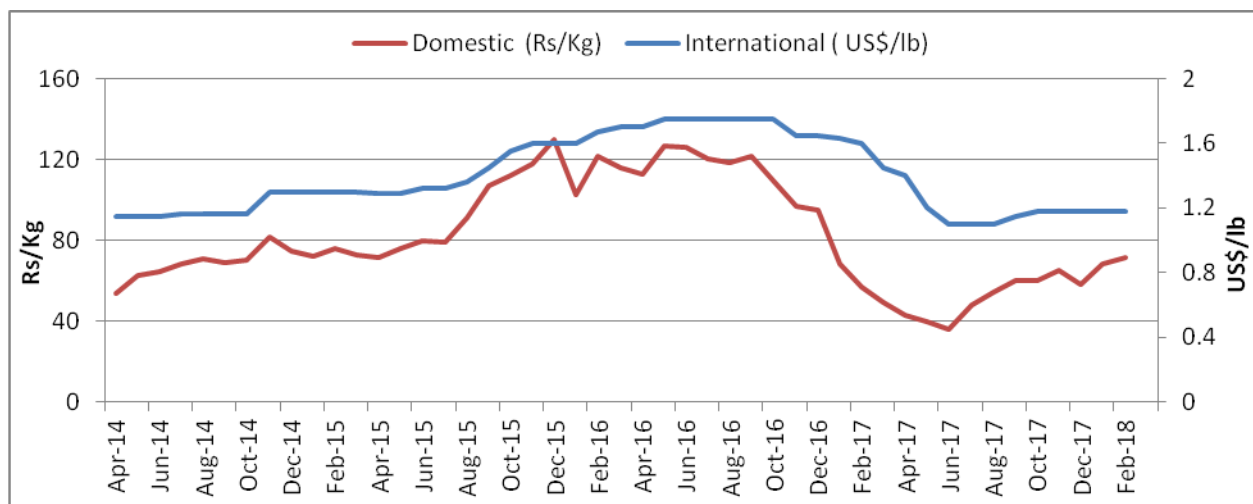


Chilli Outlook – April 2018

Chilli (*Capsicum annum L.*) is an important vegetable cum spice crop grown in almost all parts of tropical and subtropical regions of the world. Many chilli constituents are important for nutritional value, flavor, aroma, texture and color. In India chilli occupies an area of 844 thousand hectares with an annual production of 2106 thousand metric tons (2017-18 1st Advanced estimates). India is the world leader in chilli production followed by China, Mexico, Turkey, Indonesia, Spain and United States. Indian chilli is mainly exported to Asian countries like Vietnam, Thailand, Sri Lanka, Bangladesh and U.A.E. In India, major chilli producing states are Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and Madhya Pradesh. In Telangana the area under chilli has declined to 0.08 lakh hectares in 2017-18 as compared to 0.23 lakh hectares in previous season because of drastic fall in prices in 2016-17. The major chilli growing districts are Mahabubabad, Kothagudem, Warangal (Rural), Khammam and Suryapet.



Source: <http://www.indianspices.com>

Fig.1 Monthly Average Domestic and International Spot Prices of Chilli

The trend in average monthly domestic and international chilli prices from April 2014 to February 2018 presented in Fig 2 clearly indicates that the domestic prices are highly influenced by international prices. The domestic price of chilli is almost following the international price trend. The domestic price that was nearly 120 per Kg during February 2016 has fallen down by 60% i.e., Rs. 36 / Kg during June 2017. After June 2017 prices are showing increasing trend in both domestic as well as international markets. Though the domestic chilli price in December 2017 slightly decreased from Rs. 65 to 58/Kg, it has again picked up from January 2018 onwards.

Table 1: Prices and Arrivals of Chilli at Khammam market in the month of March 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	380.3	7800	9350	8900
5	968.6	7800	9450	9000
6	927.2	7800	9400	8900
7	1036	7600	9401	9100
9	580.4	7900	9550	9200
12	861.9	8000	9650	9000
13	692.9	8000	9650	9100
14	788.2	8000	9650	9250
16	628.4	8200	9950	9500
19	410.6	8500	10400	9800
20	654.2	8500	10400	9800
22	1058.1	8200	10250	9600
23	878.8	8300	10050	9500
27	876.1	8100	9900	9300
28	921.8	7800	9725	9100
29	828.2	7800	9630	9000

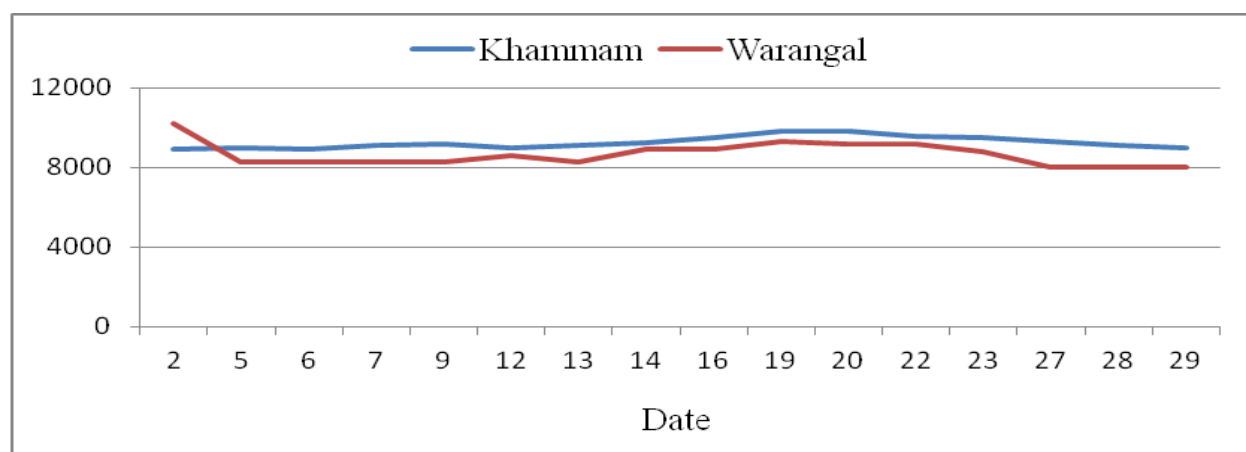
Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Table 2: Prices and Arrivals of Chilli at Warangal market in the month of March 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
5	225.1	9000	11500	10200
6	385.9	7100	9550	8300
7	357.4	7100	9500	8300
8	357.1	7100	9400	8300
9	303.2	7100	9500	8300
13	106.8	7200	9600	8300
14	567.7	7500	9600	8600
15	464.6	7200	9400	8300
16	201.2	7600	10150	8900
19	121.1	7500	10000	8900
20	150.4	8000	10200	9300
21	234.9	8000	10500	9200
22	226.0	8000	10500	9200
23	245.7	7000	10100	8800
27	181.2	7000	9900	8000
28	346.2	7000	9800	8000
29	297.4	7000	9600	8000

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

In Telangana, Khammam is the major chilli market followed by Warangal based on arrivals. Chilli prices at Khammam and Warangal markets ranged between Rs. 8900 – 9800 and Rs. 8300 – 10200 respectively during March 2018.



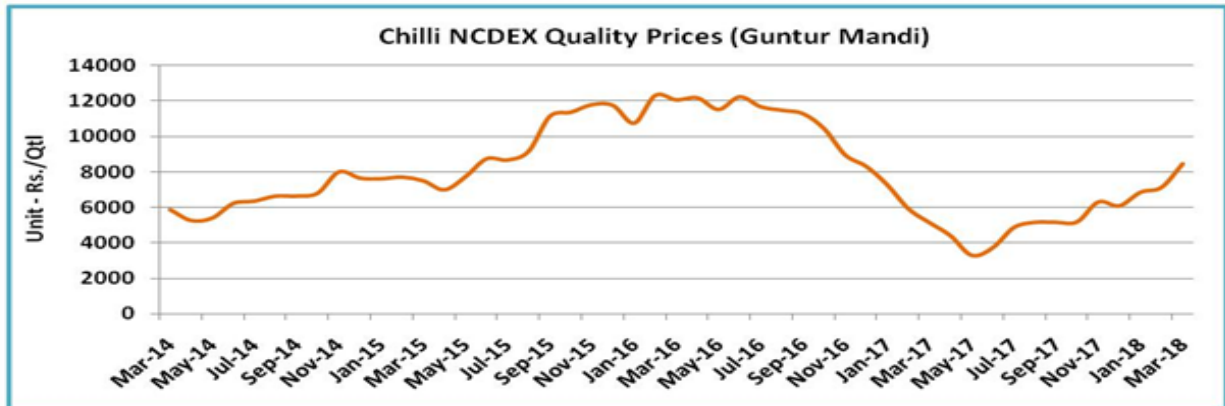
Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Figure.2: Average monthly modal prices of Chilli in Khammam and Warangal markets during March 2018 (Rs/q)

Table 3: Red Chilli Spot Market Prices: (Rs/Qtl)

Grade	Centre	31-Mar-18	28-Feb-18	31-Mar-17	Change
NCDEX Quality	Guntur (Andhra Pradesh)	8800	7000	4500	25.71
LCA 334		9100	7500	5000	21.33
Teja		9600	9000	7500	6.67
No. 273		9800	9600	6500	2.08
No. 5		9500	9100	7000	4.4
Fatki		6000	5500	3500	9.09
Byadgi		9300	9500	7000	-2.11
US 341		10800	10000	7500	8
Denvor Delux		10000	10300	6000	-2.91
Indam 5		10000	9000	NA	11.11
Teja	Warangal (Telangana)	10600	9000	7500	17.78
Wonder Hot		11600	10900	7500	6.42
341		11500	10200	7700	12.75
Denvor Delux		11300	10100	7200	11.88
Paprika		NA	NA	10500	-
Fatki		6000	4200	3000	42.86

Source: Agriwatch spices monthly research report, April 2018



Source: Agriwatch spices monthly research report, April 2018

Figure 3: Chilli NCDEX Quality Prices (Guntur Mandi)

Chilli prices at Guntur market from March 2014 to March 2018 in Figure 3 indicates that in 2016, all time high prices are reported due to lower stocks last year led by lower production. But in 2017, chilli prices reported low because of the bumper crop yields. Because of lower sowing area in 2017, chilli prices took support and rose in July – August 2017. In March 2018, monthly average prices closed at Rs.8500/q as compared to February Rs.8000/q.

Chilli Price Outlook

Red chilli supply in Guntur market from 1st January to 30th March 2018 reported around 146,025 MT as compared to 252,275 MT in the corresponding period last year. As on 28th March cold storage stocks (old) were estimated around 66,000 to 69,000 MT compared to last year's 30,000 to 34,000 MT. Currently new crop harvests are coming to the market. As per trade information, new crop stocks in Guntur cold storages stand at 82,000 to 90,000 MT in the current year. The current year ending stocks would be around 2.83 lakh tons even after increasing exports and domestic consumption, which is higher than 1.87 lakh tons in last year. We expect in 2018-19 Chilli ending stocks to be lower than current year and support the prices. Lower production during current year is likely to support chilli prices. Our chilli production estimates for the year stand at 10.50 lakh MT compared to last year's 13.76 lakh MT.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs.8500 – 9500** per quintal in the month of April 2018.