
Red Chilli Weekly Research Report

Contents

- ❖ Arrivals Scenario
- ❖ Spot Market Prices and Seasonal Trends
- ❖ Spot price Outlook
- ❖ Export Scenario
- ❖ Sowing Progress (During Sowing Time)
- ❖ Red Chilli Production Forecast 2023
- ❖ Domestic Market Fundamentals

RED CHILLI

Spot Market Recap

- Mostly steady to firm sentiment witnessed in the Red Chilli spot market during the week under review.
- Coupled with export demand and weak arrivals of new crops due to adverse weather conditions, prices were reported up in the market during the past week.
- Currently old crop supply is more as compared to new crop supply on getting higher level prices as a result of which, overall supply reported up in the market.
- AgriWatch expects Red Chilli prices likely to correct (LCA 334 19,000 – 20,000 per quintal and Teja 17,000 – 18,000 per quintal) 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 to start after 15th January 2023 from AP and Telangana. New supplies have already started from M.P. and Karnataka.
- 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%.
- We suggest stockists are likely to wait for price correction for procurement.

Fundamental Analysis

Red Chilli Arrival Scenario: (in Bags)					
State	Market	% Change Over Previous Week	Today	Week Ago	Year Ago
			31st Dec to 6th Jan 2023	24th Dec to 30th Dec 2022	31st Dec to 6th Jan 2022
Andhra Pradesh	Guntur	65.52	2,40,000	1,45,000	3,20,000
Telangana	Warangal	105.00	12,300	6,000	47000
Total		67.09	2,52,300	1,51,000	3,67,000

During the year 2022 (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.

In the year 2023, from 1st Jan 2023 up to 6th Jan 2023, around 10,800 MT were recorded which is down by 11.11% from the same period last year due to lower stocks in the year 2022.

Red Chilli New Crops Update

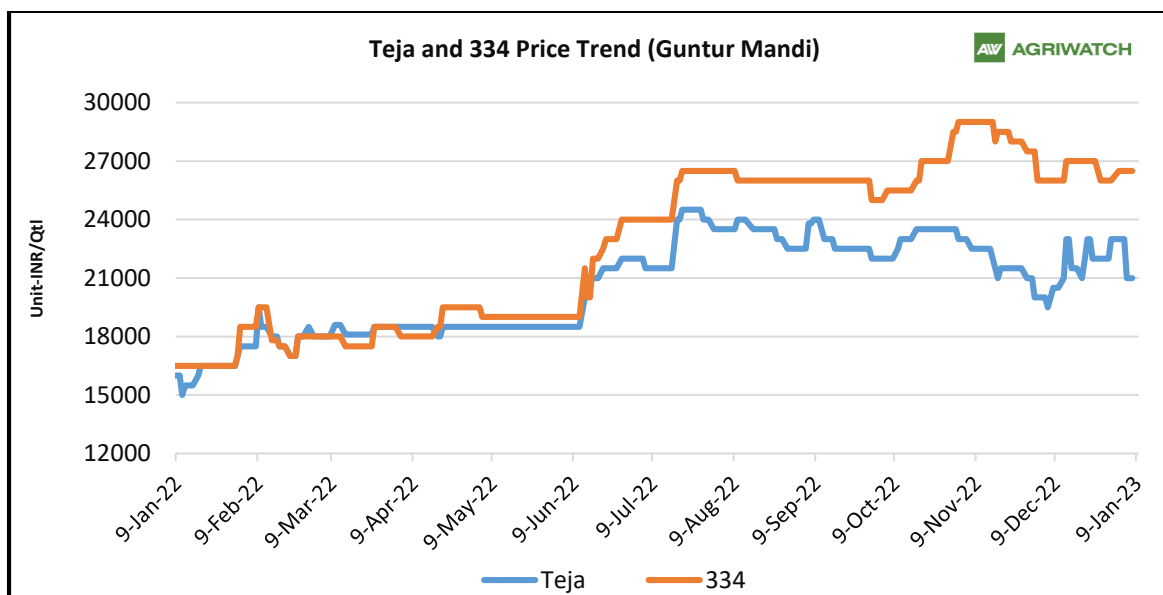
As per Andhra Pradesh agricultural department, Red Chilli sowing activity completed around 221,984 hectares as compared to last year same period 183,550 hectares, up by 20.94%.

AgriWatch Red Chilli Area Forecast - Kharif 2022

As per AgriWatch revised estimates, Red Chilli all India sowing area for 2022 is estimated at 9.21 lakh hectares as compared to last year 9.03 lakh hectares, up by 2.03%.

Earlier farmers had sowed very less areas due to fear of virus infection (last year mostly crop damaged) but now standing crop quality looks healthy so they are interested in sowing in the rest of the areas also. So, Red Chilli sowing area is likely to increase considerably under prevailing weather conditions and farmers' interest.

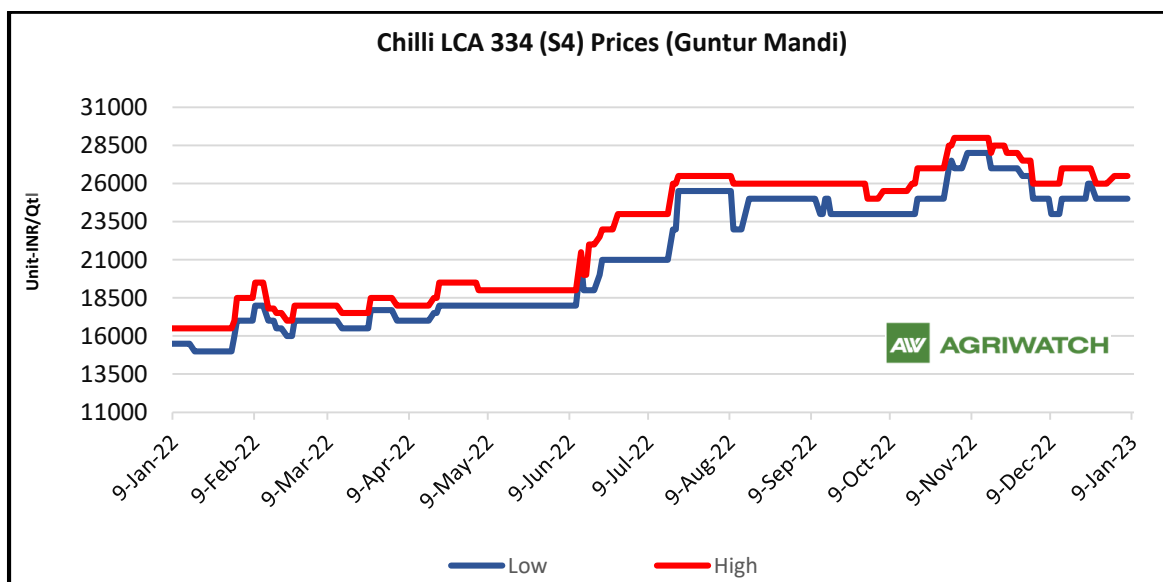
Red Chilli Price Trend



Due to continuous supply of Teja variety in the market during the past week, prices reported down by INR 2,000 per quintal at higher levels and currently trading at INR 19,600-21,000 per quintal during the past week.

As of 1st January 2023 in Guntur Spot Market Red Chilli 334 (S4) variety price was INR 25,000 – 26,500 per quintal up by INR 500 per quintal at higher levels on export demand in the market.

Red Chilli Price Outlook



Chilli (334 quality) in Guntur market is likely to trade between INR 23,500 – 25,500 per quintal (Low – High), in the coming days. Currently normal supply and demand is recorded in the market. AgriWatch expects, prices likely to decline in coming weeks on the start of new crops at faster rate.

Red Chilli Spot Prices Weekly Change, Loose Prices (Rs/Qtl)

State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				06-Jan-23	30-Dec-22	06-Dec-22	06-Jan-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	Unch	25000	25000	24000	15500
		LCA 334	1.92	26500	26000	26000	16500
		Teja	-8.70	21000	23000	19500	16000
		No. 273	Unch	23000	23000	24000	16000
		No. 5	Unch	26000	26000	26000	16500
		Fatki	8.33	13000	12000	10000	10100
		Byadgi	Unch	30000	30000	26000	20000
		US 341	Unch	26000	26000	25000	16500
		Denvor Delux	4.26	24500	23500	25000	16500
Telangana	Warangal	Indam 5	Unch	26000	26000	26000	16500
		Teja	6.60	21000	19700	19500	18000
		Wonder Hot	Unch	35500	35500	36000	16200
		341	10.42	26500	24000	22000	16100
		Denvor Delux	Unch	24000	24000	22000	16100
	Khammam	Fatki	Unch	16000	16000	11500	8600
		Teja (Cold storage)	--	NA	NA	19000	15500
		Teja (Non-Cold storage)	3.96	21000	20200	NA	NA
Madhya Pradesh	Bedia	No. 12	7.69	21000	19500	17500	NA
		Fatki	4.17	12500	12000	10000	9500
		Jhankar	-3.03	16000	16500	17500	13500
Delhi	New Delhi	Teja(Khammam)	8.89	24500	22500	22000	17000
		LCA 334	--	NA	25200	25000	NA
		Fatki	33.93	15000	11200	13000	NA
Karnataka	Byadgi	2043 Best	7.41	29000	27000	38000	12000
		5531 Best	Unch	21000	21000	20000	9000

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2023 Indian Agribusiness Systems Ltd.