

Chilli Outlook – March 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).

February chilli prices reported down due to Corona virus. China red chilli demand reported lower at Guntur Chilli market. China is one of the major buyer of Teja and 334 varieties. Chilli prices reported correction from higher levels due to higher moisture (6 to 8%) content in new crop supply coming to the market and domestic buyers and exporters were not interested to purchase at higher prices.

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 red chilli supply in Guntur market from 1st January to 28th February was reported around 108,225 MT as compared to last year 117,000 MT, down by 7.50% as current year new crop supply reported delayed due to unseasonal rainfall during January.

Table 2: Arrivals and Prices of Chilli at Warangal and Khammam Markets in February 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)
3	2,856	10,000	12,800	11,500	3	6,585	9,200	13,400	12,100
4	1,080	11,500	13,500	12,500	4	4,916	7,000	13,430	12,500
10	1,013	11,000	14,000	12,500	5	3,000	9,000	14,000	13,200
11	3,143	11,500	13,500	12,500	7	4,440	8,500	13,500	12,500
12	3,328	10,000	13,500	11,500	10	5,038	8,000	13,350	12,600
13	3,062	11,000	13,600	12,300	11	8,650	8,000	13,450	12,800
14	2,582	11,200	13,600	12,400	12	8,058	8,000	13,450	12,700
17	4,996	10,700	13,200	11,500	13	6,815	8,000	13,300	12,500
18	3,506	11,500	13,500	12,500	17	10,462	8,000	13,200	12,600
19	4,079	11,500	13,300	12,500	18	9,730	8,000	13,050	12,300
20	2,434	11,000	13,000	12,000	19	9,719	8,000	13,000	12,200
24	3,938	10,500	12,800	11,600	20	7,325	8,000	12,850	11,800
25	3,454	10,500	12,800	11,600	22	2,770	8,000	12,500	11,800
26	3,631	11,500	13,200	12,500	24	7,853	8,000	12,550	11,700
27	2,454	11,500	13,200	12,300	25	8,846	8,000	12,560	11,900
28	2,470	11,500	13,700	12,500	26	7,440	8,000	12,925	12,300
					28	6,134	9,000	14,350	13,700

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

In Telangana, 48,026 and 1,17,781 quintals of chilli arrivals were traded in Warangal and Khammam markets at Rs. 11,500 – 12,500 and Rs. 11,700 – 13,700 respectively in the month of February 2020.

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

Grade	Centre	29-Feb-20	31-Jan-20	28-Feb-19	% Change Over Previous month
NCDEX Quality	Guntur (A.P.) Benchmark market	11800	13000	8000	-9.23
LCA 334		12200	13000	8500	-6.15
Teja		14200	12500	9300	13.6
No. 273		14400	12500	8000	15.2
No. 5		14500	13500	8500	7.41
Fatki		8000	7000	4500	14.29
Byadgi		14800	13500	8700	9.63
US 341		15700	13000	9000	20.77
Denvor Delux		15600	13000	8300	20
Indam 5		15000	13500	8500	11.11
Teja		Warangal (Telangana)	14000	15000	9100
Wonder Hot	16000		14000	9600	14.29
341	15600		14500	8800	7.59
Denvor Delux	16000		13800	8200	15.94
Fatki	11100		8000	4500	38.75
Teja (Khammam)	New Delhi	17000	18500	10100	-8.11
LCA 334		NA	NA	10000	-
Fatki		NA	9500	4500	-

Source: www.agriwatch.com

Chilli Price Outlook

Domestic buyers reported active in the spot market as carry forward stocks reported lower than normal with them. Also normal export demand reported from Vietnam, Bangladesh, Sri Lanka and Malaysia at Guntur spot market.

Due to Corona virus, China red chilli demand reported lower at Guntur Chilli market. China is the biggest buyer especially for Teja and 334 varieties and presently exporters are inactive in the spot market.

In current market season farmers can expect good prices for red Chilli (good quality) as cold storage stocks reported lower than last year and buyers may be active. Red Chilli stocks in cold storage is increasing day by day, as of now at Guntur region around 8-10 lakh bags were stored. Red chilli prices are likely to trade range bound in coming weeks.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs.12,000 – 14,000 per quintal in the month of March 2020.