

Chilli Outlook – June 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.

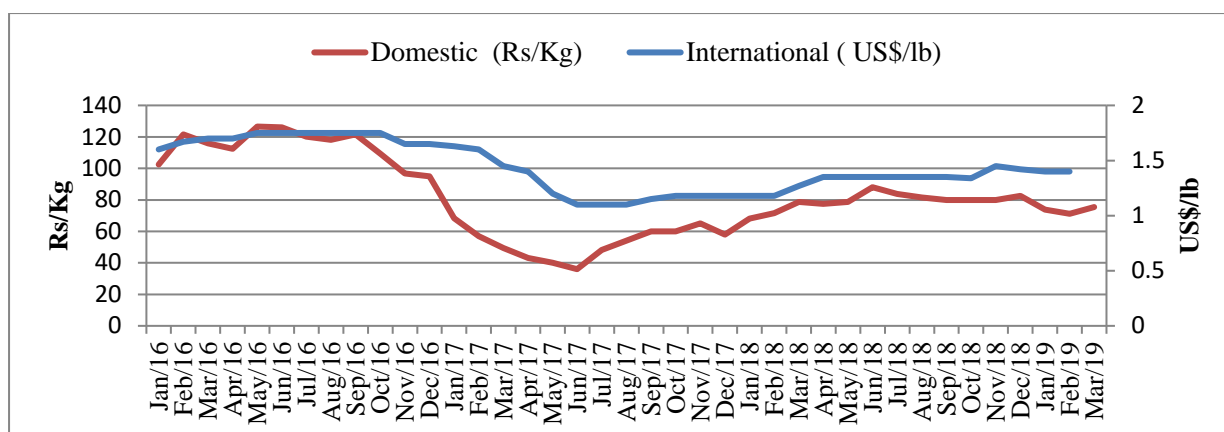
In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Andhra Pradesh State, during 2018-19 a total of area of 116578 hectares was reported under red chilli. The same in Guntur, Kurnool and Krishna regions was reported as 65259 hectares, 15584 hectares and 12816 hectares respectively in 2018-19.

Red chilli sown area in Telangana during 2018-19 was reported as 46126 hectares in comparison to 24920 hectares 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).

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 March 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 slightly increased to 75.50 Rs/Kg in March compared to previous month 71.25 Rs/Kg.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in May 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)
2	720	8,500	10,300	9,000	2	3,212	7,400	11,000	9,000
3	1,134	7,500	9,800	8,600	3	2,890	7,400	10,800	8,500
6	391	9,200	10,600	10,200	6	1,190	7,400	10,500	8,300
7	482	8,600	9,900	9,300	7	1,343	7,200	10,500	8,800
9	855	8,500	9,800	9,700	8	1,530	7,300	10,400	8,800
10	453	8,500	9,800	9,200	9	1,082	7,400	10,500	8,900
13	600	7,500	9,800	8,000	10	1,207	7,300	10,500	8,800
14	640	8,500	10,150	9,300	11	680	7,400	10,400	8,800
16	224	8,500	10,200	9,100					
17	338	8,500	10,100	9,500					
20	518	8,500	10,400	9,500					
21	463	7,500	9,700	8,100					
27	140	8,000	9,100	8,500					

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

In Telangana, 6,958 and 13,134 quintals of chilli arrivals was traded in Warangal and Khammam markets at Rs. 8000 – 10,200 and Rs. 8300 – 9,000 respectively in the month of May 2019.

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

Grade	Centre	31-May-2019	30-Apr-2019	31-May-2018	% Change Over Previous month
NCDEX Quality	Guntur (Andhra Pradesh) Benchmark market	Closed	8000	Closed	-
LCA 334		Closed	8800	Closed	-
Teja		Closed	10000	Closed	-
No. 273		Closed	8500	Closed	-
No. 5		Closed	9000	Closed	-
Fatki		Closed	5500	Closed	-
Byadgi		Closed	9000	Closed	-
US 341		Closed	9500	Closed	-
Denvor Delux		Closed	9000	Closed	-
Indam 5		Closed	11500	Closed	-
Teja		Warangal (Telangana)	11200	11200	9300
Wonder Hot	10500		10500	10300	Unchanged
341	10700		10200	10500	4.9
Denvor Delux	10200		9800	10500	4.08
Paprika	12000		12000	NA	Unchanged
Fatki	7000		5700	6300	22.81
No. 12	Bedia (M.P.)	12500	12500	NA	Unchanged
Indu 2070		12500	12500	11000	Unchanged
MICO (Teja)		12500	12500	11200	Unchanged
Jhankar		12500	12500	NA	Unchanged
Ganesh		NA	NA	NA	-
Teja (Khamam)	New Delhi	13000	13000	12000	Unchanged
M.P. Maco Teja		NA	NA	NA	-
Pala 12		NA	NA	NA	-
LCA 334		11000	11000	10500	Unchanged
Fatki		6000	6000	6000	Unchanged
Packing		11000	11000	10500	Unchanged

Source: www.agriwatch.com

Chilli Price Outlook

According to trade sources, chilli cold storage stocks as on April 2019 (including old and new crops) in Guntur range between 2,56,500 to 2,61,000 MT. This lower cold storage stocks reported in current year may be attributed to less carry forward stocks for 2019-20 year.

Due to annual summer vacation, Guntur (Andhra Pradesh) chilli benchmark market closed until 10th June. Chilli price is likely to go up after Guntur market reopen from summer vacation due to lower stocks available in cold storages.

Current year chilli sowing is likely to start from July first week. It is expected that chilli area in 2019-20 may increase due to prevailing higher prices and also further high prices expected due to lower cold storage stocks; however monsoon plays a crucial role in area coverage under chilli crop.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 9000 – 9500** per quintal in the month of June 2019.