

Chilli Outlook – July 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 2019-20, Telangana ranked second in chilli area, production and productivity i.e., 2.98 lakh acres, production 3.06 lakh metric tonnes and productivity 1545 Kg per acre. Chilli area and production in Telangana account for 11.59% and 17% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural).

In the current year from 1st January to 25th June, red chilli supply in Guntur market was reported around 146,864 MT as compared to last year's 217,607 MT, down by 32.51% as most of the time market was closed due to lockdown and farmers were not releasing their stocks as current prices are lower than their expectations.

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

Table 2: Monthly Red Chilli (Dry) Arrival Scenario

State	Market	% Change Over Previous Week	19th Jun to 25th Jun 2020	12th Jun to 18th Jun 2020	19th Jun to 25th Jun 2019
Andhra Pradesh	Guntur	14.29	240,000	210,000	290,000
Telangana	Warangal	14.29	48,000	42,000	27,000
Total		14.29	288,000	252,000	317,000

Units – Bags (1 bag = 45 kgs) Source: www.agriwatch.com

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

State	Centre	Grade	% Change Over Previous Week	25-Jun-20	18-Jun-20	25-May-20	25-Jun-19
Andhra Pradesh	Guntur Benchmark market	NCDEX Quality	-1.54	12800	13000	NA	9000
		LCA 334	-6.09	10800	11500	11200	9700
		Teja	-3.33	14500	15000	14000	12000
		No. 273	-5.71	13200	14000	NA	10200
		No. 5	-3.33	14500	15000	NA	10400
		Fatki	2.67	7700	7500	NA	6000
		Byadgi	-2.76	14100	14500	8500	10500
		US 341	-2.58	15100	15500	NA	10600
		Denvor Delux	-2.07	14200	14500	NA	10300
		Indam 5	-2	14700	15000	NA	10500
Telangana	Warangal	Teja	-4.14	13900	14500	Closed	11600
		Wonder Hot	-7.79	14200	15400	Closed	9900
		341	-4.7	14200	14900	Closed	10700
		Denvor Delux	-2.16	13600	13900	Closed	10200
		Fatki	-3.8	7600	7900	Closed	7200
	Khammam	Teja (Cold storage)	-2.01	14600	14900	Closed	12200
		Teja (Non cold storage)	-1.6	12300	12500	Closed	--
Madhya Pradesh	Bedia	No. 12	0.61	16600	16500	Closed	12500
		Fatki	1.43	7100	7000	Closed	--
		Jhankar	0.65	15600	15500	Closed	12500
Delhi	New Delhi	Teja(Khammam)	6.71	17500	16400	Closed	14000
		M.P. MacoTeja	4.35	16800	16100	Closed	--
Karnataka	Byadgi	Dabbi	-6.32	22590	24115	Closed	NA
		Guntur	-1.1	9900	10010	Closed	NA
		Kaddi	-9.05	20010	22000	Closed	NA

Source: www.agriwatch.com

Table 4: Arrivals and Prices of Chilli at Warangal and Khammam Markets in June 2020

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	2,289	9,500	12,000	10,800	1	2,816	7,000	13,350	9,200
2	1,781	9,000	12,000	10,500	3	2,179	8,500	13,450	9,800
3	737	8,500	11,000	9,700	4	1,614	7,500	13,200	9,000
4	980	9,000	12,100	10,500	8	840	7,000	11,500	8,500
5	660	10,000	12,300	11,200	9	552	7,000	12,550	9,800
8	731	9,000	12,500	11,000	11	433	7,500	12,100	9,500
9	430	9,000	12,000	10,500	12	366	7,500	12,525	9,500
10	199	9,000	12,000	10,000	15	672	7,000	12,300	9,000
11	264	8,000	11,800	9,500	17	576	7,000	13,100	9,500
12	284	9,000	11,000	10,000	18	382	7,000	13,125	9,800
15	510	8,500	12,100	10,200	19	384	7,500	13,000	9,000
16	269	8,500	11,500	10,000	26	430	6,500	9,000	8,000
17	334	9,000	12,000	10,500	29	372	7,000	10,000	8,800
18	301	8,500	12,000	10,200	30	360	7,000	11,000	9,000
19	194	8,500	12,500	10,500					
22	374	8,500	11,500	10,000					
23	296	9,000	11,500	10,500					
24	130	8,700	10,300	9,500					
25	122	7,000	9,000	8,000					
26	140	7,000	9,000	8,000					
29	119	7,500	9,500	8,500					
30	103	7,000	9,000	8,000					

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

Chilli Price Outlook

In the current year, around 540,000 tonnes of chilli in Andhra Pradesh and Telangana was stored in Cold stores as compared to 405,000 tonnes in the last year. Current year stocks reported higher due to higher production and lower domestic demand in Indian spot markets because of corona virus.

However, continued export demand for premium varieties like Teja was reported in the Guntur spot market from countries like Vietnam, China, Malaysia, Bangladesh and Sri Lanka.

Till now Kharif chilli nursery activity has not started. It is expected to start in July. In the current year, it is expected that farmers may shift from Maize and Cotton crop to Chilli in Telangana.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs. 9,500 – 12,000 per quintal in the month of July 2020.