

## Chilli Outlook – August 2019

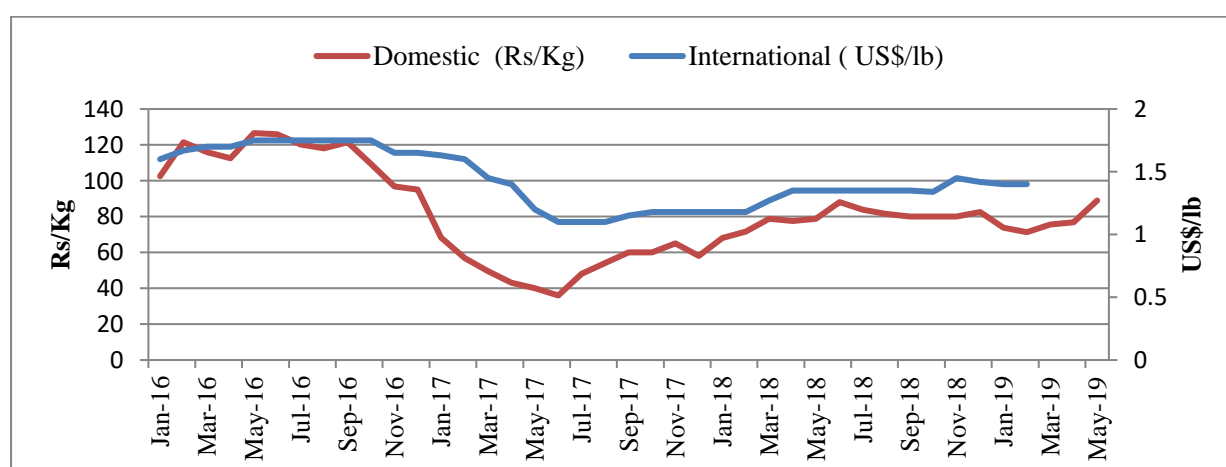
India is the world's largest producer, consumer and exporter of chillies in the world. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. Indian chilli is mainly exported to Asian countries like China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand, UAE, etc. In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh.

In Telangana, as on 7<sup>th</sup> August 2019, an area of 4,663 hectares was reported under chilli as compared to 12,108 hectares in the corresponding period of last year. Among the districts, Gadwal stood first with 2,804 ha followed by Mahabubnagar (279 ha), Nirmal (250 ha) and Mancherial (250 ha). Chilli transplanting will start from second week of August.

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

Particulars	2016-17	2017-18	2018-19 (Expected)
<b>Opening Stock</b>	3.84	1.87	2.39
<b>Production</b>	10.73	13.76	10.50
<b>Import</b>	0.00	0.00	0.00
<b>Total Supply</b>	14.57	15.63	12.89
<b>Consumption</b>	8.70	8.80	8.50
<b>Exports</b>	4.00	4.44	3.85
<b>Total Demand/Usage</b>	12.70	13.24	12.35
<b>Ending Stock</b>	1.87	2.39	0.54
<b>Average Monthly Consumption</b>	0.73	0.73	0.71
<b>Stock to Month Use</b>	2.58	3.26	0.76
<b>Stock to Consumption Ratio %</b>	14.72	18.05	4.37

Source: www.agriwatch.com



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 May 2019 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The international chilli price which was 1.45 US\$/lb in November 2018 has fallen to 1.42 US\$/lb in December 2018 and sustained at 1.40 US\$/lb in January and February 2019. Domestic chilli price has increased to 89.00 Rs/Kg in May compared to previous month, 76.87 Rs/Kg.

**Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in July 2019**

Warangal					Khammam				
Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)	Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	21	6,500	8,200	7,500	1	146	5,000	8,400	7,000
3	43	8,000	10,000	8,300	3	231	5,000	8,500	6,500
4	35	8,000	9,400	8,500	4	84	5,500	8,000	7,000
5	38	7,600	9,000	8,000	5	108	5,000	8,000	6,500
8	60	8,000	9,500	8,700	8	229	5,000	8,000	6,000
10	23	7,000	8,600	8,000	9	114	5,000	8,000	6,000
11	38	7,000	9,500	8,500	10	124	5,000	8,500	6,000
15	12	6,500	8,700	8,000	11	99	5,000	8,500	6,000
16	49	11,000	12,300	11,700	12	91	5,500	8,000	6,000
17	79	8,600	12,300	11,800	15	52.8	5,000	8,000	6,000
18	199	8,800	11,800	10,500	16	56	5,000	8,000	6,000
19	49	7,500	10,500	9,000	17	182	5,500	8,250	6,000
22	77	7,500	9,800	8,800	18	87.6	5,000	8,000	6,500
23	157	10,300	12,800	12,000	22	94	6,000	9,100	8,000
24	139	8,500	12,100	10,000	23	68	6,000	9,100	8,500
25	78	8,500	12,200	10,000	24	93.2	5,000	8,300	6,600
26	123	11,000	12,400	12,200	25	140	5,000	7,500	6,000
30	41	8,500	10,500	9,000	26	130	5,000	6,200	5,200

Source: <http://tsmarketing.in/>

In Telangana, 1,261 and 2,129 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 7,500 – 12,200 and Rs. 5,200 – 8,500 respectively in the month of July 2019.

Current year total red chilli supply in Guntur market from 1<sup>st</sup> January 2019 to 26<sup>th</sup> July 2019, stands at around 339,075 MT as compared to 254,205 MT in the corresponding period of last year, supply up by 33.39% as a result of higher production current year.

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

Centre	Variety	% Change Over Previous Week	25-Jul-19	18-Jul-19	25-Jun-19	25-Jul-18
Guntur (A.P.) Benchmark market	NCDEX Quality	Unchanged	10300	10300	9000	8500
	LCA 334	Unchanged	11000	11000	9700	8800
	Teja	6.25	13600	12800	12000	10900
	No. 273	Unchanged	10200	10200	10200	10800
	No. 5	Unchanged	10400	10400	10400	10300
	Fatki	Unchanged	6000	6000	6000	6000
	Byadgi	Unchanged	10500	10500	10500	10500
	US 341	Unchanged	10600	10600	10600	10700
Warangal (Telangana)	Denvor Delux	Unchanged	10300	10300	10300	10000
	Teja	3.28	12600	12200	11600	9300
	Wonder Hot	Unchanged	10600	10600	9900	9800
	341	Unchanged	11000	11000	10700	10600
	Denvor Delux	Unchanged	10300	10300	10200	10600
Bedia (M.P.)	Fatki	Unchanged	7500	7500	7200	6100
	No. 12	20	15000	12500	12500	
	Indu 2070	20	15000	12500	12500	11500
	MICO (Teja)	20	15000	12500	12500	12000
New Delhi	Jhankar	20	15000	12500	12500	
	Teja(Khamam)	-6.67	14000	15000	14000	11500
	LCA 334	-	12500		14000	10500
	Fatki	-1.79	5500	5600	5500	6000
	Packing	-			14000	10500

Source:www.agriwatch.com

### Chilli Price Outlook

Chilli supply reported up by 198.33% from last year same period as stockiest releasing their cold storage stocks at higher prices level. Current year India's chilli production reported higher from last year but cold storage stocks reported lower due to lower carry forward stocks.

Lower stocks available and good export demand from Bangladesh, China, Malaysia, Sri Lanka are supporting chilli prices. Red chilli prices are likely to go up further due to lower stocks available in cold storage.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 8500 – 9000** per quintal in the month of August 2019.