

Chilli Outlook – February 2021

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. 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 1st January 2021 to 21st January 2021, red chilli supply in Guntur market is reported to add up to around 30,825 MT as compared to last year's 24,525 MT, up by 25.69% as stockiest were releasing their old stocks.

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	22 nd Jan to 28 th Jan 2021	15 th Jan to 21 st Jan 2021	22 nd Jan to 28 th Jan 2020
Andhra Pradesh	Guntur	22.92	2,95,000	2,40,000	2,60,000
Telangana	Warangal	16.9	41,500	35,500	93,000
Total		22.14	3,36,500	2,75,500	3,53,000

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

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chili January, 2021

State	Prices January, 2021	Prices December, 2020	Prices January, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat			5000	—	—
Karnataka	17390.41	18604.9	18695.93	-6.53	-6.98
Kerala	14987.12	15376.57	18939.28	-2.53	-20.87
Madhya Pradesh	9055.08			—	—
Maharashtra	15485.83	15046.69	8476.77	2.92	82.69
Odisha	19800	18957.89	22780.39	4.44	-13.08
Rajasthan	8076.73	10009.43	5664.61	-19.31	42.58
Uttar Pradesh	19484.38	19705.13	15437.62	-1.12	26.21
Average	14897.08	16283.44	13570.66		

Source: <https://agmarknet.gov.in>

Table 4: Arrivals and Prices of Chilli at Khammam Market in January 2021

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
4	944	8,000	14,500	12,000
5	537	7,000	14,500	12,500
6	822	8,000	14,600	12,500
7	862	8,000	15,000	13,000
8	572	8,000	15,500	13,500
11	1,600	8,000	15,600	13,500
12	684	8,000	15,500	13,500
18	2,134	8,500	15,500	12,500
19	1,714	8,000	15,300	12,500
20	2,112	8,500	15,700	13,000
21	2,262	8,000	15,850	13,500
22	2,555	8,000	15,865	14,200
25	3,984	8,000	15,850	14,200
27	3,816	8,000	15,100	14,200
28	3,376	8,000	15,200	14,200
29	3,504	8,000	14,850	13,800

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

Chilli Price Outlook

Continued normal export demand reported from Vietnam, Malaysia and Indonesia at Guntur market, though the arrivals are lower of the Teja Deluxe variety. Increasing arrivals reported in major chilli markets as new crop supply started entering.

In Byadgi, new chilli arrivals continued, however mostly with high moisture and rain touch quality. As per trade sources, 70% fatki variety and 30% medium red quality reported.

Currently, cold stores stock continue to arrive at Guntur spot market at the rate of 60,000 – bags (1 bag = 45kg) per day from Guntur cold storages, where around 78,000 MT stocks are still stored, compared to 51,500 MT last year.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs. 12,500 – 14,500 per quintal in the month of February 2021.