

## Chilli Outlook – September 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, Mahbubabad, Gadwal, Suryapet and Warangal (Rural).

From 1<sup>st</sup> January 2021 to 31<sup>st</sup> August 2021, red chilli supply in the Guntur market is reported to add up to around 432,945 MT as compared to last year's 271,800 MT, up by 59.29% as new crop supply continued in the spot market and also expected higher production in current year. Also, the market was closed 23<sup>rd</sup> March to 16<sup>th</sup> May last year on account of lockdown which affected arrivals.

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

Year	Area (Lakh ha)	Area (Lakh acres)	Production (Lakh Tonnes)	Productivity (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: Monthly Red Chilli (Dry) Arrival Scenario**

State	Market	% Change Over Previous Month	August 2021	July 2021	August 2020
Andhra Pradesh	Guntur	<b>8.80</b>	13,60,000	12,50,000	10,05,000
Telangana	Warangal	<b>53.01</b>	99,000	64,700	1,07,000
<b>Total</b>		<b>10.98</b>	<b>14,59,000</b>	<b>13,14,700</b>	<b>11,12,000</b>

Units – Bags (1 bag = 45 Kg)

Source: www.agriwatch.com

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

State	Prices August, 2021	Prices July, 2021	Prices August, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Chhattisgarh	600		600	-	0
Karnataka	12712.05	6422.78	14466.67	97.92	-12.13
Kerala	13669.54	13744.03	13260.85	-0.54	3.08
Madhya Pradesh	7832.42	9988.9	6413.28	-21.59	22.13
Maharashtra	21499.11	17550.1	16401.95	22.5	31.08
Odisha	19155.14	19540.26	14800	-1.97	29.43
Rajasthan	14000	11673.28	11000	19.93	27.27
Uttar Pradesh	17244.68	16685.19	16322.58	3.35	5.65
<b>Average</b>	<b>13339.12</b>	<b>13657.79</b>	<b>11658.17</b>		

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
3	49	8,000	12,100	10,500
4	45	9,000	12,000	10,500
5	39	8,500	11,500	9,500
6	21	7,000	11,000	9,000
9	15	10,800	12,000	11,500
10	24	9,000	12,900	11,000
11	56	8,000	11,000	10,500
12	20	8,000	11,500	10,500
13	29	8,500	11,800	10,000
16	22	6,500	9,600	8,000
17	19	7,000	9,000	8,000
18	196	11,000	15,000	13,000
19	13	7,500	10,500	9,000
23	86	10,400	14,600	12,500
24	101	11,000	15,000	13,000
25	103	11,200	14,800	13,000
26	85	10,100	14,900	12,500
30	39	10,500	14,800	13,000

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 expectation of increase in sowing area.

Chilli area is likely to go up by 20 – 30% as farmers are receiving higher prices compared to last year. Cotton area may shift to Chilli in Andhra Pradesh and Telangana.

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

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