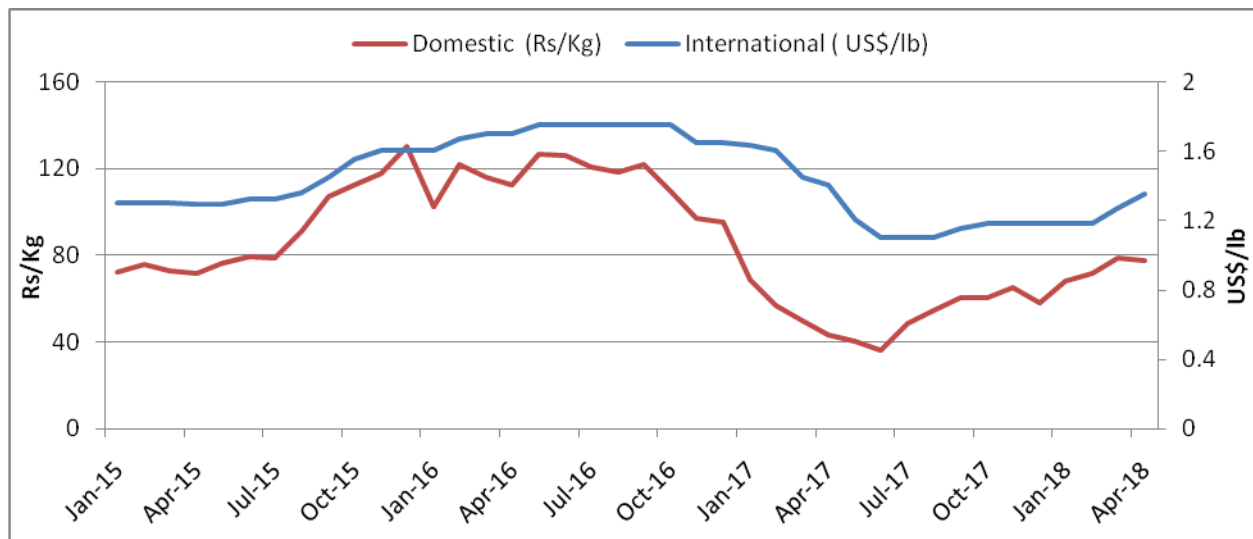


Chilli Outlook – June 2018

India is the world's largest producer, consumer and exporter of chillies in the world. Indian share in global production is 50 to 60 per cent. In India chilli occupies an area of 844 thousand hectares with an annual production of 2106 thousand metric tons (2017-18 1st Advanced estimates). Other chilli producing countries include 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 Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Telangana the area under chilli during 2016-17 is 1.24 lakh hectares with annual production of 4.8 lakh tones. The major chilli growing districts are Khammam, Mahabubabad, Jayashankar, Jogulamba and Bhadradri.



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 2015 to April 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 May 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	769.7	7000	9125	8100
3	738.4	7000	9150	8200
4	381.5	7000	9250	8200
7	929.5	6700	8750	7800
8	663.1	6800	8950	8000
9	600.0	6800	9575	8400
10	657.0	6800	9550	8300
11	627.0	6800	9450	8200
14	915.8	6800	9430	8400

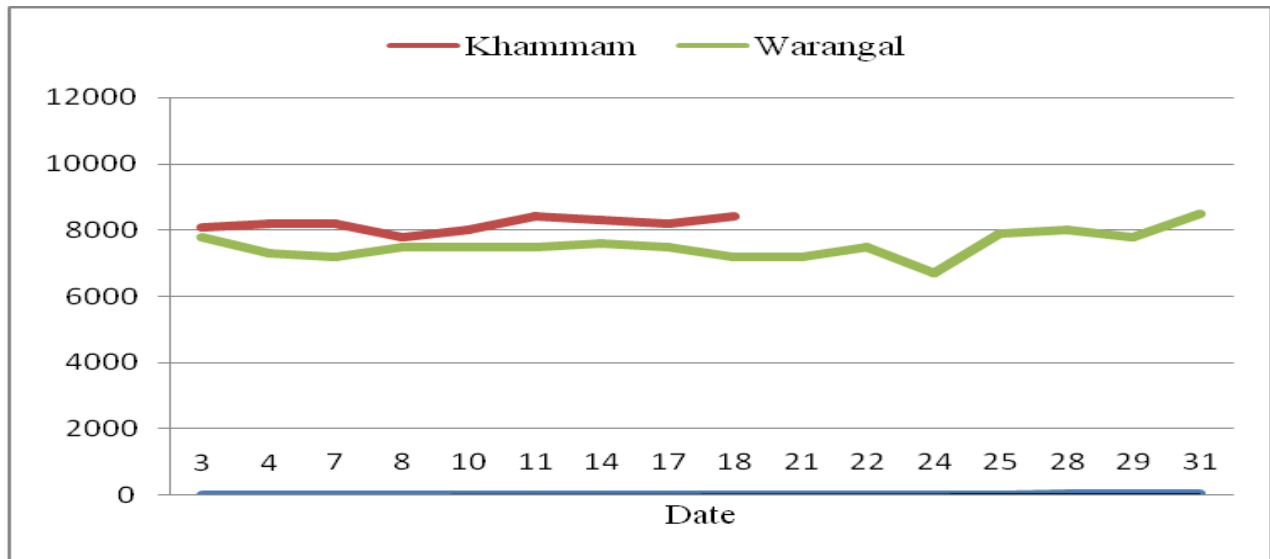
Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Table 2: Prices and Arrivals of Chilli at Warangal Market in the Month of May 2018

Date	Arrivals (Tonnes)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	160.4	6000	8500	7800
4	115.9	6000	8300	7300
7	180.8	5500	8000	7200
8	132.1	5500	8200	7500
10	83.2	5000	8800	7500
11	55.5	5500	8400	7500
14	92.9	5000	8600	7600
17	120.8	5500	9300	7500
18	67.2	5000	9300	7200
21	65.2	5000	9300	7200
22	83.9	6200	9200	7500
24	53.2	5500	9500	6700
25	58.3	6000	9000	7900
28	112.0	7200	9500	8000
29	51.2	4500	9500	7800
31	102.8	5200	9100	8500

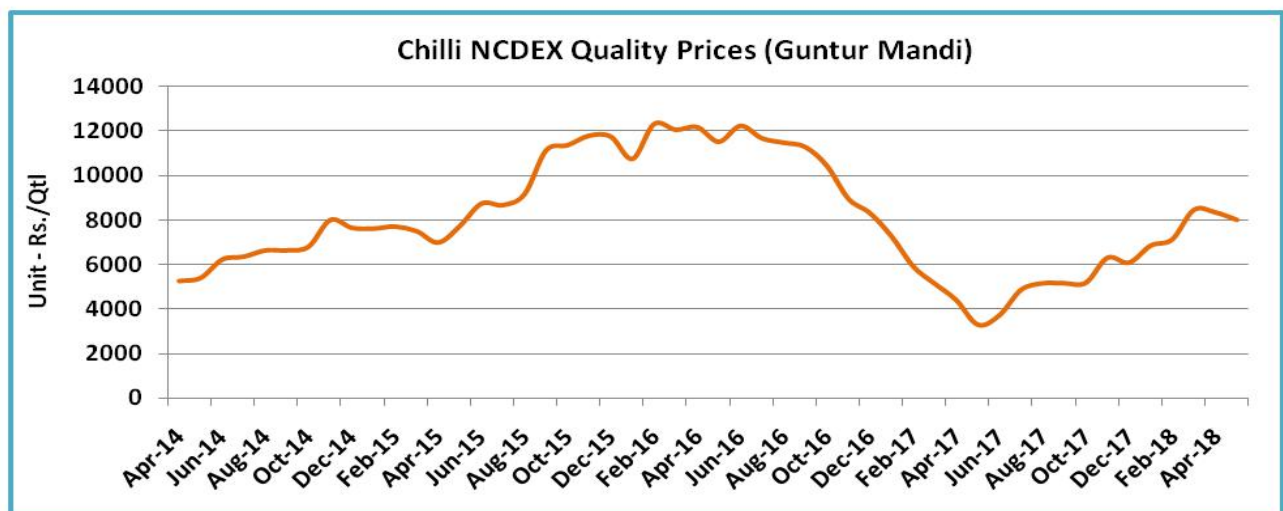
Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

In Telangana, Khammam is the major chilli market followed by Warangal based on arrivals. 1st sort of Chilli prices at Khammam and Warangal markets ranged between Rs. 7800 – 8400 and Rs. 6700 – 8500 respectively during May 2018.



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

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



Source: Agriwatch spices monthly research report, June 2018

Figure 3: Chilli NCDEX Quality Prices (Guntur Mandi)

Chilli prices at Guntur market presented in Figure 3 indicates all time high prices in 2016 due to lower stocks in its preceding year led by lower production. But in 2017, Due to lower sowing area (marketing year starts from January 2018) chilli prices took support and rose in July - August. Till 10th May 2018, monthly average prices closed at Rs.8,000/-qtl as compared to April Rs.8,335/-qtl.

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

Grade	Centre	31-May-18	30-Apr-18	31-May-17	% Change Over Previous month
NCDEX Quality	Guntur (A.P.)	Closed	8000	Closed	--
LCA 334		Closed	8500	Closed	--
Teja		Closed	9100	Closed	--
No. 273		Closed	9500	Closed	--
No. 5		Closed	9000	Closed	--
Fatki		Closed	5000	Closed	--
Byadgi		Closed	9000	Closed	--
US 341		Closed	8500	Closed	--
Denvor Delux		Closed	9500	Closed	--
Indam 5		Closed	9500	Closed	--
Teja	Warangal (Telangana)	9300	10100	5000	-7.92
Wonder Hot		10300	11200	5500	-8.04
341		10500	11300	4500	-7.08
Denvor Delux		10500	10900	9200	-3.67
Paprika		NA	12400	1500	--
Fatki		6300	6400	NA	-1.56
No. 12	Bedia (M.P.)	NA	NA	9500	--
Indu 2070		11000	10500	8500	4.76
MICO (Teja)		11200	11200	NA	Unchanged
Jhankar		NA	NA	NA	--
Ganesh		NA	NA	Closed	--
Teja (Khamam)	New Delhi	Closed	12000	Closed	--
M.P. Maco Teja		Closed	NA	Closed	--
Pala 12		Closed	NA	Closed	--
LCA 334		Closed	10500	Closed	--
Fatki		Closed	6000	Closed	--
Packing		Closed	10500	Closed	--

Source: Agriwatch spices monthly research report, June 2018

Chilli Price Outlook

Chilli supply in Guntur market from 1st January to 10th May 2018 reported around 202,005 MT as compared to 283,725 MT in the corresponding period last year. Chilli supply reported down by 29% during the period, because of lower production. Stockists were holding back their stocks on expectation of higher prices in coming days. As per market sources, current year chilli cold storage capacity in Guntur is likely to be filled to around 70 -75% due to lower production. Last year cold storage was filled 100% because of bumper production. As on 10th May, chilli cold storage stocks (both old and new crop) in Guntur stood at 293,000 to 316,000 MT and total stocks in Andhra Pradesh are expected around 315,000 to 360,000 MT.

In Warangal market almost 95 – 98% new chilli arrivals traded till now. Currently, buyers reported unresponsive due to very hot temperature and they may be active gradually after 15th June (after summer vacation) when cold storage stocks enter in to the market.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between **Rs.8000 – 8500** per quintal in the month of June 2018.