

Chilli Outlook – June 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).

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	May 2020	Apr 2020	May 2019
Andhra Pradesh	Guntur	--	165,000	Closed	305,000
Telangana	Warangal	--	Closed	Closed	110,500
Total		--	165,000	Closed	415,500

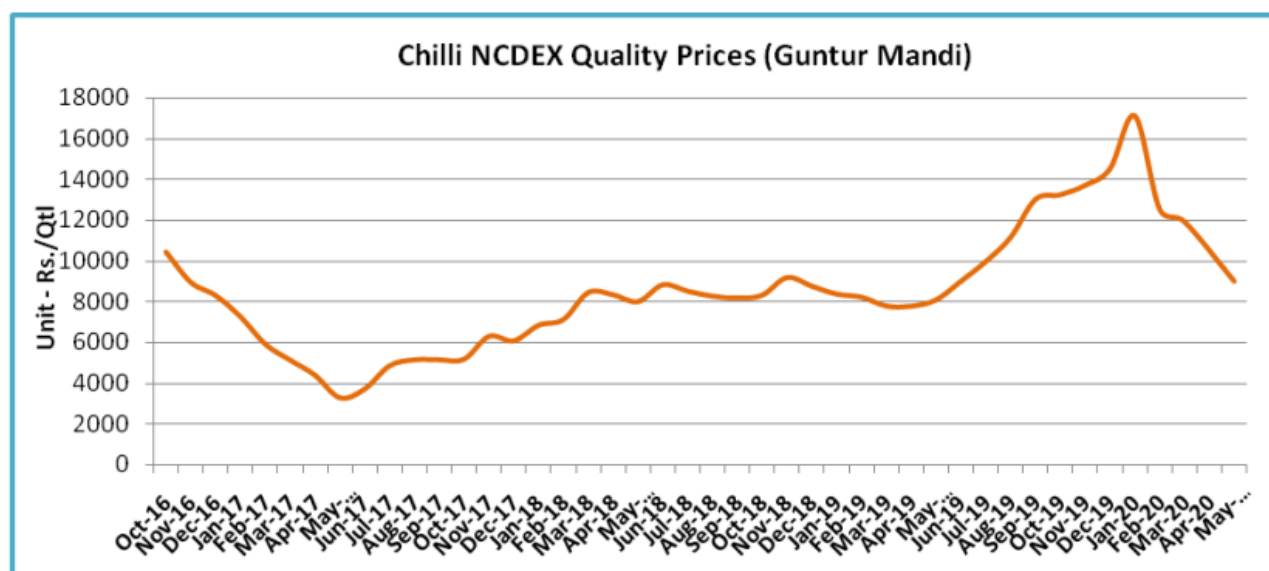
Units – Bags (1 bag = 45 Kg) Source: www.agriwatch.com

Current year from 1st January to 29th May red chilli supply in Guntur market reported around 116,920 MT as compared to last year 197,630 MT, down by 40.84% due to closure of the market during lockdown period.

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

State	Grade	% Change Over Previous Week	28-May-2020	21-May-2020	28-Apr-2020	29-May-2019
Andhra Pradesh	NCDEX Quality	-	9000	NA	Closed	Closed
	LCA 334	-	10100	10300	Closed	Closed
	Teja	-17.2	10350	12500	Closed	Closed
	No. 273	-	13000	NA	Closed	Closed
	No. 5	-	13500	NA	Closed	Closed
	Fatki	-	6500	NA	Closed	Closed
	Byadgi	3.85	13500	13000	Closed	Closed
	US 341	-	13500	NA	Closed	Closed
	Denvor Delux	-	13000	NA	Closed	Closed
	Indam 5	-	13500	NA	Closed	Closed
Telangana	Teja	-	Closed	Closed	Closed	NA
	Denvor Delux	-	Closed	Closed	Closed	NA
	Paprika	-	Closed	Closed	Closed	NA
	Fatki	-	Closed	Closed	Closed	NA
Madhya Pradesh	No. 12	-	Closed	Closed	Closed	12500
	Indu 2070	-	Closed	Closed	Closed	12500
	Fatki	-	Closed	Closed	Closed	NA
	Jhankar	-	Closed	Closed	Closed	12500
	Ganesh	-	Closed	Closed	Closed	NA
Delhi	Teja(Khammam)	-	Closed	Closed	Closed	13000

Source: www.agriwatch.com



During March 2020, red chilli monthly average price in Guntur market was Rs.11,908/ctl, and from 21st March till 25th May Guntur mandi closed due to Corona virus. After reopening chilli prices traded lower due to lower demand as buyers were inactive. In month of May, average monthly price reported Rs.9,000/ctl, as compared to Rs.8,086/-ctl in the same period of last year.

Table 4: Arrivals and Prices of Chilli at Warangal and Khammam Markets in May 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)
27	1,997	9,500	12,400	11,500	27	1,656	7,500	13,400	9,500
28	1,478	9,000	12,000	10,500	28	2,088	7,000	13,350	9,500
29	1,824	10,500	12,000	11,200	29	2,038	7,100	13,300	9,000

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

Chilli Price Outlook

Most of the markets reported closed due to pandemic corona virus issue. There was no major movement in the spot market. As per trade sources, in Andhra Pradesh and Telangana, around 540,000 tonnes chilli was stored in cold storage.

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 June 2020.