

Chilli Outlook – January 2020

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 well from countries like China, Malaysia, Bangladesh and Sri Lanka.

Last year total red chilli supply in Guntur market from 1st January 2019 to 31st December 2019, stands at around 555,075 MT as compared to 611,955 MT in the corresponding period of previous year, supply down by 9.29% as a result of lower stocks available in the spot market.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in December 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	468	11,000	45,051	13,500	2	115	5,000	14,500	6,000
3	138	8,000	10,000	9,000	3	80	5,500	15,000	6,100
4	232	10,000	14,000	12,000	4	91	6,000	15,800	7,300
5	287	10,000	14,000	11,500	5	139	5,200	17,200	7,200
6	301	10,000	12,500	11,000	6	165	6,000	18,000	7,000
9	557	10,500	14,000	12,000	9	456	10,000	18,500	12,000
10	440	11,000	16,800	15,200	10	469	9,000	19,000	12,500
11	207	11,000	17,100	15,300	11	432	8,000	18,650	12,000
12	417	12,500	17,100	15,100	12	472	10,000	18,600	14,000
13	475	12,000	17,000	16,000	13	686	10,000	18,700	13,000
16	700	13,500	17,000	16,000	16	1,320	8,000	17,500	12,500
17	111	7,500	17,000	13,000	17	726	10,000	18,000	13,000
18	263	10,500	17,000	14,500	18	760	8,500	18,500	10,000
19	372	13,500	18,300	15,500	20	840	9,000	19,100	13,000
20	436	11,500	18,100	15,500	23	1,381	8,800	19,100	13,500
23	633	11,500	18,500	16,000	24	1,450	9,000	19,200	16,000
24	459	13,500	18,500	16,500	27	1,344	9,000	19,600	16,000
27	1,217	14,000	18,500	16,000	27	1,344	9,000	19,600	16,000
30	1,286	14,000	18,800	16,500	30	2,544	8,000	20,021	17,700
31	628	13,000	19,400	16,000	31	1,373	9,000	20,500	18,000

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

In Telangana, 9,627 and 16,187 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 9,000 – 16,500 and Rs. 6000 – 18,000 respectively in the month of December 2019.

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

Centre	Variety	% Change Over Previous Week	2-Jan-2020	26-Dec-2019	2-Dec-2019	2-Jan-2019
Guntur (A.P.) Benchmark market	NCDEX Quality	23.87	19200	15500	13800	8400
	LCA 334	13.53	19300	17000	14300	8900
	Teja	5.26	20000	19000	18500	9500
	No. 273	12.9	17500	15500	13500	8500
	No. 5	21.21	20000	16500	14000	9000
	Fatki	Unchanged	9000	9000	8500	5000
	Byadgi	6.06	17500	16500	13500	8500
	US 341	12.12	18500	16500	14300	8500
	Denvor Delux	9.38	17500	16000	13500	8500
Warangal (Telangana)	Teja	6.32	20200	19000	18500	9700
	Wonder Hot	8.21	14500	13400	13000	10100
	341	25	18500	14800	14300	10600
	Denvor Delux	33.33	18000	13500	13000	10400
	Fatki	3.09	10000	9700	9500	5400
Bedia (M.P.)	No. 12	-	NA	NA	18200	9100
	MICO (Teja)	-	NA	NA	8500	10000
	Jhankar	8.57	19000	17500	18000	9500
	Ganesh	-	NA	NA	NA	10000
New Delhi	Teja(Khamam)	11.63	24000	21500	18000	9500
	LCA 334	-	NA	NA	18200	9800
	Fatki	-	NA	NA	10000	4500

Source: www.agriwatch.com

Chilli Price Outlook

All India chilli supply reported down by 25.96% from last year same period due to unseasonal rainfall, which has hampered chilli drying process and effected chilli quality with dark spots in some growing regions. Earlier good quality supply expected to enter from 15th January but now it may be delayed by 10 to 15 days and present cloudy weather may support the prices further.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs. 10500 – 12500** per quintal in the month of January 2020.