



**HARRIS SPICE**  
A HARRIS FREEMAN ENTERPRISE

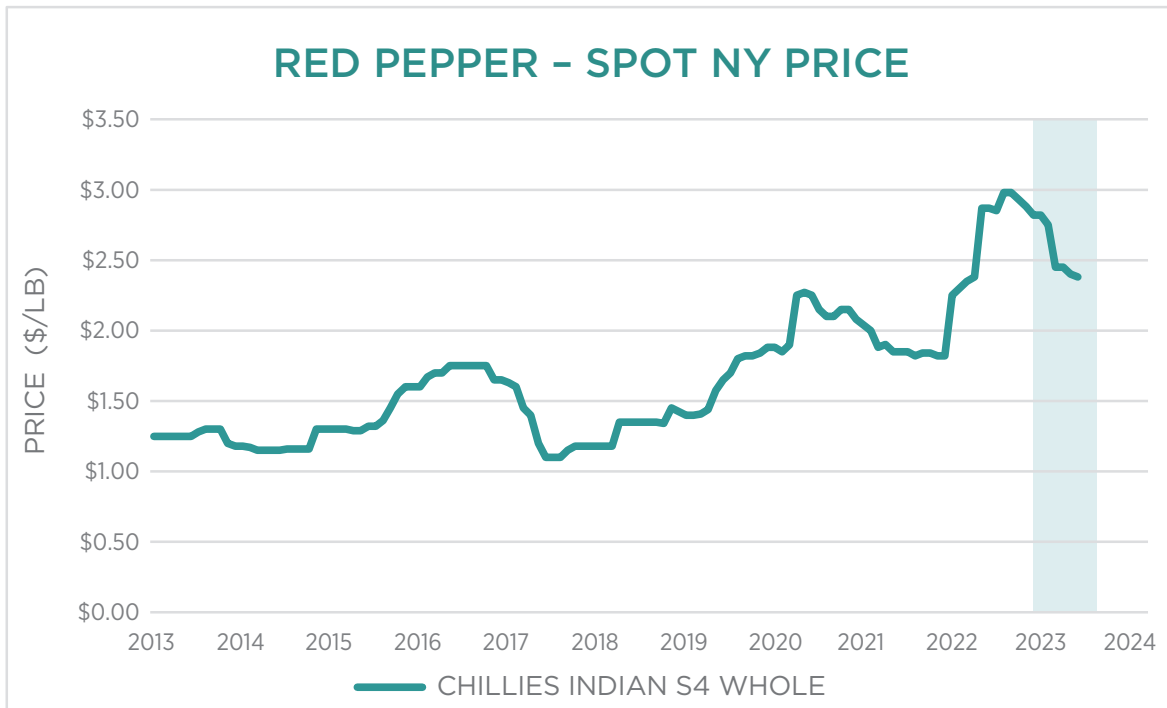


## RED PEPPER REPORT

AUGUST 2023

### Current Market

**INDIA:** Harvesting is complete in all growing areas, and primary market arrivals have declined. A significant portion of the harvested material has already been sold, while the rest is being stored in cold storages. There has been good demand during the past months from East-Asian countries including China. Though carry-forward stocks remain, availability of low pesticide, residue-compliant material is limited.



AUGUST 01, 2023



## Crop Conditions

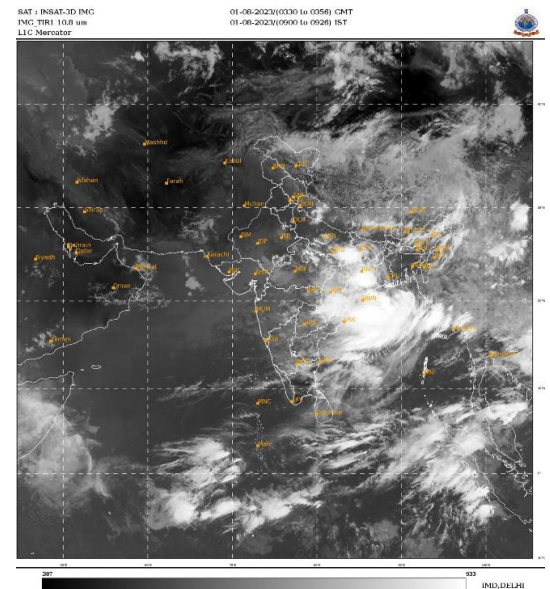
**INDIA:** The onset of the monsoon showers has been delayed by about 3 weeks in the major growing areas, and this has affected the farm-level preparations for the new season.

In the central Indian state of Madhya Pradesh, where the crop season is earlier than in other areas, sowing for the coming season has been affected by the delayed rains. Seed sales have been lower, and acreage under cultivation is estimated to have fallen by about 10% as farmers switched to alternate crops this year, fearing the attack of black thrips. In the main growing states of Andhra Pradesh and Telangana also, sowing has been delayed by about a month due to the late rains. In Karnataka, even though sowing has been delayed, seed sales have been good and there is a significant increase in acreage. This week, a depression formed as a result of a well marked low pressure area over the North Bay of Bengal lies centered over north-east Bay of Bengal, and is likely to intensify further into a deep depression. Widespread rainfall with isolated heavy showers are likely over the eastern coastal regions.

**CHINA:** Unseasonal snowfall had been reported from the North-Western parts of the country, including the major red pepper growing region of Xinjiang, during early May. This has affected crop availability in the new season as well as created bullish market sentiments. New season production could be adversely affected, and possibly delayed.

## Market Scenario

**INDIA:** With harvesting complete and rains starting, primary market arrivals have declined. Cold storage stocks are higher than last year's levels. However, availability of IPM material is limited since farmers had undertaken crop protection measures, including use of pesticides, fearing a recurrence of black thrips attack which had caused heavy damage during the previous season. The delay in commencement of rains, together with increased domestic and export demand, has provided support to prices. Farmers and traders are also releasing only limited quantities, preferring to hold back material.



Satellite Image on 01 August 2023 showing dense cloud cover over the northern Bay of Bengal  
 [Source: India Meteorological Department]

## Price Forecast

**INDIA:** Harvesting is complete and all new arrivals are from cold storages. Storage costs could have an impact on prices. Though there are adequate stocks remaining, availability of low-pesticide residue material is limited, which could have a bullish impact on IPM material prices. The late arrival of the south-west monsoon rains, which has affected new season sowing, has also resulted in increased domestic and export demand. The limited availability of low-pesticide residue material over the coming months could have a bullish impact on prices in the medium term.

## Coverage Recommendation

There is limited availability of good quality material having low pesticide residue levels. Uncertainties prevail about weather conditions later in the year, with the El Nino expected to strengthen towards the end of the year. Prices usually move up during the off-season, once harvesting is over, due to the increased storage costs. Domestic and export demand could increase later in the year, providing support to prices. Current availability of material should be seen as an opportunity to extend coverage at least until the end of the year.

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