



RED PEPPER REPORT

JANUARY 2024

Current Market

Prices continued to be mostly stable across regional markets. Stock levels in cold storages continues to be high. Domestic and export demand has been weak. With the new season harvesting approaching, buyers are waiting for arrivals to pick up.

Global Crop Conditions

Peak arrivals continue from the central Indian state of Madhya Pradesh, where harvesting starts earlier than in other areas. Though there has been a decline in acreage, yield levels have been good and there is an increase in production.

In the peninsular states of Telangana, Andhra Pradesh and Karnataka, sowing has been higher this season. Though there has been reports of virus and black thrips infestation, production is generally quite good, and an increase in output is expected.

Cyclone Michaung hit the coastal regions of Andhra Pradesh and Telangana during the 1st week of December. There were heavy rains and water logging in Prakasam, West Guntur, Vijayawada and Rayalaseema regions of Andhra Pradesh, as well as Bhadrachalam, Khammam and parts of north Telangana on the banks of the Godavari. However, the impact on red pepper production is reported to be limited.

Market Scenario

There are still substantial quantities remaining in cold storages. New season harvesting has started in some areas. There was an increase in acreage this season. Even though there was some damage due to Cyclone Michaung, average production is expected since yield levels have been good.

Price Forecast

There could be some weakening of prices once peak arrivals start. However, availability of low-pesticide residue material could be limited. Besides, drying operations have been hindered by the recent rains, and this could also affect the quality of material.

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Coverage Recommendation

New season arrivals will pick up over the coming months, and this could have a bearish impact on prices. Uncertainty remains about the availability of higher quality IPM material. It would be advisable to make use of opportunities for extended coverage once peak arrivals start.

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