

Chilli Outlook – September 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 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, 1.9 lakh acres is covered under chilli so far.

Current year from 1st January to 28th August, red chilli supply in Guntur market is reported at around 2,69,550 MT as compared to last year's 3,91,050 MT, down by 31.07% 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	Today 21 st Aug to 27 th Aug 2020	Week Ago 14 th Aug to 20 th Aug 2020	21 st Aug to 27 th Aug 2019
Andhra Pradesh	Guntur	-14.06	275,000	320,000	245,000
Telangana	Warangal	54.84	48,000	31,000	37,000
Total		-7.98	323,000	351,000	282,000

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

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chili August, 2020

State	Prices August, 2020	Prices July, 2020	Prices August, 2019	% Change (Over Previous Month)	% Change (Over Previous Year)
Chhattisgarh	600	600	600	0	0
Gujarat			2290.65	---	---
Karnataka	14466.67	17099.07	11500	-15.39	25.8
Kerala	13260.85	13827.4	13257.33	-4.1	0.03
Madhya Pradesh	6413.28		5441.1	---	17.87
Maharashtra	1800	7810	14020.93	-76.95	-87.16
Mizoram			12500	---	---
Odisha	14800	19800	18825	-25.25	-21.38
Pondicherry			4874.63	---	---
Rajasthan	11000	11000	10273.34	0	7.07
Tamil Nadu			6069	---	---
Telangana			9105.26	---	---
Uttar Pradesh	16322.58	17005.88	7429.96	-4.02	119.69
Uttarakhand			5700	---	---
Average	9832.92	12448.91	8706.23		

Source: www.agriwatch.com

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

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
12	51	10,000	12,000	11,500
13	26	8,500	10,000	9,000
14	52	9,000	12,800	10,500
17	95	9,500	12,500	10,500
18	80	10,000	13,000	11,000
20	142	10,500	13,200	12,000
21	81	10,500	13,000	11,500
24	129	10,000	13,800	11,500
25	193	11,200	14,500	12,000
26	218	11,000	14,500	12,500
27	108	10,500	13,500	12,000
28	84	11,000	14,200	12,000
31	130	11,500	15,000	12,500

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

Chilli Price Outlook

At Guntur spot market, currently Chilli quality supply slightly lower than normal. However, Chilli premium variety like Teja, 334 traded at higher prices due to good demand from countries like Vietnam, Malaysia, China and Sri Lanka. Good demand has also been reported for deluxe quality at Byadgi spot market in all varieties.

In Warangal and Khammam spot market, fresh chilli arrivals seems to have ended and only chilli cold storage stocks will henceforth come to the market.

Current year, in Andhra Pradesh and Telangana, around 540,000 tonnes of chilli is stored in Cold stores as against 405,000 tonnes during last year because of higher production and very low domestic and export demand in Indian spot market due to corona virus fear. If domestic consumption and export demand come down further, ending stocks will increase, and chilli prices are likely to correct from higher levels in the spot market in coming days.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs. 11,000 – 13,500 per quintal in the month of September 2020.