

## Chilli Outlook – March 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 1<sup>st</sup> advance estimates of Government of Telangana, chilli production is estimated as 4.10 lakh metric tonnes during vanakalam (kharif) 2020-21.

From the 1<sup>st</sup> January 2021 to 25<sup>th</sup> February 2021, red chilli supply in Guntur market is reported to add up to around 106,425 MT as compared to last year's 92,250 MT, up by 15.37% as stockiest were releasing their old stocks amid new crop arrivals.

**Table 1: Red Chilli Supply and Demand (in lakh tonnes)**

Particulars	2016-17	2017-18	2018-19 (Expected)
<b>Opening Stock</b>	3.84	1.87	2.39
<b>Production</b>	10.73	13.76	10.50
<b>Import</b>	0.00	0.00	0.00
<b>Total Supply</b>	14.57	15.63	12.89
<b>Consumption</b>	8.70	8.80	8.50
<b>Exports</b>	4.00	4.44	3.85
<b>Total Demand/Usage</b>	12.70	13.24	12.35
<b>Ending Stock</b>	1.87	2.39	0.54
<b>Average Monthly Consumption</b>	0.73	0.73	0.71
<b>Stock to Month Use</b>	2.58	3.26	0.76
<b>Stock to Consumption Ratio %</b>	14.72	18.05	4.37

Source: www.agriwatch.com

**Table 2: Monthly Red Chilli (Dry) Arrival Scenario**

State	Market	% Change Over Previous Week	19 <sup>th</sup> Feb to 25 <sup>th</sup> Feb 2021	12 <sup>th</sup> Feb to 18 <sup>th</sup> Feb 2021	19 <sup>th</sup> Feb to 25 <sup>th</sup> Feb 2020
Andhra Pradesh	Guntur	3.23	3,20,000	3,10,000	3,40,000
Telangana	Warangal	2.56	2,00,000	1,95,000	1,15,000
Total		2.97	5,20,000	5,05,000	4,55,000

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

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

State	Prices February, 2021	Prices January, 2021	Prices February, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Karnataka	14707.07	16550.15	18367.69	-11.14	-19.93
Kerala	14811.98	14962.27	15139.34	-1	-2.16
Madhya Pradesh	3000	8917.23	4987.71	-66.36	-39.85
Maharashtra	22195.29	15483.64	8344.83	43.35	165.98
Odisha	18919.57	19800	22876.92	-4.45	-17.3
Rajasthan	8965.73	8585.65	9406.74	4.43	-4.69
Uttar Pradesh	16393.79	18411.06	14241.3	-10.96	15.11
Average	14141.92	14672.86	13337.79		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
2	6,080	8,000	13,950	13,400
4	6,300	8,000	14,000	13,500
5	8,560	8,000	14,000	13,400
8	13,170	7,000	13,700	12,800
9	10,810	7,500	13,725	12,800
10	11,400	7,000	13,600	12,600
12	13,050	7,000	13,550	12,600
15	13,579	7,000	13,400	12,600
16	12,089	7,000	13,400	12,500
17	12,188	7,000	13,400	12,800
18	11,619	8,000	13,400	13,100
19	7,665	8,000	13,700	13,000
22	9,018	8,000	13,400	13,000
23	8,548	8,000	14,025	13,600
24	8,460	8,000	13,900	13,500
25	10,444	8,000	14,000	13,700
27	8,550	8,000	14,000	13,500

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

### **Chilli Price Outlook**

Expected higher production in the coming marketing year is the main reason for lower demand at higher levels. Continued increasing arrivals reported in major chilli market as new crop supply started entering with moisture quality.

In Warangal market, new arrivals reported around 35,000 – 36,000 bags, buyers reported inactive due to moisture quality. In Khammam market, new arrivals reported around 30,000 bags, buyers reported inactive due to moisture quality.

At Guntur market new arrivals from Kurnool, Prakasham, Badrachalam and Yemmiganur reported around 50,000 – 55,000 bags. As per trade information, good quality 90% and 10% rain touch quality reported. Steady to firm sentiment may witness in chilli market this month due to good quality supply reported.

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