

Chilli Outlook – February 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, 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).

Due to Corona virus, China red chilli demand reported lower at Guntur Chilli market. Chilli prices are likely to come down further as China is the biggest buyer especially for Teja and 334 variety and they were now inactive in the spot market. Also moisture content in new crop supply added the sentiment. From mid February good quality supply is likely to enter in to the spot market.

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

During current year (2020) from January 1st to 24th red chilli supply in Guntur market was reported around 32,625 MT as compared to last year 34,425 MT, i.e., down by 5.23% as current year crop was delayed.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in January 2020

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	885	13,000	20,000	16,000	2	1,634	9,000	21,000	18,500
3	1,163	14,000	20,000	17,000	3	1,808	9,000	21,200	18,700
6	1,406	14,000	20,200	17,000	9	3,658	9,000	21,500	18,600
7	993	15,500	20,600	17,000	10	2,456	9,000	21,400	18,500
9	2,581	15,500	21,300	17,500	13	4,200	9,000	21,100	18,000
10	1,876	15,500	20,600	18,500	17	3,549	9,000	20,650	18,800
13	2,440	15,500	21,500	18,500	18	1,374	9,000	20,000	18,000
17	1,167	15,500	20,500	18,000	20	4,636	9,000	18,475	16,500
20	2,679	13,000	18,600	17,000	21	6,677	9,200	17,300	16,000
21	1,012	13,000	17,000	15,000	22	4,277	9,000	17,400	16,500
22	944	12,000	17,300	15,500	23	5,042	8,500	17,450	16,500
23	1,529	13,000	17,500	15,500	25	4,642	9,000	17,350	16,300
27	2,403	14,000	17,200	15,500	27	4,815	9,000	17,600	16,000
28	1,695	14,500	17,500	16,000	28	5,009	9,000	17,000	14,000
29	1,190	11,500	16,000	13,500	29	4,836	9,000	16,500	14,800

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

In Telangana, 23,963 and 58, 613 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 13,500 – 18,500 and Rs. 14,000 – 18,700 respectively in the month of January 2020.

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

Centre	Variety	% Change Over Previous Week	23-Jan-2020	16-Jan-2020	23-Dec-2019	23-Jan-2019
Guntur (A.P.) Benchmark market	NCDEX Quality	-13.16	16500	19000	14300	8400
	LCA 334	-12.82	17000	19500	15100	8800
	Teja	-16.67	17500	21000	19000	9500
	No. 273	-23.68	14500	19000	14500	8000
	No. 5	-22.5	15500	20000	15000	9000
	Fatki	-10	9000	10000	8000	5000
	Byadgi	-21.05	15000	19000	14500	8500
	US 341	-23.08	15000	19500	15500	8600
Warangal (Telangana)	Denvor Delux	-30.77	13500	19500	15000	8300
	Teja	-12.62	18000	20600	19000	9600
	Wonder Hot	-6.04	14000	14900	13400	11100
	341	-16	16800	20000	14800	9500
	Denvor Delux	-21.72	15500	19800	13500	9300
Bedia (M.P.)	Fatki	-27.27	8000	11000	9700	4800
	Jhankar	2.94	17500	17000	17500	10000
New Delhi	Teja(Khamam)	-4.35	22000	23000	20500	11400

Source: www.agriwatch.com

Chilli Price Outlook

Chilli prices reported correction as already traded at higher levels in the market. Increasing supply reported at Guntur spot market as new crop supply entering in to the market. On an average daily basis 60,000 to 65,000 bags (1 bag = 45kgs) new crop supply with 8 - 12% moisture level is being reported.

During new season, the market's reliance on Andhra Pradesh and Telangana will be higher than usual as Karnataka production is expected lower.

New chilli arrivals is continuing in Madhya Pradesh Bedia spot market at around 2,450 quintals on daily basis with varieties like Mahi and Fatki, while it was 1,983 quintals in last week. The same is likely to increase in coming days.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 11500 – 13500** per quintal in the month of February 2020.