

Chilli Outlook – September 2019

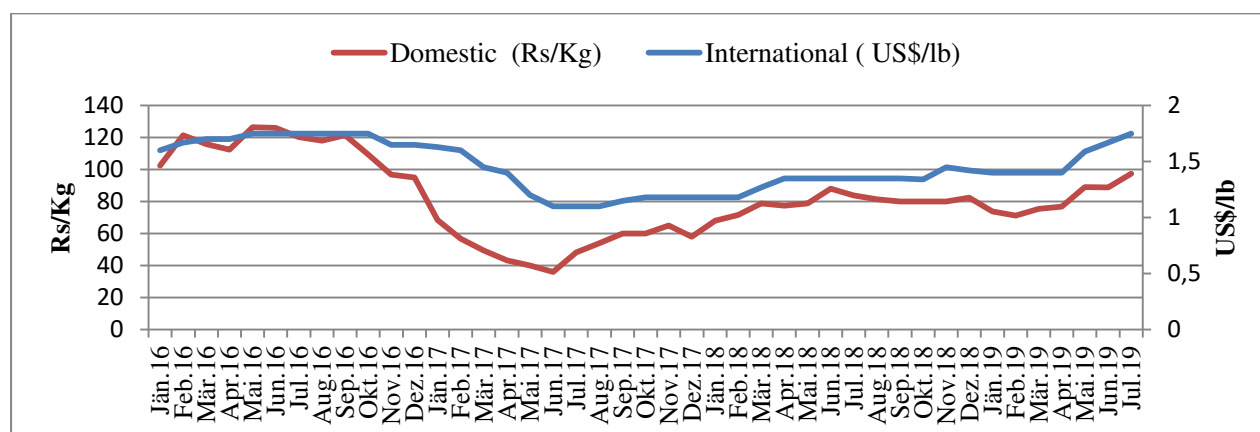
India is the world's largest producer, consumer and exporter of chillies in the world. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. 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 4th September 2019, an area of 16,879 hectares was reported under chilli as compared to 34,516 hectares in the corresponding period of last year. Among the districts, Gadwal stood first with 5,872 ha followed by Khammam (5,698 ha), Suryapet (3,052 ha) and Warangal (Rural) (596 ha). Currently chilli transplanting activity is going on in Andhra Pradesh and Telangana states and is likely to continue till September second week. Prevailing weather also reported favorable to the crop in both states.

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



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 July 2019 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. Both International and domestic chilli prices shows increasing trend compared to previous months. International and domestic chilli prices were stand at 1.75 US\$/lb and 97.50 Rs/Kg in July compared to previous month 1.67 US\$/lb and 88.75 Rs/Kg respectively.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in August 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)
2	109	10,500	12,000	11,500	2	90	4,700	6,500	5,000
5	50	9,000	12,500	11,500	5	42	4,000	7,000	5,000
6	75	8,800	12,600	11,000	7	50	5,000	7,800	6,500
7	176	9,000	12,800	12,300	8	49	5,000	8,600	6,500
8	47	12,400	12,400	12,400	9	36	5,000	8,000	6,500
9	79	10,000	12,700	11,000	13	81	5,000	7,500	6,000
13	42	8,500	12,000	9,600	14	69	5,000	7,800	6,000
14	136	8,500	11,800	10,500	19	66	6,800	7,300	7,000
16	39	8,900	13,000	10,500	20	31	5,000	7,800	5,200
19	75	9,000	11,300	11,000	21	75	5,000	7,000	6,000
20	143	10,500	13,400	11,500	22	73	5,000	7,100	6,000
21	124	8,000	10,000	9,000	26	61	5,000	7,300	6,700
22	76	9,000	13,300	10,500	27	182	5,000	7,300	6,000
23	126	9,600	13,700	12,000	28	42	5,000	8,000	6,000
26	167	9,600	13,800	11,000	29	30	5,000	7,500	6,000
27	81	9,500	13,300	10,300					
28	195	9,500	11,500	10,700					
29	193	8,500	10,500	9,000					

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

In Telangana, 1,933 and 977 quintals of chilli arrivals were traded in Warangal and Khammam markets at price range of Rs. 9,000 – 12,400 and Rs. 5,000 – 7,000 respectively in the month of August 2019.

Current year total red chilli supply in Guntur market from 1st January 2019 to 30th August 2019, stands at around 391,500 MT as compared to 309,330 MT in the corresponding period last year, supply up by 26.56% as a result of higher production in 2018-19.

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

Grade	Centre	31-Aug-19	31-Jul-19	31-Aug-18	% Change Over Previous month
NCDEX Quality	Guntur (A.P.) Benchmark market	12500	10300	8200	21.36
LCA 334		13200	11000	8800	20
Teja		15500	13800	10200	12.32
No. 273		12500	10200	10800	22.55
No. 5		12800	10400	10200	23.08
Fatki		9000	6000	6000	50
Byadgi		13000	10500	10400	23.81
US 341		13000	10600	10400	22.64
Denvor Delux		12500	10300	10000	21.36
Indam 5		12800	10400	10500	23.08
Teja		Warangal (Telangana)	15100	13000	10300
Wonder Hot	12000		10800	10200	11.11
341	12500		11000	10600	13.64
Denvor Delux	12000		10500	10600	14.29
Paprika	NA		NA	NA	-
Fatki	9000		7600	6100	18.42
No. 12	Bedia (M.P.)	18000	15000	10200	20
Indu 2070		18500	15000	NA	23.33
MICO (Teja)		18000	15000	12800	20
Jhankar		17000	15000	NA	13.33
Ganesh		NA	NA	NA	-
Teja (Khamam)	New Delhi	16000	14500	11000	10.34
M.P. Maco		NA	NA	NA	-
Teja		NA	NA	NA	-
Pala 12		NA	NA	NA	-
LCA 334		14000	12500	10200	12
Fatki		8500	5500	4500	54.55
Packing	14000	12500	10200	12	

Source:www.agriwatch.com

Chilli Price Outlook

Continued export demand from Bangladesh, China, Malaysia and Sri Lanka is supporting chilli price. Lower cold storage stocks supported the chilli prices at Guntur market. Guntur cold storage stocks reported lower by 40 - 45% from normal level due to lower carry forward stocks during current marketing year 2019-20. Current season new chilli supply is likely to enter Guntur market from January 2020 onwards.

According to various trade estimates, Chilli cold storage stocks as on date in Guntur stood at 72,000 to 76,500 MT lower from normal (in normal 126,000 to 135,000 MT) stocks due to lower carry forward stocks.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 9500 – 10000** per quintal in the month of September 2019.