

Chilli Outlook – December 2018

India is the world's largest producer, consumer and exporter of chillies in the world. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. Indian chilli is mainly exported to Asian countries like Vietnam, Thailand, Sri Lanka, Bangladesh and U.A.E.

In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Andhra Pradesh, as on 26th September 2018, about 116,578 hectares was reported under red chilli. Till now, chilli area coverage in Guntur, Kurnool and Krishna regions is reported as 65,259 hectares, 15,584 hectares and 12,816 hectares respectively.

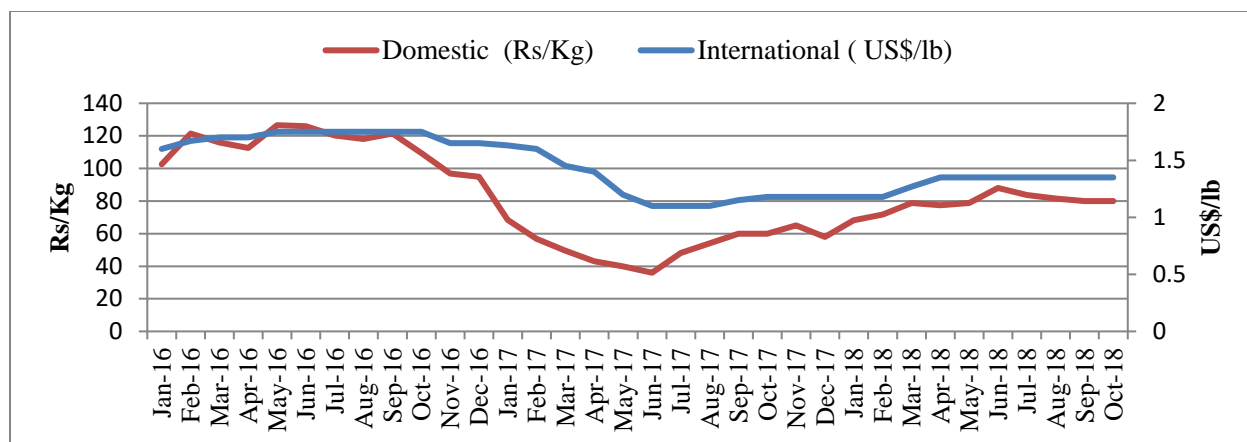
As on 26th September 2018, red chilli sown area in Telangana was reported as 46,126 hectares as compared to only 24,920 hectares in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18,010 hectares followed by Mahabubabad (10758 hectares), Gadwal (Jogulamba) (6,289 hectares) and Warangal (Rural) (1,794 hectares). Currently, chilli is at fruit development stage. New crop arrivals are likely to enter into markets from last week of January.

Red Chilli production for 2019-20 is estimated at 12.00 lakh MT compared to earlier estimate of 12.45 lakh MT, while previous year's production was 10.50 lakh MT (Agriwatch).

Table 1: Red Chilli Supply and Demand (in lakh tonnes)

Particulars	2016-17	2017-18	2018-19 (Exp)
Opening Stock	3.84	1.87	2.39
Production	10.73	13.76	10.5
Import	0.00	0.00	0.00
Total Supply	14.57	15.63	12.89
Consumption	8.7	8.8	8.5
Exports	4.00	4.44	3.85
Total Demand/Usage	12.7	13.24	12.35
Ending Stock	1.87	2.39	0.54
Av Monthly Consumption	0.73	0.73	0.71
Stock to Month Use	2.58	3.26	0.76
Stock to Consumption Ratio %	14.72	18.05	4.37

Source: Agriwatch



Source: <http://www.indianspices.com>

Fig.1: Monthly Average Domestic and International Spot Prices of Chilli

The trend in average monthly domestic and international chilli prices from January 2016 to October 2018 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The international and domestic prices had reported as 1.35 US\$/lb and 80.00Rs/Kg respectively in October 2018 also as that of during previous month. International chilli prices at New York market remain stable since April 2018.

Table 2: Prices and Arrivals of Chilli at Khammam and Warangal Markets in November 2018

Date	Warangal				Khammam			
	Arrivals (Qts)	Minimum Price (Rs/ Qts)	Maximum Price (Rs/ Qts)	Modal Price (Rs/ Qts)	Arrivals (Quintals)	Minimum Price (Rs/ Qts)	Maximum Price (Rs/ Qts)	Modal Price (Rs/ Qts)
1	48	4,800	7,011	5,500	116	3,000	4,500	3,500
2	8	5,000	6,000	5,500	24	3,000	4,600	4,000
5	14	6,000	8,811	8,700	195	3,000	4,000	3,500
9	1	6,000	8,811	8,700	86	3,000	4,800	3,500
12	40	4,000	9,621	8,100	41	3,500	5,100	4,000
13	2	4,000	8,811	6,000	42	3,000	4,000	3,500
14	8	5,000	6,111	5,200	52	4,000	5,000	4,400
15	60	5,511	8,111	6,500	152	3,000	4,000	3,500
16	140	5,000	6,500	5,500	52	4,000	6,000	5,000
19	105	4,000	8,001	5,900	42	3,500	5,000	4,000
20	60	4,000	7,511	6,900	37	4,000	6,011	4,200
22	126	6,200	10,000	9,000	236	7,300	8,200	7,855
26	54	4,041	9,500	7,500	75	8,811	9,611	9,018
27	109	5,500	10,251	6,500	87	8,200	9,311	9,000
28	31	6,000	9,600	8,200	48	8,200	9,311	8,711
29	138	5,000	9,900	7,200	25	7,500	9,300	8,000

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

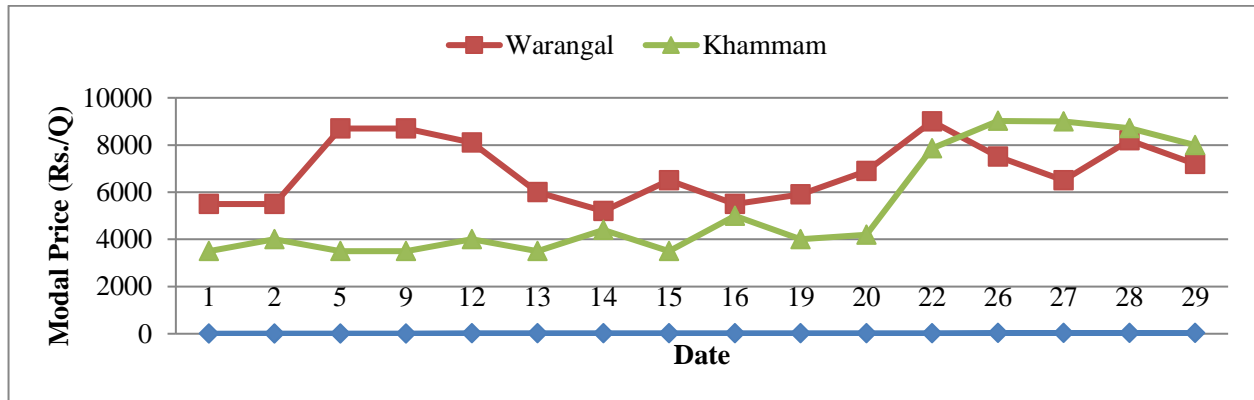


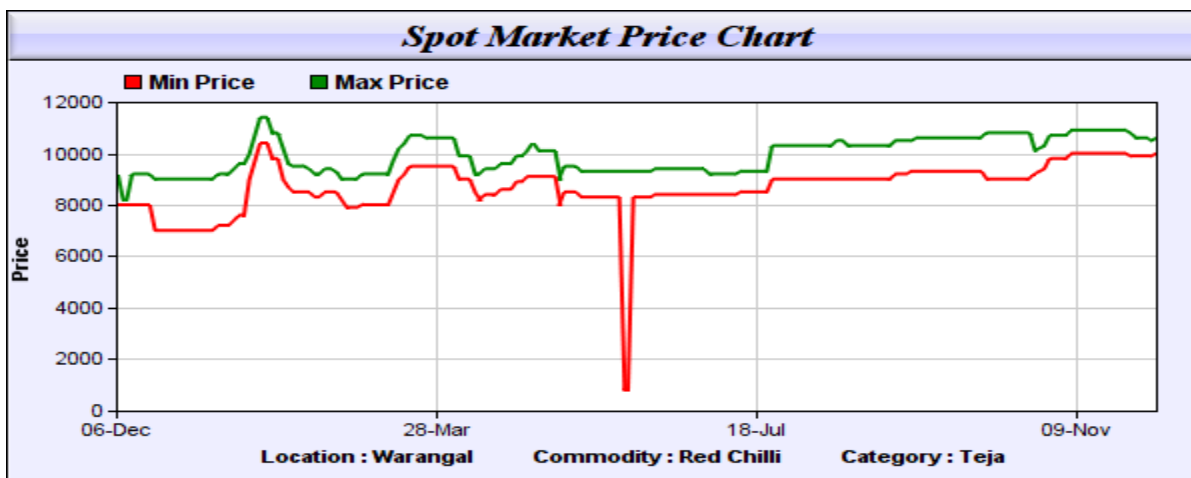
Fig.2: Chilli Prices at Warangal and Khammam Markets in the Month of November 2018

In Warangal and Khammam markets, chilli was traded around Rs. 5200 – 9000 and Rs. 3500 -9018 per quintal with 1,000 and 1300 quintals of arrivals respectively in the month of November 2018.

Table 3:Red Chilli Spot Prices (Rs/Qtl)

Centre	Variety	% Change Over Previous Week	29-Nov-18	22-Nov-18	29-Oct-18	29-Nov-17
Guntur (A.P.) Benchmark market	NCDEX Quality	2.22	9200	9000	9200	6500
	Teja	-1.79	11000	11200	11500	9500
	No. 273	Unchanged	10000	10000	11000	8000
	No. 5	-6.86	9500	10200	10000	8000
	Fatki	10.00	5500	5000	5000	4000
	Byadgi	-1.74	11300	11500	10200	9000
	US 341	-3.00	9700	10000	10300	9500
	Indam 5	-2.75	10600	10900	Closed	9200
Warangal (Telangana)	Teja	-0.93	10700	10800	Closed	7900
	Wonder Hot	-3.57	10800	11200	Closed	9100
	341	-0.93	10700	10800	Closed	8700
	Paprika	-9.09	6000	6600	Closed	3900
	Fatki	-9.09	10000	11000	12000	NA
Bedia (M.P.)	No. 12	-4.55	10500	11000	12500	11500
	Indu 2070	-4.17	11500	12000	13500	11500
	MICO (Teja)	-10.00	9000	10000	NA	NA
	Jhankar	-6.54	10000	10700	11000	NA
	Ganesh	-3.85	12500	13000	13000	11500
New Delhi	Pala 12	Unchanged	11000	11000	11500	8500
	Fatki	Unchanged	11000	11000	11500	8500
	Packing	2.22	9200	9000	9200	6500

Source: Agriwatch



Source: Agriwatch

Fig.3: Spot Market Price Chart (Warangal Mandi)

Currently, Chilli (NCDEX quality) in Warangal is trading steady at Rs. 10,000 - 10600 per quintal. Chilli prices may not fall much further from current levels, as buying from stockiest, exporters, masala millers etc. will continue.

Chilli Price Outlook

In September, chilli export reported up around 39,876 MT as compared to August (34,639 MT). Currently exporters demand was reported low in Guntur market as prices are moving to higher levels.

In Andhra Pradesh and Telangana, still Chilli standing crop reported at very crucial stage due to lower rainfall and in some areas virus infection was reported. As per current situation, Andhra Pradesh chilli production is likely to lower by 10% from earlier estimates. If hot weather condition continues in coming days, the damage percentage may increase as well.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that chilli is likely to trade in price range between **Rs.7500 – 8500** per quintal in the month of December 2018.