



Update on the Spice Market 2012

Over the past 30 years in the spice business we have never seen so much volatility in prices & in the quality of spices as we have seen over the past year. We continuously receive customer inquiries as to why prices are so high.

From The Independent (UK), February 2011: "After a series of natural calamities and poor harvests, the price of spices from chilies, black and white peppers, ginger to nutmeg have rocketed in one of the hidden stories of global food inflation. Traders and brokers reported prices of some spice staples have increased more than tenfold over the past five years and in turn hit food manufacturers and consumers." (Ref: www.independent.co.uk)

While supply is under pressure, demand continues to rocket. Overall, global demand for spices has increased, due to a number of factors, including:

- A growing middle class in China & India.
- An increase in demand and consumption of ethnic food.
- The introduction of flavoured coffee, tea and aerated drinks in the beverage industry.
- A sharp growth in processed food consumption.
- An increase in the demand for natural fragrances for various health therapies (using spice derivatives including essential oils and oleoresins).

In short, we are experiencing unprecedented upward pressure on spice prices at all levels, and these increases are expected to stay with us for the foreseeable future.

We thank you for your understanding. We remain completely committed to providing you with the best quality spices at the most competitive prices.



Doris Valade
President, Malabar Super Spice Company

