

India's Black Pepper Market Faces Supply Challenges Amid Climate Change and Unorganised Trade

Category: Business

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Indias black pepper industry is poised for a turbulent 2025, as declining production and supply constraints push prices to new highs, creating a challenging landscape for farmers and traders alike.



Indian Black Pepper Crisis

Vietnam, Brazil, Indonesia, and India constitute over 80% of global black pepper production and 95% of global trade. In

2024, [India accounted for 11% of global](#) black pepper production, with Karnataka contributing 60%, Kerala 30%, and the remaining 10% coming from Tamil Nadu and other regions.

The global pepper [market](#) remained volatile throughout 2024, with prices surging from INR 328 per kg in January to highs of INR 614 per kg in June before settling at INR 512 per kg by December. According to industry experts – the price might cross INR 1000 this year.

Black pepper [production in India](#) has witnessed a significant drop due to erratic weather patterns. Unseasonal rainfall in 2024, coupled with the broader effects of climate change, has adversely impacted crop yields, leading to a sharp decline in overall production volumes. India is producing 46,000 MT of pepper in 2025, a significant reduction from 55,000 MT in 2024.

The tightening supply situation is not unique to India. Other major pepper-producing nations, including Vietnam and [Sri Lanka](#), have also reported lower yields, exacerbating the global supply crunch. Vietnams pepper production fell from 192,000 MT in 2023 to 183,000 MT in 2024 and further to 178,000 MT in 2025. Brazils pepper production declined from 102,000 MT in 2023 to 70,000 MT in 2024 but saw an increase to 85,000 MT in 2025. Additionally, Sri Lankas production of pepper has significantly declined from 20,000 MT in 2024 to 14,000 MT in 2025. With domestic production down, India may have to export [black pepper](#) to Sri Lanka this year to meet its demand.

This international shortfall is expected to keep prices elevated in [key markets](#) worldwide, further intensifying competition for quality Indian black pepper.

Despite high demand, Indian farmers-particularly those in Karnataka-are struggling due to the largely unorganised nature of the domestic market. Unlike Kerala, which has established

trading networks and institutional buyers, Karnataka lacks major direct procurement channels. As a result, many farmers are forced to send their produce to Kerala, where intermediaries capture a significant share of the profits, leaving cultivators with lower margins.

Industry stakeholders have called for structural reforms to strengthen direct trade channels and ensure fair pricing for farmers. Establishing organised procurement systems in Karnataka and other key pepper-growing regions could help farmers access better prices and reduce dependency on middlemen.

As [India navigates these challenges](#), exporters and traders are closely monitoring market trends. While the high price environment could be beneficial for trade, sustaining production amid climate uncertainties and market inefficiencies remains a pressing concern for the long-term stability of [Indias black pepper industry](#).

Here is the researched article – nxg.world/blog/black-pepper-crisis.

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