

Chilli Outlook – October 2020

India is the world's largest producer, consumer and exporter of chillies. 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, Madhya Pradesh, Karnataka and West Bengal.

In 2019-20, Telangana ranked second in chilli area, production and productivity i.e., 2.98 lakh acres, production 3.06 lakh metric tonnes and productivity 1545 Kg per acre. Chilli area and production in Telangana account for 11.59% and 17% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). During 2020-21, 1.91 lakh acres is covered under chilli so far. According to the 1st advance estimates, Government of Telangana chilli production is estimated at 4.10 lakh metric tonnes during vanakalam (kharif) 2020-21.

From the 1st January 2020 to 01st October, red chilli supply in Guntur market is reported to add up to around 338,850 MT as compared to last year's 442,125 MT, down by 23.36% as most of the time, market was closed due to lockdown and farmers were not releasing their stocks, as prevailing prices are lower than their expectations.

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

Table 2: Monthly Red Chilli (Dry) Arrival Scenario

State	Market	% Change Over Previous Week	25th Sep to 01st Oct 2020	18th Sep to 24th Sep 2020	25th Sep to 01st Oct 2019
Andhra Pradesh	Guntur	23.33	370,000	300,000	175,000
Telangana	Warangal	200	45,000	15,000	31,000
Total		31.75	415,000	315,000	206,000

Units – Bags (1 bag = 45 Kg) Source: www.agriwatch.com

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chilli September, 2020

State	Prices September, 2020	Prices August, 2020	Prices September, 2019	% Change (Over Previous Month)	% Change (Over Previous Year)
Chhattisgarh	600	600	982.76	0	-38.95
Gujarat			1089.73	—	—
Karnataka	11618.1	14466.67	13675	-19.69	-15.04
Kerala	13937.56	13260.85	15113.39	5.1	-7.78
Madhya Pradesh		6413.28	5625.75	—	—
Maharashtra	15912.92	1800	14065.73	784.05	13.13
Mizoram			20292.21	—	—
Odisha	13500.93	14800	15690.7	-8.78	-13.96
Pondicherry			3122	—	—
Rajasthan		11000	10908.79	—	—
Uttar Pradesh	16534.21	16322.58	14073.53	1.3	17.48
Average	12017.29	9832.92	10421.78		

Source: www.agriwatch.com

Table 4: Arrivals and Prices of Chilli at Warangal Market in September 2020

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	140	11,500	15,000	13,000
2	204	11,000	14,600	12,500
3	194	11,000	14,300	13,000
4	189	12,200	15,200	13,000
7	269	11,000	14,200	12,200
8	204	11,000	14,500	12,500
9	252	13,000	15,000	14,000
10	192	11,500	14,800	13,000
11	350	11,500	15,000	13,500
14	310	11,000	15,000	13,000
15	144	11,300	15,000	13,000
16	297	11,500	15,500	13,500
18	415	13,500	16,300	15,000
21	491	13,000	16,500	14,800
22	547	13,500	16,800	14,500
23	368	14,200	17,500	15,300
24	350	14,500	17,600	15,700
25	397	14,000	18,200	15,500
28	571	14,500	18,000	16,000
29	563	14,500	17,800	15,500

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

Chilli Price Outlook

Chilli premium variety like Teja is being traded at higher prices due to good demand from countries like Vietnam, Malaysia, China and Sri Lanka.

As per market sources, currently at Guntur cold storage chilli stocks reported around 186,750 MT as compared to last year 122,000 MT and in total Andhra Pradesh around 285,000 MT.

In the current season, total around 540,000 tonnes of chilli grown in Andhra Pradesh and Telangana, are being stored in Cold stores, (last year it was 405,000 tonnes), as a result of higher production, higher stocks and low demand due to patchily functioning markets. Chilli prices are likely to correct from higher levels in the spot market in the coming days.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs. 12,500 – 15,500 per quintal in the month of October 2020.