

Chilli Outlook – October 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, 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 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

Current year total red chilli supply in Guntur market from 1st January 2019 to 30th September 2019, stands at around 434,250 MT as compared to 358,380 MT in the corresponding period last year, i.e., supply up by 21.17% as a result of higher production in 2018-19.

Exporters demand reported lower from countries like China, Malaysia, Bangladesh, Sri Lanka etc. due to higher prices. Buyers are likely to be active at lower prices from October second week.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in September 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)
3	61	8,500	12,000	10,000	3	49	5,000	8,200	7,000
4	55	9,500	14,000	12,500	4	36	5,000	7,000	6,000
5	141	10,000	14,200	11,500	5	64	5,000	8,000	6,000
6	88	9,500	13,700	10,000	6	33	5,200	8,000	6,000
9	188	9,000	11,500	10,900	9	70	5,000	6,500	5,000
12	47	8,500	12,000	10,000	12	14	5,000	5,500	5,000
13	152	10,000	14,500	12,100	16	24	5,000	5,500	5,000
16	117	9,500	13,500	11,600	17	67	5,000	7,500	6,000
17	96	10,000	15,100	11,200	18	52	5,000	6,000	5,000
18	36	9,100	15,500	11,300	19	83	5,000	8,000	6,000
19	221	8,800	15,000	14,200	20	51	5,000	7,500	5,000
20	187	11,100	15,400	14,000	23	41	5,000	7,000	6,000
23	51	8,000	10,500	9,000	24	34	5,000	7,000	5,000
24	67	8,500	11,000	9,500	25	62	4,000	7,200	4,500
25	91	8,500	12,400	9,500	26	20	4,000	5,000	4,500
26	157	9,000	14,000	10,300	27	41	5,000	6,500	6,000
27	128	11,500	14,700	13,300	30	59	5,000	7,200	6,500
30	51	9,500	14,500	11,300					

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

In Telangana, 1,934 and 800 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 9,000 – 14,200 and Rs. 4,500 – 7,000 respectively in the month of September 2019.

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

Grade	Centre	30-Sep-2019	31-Aug-2019	29-Sep-2018	% Change Over Previous month
NCDEX Quality	Guntur (A.P.) Benchmark market	12800	12500	8000	2.4
LCA 334		13500	13200	8300	2.27
Teja		15500	15500	10500	Unchanged
No. 273		12800	12500	10500	2.4
No. 5		12800	12800	10000	Unchanged
Fatki		9000	9000	5500	Unchanged
Byadgi		12500	13000	10500	-3.85
US 341		13000	13000	10400	Unchanged
Denvor Delux		12500	12500	10000	Unchanged
Indam 5		12800	12800	9500	Unchanged
Teja		Warangal (Telangana)	15400	15100	10600
Wonder Hot	11800		12000	10500	-1.67
341	13400		12500	10700	7.2
Denvor Delux	12300		12000	10700	2.5
Fatki	8800		9000	6200	-2.22
No. 12	Bedia (M.P.)	16000	18000	10500	-11.11
Indu 2070		15000	18500	10000	-18.92
MICO (Teja)		15000	18000	12800	-16.67
Teja (Khammam)	New Delhi	16000	16000	11500	Unchanged
LCA 334		13500	14000	10200	-3.57
Fatki		10000	8500	4500	17.65
Packing		13500	14000	10200	-3.57

Source:www.agriwatch.com

Chilli Price Outlook

Heavy rainfall was reported in major chilli growing regions of Andhra Pradesh, Telangana, Karnataka and Madhya Pradesh. Till now no major crop damage was reported. Overall chilli standing crop was reported well in the current year. If favorable weather prevails in October, chilli production may go up from earlier estimate. Red chilli prices are likely to observe range bound movement in coming weeks.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 9500 – 10000** per quintal in the month of October 2019.