
Red Chilli Monthly Research Report

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RED CHILLI

Spot Market Recap

- Mostly weak sentiment was witnessed in the Red Chilli spot market during December.
- Buyers were reported inactive in the spot market as new crop supply slowly started in Guntur, Warangal and Khammam spot market. Also they are waiting for some prices correction for fresh procurement.
- However, Teja variety prices were trading up on fresh export demand from Bangladesh and Malaysia also currently traded lower than other Chilli varieties.
- Due to adverse weather conditions (drop in temperature and cloudy weather) overall arrivals reported down in the Red Chilli markets. In Bedia spot market supply reported at 140,000 bags (1 Bag=35Kg) down by 17.65% from the previous month.
- However, in Byadgi spot market, farmers and stockists were releasing their stocks during the start of the month (till then weather was fine in the area) due to which supply reported at 257,000 bags (1Bag=35Kg) up by 83.57% from the previous month.
- AgriWatch expects Red Chilli prices likely to correct in the spot market as overall the Chilli crop is in good conditions so far in all the key growing states and productions is also expected to be higher in 2023 seasons. Further the new crop arrivals are likely increase after 15th January 2023 from AP and Telangana. New supplies have already started from M.P. and Karnataka.

Monthly Red Chilli (Dry) Arrival Scenario

Red Chilli Arrival Scenario: (in Bags)					
State	Market	% Change Over Previous Month	Current Month	Last Month	Previous Year
			Dec.22	Nov.22	Dec.21
Andhra Pradesh	Guntur	-34.51	8,35,000	12,75,000	2,54,000
Telangana	Warangal	-61.76	45,500	1,19,000	15,75,000
Total		-36.84	8,80,500	13,94,000	18,29,000

Units – Bags (1 bag = 45 kgs)

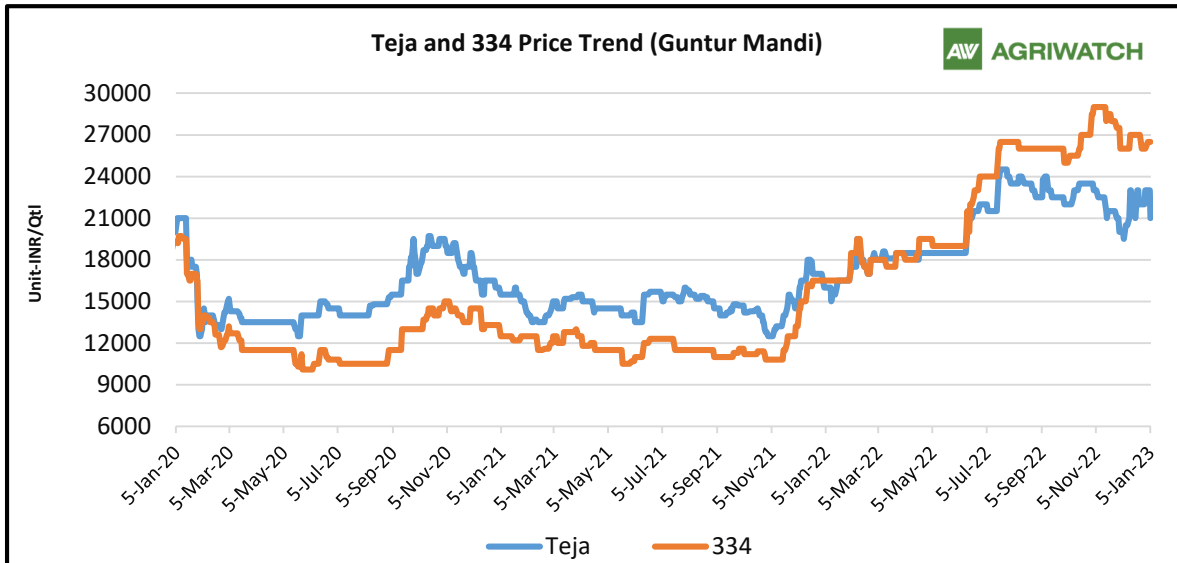
Red Chilli Arrivals Scenario

Current year from 1st January 2022 to 31st December 2022, Red Chilli supply in the Guntur market remained around 593,010 MT as compared to 740,970 MT same period last year, down by 19.97% due to high demand and lower availability of premium quality during the last season.

Last year, from 1st January 2021 to 31st December 2021, red chilli supply in the Guntur market was reported at around 737,370 MT as compared to same period of 2020 at 612,225 MT, up by 20.44% due to higher production.

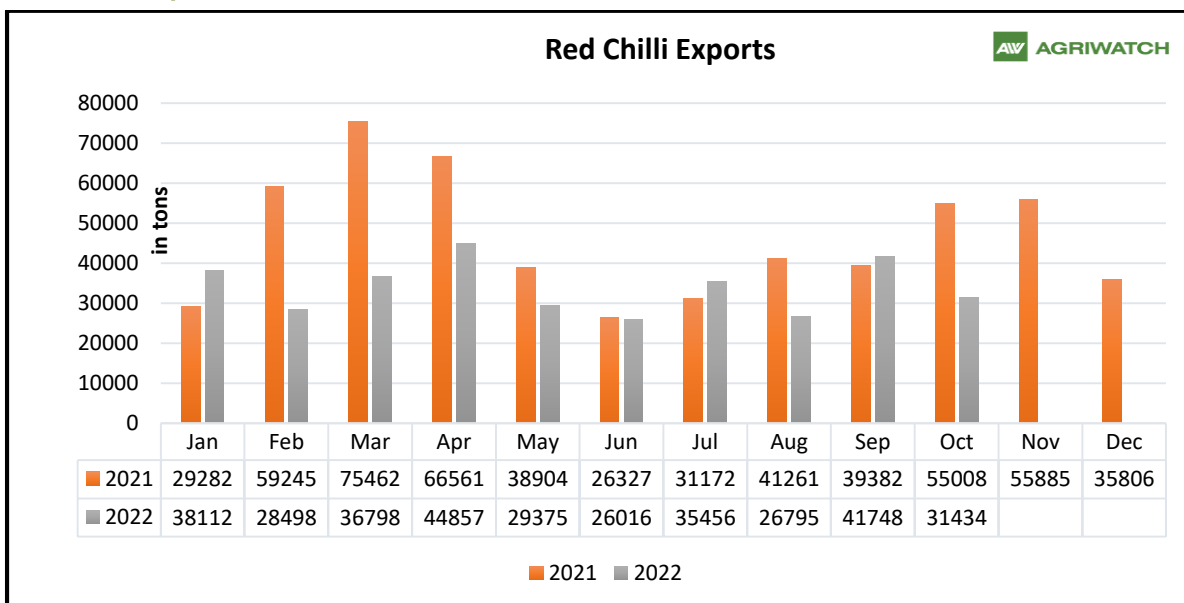
AgriWatch Red Chilli Production Forecast 2023

As per AgriWatch estimates, Red Chilli all India production for 2023 is estimated at 15.56 lakh metric tonne (LMT). Last year's production was 14.07 lakh MT, up by 10.59%.



As on 05th January 2023, in Guntur Spot Market Red Chilli 334 (S4) variety price was INR 25,000 – 26,500 per quintal, marginally up by INR 500 per quintal at higher levels compared to the same period last month as a result of the decline in new crop arrivals and some export demand. Last year it was INR 15,500 – 16,500 per quintal.

Red Chilli Export Scenario



- As we have mentioned, Red Chilli export demand has declined due to the financial crisis and hence its exports reported down in October 2022 by 24.71% from the previous month.
- Overall exports reported down by 26.70% from the same period last year as a result of lower availability of premium quality, Sri Lanka economic crisis, lockdown in China during early months of the current year and also Russia-Ukraine war has affected the exports.

Red Chilli Price Outlook

Chilli (334 quality) in Guntur market likely to trade at INR 22,000 – 26,000 per quintal, in the coming days.

Spot Prices Monthly Change

Red Chilli (Dry) Spot Market Prices: (Rs/Qtl)

State	Centre	Grade	% Change Over Previous Month	Today	Month Ago	Year Ago
				31-Dec-22	30-Nov-22	31-Dec-21
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	-3.85	25000	26000	15500
		LCA 334	-5.45	26000	27500	16500
		Teja	9.52	23000	21000	17000
		No. 273	-16.36	23000	27500	16000
		No. 5	-5.45	26000	27500	16500
		Fatki	Unch	12000	12000	10100
		Byadgi	-1.64	30000	30500	20000
		US 341	-7.14	26000	28000	16500
		Denvor Delux	-16.07	23500	28000	16500
		Indam 5	-5.45	26000	27500	16500
Telangana	Warangal	Teja	1.03	19700	19500	18000
		Wonder Hot	16.39	35500	30500	16200
		341	-7.69	24000	26000	16100
		Denvor Delux	-4.00	24000	25000	16100
		Fatki	33.33	16000	12000	8600
	Khammam	Teja (Cold storage)	--	NA	19000	16500
		Teja (Non-Cold storage)	--	20200	Closed	Closed
Madhya Pradesh	Bedia	No. 12	-4.88	19500	20500	Closed
		Fatki	4.35	12000	11500	8500
		Jhankar	-10.81	16500	18500	12500
Delhi	New Delhi	Teja (Khamam)	-8.16	22500	24500	17500
Karnataka	Byadgi	2043 Best	-27.03	27000	37000	17000
		5531 Best	-8.70	21000	23000	12000

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