

Chilli Outlook – November 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.

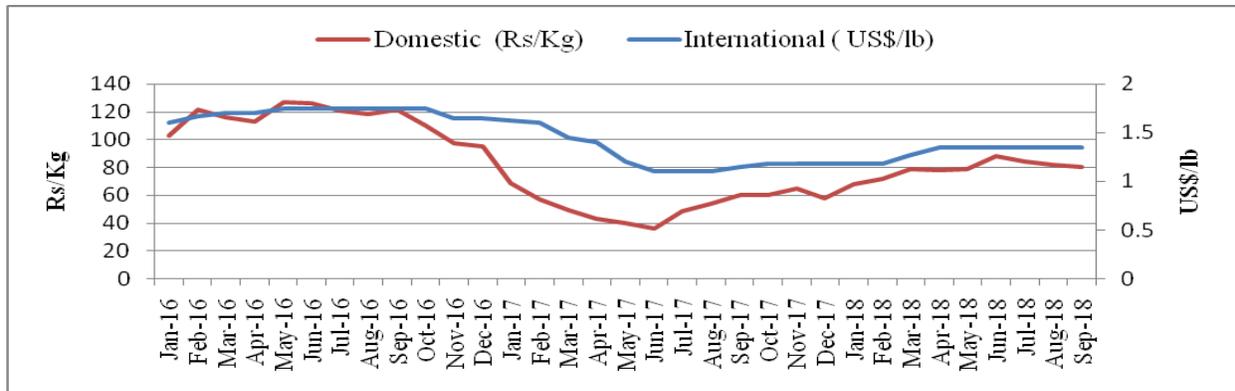
As on 26th September 2018, red chilli sown area in Telangana was reported as 46,126 hectares as compared to only 24,920 hectares in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18,010 hectares followed by Mahabubabad (10758 hectares), Gadwal (Jogulamba) (6,289 hectares) and Warangal (rural) (1,794 hectares). Currently, chilli standing crop is at vegetative stage.

In Andhra Pradesh, still Chilli standing crop reported at very crucial stage due to lower rainfall. As per current situation, Andhra Pradesh chilli production may lower by 10 – 20% from earlier estimate. Actual scenario may likely known after 10 – 15 days.

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
Ave. 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 spices monthly research report, November 2018



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 September 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 80.00 Rs/kg in September 2018 as compared to last month prices i.e., 1.35 US\$/lb and 81.50 Rs/Kg respectively. International chilli prices at New York market remain stable since April 2018 while, domestic prices showed decreasing trend since last two months from Rs. 83.75 to 80.00 per quintal.

Table 2: Prices and Arrivals of Chilli at Khammam and Warangal Markets in the Month of October 2018

Date	Khammam				Warangal			
	Arrivals (Tonnes)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)	Arrivals (Tonnes)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
3	79	3,200	5,000	3,850	41	4,500	6,000	5,500
4	34	3,000	4,500	4,000	24	4,000	6,000	5,800
5	66	3,000	4,100	4,000	20	4,000	6,000	5,300
8	173	3,000	4,000	3,500	126	4,000	6,500	5,500
10	71	3,000	3,700	3,500	56	4,200	6,000	5,500
11	43	3,000	4,400	3,500	44	4,700	6,000	5,000
15	55	3,200	4,800	4,300	48	4,200	6,000	5,000
16	29	2,600	3,200	3,000	70	4,500	6,000	5,500
22	45	2,500	4,000	3,000	13	5,000	6,000	5,500
23	84	3,000	4,500	3,500	40	4,500	6,000	5,000
24	38	3,000	4,500	3,500	23	4,500	6,500	5,500
25	46	2,500	3,600	3,000	22	4,500	6,000	5,500
26	114	3,000	4,000	3,500	3	4,000	5,500	5,000
29	140	3,700	5,200	4,000	4	4,000	6,000	5,000
30	70	4,000	5,500	5,200	34	4,000	6,000	5,000
31	143	4,000	6,000	5,500	34	4,000	6,000	5,500

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

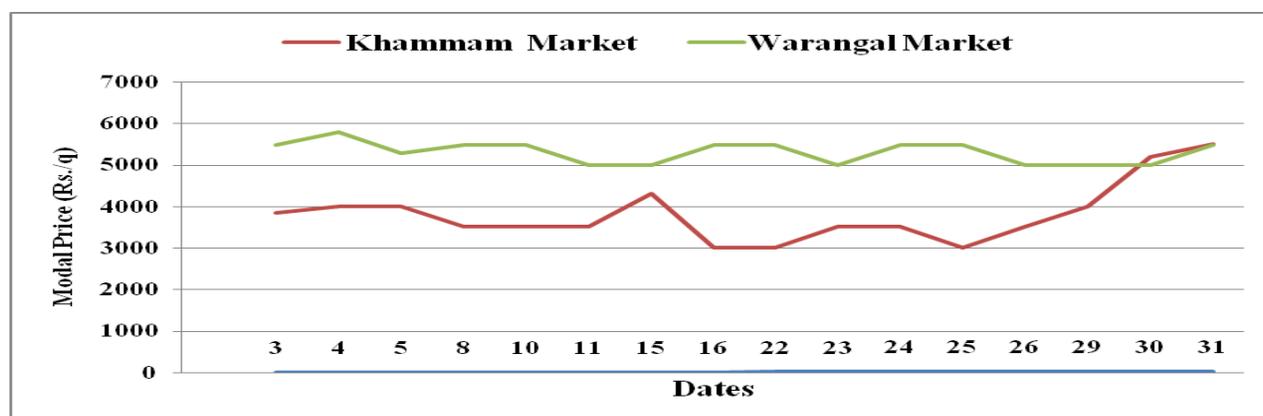


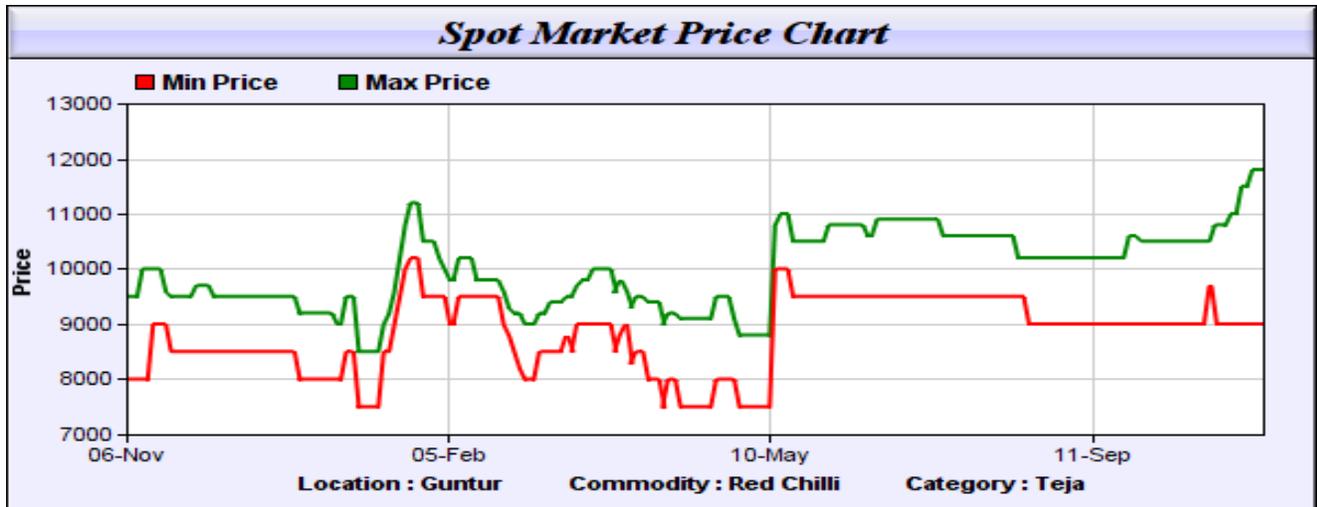
Fig.2: Chilli Prices at Khammam and Warangal Markets in the Month of October 2018

In Telangana, chilli prices at Khammam and Warangal markets ranged between Rs. 3000 – 5500 and Rs. 5000 – 5800 respectively in the month of October 2018.

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

Centre	Variety	% Change Over Previous Week	Today	Week Ago	Month Ago	Year Ago
			1-Nov-18	25-Oct-18	1-Oct-18	1-Nov-17
Guntur (A.P.)	NCDEX Quality	8.24	9200	8500	8000	5600
	LCA 334	11.49	9700	8700	8300	5900
	Teja	7.27	11800	11000	10500	9500
	No. 273	Unchanged	11000	11000	10500	7800
	No. 5	5.26	10000	9500	10000	7800
	Fatki	Unchanged	5000	5000	5500	3500
	Byadgi	2	10200	10000	10500	8000
	US 341	3	10300	10000	10400	8300
	Denvor Delux	5.26	10000	9500	10000	7500
Indam 5	Unchanged	9500	9500	9500	NA	
Warangal (Telangana)	Teja	4.9	10700	10200	10600	9500
	Wonder Hot	3.85	10800	10400	10500	8100
	341	3.7	11200	10800	10700	9000
	Denvor Delux	3.85	10800	10400	10700	8400
	Fatki	6.45	6600	6200	6200	4500
Bedia(M.P.)	No. 12	9.09	12000	11000	10000	NA
	Indu 2070	13.64	12500	11000	10000	8500
	MICO (Teja)	12.5	13500	12000	10200	9800
	Ganesh	20	12000	10000		NA
New Delhi	Teja (Khamam)	12.5	13500	12000	11500	10600
	LCA 334	9.52	11500	10500	10500	8100
	Packing	9.52	11500	10500	10500	8100

Source: Agriwatch spices monthly research report, November 2018



Source: Agriwatch spices monthly research report, November 2018

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

Currently, Chilli (NCDEX quality) in Guntur is trading steady at Rs. 8,800 – 9,200 per quintal. Chilli prices may not fall much further from current levels, as buying from stockists, exporters, masala millers etc., will continue.

Table 4: Monthly Red Chilli Arrival Scenario

Market	% Change over previous week	Today	Week ago	Year ago
		26 th Oct to 1 st Nov 2018	20 th Oct to 25 th Oct 2018	26 th Oct to 1 st Nov 2017
Guntur (Andhra Pradesh)	38.98	410,000	295,000	400,000
Warangal (Telangana)	14.29	32,000	28,000	39,000
Total	36.84	442,000	323,000	439,000

Chilli cold storage stocks as on date (including old and new crops) in Guntur stood at 94,500 to 103,500 MT, while total stocks in Andhra Pradesh are expected around 144,000 to 153,000 MT according to various trade estimates.

Total red chilli supply in Guntur market from 1st January to 2nd November 2018 stands at around 431,055 MT as compared to 465,840 MT in the corresponding period of last year. Supply was down 7.5% on account of lower production during current year.

Chilli Price Outlook

Demand for Teja variety was reported from Thailand, Malaysia, China, Bangladesh and Sri Lanka. Trade sources revealed that, Teja variety prices may go up further as export quality is available only in Andhra Pradesh and Telangana state.

Increasing export demand may support Chilli prices at Bedia market from where Chilli varieties like No.12, Indu 2070, Teja are exported to Malaysia, Bangladesh and Sri Lanka via Chennai and Mumbai ports.

As per trade information, currently 3 to 4 degrees temperature reported higher. If this continues for next 15 to 20 days, chilli length may come down from 3 inch to 2 to 2.5 inch, quality may deteriorate and production may come down. Currently, some virus affected area was reported in both AP and Telangana.

In Madhya Pradesh, Chilli standing crop affected due to higher temperature. Agriwatch production estimate is likely to be around 48,016 MT as against the current year earlier estimate of 56,490 MT. Currently, at Bedia market new crop supply is entering in small quantity i.e., around 1000 MT.

In Andhra Pradesh and Telangana also currently Chilli standing crop reported very crucial stage due to lower rainfall. Chilli prices may likely to move up further due expectations of increasing export demand.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that chilli is likely to trade in price range between **Rs. 5500 – 6500** per quintal in the month of November 2018.