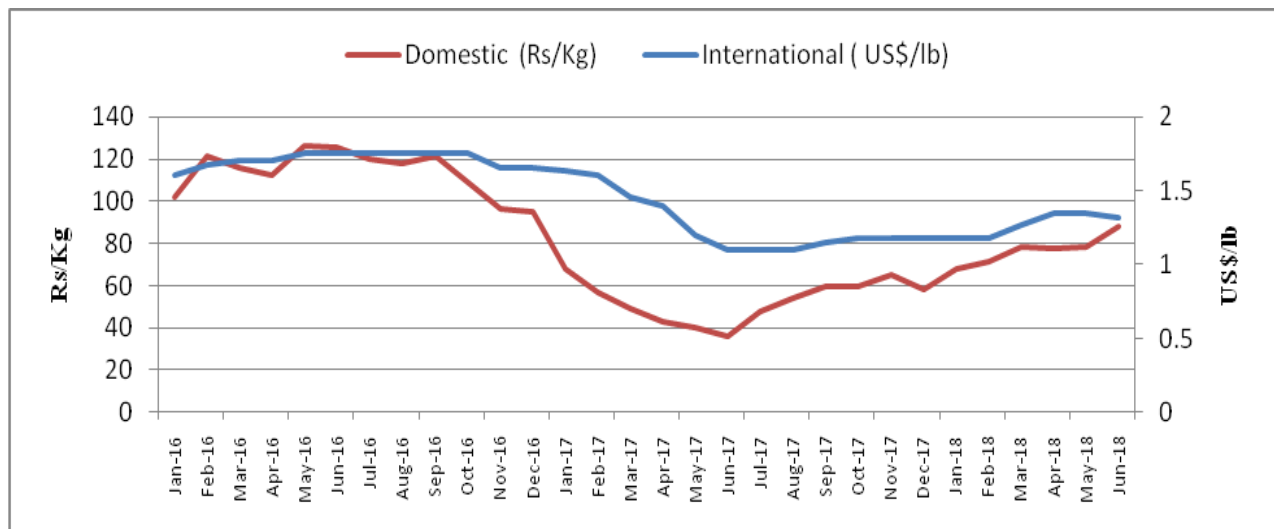


## Chilli Outlook – August 2018

According to season and crop coverage report kharif – 2018, as on 1<sup>st</sup> August 2018, area covered under chilli in Telangana state was 10,082 hectares as against 5,448 hectares in the corresponding period last year. This is 15% of season's normal area i.e., 69,144 hectares. So far Gadwal stood first in chilli sown area with 6,289 hectares followed by Khammam (1,094 ha) and Nagarkurnool (1,050 ha). In Madhya Pradesh around 50 – 60% of red chilli sowing was completed. Farmers are fearful about virus infestation that has damaged chilli crop during last three years. Because of which shift of certain chilli area to cotton crop is expected. In Andhra Pradesh, as on 1<sup>st</sup> August 2018, 23,133 hectares was covered under chilli as compared to 6913 hectares in the corresponding period last year.

India exported a record 1.03 million tonnes of spices and spice products in 2018, registering an increase of 8 per cent in volume terms. At about Rs 17,930 crore, exports were 1 per cent higher in rupee terms, while the same in dollar terms were pegged at \$ 2.8 billion, up 5 per cent. Chilli continued to lead Indian spice shipments with export of 4,43,900 tonnes, fetching an amount of Rs 4,256.33 crore. While volumes increased by 11 per cent, the value declined by 16 per cent from the previous year due to volatility in prices of chilli in international markets.



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 June 2018 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The domestic price of chilli is almost following the international price trend. Chilli prices which were declining since September 2016 started increasing after July 2017. From March 2018 onwards till May 2018 chilli prices remain stable around 1.35 US\$/lb at international

and 77.5 Rs/Kg at domestic levels. However, the domestic price had increased to 88 Rs/Kg in the month of June 2018.

**Table 1: Prices and Arrivals of Chilli at Khammam Market in the Month of July 2018**

Date	Arrivals	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	20.7	5700	8750	7300
4	73.5	5600	8400	7500
5	11.9	5600	8500	7200
6	12.8	5600	8600	7300
9	11.6	5600	8800	7300
10	8.6	5000	7000	6500
11	11.7	5500	8500	7500
12	12.8	5000	6800	6300
16	23.5	5800	7600	6800
17	18.6	5900	7800	6800
18	13.2	5900	7800	6800
19	9.3	5500	8200	7000
30	8.8	5200	7500	6000
31	16.5	5000	7000	6000

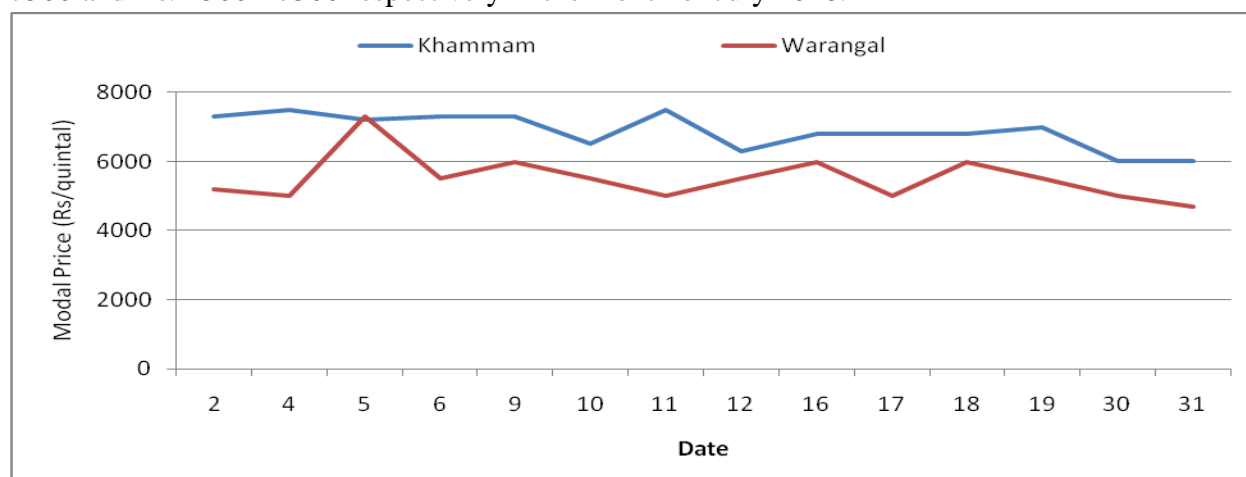
Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

**Table 2: Prices and Arrivals of Chilli at Warangal Market in the Month of July 2018**

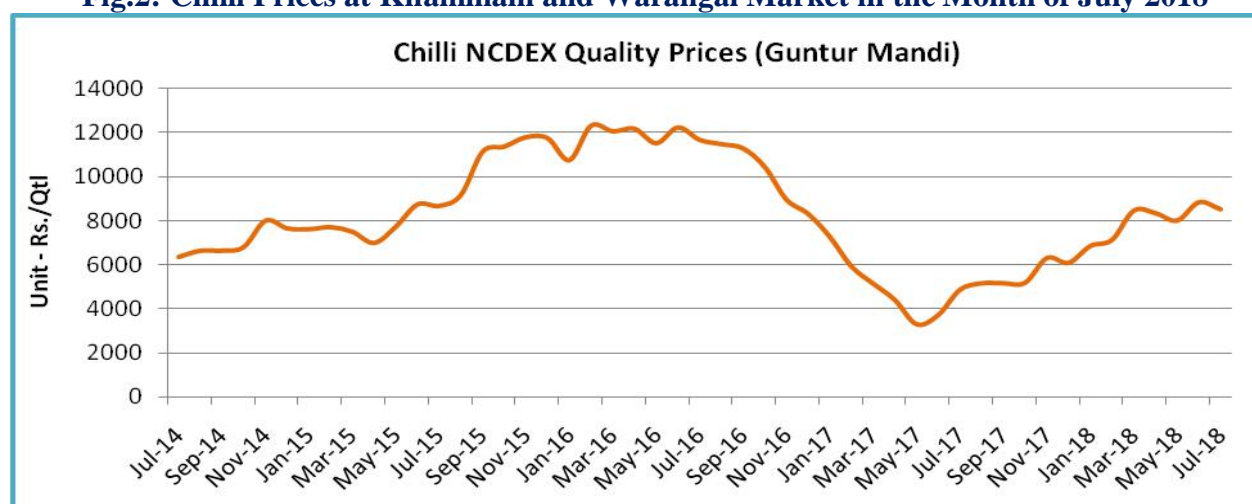
Date	Arrivals	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	9.8	4000	6500	4500
3	11.1	4000	6000	5200
4	9.8	4600	5500	5000
5	14.6	3400	7300	7300
6	7.9	5500	5500	5500
9	1.6	3400	6200	6000
10	6.5	4500	5500	5500
11	8.7	4500	6000	5000
12	2.4	5000	6000	5500
16	14.7	4000	6800	6000
17	22.7	4000	6500	5000
18	2.3	5000	6000	6000
19	2.2	4500	6800	5500
30	1.1	4000	6500	5000

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

In Telangana, chilli prices at Khammam and Warangal markets ranged between Rs. 6000 – 7500 and Rs. 4500 - 7300 respectively in the month of July 2018.



**Fig.2: Chilli Prices at Khammam and Warangal Market in the Month of July 2018**



Source: Agriwatch spices monthly research report, August 2018

**Fig.3: Chilli NCDEX Quality Prices (Guntur Mandi)**

Due to lower sowing area in 2017 (marketing year starts from January 2018) chilli prices took support and rose in July - August. Till 31<sup>st</sup> July 2018, monthly average prices closed at Rs.8,511/q as compared to June Rs.8,827/q. Red Chilli prices last year July reported at Rs.4,867/q (Fig.3).

**Table 3: Monthly Red Chilli Arrival Scenario in Guntur and Warangal Markets (in Bags)**

Market	Current Month 18-July	Last Month 18-June	Previous Year 17-July	% Change Over Previous Month
<b>Guntur (Andhra Pradesh)</b>	795,000	530,000	710,000	<b>50.00</b>
<b>Warangal (Telangana)</b>	73,000	79,500	55,000	<b>-8.18</b>

Units – Bags (1 bag = 45 kgs)

In Guntur indicative market, supply reported up during the period as prices reported up from last year by 66%, stockiest were releasing their stocks in the spot market. Supply from corresponding period of last year up by 12%.

### **Chilli Price Outlook**

Chilli cold storage stocks are currently arriving at Guntur market. During the period 11<sup>th</sup> June to 27<sup>th</sup> July (after summer vacation), total supply of around 53,325 MT has been reported. Total red chilli supply in Guntur market from 1<sup>st</sup> January to 27<sup>th</sup> July 2018 stands at around 255,330 MT as compared to 352,350 MT in the corresponding period last year, which is down by 28% due to lower production. Also, stockiests are holding back their stocks on expectation of higher prices in coming days. In Warangal market, new chilli arrivals were completed. Currently, cold storage stocks continue to arrive at the market. As per market sources, Warangal cold storage stocks are estimated at 11.10 – 12.30 lakh bags (1 bag = 40 Kgs).

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that chilli is likely to trade in price range between **Rs. 6800 – 7800** per quintal in the month of August 2018.