

## Chilli Outlook – December 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 1<sup>st</sup> advance estimates, 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 2020 to 26<sup>th</sup> November 2020, red chilli supply in Guntur market is reported to add up to around 449,100 MT as compared to last year's 508,725 MT, down by 11.72% as most of the time, market was closed due to lockdown and farmers were slowly releasing their stocks, on the expectation of rising prices.

**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	20 <sup>th</sup> Nov to 26 <sup>th</sup> Nov 2020	13 <sup>th</sup> Nov to 19 <sup>th</sup> Nov 2020	20 <sup>th</sup> Nov to 26 <sup>th</sup> Nov 2019
Andhra Pradesh	Guntur	40	350,000	250,000	180,000
Telangana	Warangal	23.33	37,000	30,000	18,000
Total		38.21	387,000	280,000	198,000

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

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

State	Prices November, 2020	Prices October, 2020	Prices November, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
<b>Chhattisgarh</b>		600	9000	—	—
<b>Gujarat</b>	4000			—	—
<b>Karnataka</b>	16160.9	13773.65	8295.45	17.33	94.82
<b>Kerala</b>	16635.15	15451.77	16722.26	7.66	-0.52
<b>Madhya Pradesh</b>			6725.34	—	—
<b>Maharashtra</b>	17521.57	21640	8655.48	-19.03	102.43
<b>Mizoram</b>			17066.67	—	—
<b>Odisha</b>	19800	16926.44	15723.81	16.98	25.92
<b>Uttar Pradesh</b>	18428.57	16743.24	14177.38	10.07	29.99
<b>Average</b>	15424.36	14189.18	11519.49		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
2	518	16,000	18,800	17,500
3	327	16,000	18,500	17,000
4	226	16,000	18,500	17,000
5	330	15,500	17,500	16,000
6	209	15,500	17,500	16,000
9	408	16,000	18,000	17,000
10	223	16,000	18,000	17,000
11	237	16,000	18,600	17,000
12	254	16,000	18,700	17,000
13	198	16,000	18,400	17,000
17	138	16,000	18,000	17,000
18	165	16,000	18,000	17,000
19	228	15,500	17,500	16,000
20	169	15,500	17,600	16,000
23	267	15,500	17,500	16,000
24	241	15,500	17,500	16,500
25	193	15,000	17,500	16,000
27	71	15,500	17,800	16,500

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

### **Chilli Price Outlook**

Export demand from China and Bangladesh is found to be very less, however some fresh demand was reported from Vietnam, Malaysia and Indonesia at Guntur market. By and large lower supply reported at chilli spot market as farmers were holding back their stocks. The farmers plan for releasing their stocks only at higher prices, but buyers are not active at those prices.

Chilli prices are likely to correct from higher levels in the spot market on the expectation of higher production in coming marketing period which will start from January. As per market sources, currently at Guntur cold storage, chilli stocks reported around 182,500 MT as compared to last year 115,000 MT and in total AP around 275,000 MT.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs. 15,500 – 17,500 per quintal in the month of December 2020.