

Chilli Outlook – December 2019

India is the world's largest producer, consumer and exporter of chillies. 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, UAE, etc. In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh.

In Telangana, as on 25th September 2019, an area of 45,028 hectares was reported under chilli as compared to 46,126 hectares in the corresponding period of last year. Among the districts, Khammam stood first with 14,268 ha followed by Mahabubabad (12,113 ha), Gadwal (9,328 ha), Suryapet (4,166 ha) and Warangal (Rural) (2387 ha). New crop is likely to enter markets from January 2020 onwards. Guntur cold storage stocks reported lower by 40 - 45% from normal level due to lower carry forward stocks during current marketing year 2019-20.

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

Exporters demand reported normal from countries like China, Malaysia, Bangladesh and Sri Lanka due to higher prices.

Current year total red chilli supply in Guntur market from 1st January 2019 to 22nd November 2019 stands at around 504,675 MT as compared to 527,805 MT in the corresponding period of last year, supply was down by 4.38% as a result of lower stocks available in the spot market.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in November 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	17	9,000	11,000	10,000	1	23	5,000	6,700	6,000
4	23	7,000	9,500	8,000	4	14	5,000	8,600	6,000
5	14	3,500	8,000	5,000	5	19	5,000	6,000	5,000
6	44	8,300	12,500	9,800	6	46	5,000	8,800	6,000
7	59	9,000	12,000	11,500	7	10	4,500	8,000	7,000
8	65	10,000	12,500	11,800	8	100	5,000	7,000	6,000
11	27	9,000	11,500	10,000	13	34	5,000	7,000	6,500
13	51	9,500	11,000	10,100	14	32	6,000	6,000	6,000
14	54	11,000	13,800	12,500	18	48	6,000	7,000	6,600
15	142	10,000	13,500	12,500	19	47	7,000	7,800	7,500
18	171	11,000	13,500	12,000	20	55.2	6,000	7,200	6,500
19	159	11,000	13,000	12,500	21	42	5,000	8,700	6,000
20	96	10,000	13,600	12,500	22	35	5,000	8,111	6,200
21	158	10,000	12,000	11,800	25	50	6,100	14,800	7,200
22	194	9,000	12,500	10,000	27	95	6,000	13,900	7,300
25	190	10,500	13,500	12,000	28	100	6,000	13,000	7,200
27	264	9,000	14,000	12,000	29	77	6,100	14,500	7,100
28	120	10,000	13,000	11,000					
29	212	9,500	12,600	11,000					

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

In Telangana, 2,060 and 827 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 5,000 – 12,500 and Rs. 5000 – 7,500 respectively in the month of November 2019.

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

Centre	Variety	% Change Over Previous Week	21-Nov-19	14-Nov-19	21-Oct-19	21-Nov-18
Guntur (Andhra Pradesh) Benchmark market	NCDEX Quality	-8.28	13300	14500	13200	9000
	LCA 334	-7.28	14000	15100	13500	9500
	Teja	-10.26	17500	19500	16200	11300
	No. 273	-6.9	13500	14500	12800	10000
	No. 5	-8.5	14000	15300	13000	10200
	Fatki	-14.29	9000	10500	9000	5000
	Byadgi	-10	13500	15000	13000	11500
	US 341	-6.45	14500	15500	13300	10000
	Denvor Delux	-6.9	13500	14500	12500	9500
Warangal (Telangana)	Teja	-2.56	19000	19500	15500	10900
	Wonder Hot	-0.79	12500	12600	12000	10800
	341	-1.96	15000	15300	13800	11200
	Denvor Delux	-3.57	13500	14000	12000	10800
	Fatki	-2	9800	10000	9000	6600
Bedia (Madhya Pradesh)	Jhankar	-11.11	16000	18000	16000	NA
	Teja(Khamam)	-17.39	19000	23000	16200	13000
New Delhi	Fatki	-8	11500	12500	9000	NA
	Packing	-	NA	NA	14500	11000

Source:www.agriwatch.com

Chilli Price Outlook

Continuous supply was reported at Guntur spot market as stockiest were releasing some stocks at higher prices.

New chilli arrivals (varieties like Mahi and Fatki) are continuing in Madhya Pradesh Bedia spot market at around 4,200 – 4,500 quintals on daily basis. Chilli production of Madhya Pradesh is estimated low (52,500 MT) as against earlier estimate of 59,314 MT after continuous rains.

In Andhra Pradesh, Guntur benchmark market new chilli arrivals is likely to start from December third week in small quantities. Good quality chilli is expected due to favorable weather conditions.

Currently standing chilli crop reported well in all major growing regions like Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh etc. due to sunny weather. Red chilli prices are likely to trade on higher side in December month.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 10000 – 10500** per quintal in the month of December 2019.