultivation and were converted to Rubber Plantations
 - Kerala now produces about 1.1 Million Mt of Rubber which is about 95% total Indian production
- AFT is now only grown in small homestead gardens and in rubber plantations where replanting takes place.
- **The pure AFT** production now has dwindled to <1000 Mt and min. 5.5% Curcumin material is almost a scarce commodity

AFT - Curcumin Trend

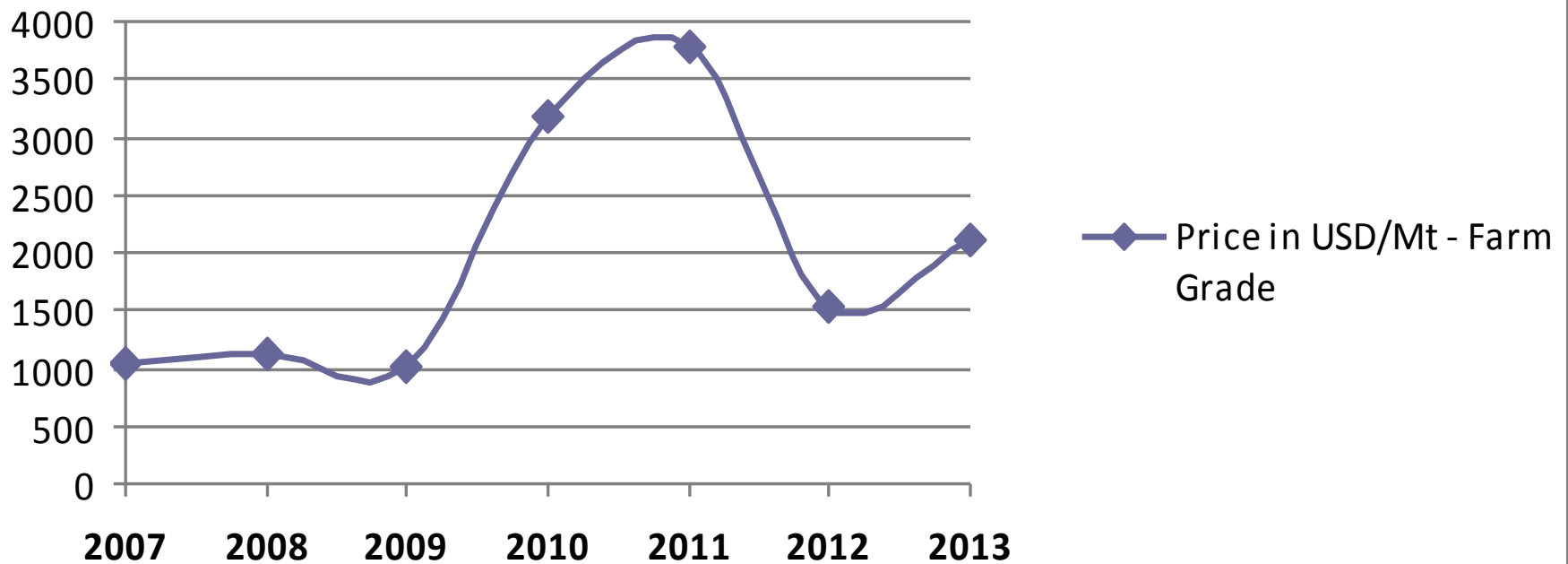
2007-13 AFT Curcumin % (Average Values)



Source— AVT-McCormick

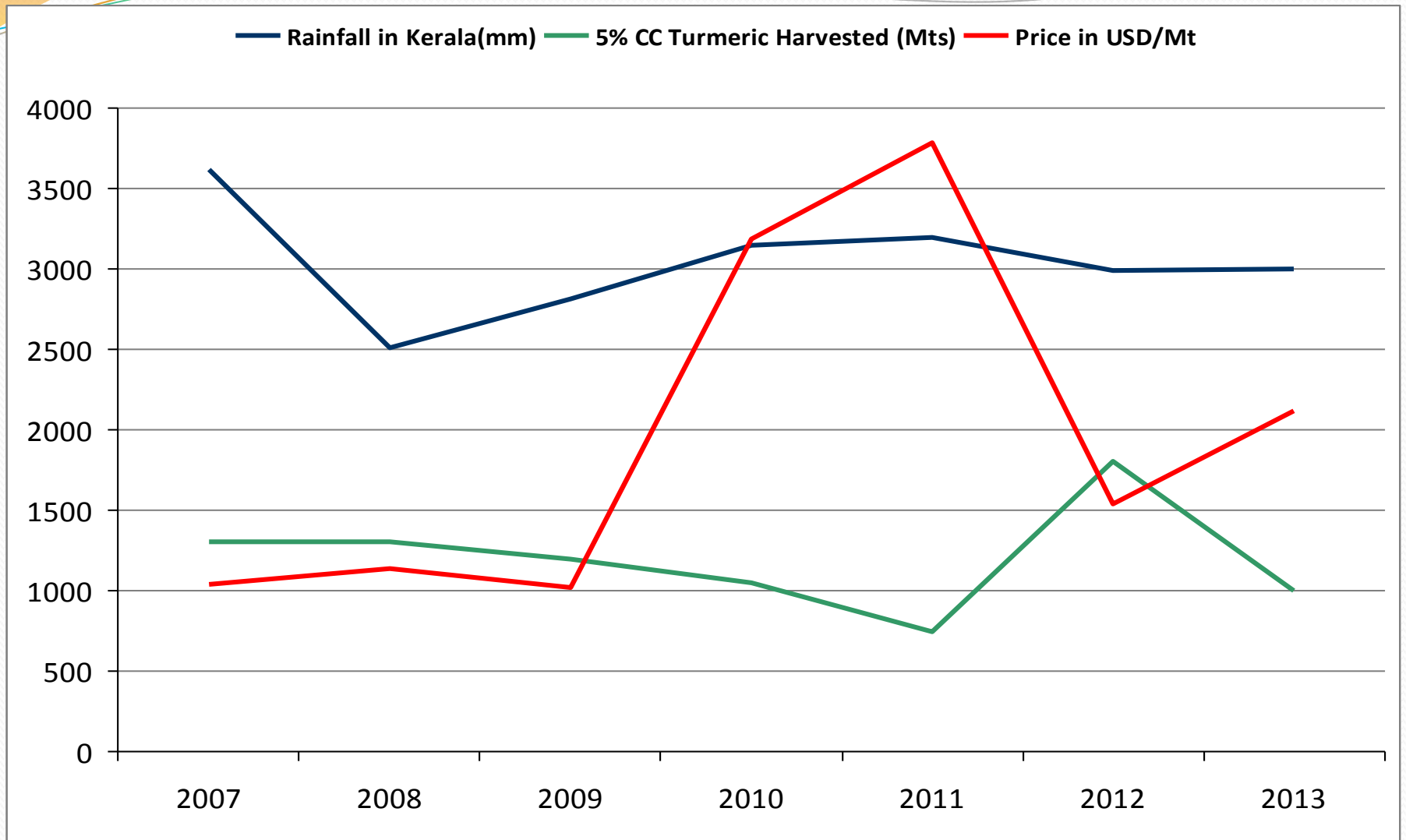
AFT Price Trend

AFT Prices in USD/Mt - Farm Grade



Source – AVT-McCormick

Rainfall Data, Crop Size and Corresponding Prices



Rainfall Data – Indian Meteorological Department

Crop size & Price Data- AVT-McCormick



So what else is a challenge?

- Labor Availability
- Other options!
 - *Be a service economy*



All is not lost!



Traditional Growing Areas –
Midlands regions (Hillocks) of
Northern and Central Kerala



Alternative Areas- Regions
near the AP- Orissa border.

There is high curcumin material
available in the north east of
India

New Min. 5% Turmeric Growing Areas identified

The Future



- Spices Board has received the GI Tag for Alleppey Finger Turmeric
- The Specific Alleppey Variety from Kerala will become scarce
 - Firm Prices
 - Availability of min 5-5.5% curcumin material
- So Be Aware.... and *Beware!* of low priced offerings of AFT
- With blended low cost products from other countries, potential for adulteration and cross contamination with Illegal dyes.

The Future



- But, a little effort will go a long way to ensure a safe, win-win situation
 - *Review Product Description*
 - *Review the formulations & recipes where AFT is used*
 - *Have open & transparent discussion with all stake holders*

Conclusion

- Alleppey Finger Turmeric, is now becoming scare due to more profitable competing crops and business options
- Over the years, the Curcumin levels in AFT have declined
- Alternate areas in India cultivate turmeric that yields the same color, flavor & curcumin profile.
- With coordinated efforts of all stake holders, it is possible to implement win-win solutions without impacting food safety or creating another “scandal” in our industry.



Thank You.



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Risk, Population, and Climate Changes in Egypt

With focus on basil and marjoram

Mutassem Mazhar
Giza Seeds & Herbs

Introduction

January 25th Revolution/Uprising effects

- Shortage of fuel
- Labors and salaries
- Foreign currency rate instability
- Security



Geography



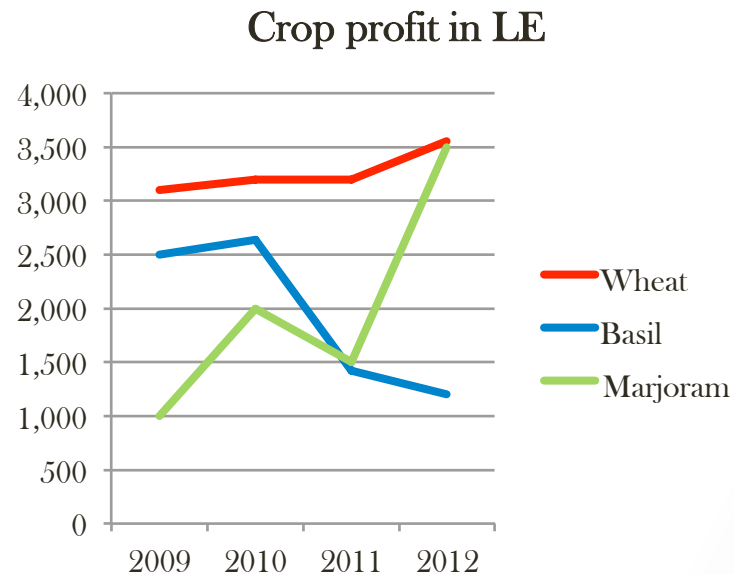
Basil and marjoram growing areas:

- Asyut
- El Minya
- Beni Suef
- El Faiyum

Last crop supply

Crop size has decreased for several reasons:

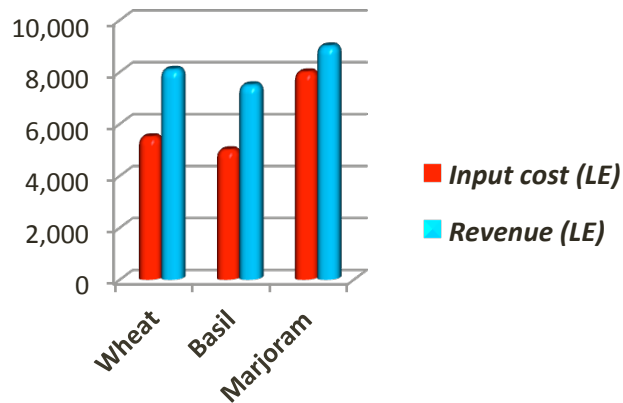
- Climate changes
- Cultivation practices
- Wheat



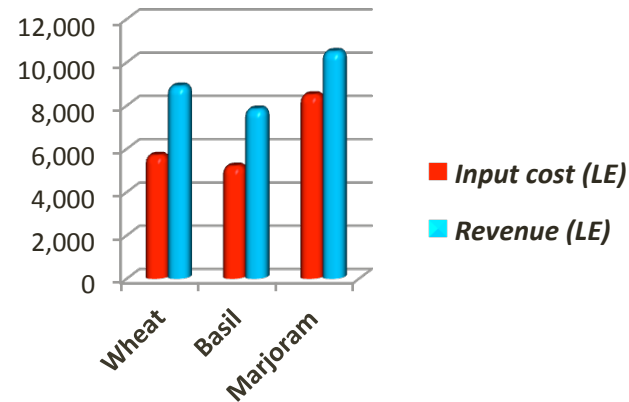
Wheat vs. Basil & Marjoram

Input costs vs Revenue

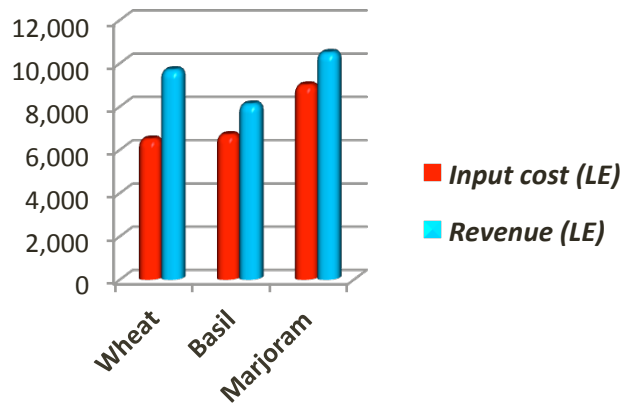
2009



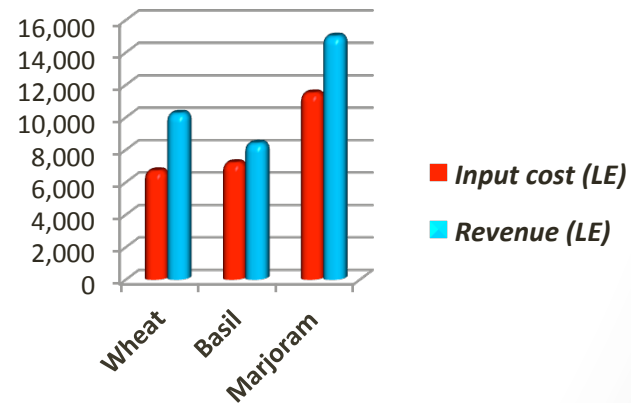
2010



2011



2012



Wheat vs. Basil & Marjoram

Wheat production

- Domestic production expected to increase 3.5%
- Subsidies measures taken by the Egyptian government

Positive thinking...

New growing areas

- East Owainat
- Toshka
- New Valley
- North Oasis
- Aswan



Value added projects



What is required from us?

Market players must be involved in the whole process, and not only when it comes to procurement...

Questions?

