



# Week 45 - Vietnam Pepper Market Overview: Stability Global Pressures

The Vietnamese pepper market is experiencing a period of relative stability, despite facing global pressures and shifting dynamics. Domestic prices have held steady in key regions, trading between 143,500 and 144,500 VND/kg. This stability comes after a week of modest declines, reflecting the complex interplay of local and international factors affecting the industry.

As Vietnam maintains its position as a leading global pepper exporter, the market faces challenges from decreased demand and currency fluctuations. However, limited supply and strong export values have kept prices significantly higher than previous years, presenting both opportunities and concerns for industry stakeholders.



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# Domestic Price Trends and Regional Variations

1

## Previous Week's Decline

Last week saw an average price drop of 2,000 - 2,500 VND/kg in the domestic market, indicating short-term volatility.

2

## Current Stability

Prices have stabilized over the last two days, trading between 143,500 and 144,500 VND/kg in key regions.

3

## Year-to-Date Increase

Despite recent pressures, pepper prices remain 72-76% higher than at the start of the year, showcasing overall market strength.

4

## Year-over-Year Growth

Current prices are approximately double those of the same period last year, reflecting significant market changes.



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# Export Performance and Global Market Position

## Export Volume

In the first 10 months of 2024, Vietnam exported approximately 220,300 tons of pepper, showcasing a slight 2.3% decrease from the previous year.

## Export Value

Despite the volume decrease, export value surged to \$1.12 billion, marking a significant 48.2% increase and surpassing the \$1 billion milestone for the first time in years.

## Market Share

Vietnam's expected production of 170,000 tons accounts for 35–40% of the global supply, underlining its crucial role in the international pepper trade.



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# Key Export Markets and Shifting Dynamics

**1** **Top Export Destinations**  
The U.S., Germany, and the UAE emerged as the largest markets for Vietnamese pepper in the first nine months of 2024, collectively accounting for 44.2% of total pepper export value.

**2** **German Market Surge**  
Exports to Germany experienced exceptional growth, increasing 2.4 times compared to the previous year, indicating strong demand in the European market.

**3** **Chinese Market Decline**  
Exports to China have dropped significantly with no signs of recovery, presenting a challenge for Vietnamese exporters who previously relied on this market.



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# Supply Challenges and Production Outlook

1

## Drought Impact

Prolonged drought has worsened the domestic pepper supply situation, leading to reduced production and concerns about future harvests.

2

## Farmer Behavior

Many farmers are holding onto stocks in hopes of higher prices, further tightening the available supply in the market.

3

## Harvest Expectations

As Vietnam's harvest season approaches, expected production is around 170,000 tons, which may lead to global price fluctuations.

4

## Future Outlook

Concerns are growing over delayed harvests affecting medium-term supply, potentially sustaining higher prices.



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# Import Trends and Domestic Market Dynamics

Import Value	\$108 million
Year-over-Year Increase	38.2%
Main Import Sources	Brazil, Indonesia, Cambodia
Reason for Imports	Reduced domestic production
Impact on Market	Balancing supply shortages

The significant increase in pepper imports, totaling \$108 million in the past 10 months, reflects the complex interplay between domestic production challenges and market demand. This 38.2% year-over-year increase in import value underscores Vietnam's strategy to maintain its market position despite reduced local production. Imports from Brazil, Indonesia, and Cambodia are crucial in balancing supply shortages and meeting export commitments.



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# Market Pressures and Economic Factors



## Strengthening USD

The strengthening U.S. dollar is putting pressure on pepper prices, affecting export competitiveness and market dynamics.



## Slowing Demand

Global economic uncertainties have led to a slowdown in demand, impacting prices and export volumes.



## Coffee Competition

Capital is shifting towards coffee investments, as the crop enters harvest season, potentially affecting pepper market liquidity.



## Political Factors

The U.S. presidential election is anticipated to impact market sentiment and potentially influence global trade dynamics.



# Future Outlook and Market Predictions

## Short-Term Forecast

In November 2024, pepper prices are expected to continue their decline due to current market pressures and seasonal factors.

## Medium-Term Expectations

Supply is likely to remain lower than demand, potentially keeping prices strong despite short-term fluctuations.

## Long-Term Outlook

Experts and businesses are optimistic about long-term market growth, driven by ongoing supply challenges and potential global economic recovery.

## Key Factors to Watch

Global economic conditions, weather patterns affecting harvests, and shifts in major importing countries' demand will be crucial in shaping the pepper market's future.



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# Week 45 Pepper's Market Report

Contact us today to learn more about our premium pepper products and tailored sourcing solutions for your business.

Please do not hesitate to send us if you have any further request.



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