

Chilli Outlook – November 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 25th September 2019, an area of 45,028 hectares was reported under chilli as compared to 46,126 hectares in the corresponding period of last year. Among the districts, Khammam stood first with 14,268 ha followed by Mahabubabad (12,113 ha), Gadwal (9,328 ha), Suryapet (4,166 ha) and Warangal (Rural) (2387 ha). New crop is likely to enter from January 2020 onwards. Guntur cold storage stocks reported lower by 40 - 45% from normal level due to lower carry forward stocks during current marketing year 2019-20.

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

Particulars	2016-17	2017-18	2018-19 (Expected)
Opening Stock	3.84	1.87	2.39
Production	10.73	13.76	10.50
Import	0.00	0.00	0.00
Total Supply	14.57	15.63	12.89
Consumption	8.70	8.80	8.50
Exports	4.00	4.44	3.85
Total Demand/Usage	12.70	13.24	12.35
Ending Stock	1.87	2.39	0.54
Average 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: www.agriwatch.com

Exporters demand reported normal from countries like China, Malaysia, Bangladesh and Sri Lanka due to higher prices.

Current year total red chilli supply in Guntur market from 1st January 2019 to 25th October 2019, stands at around 471,375 MT as compared to 472,455 MT in the corresponding period of last year, supply down by 0.23% as a result of lower stocks available in the spot market.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in October 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	46	7,800	9,600	8,700	1	28	4,000	5,000	4,500
3	26	9,000	10,000	9,500	3	57	5,000	6,800	6,000
4	40	8,300	12,500	10,500	4	66	5,200	8,000	6,800
11	85	10,000	14,000	12,000	10	29	4,000	8,100	5,000
14	27	7,500	11,000	9,000	11	26	7,000	8,000	7,000
15	31	9,000	14,100	11,000	15	24	4,000	8,500	5,000
16	49	7,600	13,200	8,500	16	38	4,500	8,025	7,000
17	28	7,000	8,500	8,000	17	32	4,500	7,000	6,000
18	41	7,200	9,200	8,000	18	24	4,000	7,000	4,500
21	13	7,400	9,000	8,000	21	17	6,000	8,000	7,000
22	18	6,000	8,000	7,500	22	16	4,500	6,500	5,000
23	31	8,000	9,000	8,500	23	18	4,000	6,000	5,000
24	33	8,900	12,300	11,500	24	61	5,000	8,000	6,000
25	21	4,000	7,000	6,000	25	30	4,500	7,900	5,000
29	21	6,800	7,500	7,000	29	22	4,500	6,900	5,000
30	115	10,000	12,000	11,500	30	34	4,500	6,000	5,000
31	40	8,800	11,400	11,000	31	10	4,500	6,000	5,000

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

In Telangana, 665 and 532 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 6,000 – 12,000 and Rs. 4,500 – 7,000 respectively in the month of October 2019.

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

Grade	Centre	31-Oct-19	30-Sep-19	31-Oct-18	% Change Over Previous month
NCDEX Quality	Guntur (A.P.) Benchmark market	13300	12800	9200	3.91
LCA 334		13800	13500	9700	2.22
Teja		16900	15500	11800	9.03
No. 273		12700	12800	11000	-0.78
No. 5		13000	12800	10000	1.56
Fatki		9000	9000	5000	Unchanged
Byadgi		13000	12500	10200	4
US 341		13800	13000	10300	6.15
Denvor Delux		12500	12500	10000	Unchanged
Indam 5		13000	12800	9500	1.56
Teja		Warangal (Telangana)	16100	15400	10700
Wonder Hot	12200		11800	10800	3.39
341	14000		13400	11200	4.48
Denvor Delux	12300		12300	10800	Unchanged
Fatki	9200		8800	6600	4.55
MICO (Teja)	Bedia (M.P.)	NA	15000	13500	-
Jhankar		15000	16000	NA	-6.25
Teja (Khamam)	New Delhi	18000	16000	13500	12.5
LCA 334		14000	13500	11500	3.7
Fatki		8000	10000	4850	-20
Packing		14000	13500	11500	3.7

Source:www.agriwatch.com

Chilli Price Outlook

Current year cold storage stocks reported lower as carry forward stocks reported less. Red chilli prices are likely to trade steady to firm in coming weeks.

Due to heavy rainfall in chilli growing districts of Karnataka like Gadag, Haveri, Dharwad, Bagalkote and Belagavi, the standing crop reported damaged. As per trade sources, around 45 - 50% till now was affected.

New season arrivals will start from January onwards. Higher demand is expected in Andhra Pradesh and Telangana as Karnataka production estimate was lower. Lower expected supply along with lower cold storage stocks are supporting the current prices.

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 November 2019.