

Chilli Outlook – November 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, Madhya Pradesh, Karnataka and West Bengal.

In 2019-20, Telangana ranked second in chilli area, production and productivity i.e., 2.98 lakh acres, 3.06 lakh metric tonnes and 1545 Kg per acre respectively. Chilli area and production in Telangana account for 11.59% and 17% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). During 2020-21, 1.91 lakh acres is covered under chilli so far. According to the 1st advance estimates, Government of Telangana chilli production is estimated as 4.10 lakh metric tonnes during vanakalam (kharif) 2020-21.

From the 1st January 2020 to 29th October, red chilli supply in Guntur market is reported to add up to around 391,050 MT as compared to last year's 476,100 MT, down by 17.86% as most of the time, market was closed due to lockdown and farmers were slowly releasing their stocks on expectation of further 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

Table 2: Monthly Red Chilli (Dry) Arrival Scenario

State	Market	% Change Over Previous Week	23 rd Oct to 29 th Oct 2020	16 th Oct to 22 nd Oct 2020	23 rd Oct to 29 th Oct 2019
Andhra Pradesh	Guntur	-32.26	210,000	310,000	175,000
Telangana	Warangal	-26.09	34,000	46,000	15,000
Total		-31.46	244,000	356,000	190,000

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

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chilli October, 2020

State	Prices October, 2020	Prices September, 2020	Prices October, 2019	% Change (Over Previous Month)	% Change (Over Previous Year)
Chattisgarh	600	600	600	0	0
Karnataka	13773.65	11640.75	11611.89	18.32	18.62
Kerala	15308.51	13945.58	15765.83	9.77	-2.9
Madhya Pradesh			5768.19	---	---
Maharashtra	22087.91	16248.61	13453.66	35.94	64.18
Odisha	16926.44	13622.03	15279.17	24.26	10.78
Pondicherry			5450	---	---
Rajasthan			10728.41	---	---
Uttar Pradesh	16672.41	16534.21	14588.24	0.84	14.29
Average	14228.15	12098.53	10360.6		

Source: www.agriwatch.com

Table 4: Arrivals and Prices of Chilli at Warangal Market in October 2020

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	362	14,000	17,000	15,500
5	536	14,500	17,000	15,500
6	346	14,500	17,000	15,500
7	321	14,000	17,400	15,600
8	427	14,000	17,600	15,000
9	392	14,500	17,800	16,000
12	385	15,000	18,000	16,000
13	183	15,500	18,400	16,000
14	548	15,500	18,800	16,000
15	65	10,500	17,000	12,500
19	624	15,500	18,400	16,500
20	354	15,500	18,300	16,500
21	222	15,500	18,500	16,500
22	472	15,500	18,500	16,500
23	443	16,000	18,800	17,500
27	58	16,000	18,500	17,000
28	124	16,000	18,800	17,200

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

Chilli Price Outlook

Export demand continued from countries like Vietnam, Malaysia, China and Sri Lanka at Guntur market. Good demand reported for premium variety like Teja, 334 from Chilli Powder Companies in the spot market.

All India Red Chilli production for the year 2021-22 is estimated at 13.84 lakh MT as against 12.32 lakh MT in previous year by Agriwatch. Currently at Guntur cold storage, chilli stocks reported around 184,500 MT as compared to last year 119,000 MT and in total Andhra Pradesh around 282,000 MT. Currently Chilli crop is at vegetative stage in Andhra Pradesh, Karnataka and Telangana.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs. 14,500 – 16,500 per quintal in the month of November 2020.