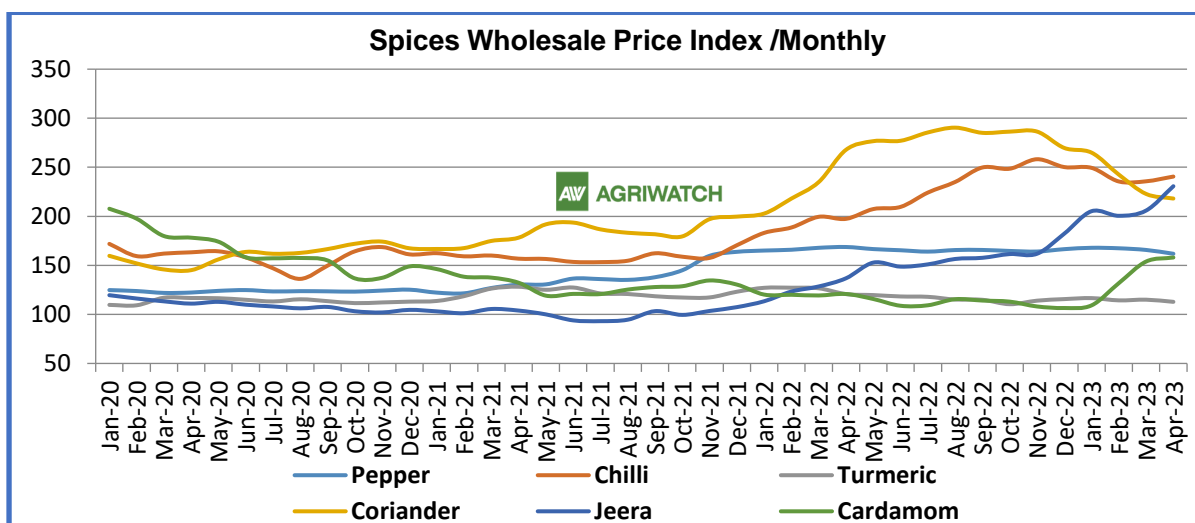

Red Chilli Weekly Research Report

AGRIWATCH

Spices Wholesale Price Index /Monthly



Months	Pepper	Chilli	Turmeric	Coriander	Jeera	Cardamom
Feb-23	167.4	235.5	114.3	242.5	200.5	131.9
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
Change Over Previous Month	-3.9	4.8	-2.2	-4.7	24.8	4.1

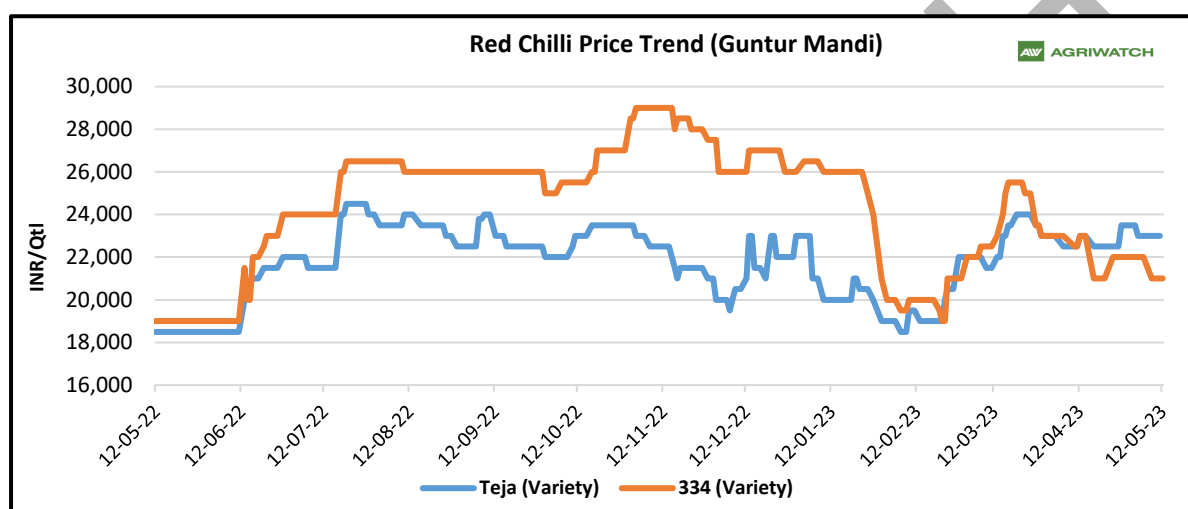
Source - MINISTRY OF COMMERCE & INDUSTRY. Base year – 2011-12

WEATHER SCENARIO

- Conditions are favourable for further advance of Southwest monsoon into some more parts of central Arabian Sea, some more parts of Karnataka, some more parts of Maharashtra, remaining parts of Tamil Nadu, some more parts of Andhra Pradesh, west central Bay of Bengal, northwest Bay of Bengal, remaining parts of north-eastern states and some parts of Sub-Himalayan West Bengal & Sikkim and Bihar during this week between 12 June- 14 June.
- If the weather conditions remain favorable, the sowing process is expected to commence from the upcoming week.

FUNDAMENTAL ANALYSIS

RED CHILLI

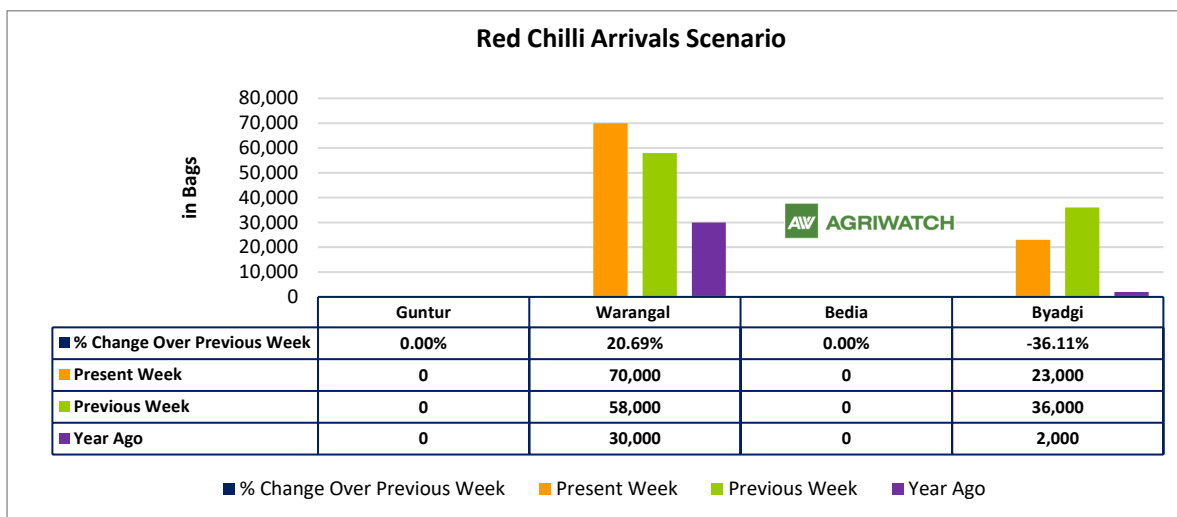


- Mostly steady to firm sentiment was reported in the Red Chilli spot markets during the week under review.
- Red Chilli Guntur spot market is closed from 15th May 2023 and reopen on 12th June 2023.
- Red-Chilli Khammam market cold-storage arrivals have started from 5th June 2023 and Teja prices opened at INR 21,000-24,500 per quintal with the arrivals of 3,000 bags which has now increased to INR 24,000-24,500 per quintal with the arrivals of 5,000 bags. Agriwatch predicts a gradual increase in arrivals starting from next week, as the Guntur market reopens and demand improves.
- AgriWatch predicts that arrivals in the AP and Telangana market will increase after mid-June due to improved demand from China, Bangladesh, Malaysia, and Indonesia. Additionally, the demand from masala companies will further contribute to the rising arrivals. However, prices in the Karnataka cash markets will remain stable and comfortable due to continuous demand from major importers, especially China, Bangladesh, and Sri Lanka. However, price stability will depend on current weather conditions and clarity regarding the upcoming sowing expectations, which might become clear by June 15, 2023.
- Meanwhile, cold-storage arrivals in the Karnataka market are likely to increase gradually on upcoming demand from global markets for good quality chillies despite the fear of decline in prices on higher production.
- As per the trade sources, the AP cold storages are likely filled with approximately 65-75 lakh bags, whereas the Telangana cold storages are expected to store between 55-60 lakh bags, and Karnataka cold storages may store around 70-80 lakh bags due to higher production.

- In Karnataka's cold storages/ warehouse, approximately 50% to 55% of the total stocks consist of the 5531 variety while the remaining 45% to 50% comprises other varieties such as Super 10, Indo, 2043, Daddi, and KDL, among others.
- Red Chilli prices are anticipated to rise by INR 2,000-3,000 per quintal after the reopening of the markets due to export demand from China and other countries, Oleoresin companies, and masala companies. However, in the long term, between August and September, prices are likely to decrease due to higher stock availability.

AgriWatch Red Chilli Pre-Sowing Intention 2023-24

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%-20%. Similarly, in Karnataka, where prices are comparatively higher, the acreage is expected to grow by 25%-30% compared to the previous season. However, sowing is likely start by the end of June. While in MP it is expected to decline by 10% -15% from the previous season as farmers may opt for cotton crop instead, which offers higher returns.



- In the Warangal Red Chilli spot market, there is currently a higher supply of inferior quality chillies compared to premium quality Red Chilli crop. This is because farmers and stockists are awaiting a potential price rebound, which they anticipate after the start of cold-storage supply in the Guntur and Khammam markets.
- While in the Byadgi market, weak demand has resulted into weak supply pressure and it is anticipated that as the export demand begins, the arrivals in the market may gradually increase starting from the mid-week of June.

Red Chilli Price Outlook

Chilli (334 quality) in Guntur market is likely to trade between INR 22,500 – 25,000 per quintal (Low – High), in the next month. Currently normal supply and demand is recorded in the market.

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

State	Centre	Grade	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
				09-Jun-23	02-Jun-23	09-May-23	09-Jun-22
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	--	Closed	Closed	18000	Closed
		LCA 334	--	Closed	Closed	21000	Closed
		Teja	--	Closed	Closed	23000	Closed
		No. 273	--	Closed	Closed	20000	Closed
		No. 5	--	Closed	Closed	22000	Closed

		Fatki	--	Closed	Closed	13000	Closed
		Byadgi	--	Closed	Closed	25000	Closed
		US 341	--	Closed	Closed	21300	Closed
		Denvor Delux	--	Closed	Closed	20000	Closed
		Indam 5	--	Closed	Closed	22000	Closed
Telangana	Warangal	Teja	Unch	21000	21000	20500	17000
		Wonder Hot	Unch	35000	35000	31000	23500
		341	Unch	21500	21500	22000	23000
		Denvor Delux	Unch	21500	21500	22000	23000
		Paprika	--	NA	NA	NA	55000
		Fatki	Unch	14000	14000	13000	11000
	Khammam	Teja (Cold storage)	--	24000	Closed	NA	19500
		Teja (Non-Cold storage)	--	19000	Closed	23000	16500
Madhya Pradesh	Bedia	No. 12	--	Closed	28000	28000	21000
		Fatki	--	Closed	17000	17000	11000
		Jhankar	--	Closed	18000	18000	16500
Delhi	New Delhi	Teja(Khammam)	1.92	26500	26000	25500	Closed
		LCA 334	2.04	25000	24500	24500	Closed
		Fatki	7.69	14000	13000	13000	Closed
Karnataka	Byadgi	2043 Best	Unch	30000	30000	34000	27000
		5531 Best	Unch	13000	13000	14000	19500
		Dabbi Dlx Local	--	59000	NA	50000	39000
		KDL Best(Local)	11.43	39000	35000	44000	28500
		KDL Fatki	Unch	9000	9000	9000	3200

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