

Chilli Outlook – April 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 Vietnam, Thailand, Sri Lanka, Bangladesh and U.A.E. Export demand was reported well from Malaysia, Bangladesh, Pakistan, etc. Trade sources revealed that demand from China is also likely.

In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Andhra Pradesh, as on 26th September 2018, about 116,578 hectares was reported under red chilli. Area coverage under chilli in Guntur, Kurnool and Krishna regions is reported as 65,259 hectares, 15,584 hectares and 12,816 hectares respectively in the current season.

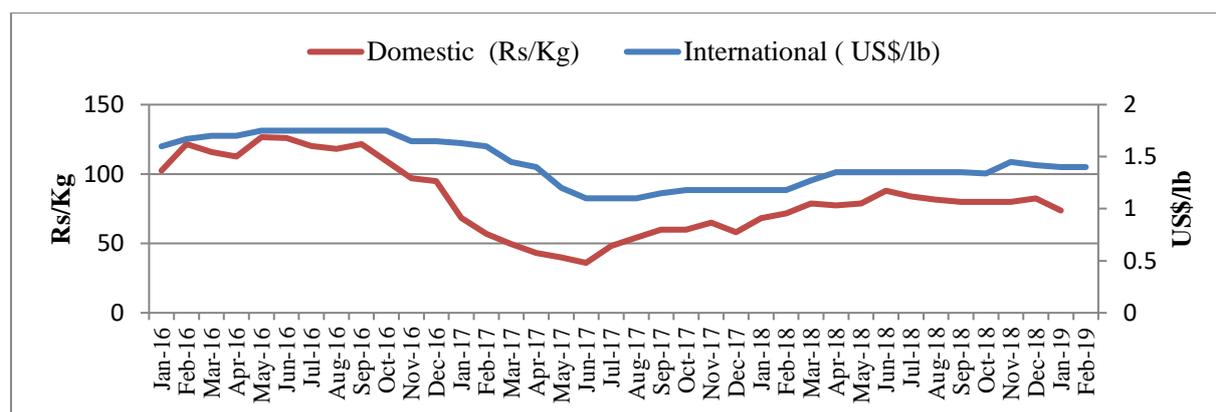
As on 26th September 2018, red chilli sown area in Telangana was reported as 46126 hectares in comparison to 24920 hectares only in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18010 hectares followed by Mahabubabad (10758 hectares), Gadwal (Jogulamba) (6,289 hectares) and Warangal (Rural) (1794 hectares). Currently, chilli is at final picking stage.

Red chilli production for 2019-20 is estimated at 12.22 lakh MT, while previous year's production was at 10.50 lakh MT.

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 February 2019 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The international chilli price which was 1.45 US\$/lb in November 2018 has fallen to 1.42 US\$/lb in December 2018 and sustained at 1.40 US\$/lb in January and February 2019. Domestic chilli price also followed similar trend and has fallen to 73.75 Rs/Kg in January 2019 from 82.50 Rs/Kg in December 2018.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in March 2019

Warangal					Khammam				
Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)	Date	Arrivals (Quintals)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	8,133	7,500	9,000	8,300	1	12,660	7,200	9,325	8,400
7	7,362	7,500	9,050	8,300	5	4,746	7,000	9,200	8,500
8	9,517	7,500	9,150	8,600	7	15,675	7,100	9,200	8,600
11	6,890	7,200	9,100	8,500	11	16,575	7,300	9,200	8,500
12	8,908	7,800	9,200	8,800	12	14,550	7,300	9,200	8,500
13	4,316	7,200	9,050	8,600	13	11,460	7,000	9,200	8,300
14	5,849	7,500	9,050	8,800	14	14,796	7,500	9,200	8,700
15	6,596	7,500	9,000	8,500	15	15,612	7,300	9,200	8,600
18	6,088	7,600	9,100	8,400	18	22,989	7,500	9,250	8,700
19	5,701	7,500	9,000	8,500	19	15,551	7,600	9,300	8,800
20	3,556	7,400	9,250	8,600	20	10,355	7,300	9,400	8,800
22	2,434	7,500	9,400	8,900	22	10,625	7,500	9,450	8,700
25	3,279	7,600	9,475	8,700	25	17,886	7,400	9,450	8,800
26	5,406	7,800	9,500	8,800	26	18,800	7,400	9,450	8,900

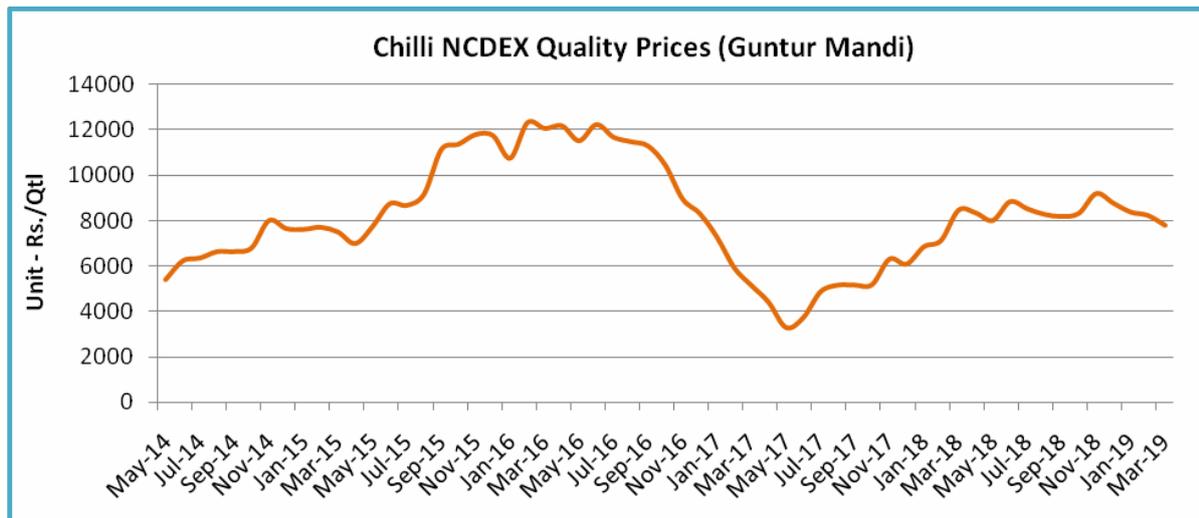
Source: <http://tsmarketing.in/>

In Telangana, 84,035 and 2,02,280 quintals of chilli arrivals was traded in Warangal and Khammam markets at Rs. 7200 – 9,500 and Rs. 7000 – 9,450 respectively in the month of March 2019.

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

Grade	Centre	30-Mar-19	28-Feb-19	31-Mar-18	% Change Over
NCDEX Quality	Guntur (Andhra Pradesh) Benchmark market	7800	8000	8800	-2.5
LCA 334		8300	8500	9100	-2.35
Teja		9300	9300	9600	Unchanged
No. 273		8300	8000	9800	3.75
No. 5		8200	8500	9500	-3.53
Fatki		4500	4500	6000	Unchanged
Byadgi		9000	8700	9300	3.45
US 341		9200	9000	10800	2.22
Denvor Delux		8000	8300	10000	-3.61
Indam 5		8500	8500	10000	Unchanged
Teja		Warangal (Telangana)	9300	9100	10600
Wonder Hot	9900		9600	11600	3.13
341	9100		8800	11500	3.41
Denvor Delux	8900		8200	11300	8.54
Fatki	4000		4500	6000	-11.11
No. 12	Bedia (M.P.)	12000	9000	NA	33.33
Indu 2070		12000	9000	12500	33.33
MICO (Teja)		13500	9500	12000	42.11
Jhankar		12000	9000	NA	33.33
Ganesh		NA	8500	NA	-
Teja (Khammam)	New Delhi	11500	10100	12500	13.86
LCA 334		10000	10000	11500	Unchanged
Fatki		5500	4500	6000	22.22
Packing		10000	10000	11500	Unchanged

Source: www.agriwatch.com



Due to lower production in 2018 chilli prices reported up. Current year (2019) chilli prices reported downward correction from January and monthly average prices till March end closed at Rs.7,784/- qtl as compared to previous month (Feb) Rs.8,220/-qtl, as increasing new crop supply reported in the market and higher production in the current year. Red Chilli prices last year March reported at Rs.8,447 /-qtl.

Chilli Price Outlook

Export demand reported well from China, Sri Lanka, Malaysia, Bangladesh and UAE. Current year total red chilli supply in Guntur market from 1st January 2019 to 22nd March 2019, stands at around 168,525 MT as compared to 132,075 MT in the corresponding period of last year, supply up by 27.6% with an expectation of higher production in the current year.

As per trade information, chilli cold storage stocks as on date (including old and new crops) in Guntur stood at 144,000 to 148,500 MT according to various trade estimates. As chilli prices are already moving towards higher side some minor price correction is expected in coming days.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 8500 – 9000** per quintal in the month of April 2019.