

Chilli Outlook – May 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 116578 hectares was reported under red chilli. Area coverage under chilli in Guntur, Kurnool and Krishna regions is reported as 65259 hectares, 15584 hectares and 12816 hectares respectively in the current season.

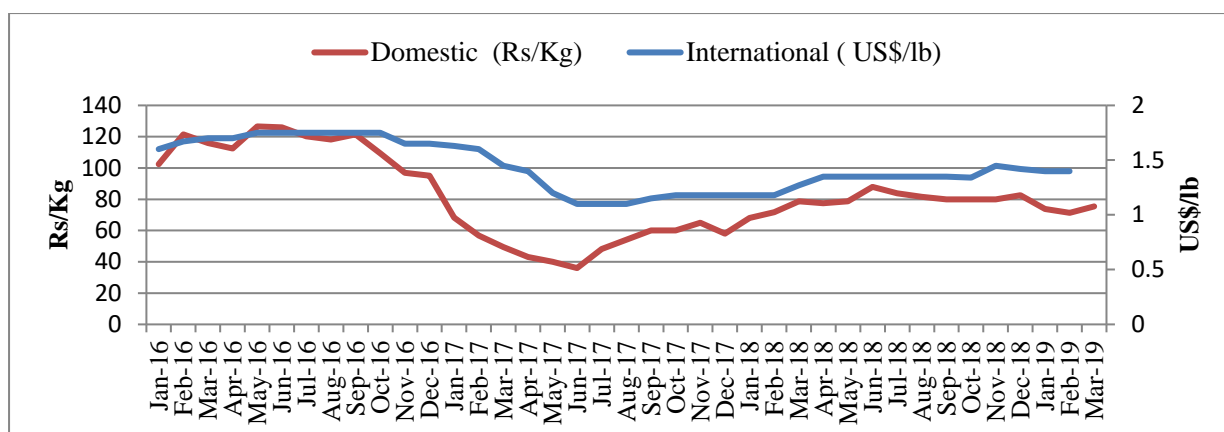
As on 26th September 2018, red chilli sown area in Telangana was reported as 46126 hectares in comparison to 24920 hectares only in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18010 hectares followed by Mahabubabad (10758 hectares), Gadwal (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 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 April 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)
1	4,215	8,300	9,350	8,800	2	18,048	7,200	9,275	8,400
2	3,946	8,000	9,360	8,700	3	18,916	7,300	9,325	8,500
3	3,850	7,800	9,250	8,600	4	14,558	7,400	9,525	8,900
4	3,504	8,000	9,400	8,500	8	14,040	7,400	9,600	8,900
15	2,960	8,600	9,500	9,300	9	14,253	7,000	9,400	8,500
16	2,900	8,400	9,625	9,400	15	12,049	7,300	9,702	8,800
17	1,492	8,500	9,725	9,150	16	13,676	7,300	9,825	8,900
18	1,956	8,500	10,025	9,200	17	13,109	7,200	10,050	8,800
22	1,420	8,200	9,900	9,700	18	10,681	7,300	10,100	8,900
23	2,148	8,400	10,250	9,500	20	4,937	7,200	10,100	9,000
24	1,937	8,500	10,325	9,800	22	6,199	7,200	10,100	8,900
25	1,695	8,500	10,350	9,300	23	7,070	7,300	10,025	8,800
26	1,261	8,800	10,425	10,000	24	4,710	7,100	9,900	8,700
29	1,986	8,500	10,225	9,500	26	4,253	7,100	10,000	8,800
30	1,053	9,000	10,500	9,500	29	5,333	7,200	10,375	8,800

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

In Telangana, 36,323 and 1, 61,832 quintals of chilli arrivals was traded in Warangal and Khammam markets at Rs. 8500 – 10000 and Rs. 8400 – 9000 respectively in the month of April 2019.

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

Centre	Variety	% Change Over Previous Week	25-Apr-19	18-Apr-19	25-Mar-19	25-Apr-18
Guntur (A.P.) Benchmark market	NCDEX Quality	6.67	8000	7500	7700	8200
	LCA 334	2.41	8500	8300	8200	8500
	Teja	-4.76	10000	10500	9300	9500
	No. 273	3.66	8500	8200	8300	9500
	No. 5	7.95	9500	8800	8200	9200
	Fatki	22.22	5500	4500	4500	5000
	Byadgi	5.88	9000	8500	9000	9000
	US 341	2.15	9500	9300	9200	9600
	Denvor Delux	11.76	9500	8500	8000	9000
	Indam 5	2	10200	10000	8500	9500
Warangal (Telangana)	Teja	10	11000	10000	9600	9900
	Wonder Hot	7.29	10300	9600	9900	11000
	341	7.53	10000	9300	9100	11100
	Denvor Delux	7.69	9800	9100	8900	10700
	Paprika	12.15	12000	10700	11700	12200
	Fatki	22.22	5500	4500	4000	6200
Bedia(M.P.)	No. 12	Unchanged	12500	12500	12500	NA
	Indu 2070	Unchanged	12500	12500	12500	10000
	MICO (Teja)	Unchanged	12500	12500	13500	11200
	Jhankar	Unchanged	12500	12500	12500	NA
New Delhi	Teja (Khammam)	13.04	13000	11500	10500	12000
	LCA 334	6.8	11000	10300	10000	10500
	Fatki	20	6000	5000	5500	6000
	Packing	6.8	11000	10300	10000	10500

Source: www.agriwatch.com

Chilli Price Outlook

There is continued export demand from China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand and UAE, etc. Buyers reported active for good quality hybrid varieties like 334 and Teja in spot market. Despite of new crop arrivals and higher production, chilli prices are trading at higher levels due to lower carry forward stocks.

As chilli supply reported down by 6.57%, stockists were expecting further higher prices after summer vacation which will likely to start from May second week. However, India's chilli production in the current year was reported higher than the last year.

Current year total red chilli supply in Guntur market from 1st January 2019 to 25th April 2019 stands at around 227700 MT as compared to 187380 MT in the corresponding period of last year, i.e., supply was up by 21.52% with an expectation of 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. 9000 – 9500** per quintal in the month of May 2019.