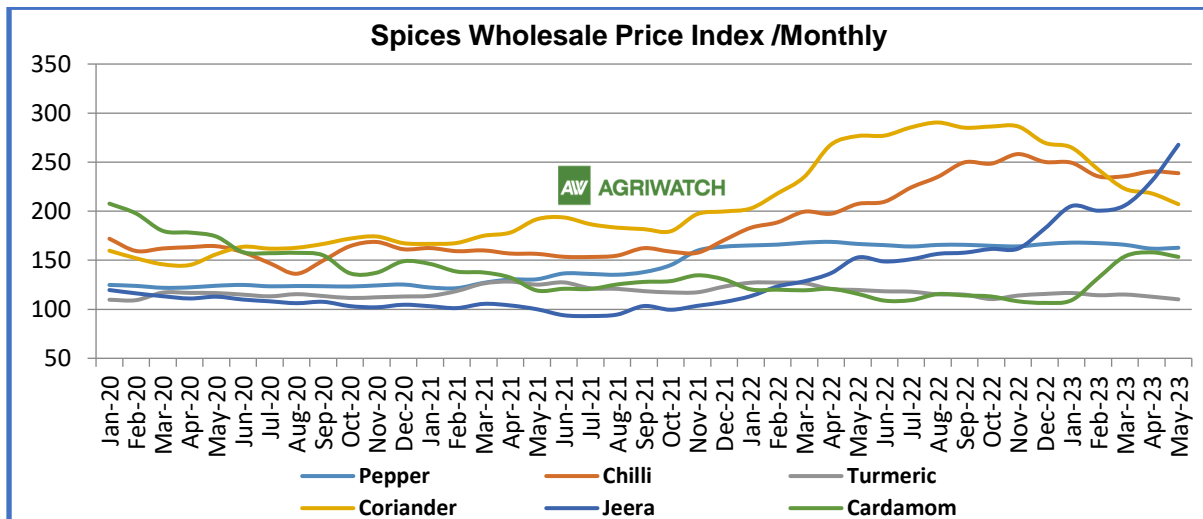




Red Chilli Monthly Research Report

AGRIWATCH

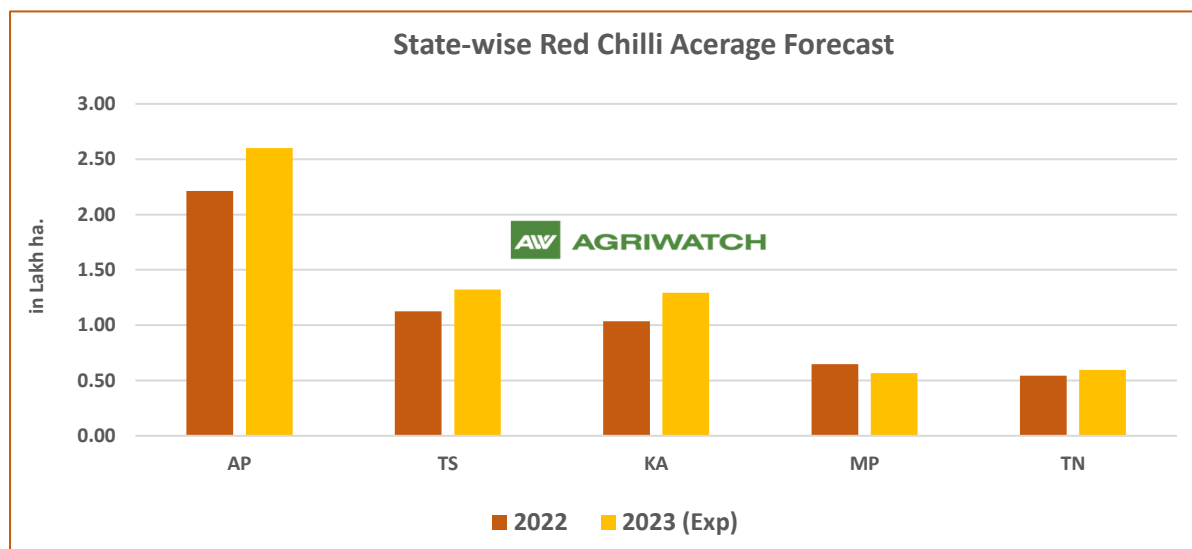
Spices Wholesale Price Index /Monthly



Months	Pepper	Chilli	Turmeric	Coriander	Jeera	Cardamom
Mar-23	165.7	235.7	115	222.8	205.9	153.9
Apr-23	161.8	240.5	112.8	218.1	230.7	158
May-23	162.7	238.7	110.1	207.1	267.7	153.4
Change Over Previous Month	0.9	-1.8	-2.7	-11.0	37.0	-4.6

Source - MINISTRY OF COMMERCE & INDUSTRY. Base year – 2011-12

KHARIF (2023) Spices 1st Area Forecast



AgriWatch forecasts that the Red Chilli kharif cultivation area for the year 2023 may reach 10.57 lakh hectares, reflecting a 15% increase compared to the previous year's 9.21 lakh hectares.

RED CHILLI

Spot Market Recap

- Mixed sentiment was witnessed in the Red Chilli spot market during June.
- All India Red Chilli supply during the month was reported down as most of the farmers and stockists are currently concerned about the delay in sowing progress caused by late monsoon conditions due to which they are releasing inferior quality more as compared to the premium quality stocks. This has further resulted in higher market price especially in the Guntur and Warangal spot markets coupled with improved demand globally as well as the demand from the masala millers and companies are gradually increasing.
- However, in other cash markets prices have declined on comparatively weak demand due to bad weather and also, buyers are waiting for some clear view of sowing progress.
- Farmers are expecting delay in the start of Red Chilli sowing, with a lag of 20-25 days observed in most growing regions. However, the arrival of the monsoon in most parts of the country, has raised hopes for the sowing process to commence in the current month.
- In certain regions of Andhra Pradesh and Telangana, the sowing progress has commenced gradually due to the improved weather conditions. Nursery preparation has been successfully completed in these states. However, farmers are eagerly waiting for monsoon showers before accelerating their sowing activities.
- On the other hand, in the growing regions of Madhya Pradesh, sowing is nearing completion, although some farmers are still in the process of sowing. The overall sowing situation will become clearer by the end of this month once all the farmers have completed their sowing activities.
- In the view of late sowing, AgriWatch expects, farmers and stockists may release their stocks in limited quantities due to which any downfall in Red Chilli prices will be very limited during the month. However, from the August onwards when the sowing scenario are expected to get clear on favourable weather conditions, there are chances of increased supply pressure on profit booking which will further lead to decline in prices in the long-term.

AgriWatch Red Chilli Kharif Sowing Intention 2023

According to AgriWatch estimates, the kharif sowing acreage of Red Chilli is expected to increase during the current season. This growth is primarily driven by farmers witnessing a realization that is nearly 250% higher than the cost of cultivation. In **Telangana** and **Andhra Pradesh**, the sowing area is projected to increase by 15%-18%. Similarly, in **Karnataka**, where prices are comparatively higher, the acreage is expected to grow by 25%-30% as compared to the previous season. However, sowing is likely to commence soon. In **MP** it is expected to decline by 12% -15% from the previous season as farmers may opt for cotton crop instead, which is currently offering higher returns.

Monthly Red Chilli (Dry) Arrival Scenario

Red Chilli Arrival Scenario: (in Bags)					
State	Market	% Change Over Previous Month	Current Month	Last Month	Previous Year
			June.23	May.23	June.22
Andhra Pradesh	Guntur	-17.74	5,10,000	6,20,000	8,10,000
Telangana	Warangal	-44.72	1,75,800	3,18,000	1,15,500
Total		-26.89	6,85,800	9,38,000	9,25,500

Units – Bags (1 bag = 45 kgs)

Red Chilli Arrivals Scenario

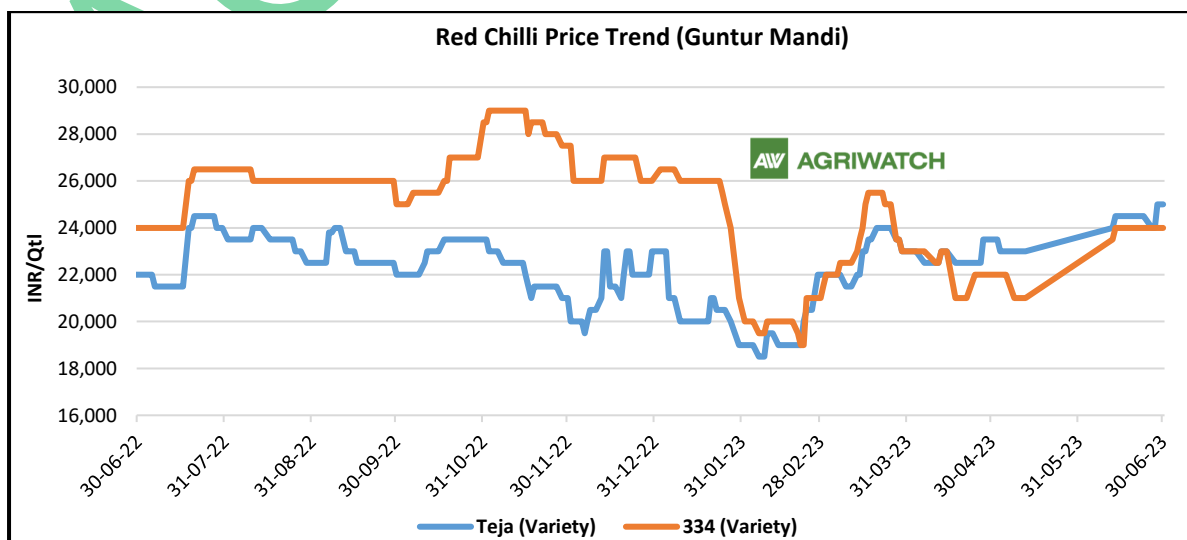
During the first six months of the current year (Jan-2023 to Jun-2023) on higher production and good demand crop supply including cold-storage arrivals in the **Guntur** benchmark market were recorded at 382,725 MT which was 325,035 MT in the same period last year, up by 17.75%.

Similarly in the **Warangal** market it is recorded at 114,684 MT which was 82,260 MT in the same period last year, up by 39.42%.

In the **Byadgi** cash market, during the current year till date, new crop arrivals were recorded at 38,19,100 Bags which was 38,25,300 MT in the same period last year, marginally down by 0.16%. The reduction in arrivals during the current season can be attributed primarily to a delay of one month in sowing, which subsequently impacted the harvesting schedule.

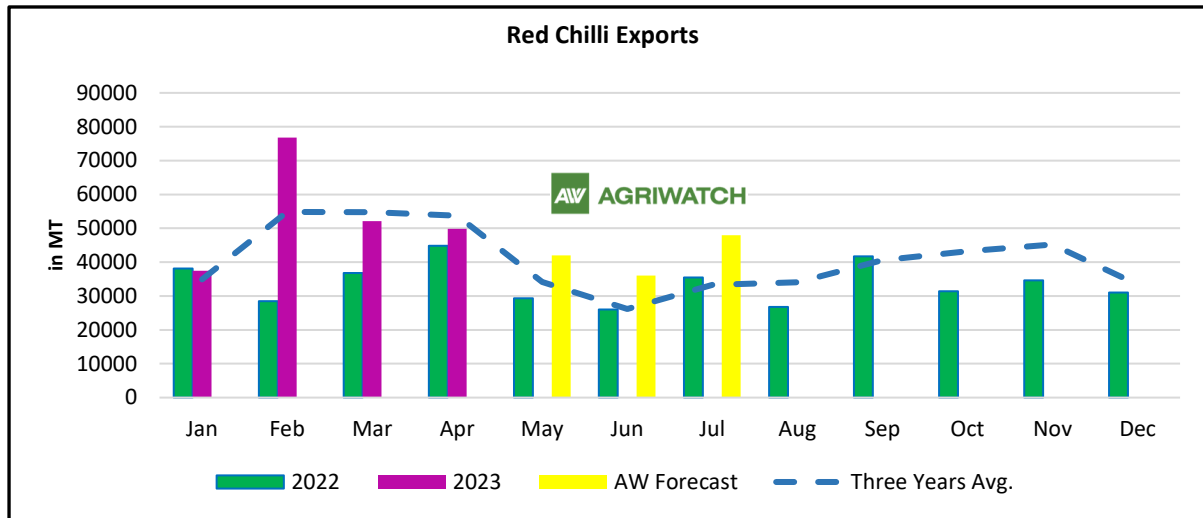
AgriWatch Red Chilli Production Estimates 2023

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%.



In the Guntur Spot Market Red Chilli 334 (S4) variety price was INR 19,000 – 22,000 per quintal. Last year it was INR 18,000 – 19,500 per quintal.

Red Chilli Export Scenario



- According to GOI, exports for April 2023 have been reported at 49,822 MT. This represents a decrease of 4.34% compared to the previous month's exports of 52,084 MT. However, there is an 11.07% increase in exports compared to the same period last year, which stood at 44,857 MT. This increase is attributed to the consistent demand from countries such as China, Bangladesh, Indonesia, Malaysia, and Sri Lanka.
- There are expectations of a surge in demand in July, particularly for premium quality Red Chillies.
- During the current year AgriWatch expects, export demand may reach up to 5.70 to 5.90 lakh MT due to higher production of premium quality in AP, Telangana and Karnataka growing regions.

Red Chilli Price Outlook

Chilli (334 quality) in Guntur market is likely to trade between INR 19,000 – 23,000 per quintal (Low – High), in the next month. Currently normal supply and demand is recorded in the market.

Spot-Prices Monthly Change

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

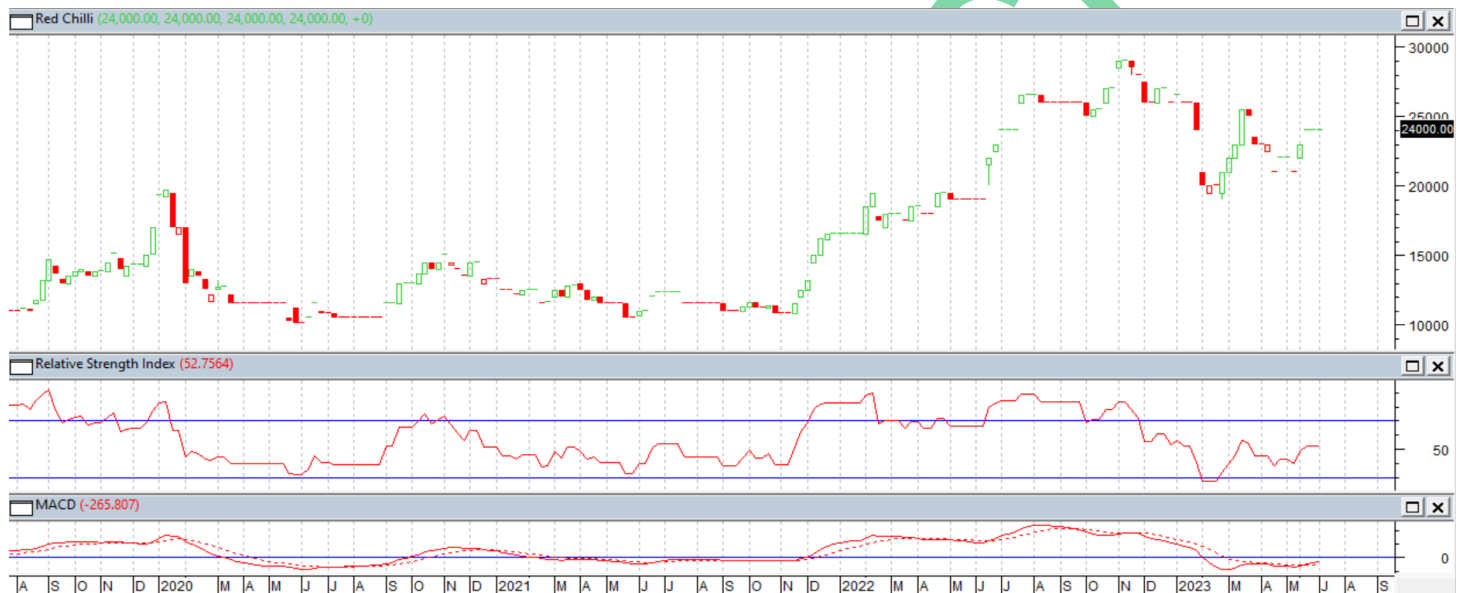
State	Centre	Grade	% Change Over Previous Month	Today	Month Ago	Year Ago
				30-June-23	31-May-23	30-June-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	22.22	22000	18000	21000
		LCA 334	14.29	24000	21000	24000
		Teja	8.70	25000	23000	22000
		No. 273	4.76	22000	21000	23500
		No. 5	13.64	25000	22000	24500
		Fatki	Unch	15000	15000	12000
		Byadgi	Unch	27000	27000	26000
		US 341	9.09	24000	22000	27000
		Denvor Delux	4.55	23000	22000	26500
		Indam 5	13.64	25000	22000	24500
Telangana	Warangal	Teja	16.98	24800	21200	22000
		Wonder Hot	-5.71	33000	35000	27500
		341	9.52	23000	21000	26500
		Denvor Delux	9.52	23000	21000	26000
		Paprika	--	NA	NA	55000
		Fatki	Unch	14000	14000	13000
	Khammam	Teja (Cold storage)	--	24500	NA	22000

		Teja (Non-Cold storage)	--	NA	23000	NA
Madhya Pradesh	Bedia	No. 12	-1.79	27500	28000	22000
		Fatki	-5.88	16000	17000	12500
		Jhankar	11.11	20000	18000	16500
Delhi	New Delhi	Teja (Khamam)	1.92	26500	26000	24000
		LCA 334	6.12	26000	24500	19000
		Fatki	3.85	13500	13000	7500
Karnataka	Byadgi	2043 Best	-16.67	25000	30000	28000
		5531 Best	-7.14	13000	14000	21000
		Dabbi Dlx Local	--	NA	45000	41500
		KDL Best(Local)	35.14	50000	37000	32000
		5531 Best	Unch	9000	9000	5000

RED CHILLI – Technical Outlook

Guntur LCA 334 Spot prices -Weekly Chart

Technical Chart:



Technical Commentary:

- During the month under review, Red Chilli prices opened to 22,000 levels and, market get closed at 24,000 level marking a high of 9.09%.
- RSI oscillator has rebounded to 59 indicating bullish market sentiment.
- MACD, crossing the signal line is currently indicating firm price momentum.

S2	S1	PCP	R1	R2
18000	19000	24000	26000	27000
Call	Entry	T1	T2	SL
Sell	Below 24000	21000	20000	26000

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