

Chilli Outlook – July 2019

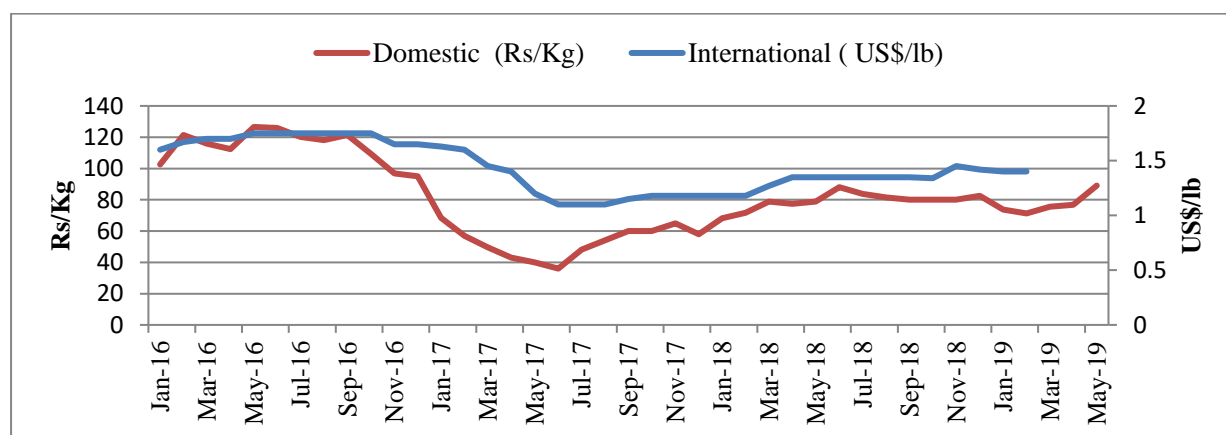
India is the world's largest producer, consumer and exporter of chillies in the world. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. Indian chilli is mainly exported to Asian countries like China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand and UAE etc. In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh.

In Telangana, as on 3rd July 2019, an area of 196 hectares was reported under chilli as compared to 136 hectares in the corresponding period of last year. So far only two districts, i.e., Mahabubnagar and Medak started chilli sowing covering 186 ha and 10 ha respectively. Currently sowing activity reported lower due to lower rainfall. Chilli transplanting will start from August.

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 May 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 has increased to 89.00 Rs/Kg in May compared to previous month, 76.87 Rs/Kg.

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

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)
4	386	8,700	10,700	10,500	4	44	4,000	8,400	4,500
7	104	7,800	9,300	8,300	7	143	5,100	9,000	7,700
10	94	8,000	9,300	8,500	10	297	5,000	8,800	6,500
11	238	8,200	9,000	8,800	11	316	5,000	8,700	7,500
13	44	8,000	10,500	8,500	12	246	4,500	8,500	7,700
14	117	7,800	9,900	8,200	13	164	4,500	8,300	7,000
17	60	8,000	10,500	8,700	14	160	4,500	8,000	7,000
18	127	7,600	9,700	8,200	17	232	5,000	8,300	7,000
20	32	7,300	8,200	7,600	18	212	4,500	8,800	7,200
21	54	7,500	9,200	8,700	19	98	4,500	9,000	7,400
24	33	6,800	10,200	7,200	20	67	4,500	8,000	7,500
25	41	7,000	10,000	8,000	21	136	4,500	8,600	7,300
27	117	8,800	10,500	9,800	24	192	4,500	8,600	7,000
28	15	8,500	11,100	10,500	25	165	4,500	8,400	6,500
					26	224	4,500	8,500	7,500
					28	254	5,000	8,800	6000

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

In Telangana, 1,462 and 2,950 quintals of chilli arrivals was traded in Warangal and Khammam markets at Rs. 7200 – 10,500 and Rs. 4500 – 7700 respectively in the month of June 2019.

Current year total red chilli supply in Guntur market from 1st January 2019 to 28th June 2019 stands at around 281,925 MT as compared to 224,955 MT in the corresponding period of last year, supply up by 25.33% with an expectation of higher production in 2018-19.

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

Grade	Centre	29-Jun-19	31-May-19	30-Jun-18	% Change Over Previous month
NCDEX Quality	Guntur (A.P.) Benchmark market	9000	Closed	8800	-
LCA 334		9700	Closed	9300	-
Teja		12100	Closed	10800	-
No. 273		10200	Closed	10800	-
No. 5		10400	Closed	10000	-
Fatki		6000	Closed	6000	-
Byadgi		10500	Closed	10500	-
US 341		10600	Closed	11000	-
Denvor Delux		10300	Closed	10500	-
Indam 5		10500	Closed	10000	-
Teja		Warangal (Telangana)	11600	11200	9400
Wonder Hot	9900		10500	10300	-5.71
341	10700		10700	10500	Unch
Paprika	11600		12000	NA	-3.33
Fatki	7200		7000	6300	2.86
No. 12	Bedia (M.P.)	12500	12500	NA	Unch
Indu 2070		12500	12500	11000	Unch
MICO (Teja)		12500	12500	11500	Unch
Jhankar		12500	12500	NA	Unch
Ganesh		NA	NA	NA	-
Teja (Khamam)	New Delhi	14200	13000	12000	9.23
M.P. Maco Teja		NA	NA	NA	-
Pala 12		NA	NA	NA	-
Fatki		5600	6000	6000	-6.67
Packing		14500	11000	10500	31.82

Source: www.agriwatch.com

Chilli Price Outlook

Chilli price in Guntur market which reopened after summer vacation reported up due to lower cold storage stocks. Teja prices reported up due to good export demand. Good domestic and export demand from Bangladesh, China, Malaysia, Sri Lanka are reported at Guntur mandi.

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 July 2019.