

## Chilli Outlook – October 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 1<sup>st</sup> January 2021 to 30<sup>th</sup> September 2021, red chilli supply in the Guntur market is reported to add up to around 508,545 MT as compared to last year's same period 431,775 MT, up by 17.78% as new crop supply continued in the spot market and also expected higher production in current year. Also, the market was closed from 23 March to 16 May last year on account of lockdown which affected arrivals.

**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	25 <sup>th</sup> Sep to 30 <sup>th</sup> Sep 2021	18 <sup>th</sup> Sep to 24 <sup>th</sup> Sep 2021	25 <sup>th</sup> Sep to 30 <sup>th</sup> Sep 2020
Andhra Pradesh	Guntur	<b>-47.50</b>	2,10,000	4,00,000	3,10,000
Telangana	Warangal	<b>-3.23</b>	30,000	31,000	44,000
<b>Total</b>		<b>-44.32</b>	<b>2,40,000</b>	<b>4,31,000</b>	<b>3,54,000</b>

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

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

State	Prices September, 2021	Prices August, 2021	Prices September, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Chhattisgarh	600	633.47	600	-5.28	0
Karnataka	10575.79	12649.82	11640.75	-16.4	-9.15
Kerala	13426.71	13613.81	13945.58	-1.37	-3.72
Madhya Pradesh		7750.15		—	—
Maharashtra	22223.35	20555.31	16248.61	8.11	36.77
Odisha	16616.09	19010.53	13622.03	-12.6	21.98
Rajasthan	14000	14000		0	—
Uttar Pradesh	17308.16	17244.68	16534.21	0.37	4.68
Average	13535.73	13182.22	12098.53		

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

Table 4: Arrivals and Prices of Chilli at Warangal Market in September, 2021

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	432	10,800	14,200	12,500
2	212	10,700	14,300	12,500
3	162	11,000	14,000	12,500
7	128	10,000	13,800	12,300
8	229	10,000	14,000	12,000
9	164	10,000	14,000	12,000
13	117	10,000	13,800	12,000
14	129	10,000	14,000	12,000
15	152	10,500	14,000	12,500
16	162	9,900	14,100	12,000
17	94	10,000	14,000	12,000
20	160	12,000	14,000	13,000
21	96	9,100	13,000	11,500
22	124	9,000	14,000	11,500
24	188	9,900	14,100	12,000
28	135	10,000	14,000	12,000
29	160	10,000	14,000	12,000

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

### **Chilli Price Outlook**

Buyers reported inactive at current higher prices due to overflow of chilli cold storage stocks in Andhra Pradesh, Telangana and Karnataka and also expectation of increase in sowing area.

As per Andhra Pradesh agricultural data as on 29<sup>th</sup> September, chilli was sown in around 138,357 hectares, compared to 116,737 hectares last year.

In Madhya Pradesh, Red Chilli standing crop was reported well expected higher production compared to last year. New crop supply is likely to enter markets from October onwards.

Red Chilli prices may correct from higher levels in coming months as replanting will continue at full phase.

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 October 2021.