

Chilli Outlook – January 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 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 1st January 2020 to 24th December 2020, red chilli supply in Guntur market is reported to add up to around 500,400 MT as compared to last year's 546,975 MT, down by 8.52% as most of the time, market was closed due to lockdown.

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	18 th Dec to 24 th Dec 2020	11 th Dec to 17 th Dec 2020	18 th Dec to 24 th Dec 2019
Andhra Pradesh	Guntur	-13.64	285,000	330,000	170,000
Telangana	Warangal	-40.63	19,000	32,000	13,000
Total		-16.02	304,000	362,000	183,000

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

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

State	Prices December, 2020	Prices November, 2020	Prices December, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat		4000	5000	—	—
Karnataka	18560.03	17101.84	15996.28	8.53	16.03
Kerala	15462.2	16615.27	17556.2	-6.94	-11.93
Madhya Pradesh			7489.63	—	—
Maharashtra	15329.15	15190.22	8187.37	0.91	87.23
Odisha	18918.11	19800	21512.87	-4.45	-12.06
Pondicherry			4516.25	—	—
Rajasthan			7562.18	—	—
Uttar Pradesh	19705.13	18702.13	16229.1	5.36	21.42
Average	17594.92	15234.91	11561.1		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	837	9,500	18,000	15,000
2	562	9,500	17,750	15,000
3	459	9,500	17,800	15,500
9	624	9,500	15,300	13,000
10	190	9,500	16,350	14,000
11	258	9,500	15,500	13,000
17	282	8,000	14,500	13,000
18	88	8,000	14,200	12,500
21	534	8,000	14,500	12,500
23	501	8,000	15,200	13,000
24	286	8,000	14,500	13,000
28	728	8,000	14,300	12,000
29	472	9,200	14,200	12,000
31	600	8,000	14,500	12,300

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

Chilli Price Outlook

Export demand from China and Bangladesh is very less, however some fresh demand reported from Vietnam, Malaysia and Indonesia at Guntur market. Expected higher production in the coming marketing year is the main reason for lower demand at higher levels.

At Guntur spot market new crop arrivals reported around 15,000 – 17,000 bags from Kurnool and Prakasham regions with high moisture content; however good quality expected to start from mid-January onwards.

Currently, cold stores stocks continue to arrive at Guntur spot market at the rate of 57,000 bags (1 bag = 45kgs) per day from Guntur cold storages, where around 88,000 MT (and 110,000 MT in all of AP) stocks are still stored, compared to 59,000 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 January 2021.