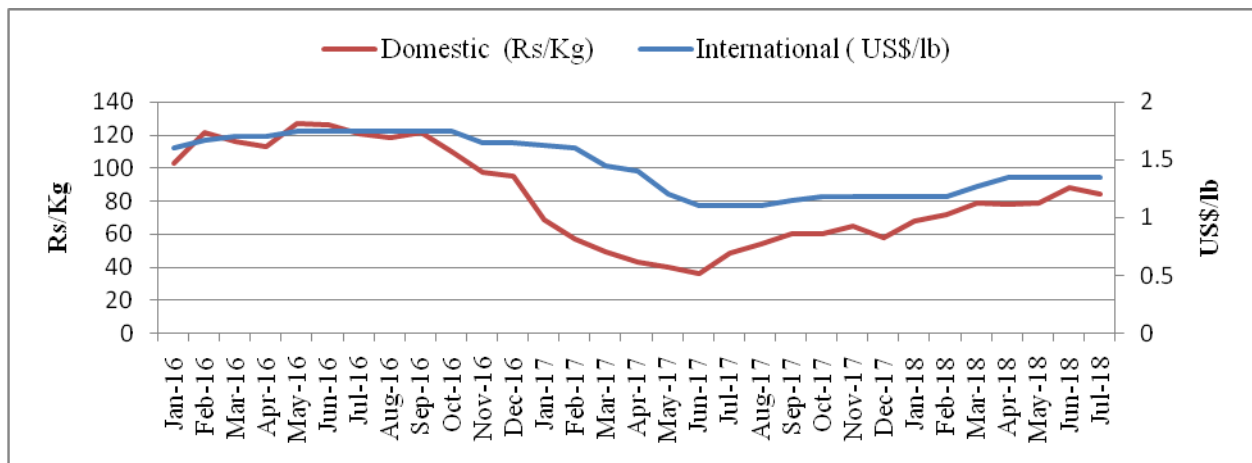


Chilli Outlook – September 2018

In Telangana, Red Chilli sowing as on 29th August 2018 was reported at 33054 hectares as compared to only 15240 hectares in the corresponding period last year. 48% of season's normal sowing was completed so far. Among major chilli growing districts, Gadwal (Jogulamba), Khammam and Warangal (Rural) have reported chilli coverage in 6289, 8201 and 1794 hectares respectively as against 2051, 7373 and 348 hectares respectively during the corresponding period of last year.

In Andhra Pradesh, Red Chilli sowing as on 29th August 2018 was reported 69890 hectares as compared to 43313 hectares in the corresponding period last year, covering 56% of season's normal sowing. Till now, Guntur region has reported maximum chilli coverage of 36,688 hectares followed by Kurnool (11,303 hectares) and Krishna (11,377 hectares) as compared to last year's coverage of 26516, 6475 and 6390 hectares respectively in Guntur, Kurnool and Krishna regions during the same period.

In Madhya Pradesh, current year chilli sowing was almost completed. As per current situation, the estimated production is likely to go up in the current year. Good rainfall during last few days has helped chilli standing plants; however next 20 – 25 days will be crucial for yield. In Madhya Pradesh, chilli area is likely to go up by 5% i.e., from last year 33,625 hectares to 35,306 hectares. Accordingly, production estimate is also likely to go up from 21,000 MT (5.25 lakh bags, 40 kg each bag) last year to 56,490 MT (14 lakh bags) in the current year due to anticipation of higher yield as no virus infection was reported till now.



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 January 2016 to July 2018 presented in Fig 1 clearly indicates that the domestic prices are highly influenced by international prices. The domestic price of chilli is almost following the international price trend. Chilli prices which were declining since September 2016 started increasing after July 2017. From March 2018 onwards till May 2018 chilli prices remain stable around 1.35 US\$/lb at international and 77.5 Rs/Kg at domestic levels. However, the domestic price had decreased to 83.75 Rs/Kg from 88.00 Rs/Kg in the month of July 2018.

Table 1: Prices and Arrivals of Chilli at Khammam Market in the Month of August 2018

Date	Khammam				Warangal			
	Arrivals (Tonnes)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)	Arrivals (Tonnes)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	12.4	5000	7000	6200	5	4000	6500	5000
2	9.1	5000	7000	6200	15.2	4500	5000	5000
3	10.8	5000	6200	5500	19	4500	6100	5000
7	33	5100	7500	6800	8.9	5000	6200	6200
8	4.8	5200	8200	7000	5.1	4000	5600	5000
9	2.8	5200	7000	6200	14.2	4000	5300	4000
10	24	5200	7200	6200	6.4	4500	6000	5000
13	3.3	5000	7600	6000	8.1	7800	8200	8200
14	7.8	5200	7800	7000	4.2	4000	6500	6000
16	7.2	5300	7300	6000	3	4800	6000	4800
20	9.2	5300	7800	6500	1	4000	6000	5000
21	6.3	5000	7300	6000	2.4	4000	6500	5000
23	9	5075	6700	5650	1	4500	6200	5000
24	15.4	5000	6700	5600	0.4	6000	6500	6500
27	8.2	5000	6200	5600	4.7	4000	5000	5000
28	8.2	5000	6200	5600	2.7	5000	5600	5000
29	20	4700	6300	5000	13.7	4000	6000	5000
30	20.4	4500	5600	5000	0.2	5000	6000	5000
31	15.8	4600	6100	5500	2.8	4300	5000	4300

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

In Telangana, chilli prices at Khammam and Warangal markets ranged between Rs. 5000 – 7000 and Rs. 4000-8200 respectively in the month of August 2018.

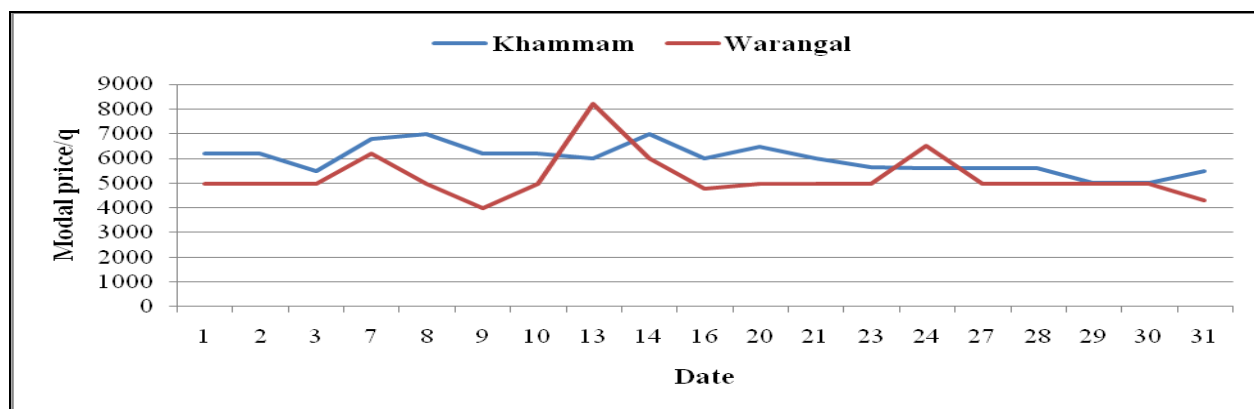
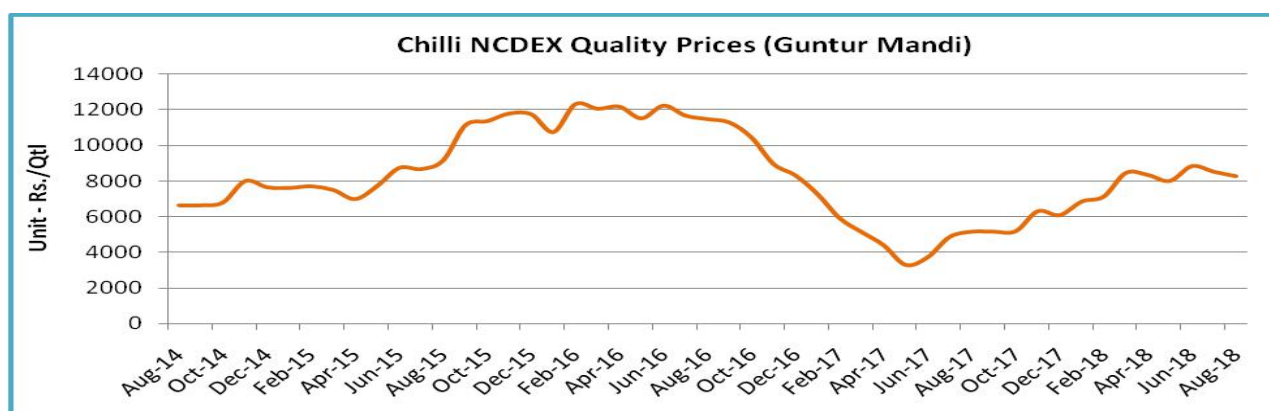


Fig.2: Chilli Prices at Khammam and Warangal Market in the Month of August 2018

Table 2. Red Chilli Spot Market Prices: (Rs/Qtl)

Grade	Centre	31-Aug-18	31-Jul-18	31-Aug-17	% Change Over Previous month
NCDEX Quality	Guntur (A.P.)	8200	8300	5200	-1.2
LCA 334		8800	8600	5600	2.33
Teja		10200	10600	8500	-3.77
No. 273		10800	10800	7000	Unchanged
No. 5		10200	10400	7000	-1.92
Fatki		6000	6000	3500	Unchanged
Byadgi		10400	10500	7500	-0.95
US 341		10400	10700	7500	-2.8
Teja	Warangal (Telangana)	10300	10300	8800	Unchanged
Wonder Hot 341		10200	10200	7200	Unchanged
Denvor Delux		10600	10600	7900	Unchanged
Paprika		NA	NA	NA	-
Fatki		6100	6100	3200	Unchanged
No. 12		10200	10200	NA	Unchanged
Indu 2070	Bedia (M.P.)	NA	NA	9500	-
MICO (Teja)		12800	12800	9400	Unchanged
Teja (Khamam)	New Delhi	11000	11500	9700	-4.35
LCA 334		10200	10500	8000	-2.86
Fatki		4500	6000	NA	-25
Packing		10200	10500	8000	-2.86



Source: Agriwatch spices monthly research report, September 2018

Fig.3: Chilli NCDEX Quality Prices (Guntur Mandi)

Due to lower production in 2018 chilli prices were reported up. Monthly average chilli prices closed at Rs.8,267/-qtl on 31st August 2018 as compared to Rs.8,511/-qtl on 31st July 2018. However, red chilli prices reported last year August were at Rs.5,158/-qtl.

Table 3: Monthly Red Chilli Arrival Scenario in Guntur and Warangal Markets (in Bags)

Market	Current Month	Last Month	Previous Year	% Change Over Previous month
	18-Aug	18-Jul	17-Aug	
Guntur (Andhra Pradesh)	1080000	795,000	1255000	35.85
Warangal (Telangana)	71200	73,000	70000	-2.47
Total	1,151,200	934,000	1,325,000	23.25

Units – Bags (1 bag = 45 kgs)

In Guntur indicative market, supply reported down during the period from last year by 14%, due to lower production.

Chilli Price Outlook

Total red chilli supply in Guntur market from 1st January to 31st August 2018 stands at around 310,230 MT as compared to 413,325 MT in the corresponding period last year, down by 25%. Due to lower production current year chilli supply is reported lower. As per trade information, chilli cold storage stocks as on date (including old and new crops) in Guntur stood at 144,000 to 153,000 MT, while total stocks in Andhra Pradesh are expected around 234,000 to 247,500 MT. Agriwatch chilli production estimate for 2018-19 is 10.50 lakh tons. Current year ending stocks are estimated at around 1.13 lakh tons as compared to 2.83 lakh tons in last year due to expected increase in exports and domestic consumption.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that chilli is likely to trade in price range between **Rs. 6500 – 7500** per quintal in the month of September 2018.