

Chilli Outlook – February 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.

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. Till now, chilli area coverage in Guntur, Kurnool and Krishna regions is reported as 65,259 hectares, 15,584 hectares and 12,816 hectares respectively.

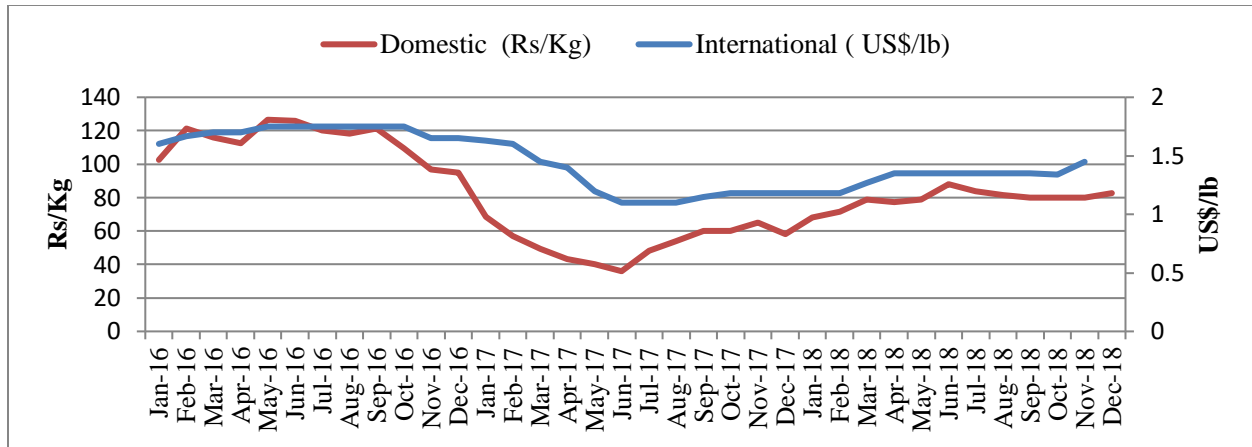
As on 26th September 2018, red chilli sown area in Telangana was reported as 46,126 hectares as compared to only 24,920 hectares in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18,010 hectares followed by Mahabubabad (10758 hectares), Gadwal (Jogulamba) (6,289 hectares) and Warangal (Rural) (1,794 hectares). Currently, chilli is at fruit development stage. New crop arrivals are likely to enter into markets from last week of January.

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 (Exp) |
|-------------------------------------|---------|---------|---------------|
| 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 December 2018 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The international and domestic prices had reported as 1.45US\$/lb and 82.50Rs/Kg respectively in November and December 2018. International chilli prices at New York market that remain stable at 1.35 US\$/lb from April 2018 to October 2018 has rose to 1.45 US\$/lb in November 2018. Domestic chilli prices increased to 82.50Rs/Kg from 80.00 Rs/Kg in December 2018.

Table 2: Prices and Arrivals of Chilli at Warangal and Khammam Markets in January 2018

| Date | Warangal | | | | Khammam | | | |
|------|----------------|-------------------------|-------------------------|-----------------------|----------------|-------------------------|-------------------------|-----------------------|
| | Arrivals (Qtl) | Minimum Price (Rs/ Qtl) | Maximum Price (Rs/ Qtl) | Modal Price (Rs/ Qtl) | Arrivals (Qtl) | Minimum Price (Rs/ Qtl) | Maximum Price (Rs/ Qtl) | Modal Price (Rs/ Qtl) |
| 2 | 802 | 6,000 | 9,100 | 8,200 | 256 | 7,500 | 9,250 | 8,800 |
| 3 | 938 | 6,500 | 9,200 | 8,500 | 420 | 7,500 | 9,300 | 8,700 |
| 7 | 1,109 | 6,000 | 9,200 | 8,900 | 1,120 | 7,400 | 9,200 | 8,800 |
| 10 | 2,330 | 6,200 | 9,400 | 8,000 | 228 | 7,300 | 9,500 | 8,900 |
| 11 | 2,175 | 6,200 | 9,200 | 7,800 | 432 | 7,500 | 9,500 | 8,900 |
| 17 | 2,130 | 6,500 | 9,200 | 8,000 | 2,016 | 7,200 | 9,300 | 8,500 |
| 18 | 2,879 | 5,500 | 9,000 | 7,500 | 2,660 | 7,500 | 9,400 | 8,600 |
| 23 | 3,404 | 6,500 | 9,150 | 8,000 | 3,640 | 7,500 | 9,300 | 8,800 |
| 24 | 3,075 | 6,000 | 9,000 | 7,500 | 5,600 | 7,000 | 9,200 | 8,500 |
| 25 | 2,772 | 6,500 | 8,900 | 7,500 | 4,200 | 8,600 | 7,200 | 9,200 |
| 28 | 886 | 7,000 | 9,200 | 8,200 | 1,960 | 7,500 | 9,500 | 8,800 |

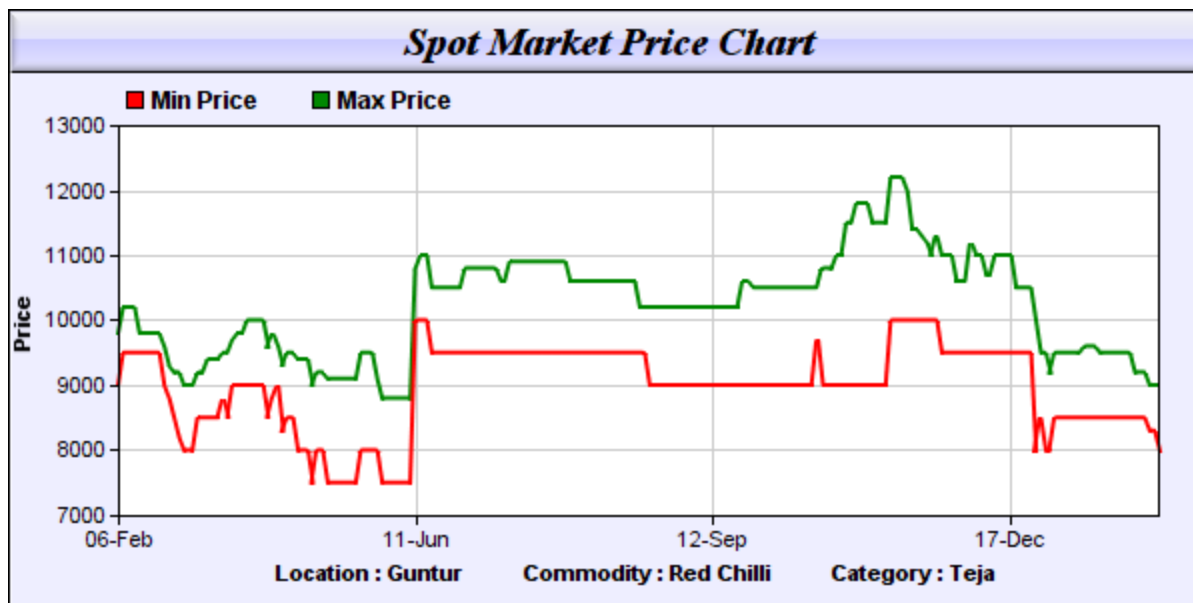
Source: <http://tsmarketing.in/>

In Telangana, chilli was traded in Khammam and Warangal markets at Rs. 8,500 – 9,200 and Rs. 7500 – 8900 with 24,027 and 23,972 quintals of arrivals in January 2019 respectively.

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

| Grade | Centre | 31-Jan-19 | 31-Dec-18 | 31-Jan-18 | % Change Over Previous month |
|----------------|-----------------------------------|-------------------------|-----------|-----------|------------------------------|
| NCDEX Quality | Guntur (A.P.) Benchmark market | 8300 | 8800 | 7200 | -5.68 |
| LCA 334 | | 8800 | 9000 | 7600 | -2.22 |
| Teja | | 9000 | 9500 | 10500 | -5.26 |
| No. 273 | | 7800 | 8000 | 10200 | -2.5 |
| No. 5 | | 9100 | 9000 | 10000 | 1.11 |
| Fatki | | 5100 | 4500 | 6500 | 13.33 |
| Byadgi | | 8600 | 8500 | 10000 | 1.18 |
| US 341 | | 8700 | 8500 | 11500 | 2.35 |
| DenvorDelux | | 8400 | 8500 | 10800 | -1.18 |
| Indam 5 | | 9500 | 10000 | NA | -5 |
| Teja | | Warangal (Telangana) | 9600 | 9700 | 10800 |
| Wonder Hot | 11400 | | 10100 | 9900 | 12.87 |
| 341 | 9800 | | 10600 | 12000 | -7.55 |
| DenvorDelux | 9500 | | 10400 | 11700 | -8.65 |
| Fatki | 4800 | | 5400 | 6400 | -11.11 |
| No. 12 | Bedia (Madhya Pradesh) | 11500 | 10000 | NA | 15.00 |
| Indu 2070 | | 12000 | 10000 | 12000 | 20.00 |
| MICO (Teja) | | 12500 | 10000 | 11600 | 25.00 |
| Jhankar | | 11000 | 9500 | NA | 15.79 |
| Ganesh | | 10800 | 10000 | NA | 8.00 |
| Teja (Khammam) | New Delhi | 11000 | 11300 | 12000 | -2.65 |
| M.P. MacoTeja | | NA | NA | NA | - |
| Pala 12 | | NA | NA | NA | - |
| LCA 334 | | 10000 | 9800 | 10000 | 2.04 |
| Fatki | | 4500 | 4800 | 6000 | -6.25 |
| Packing | | 10000 | 9800 | 10000 | 2.04 |

Source: www.agriwatch.com



Source: www.agriwatch.com

Fig.3: Spot Market Price Chart (Guntur Mandi)

Due to lower production in 2018 chilli prices reported up. Till 31st January 2019, monthly average prices closed at Rs.8,368/-qtl as compared to previous month Rs.8,755/-qtl, because of moisture content in new chilli entered the market. Red Chilli prices in last year January were reported at Rs.6,847/-qtl.

Chilli Price Outlook

Due to lower rainfall in Andhra Pradesh some chilli growing areas are affected by virus infection and so quality affected. New chilli crop continued trading at Guntur spot market. Currently moisture content of new crop arrivals traded is at 3 – 10%.

Current year total red chilli supply in Guntur market from 1st January 2019 to 25th January 2019, stands at around 38,700 MT as compared to 33,075 MT in the corresponding period of last year, i.e., up by 17%.

Heavy rainfall reported in Telangana major chilli growing regions (Khammam, Warangal etc.) affected already picked Red Chilli crop. However, current standing crop reported well.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that chilli is likely to trade in price range between **Rs.8000 – 8500** per quintal in the month of February 2019.