

## Chilli Outlook – November 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 2020-21, Telangana ranked fourth in chilli area and second in chilli production and productivity i.e., 2.23 lakh acres, 5.45 lakh metric tonnes and 2444 Kg per acre respectively (4<sup>th</sup> advance estimates). Chilli area and production in Telangana account for 12.32% and 27.41% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural).

From 01<sup>st</sup> January 2021 to 01<sup>st</sup> November 2021, red chilli supply in the Guntur market is reported to add up to around 598,545 MT as compared to last year's same period 490,275 MT, up by 22.08% as new crop supply continued in the spot market and also expected higher production current year.

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

Year	Area (in Lakh ha)	Area (in lakh acres)	Production (in Lakh Tonnes)	Productivity (in Kg/Ha)
2010-11	7.16	17.70	12.99	1800
2011-12	8.05	19.89	12.76	1600
2012-13	7.94	19.62	13.04	1600
2013-14	7.75	19.15	14.92	1900
2014-15	7.61	18.80	16.05	2100
2015-16	8.11	20.04	15.20	1900
2016-17	8.31	20.53	18.72	2250
2017-18	8.40	20.76	20.96	2500
2018-19	7.06	17.45	23.86	3400
2019-20	6.84	16.90	19.31	2490
2020-21	7.32	18.08	19.88	2716

Source: www.indiastat.com, \*2<sup>nd</sup> Advance Estimates

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

State	Market	% Change Over Previous Week	22 <sup>nd</sup> Oct to 28 <sup>th</sup> Oct 2021	15 <sup>th</sup> Oct to 21 <sup>st</sup> Oct 2021	22 <sup>nd</sup> Oct to 28 <sup>th</sup> Oct 2021
Andhra Pradesh	Guntur	128.79	7,55,000	3,30,000	2,20,000
Telangana	Warangal	300.00	72,000	18,000	36,000
Total		137.64	8,27,000	3,48,000	2,56,000

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

**Table 3: State wise Wholesale Prices Monthly Analysis for Red Chilli October, 2021**

State	Prices October, 2021	Prices September, 2021	Prices October, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Chhattisgarh	600	600	600	0	0
Karnataka	12820	9652.1	13773.65	32.82	-6.92
Kerala	13006.23	13381.67	15451.77	-2.81	-15.83
Madhya Pradesh	6415.55	6297.43		1.88	—
Maharashtra	9032.71	21826.16	21640	-58.62	-58.26
Odisha	16133.33	16616.09	16926.44	-2.91	-4.69
Rajasthan	6797.03	14000		-51.45	—
Uttar Pradesh	17340.91	17308.16	16743.24	0.19	3.57
Average	10268.22	12460.2	14189.18		

Source: <https://agmarknet.gov.in>**Table 4: Arrivals and Prices of Chilli at Warangal Market in October, 2021**

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	34	10,000	14,200	12,000
4	74	9,500	14,500	12,000
5	77	9,500	14,500	12,000
7	67	10,500	14,500	12,000
8	50	10,500	14,500	12,000
11	89	10,500	14,500	12,000
12	73	10,500	14,500	12,000
20	78	10,500	14,500	12,000
21	49	10,500	14,500	12,000
22	48	11,000	15,000	13,000
25	182	10,800	14,800	12,800
26	57	11,000	15,000	13,000
27	95	9,000	14,600	12,800
28	81	10,500	14,500	12,500
29	62	9,500	14,800	12,500

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

### Chilli Price Outlook

By and large weak sentiment witnessed in Red Chilli spot market during last week. Buoyers were found inactive at current higher prices due to overflow of chilli cold storage stocks in Andhra Pradesh, Telangana, Karnataka and expectations of increase in sowing area.

At Bedia market, new chilli supply was reported around 11,000 bags (1 bag = 35 Kgs) during last week, with moisture condition. From total supply, 70% fatki variety and 30% good quality supply reported. At Byadgi market, new chilli arrivals reported was around 38,000 bags.

As per Andhra Pradesh agricultural data as of 12<sup>th</sup> October, final chilli sowing was completed in around 183,550 hectares, as compared to 139,000 hectares last year. Presently the crop is at transplantation to vegetative stage. Red Chilli new crop supply is likely to start from January onwards at Guntur market.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli may trade in price range between Rs. 10,500 – 12,500 per quintal in the month of November 2021.