

Chilli Outlook – March 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.

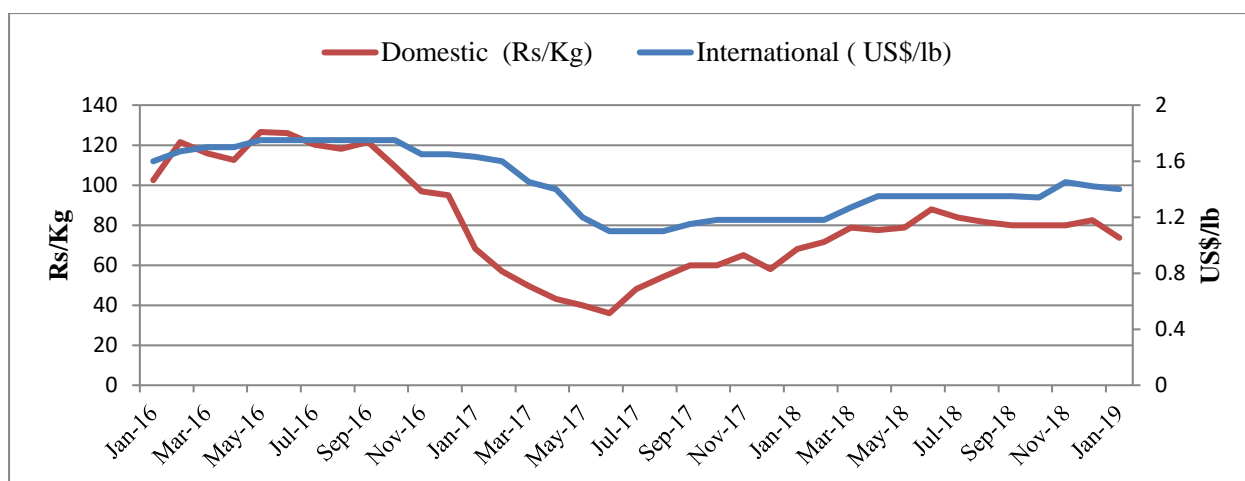
As on 26th September 2018, red chilli sown area in Telangana was reported as 46126 hectares as compared to only 24920 hectares in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18010 hectares followed by Mahabubabad (10758 hectares), Gadwal (Jogulamba) (6,289 hectares) and Warangal (Rural) (1794 hectares). Currently, chilli is at 3rd 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 January 2019 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The international and domestic chilli prices had reported as 1.40 US\$/lb and 73.75 Rs/Kg respectively in January 2019 compared to previous month 1.42 US\$/lb and 82.50 Rs/Kg respectively.

Table 2: Prices and Arrivals of Chilli at Warangal and Khammam Markets in February 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	1,363	8,000	10,500	9,300	1	6,000	7,200	8,975	8,300
5	2,800	8,000	10,000	9,500	6	6,720	7,300	8,800	8,300
6	962	8,600	10,200	9,500	11	7,200	7,000	8,875	8,400
7	1,428	8,800	10,000	9,700	13	6,600	7,200	8,800	8,300
8	1,549	8,800	10,200	9,500	14	8,100	7,500	8,925	8,600
11	989	7,000	9,800	9,000	15	6,600	7,400	9,150	8,500
12	735	6,800	9,600	8,000	18	9,600	7,400	9,000	8,400
13	965	8,800	10,200	9,500	19	9,528	7,000	9,200	8,600
14	917	8,500	10,200	9,300	20	10,650	7,000	9,000	8,600
15	1,174	8,500	10,200	9,200	21	11,550	7,200	9,150	8,600
18	1,887	8,500	10,000	9,100	22	11,250	7,200	9,375	8,400
19	1,588	8,000	9,900	9,000	25	7,656	7,300	9,255	8,500
20	1,967	8,000	9,900	9,000	26	10,656	7,300	9,200	8,400
21	2,322	8,200	10,100	9,100					
22	1,519	8,200	10,100	9,000					
25	1,970	6,500	9,800	8,600					

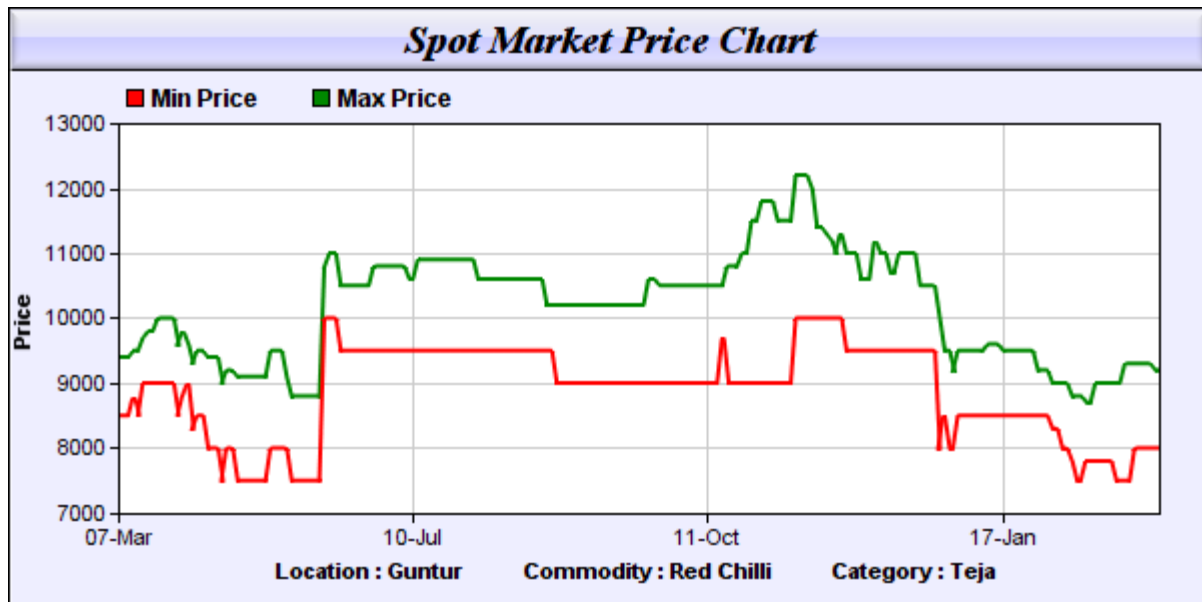
Source: <http://tsmarketing.in/>

In Telangana, 24135 and 112110 quintals of chilli arrivals was traded in Warangal and Khammam markets at Rs. 8000 – 9700 and Rs. 8300 – 8600 per quintal respectively in the month of February 2019.

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

Centre	Variety	% Change Over Previous Week	28-Feb-19	21-Feb-19	28-Jan-19	28-Feb-18
Guntur (A.P.) Benchmark market	NCDEX Quality	-2.44	8000	8200	8500	7000
	LCA 334	Unch	8500	8500	9000	7500
	Teja	Unch	9300	9300	9200	9000
	No. 273	2.56	8000	7800	8000	9600
	No. 5	-3.41	8500	8800	9300	9100
	Fatki	Unch	4500	4500	5300	5500
	Byadgi	2.35	8700	8500	8800	9500
	US 341	5.88	9000	8500	8900	10000
	Denvor Delux	1.22	8300	8200	8600	10300
	Indam 5	-5.56	8500	9000	9000	9000
Warangal (Telangana)	Teja	-2.15	9100	9300	9300	9000
	Wonder Hot	-9.43	9600	10600	11100	10900
	341	1.15	8800	8700	9500	10200
	Denvor Delux	-1.2	8200	8300	9200	10100
	Fatki	9.76	4500	4100	4500	4200
Bedia (Madhya Pradesh)	Indu 2070	-5.26	9000	9500	11000	11500
	MICO (Teja)	-9.52	9500	10500	12200	11500
New Delhi	Teja (Khamam)	-8.18	10100	11000	11000	11500
	LCA 334	-4.76	10000	10500	10000	10500
	Fatki	-10	4500	5000	4500	5200
	Packing	-4.76	10000	10500	10000	10500

Source: www.agriwatch.com



Source: www.agriwatch.com

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

Chilli Price Outlook

Buyers reported active for good quality hybrid variety like Teja in spot market. Chilli cold storage stocks reported lower from normal quantity that is likely to support chilli prices in coming days.

Export demand was reported well from Malaysia, Bangladesh, Pakistan, etc. Trade sources revealed that demand from China is also likely.

Current year total red chilli supply in Guntur market from 1st January 2019 to 1st March 2019, stands at around 121725 MT as compared to 90675 MT in the corresponding period of last year, indicating a 34.2% up in supply due to higher production in the current year.

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 March 2019.