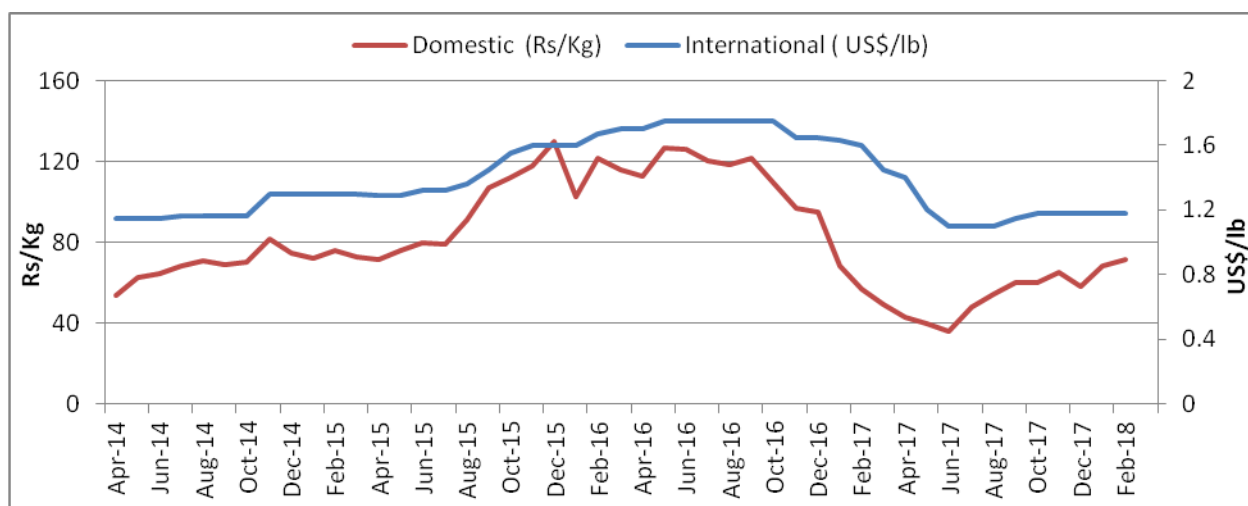


Chilli Outlook – May 2018

Chilli is considered as one of the major commercial crops of the world. Different varieties are grown for vegetables, spices, condiments, sauces and pickles. Both green and dried chillies are the important components of our routine diet. In India chilli occupies an area of 844 thousand hectares with an annual production of 2106 thousand metric tons (2017-18 1st Advanced estimates). India is the world leader in chilli production followed by China, Mexico, Turkey, Indonesia, Spain and United States. Indian chilli is mainly exported to Asian countries like Vietnam, Thailand, Sri Lanka, Bangladesh and U.A.E. In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Telangana the area under chilli during 2016-17 is 1.24 lakh hectares with annual production of 4.8 lakh tonnes. The major chilli growing districts are Khammam, Mahabubabad, Jayashankar, Jogulamba and Bhadradi.



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 April 2014 to March 2018 presented in Fig 2 clearly indicates that the domestic prices are highly influenced by international prices. The domestic price of chilli is almost following the international price trend. The domestic price that was nearly 120 per Kg during February 2016 has fallen down by 60% i.e., Rs. 36 / Kg during June 2017. After June 2017 prices are showing increasing trend in both domestic as well as international markets. Though the domestic chilli price in December 2017 slightly decreased from Rs. 65 to 58/Kg, it has again picked up from January 2018 onwards.

Table 1: Prices and Arrivals of Chilli at Khammam Market in the Month of April 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	1005.4	7600	9400	8800
3	1057.8	7600	9400	8500
4	1108.9	7500	9225	8500
6	1016.8	7200	9200	8400
9	930.0	7200	9060	8300
10	882.4	7300	9100	8400
11	748.0	7300	9100	8500
12	701.3	7300	9225	8600
17	1378.7	7100	8800	8200
18	1225.0	7000	8700	8200
19	1123.5	7000	9100	8400
20	934.2	7000	9050	8300
23	1097.4	7000	9000	8300
24	1035.9	7000	9150	8400
25	759.2	6800	9075	8200
26	781.4	6800	9350	8200
27	670.2	6700	9000	8100
30	796.6	6700	8950	8000

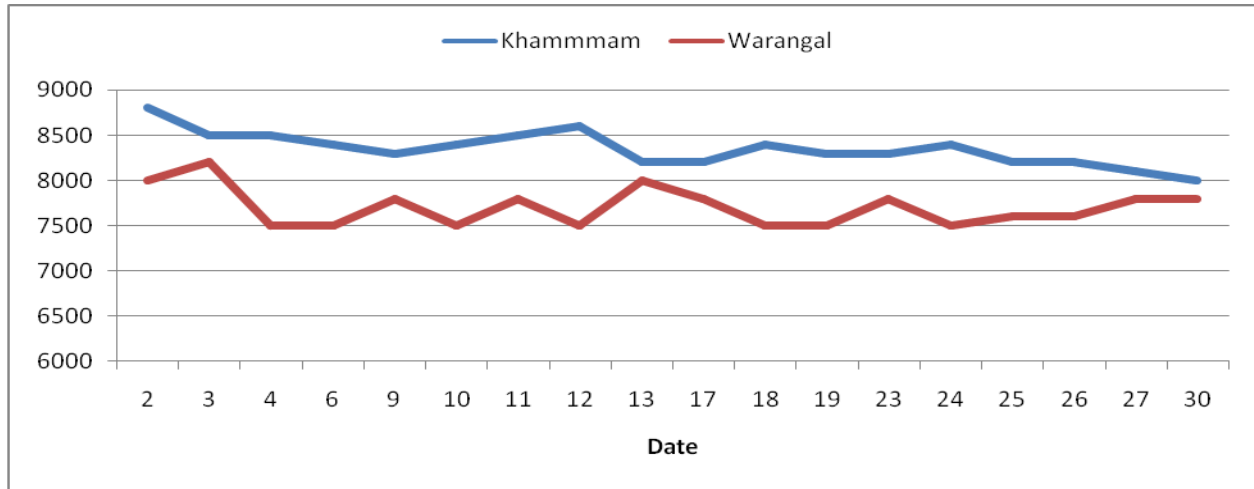
Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Table 2: Prices and Arrivals of Chilli at Warangal Market in the Month of April 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	249.8	7100	9600	8000
3	244.4	6800	9100	8200
4	310.5	7000	9200	7500
6	228.6	6000	8900	7500
9	228.4	6300	9000	7800
10	234.6	6300	9000	7500
11	361.0	6500	8950	7800
12	251.3	6500	9000	7500
13	175.4	6500	9000	8000
17	270.6	6500	8600	7800
18	329.5	6200	8700	7500
19	187.7	6300	8800	7500
23	260.7	6200	8500	7800
24	220.9	6000	8600	7500
25	118.0	6000	9000	7600
26	168.2	6000	8500	7600
27	128.8	6000	8500	7800
30	176.8	6000	8600	7800

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

In Telangana, Khammam is the major chilli market followed by Warangal based on arrivals. 1st sort of Chilli prices at Khammam and Warangal markets ranged between Rs. 8000 – 8800 and Rs.7500 – 8200 respectively during April 2018.



Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Figure.2: Average monthly modal prices of Chilli in Khammam and Warangal markets during April 2018 (Rs/q)



Source: Agriwatch spices monthly research report, May 2018

Figure 3: Chilli NCDEX Quality Prices (Guntur Mandi)

Chilli prices at Guntur market presented in Figure 3 indicates all time high prices in 2016 due to lower stocks in its preceding year led by lower production. But in 2017, chilli prices reported low due to bumper crop yields. Because of lower sowing area in 2017, chilli prices took support and rose again in July – August 2017. In April 2018, monthly average prices were closed at Rs.8,350 per quintal as compared to March Rs.8500 quintal.

Table 3: Red Chilli Spot Market Prices (Rs/Qtl)

Grade	Centre	30-Apr-18	31-Mar-18	29-Apr-17	% Change Over Previous month
NCDEX Quality	Guntur (A.P.)	8000	8800	4500	-9.09
LCA 334		8500	9100	5000	-6.59
Teja		9100	9600	7000	-5.21
No. 273		9500	9800	5500	-3.06
No. 5		9000	9500	5500	-5.26
Fatki		5000	6000	3000	-16.67
Byadgi		9000	9300	6000	-3.23
US 341		8500	10800	7000	-21.3
Denvor Delux		9500	10000	6000	-5
Teja		Warangal (Telangana)	10100	10600	6500
Wonder Hot	11200		11600	6500	-3.45
341	11300		11500	7000	-1.74
Denvor Delux	10900		11300	6300	-3.54
Fatki	6400		6000	2500	6.67
Indu 2070	Bedia (M.P.)	10500	12500	9500	-16
MICO (Teja)		11200	12000	8000	-6.67
Teja (Khamam)	New Delhi	12000	12500	9000	-4
LCA 334		10500	11500	7200	-8.7
Fatki		6000	6000	4000	Unchanged
Packing		10500	11500	7200	-8.7

Source: Agriwatch spices monthly research report, May 2018

Chilli Price Outlook

In Guntur market, supply reported down by 50,000 bags as compared to last week of April 2018. The current year supply was down by 303,000 bags due to lower production. As current year harvesting almost finished, Chilli arrivals reported lower 30,000–32,000 bags (45 kg each) per day as compared to previous week 35,000–40,000 bags per day at Guntur market. Red Chilli supply in Guntur market from 1st January to 26th April 2018 reported around 190,980 MT as compared to 309,650 MT in the corresponding period last year. As the current seasons output is low, stockiest are holding back their stocks on expectation of higher prices in coming days. In Warangal, around 90 – 92% new crop arrival has been traded and arrivals will continue approximately till first week of May.

As per market sources, current year chilli cold storage capacity in Guntur is likely to be filled to around 70 - 75% due to lower production as compared to last year's 100%. As on 20th April, chilli cold storage stocks (both old and new crop) in Guntur stood at 225,000 to 247,500 MT and total stocks in Andhra Pradesh are expected around 337,500 to 360,000 MT.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs.8500 – 9500** per quintal in the month of May 2018.