

## Chilli Outlook – April 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, Mahbubabad, 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 at 4.10 lakh metric tonnes during vanakalam (kharif) 2020-21.

From 1<sup>st</sup> January 2021 to 18<sup>th</sup> March 2021, red chilli supply in Guntur market is reported to add up to around 162,450 MT as compared to last year's 153,000 MT, up by 6.18% as new crop supply continued in the spot market and also expected higher production in the current year.

**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	13 <sup>th</sup> Mar to 19 <sup>th</sup> Mar 2021	05 <sup>th</sup> Mar to 12 <sup>th</sup> Mar 2021	13 <sup>th</sup> Mar to 19 <sup>th</sup> Mar 2020
Andhra Pradesh	Guntur	<b>33.78</b>	4,95,000	3,70,000	5,15,000
Telangana	Warangal	<b>31.11</b>	2,95,000	2,25,000	2,60,000
Total		<b>32.77</b>	<b>7,90,000</b>	<b>5,95,000</b>	<b>7,75,000</b>

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

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

State	Prices March, 2021	Prices February, 2021	Prices March, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Chhattisgarh			600	—	—
Karnataka	11065.19	14784.52	17464.94	-25.16	-36.64
Kerala	14392.36	14802.31	15242.02	-2.77	-5.57
Madhya Pradesh		8513.05		—	—
Maharashtra	20986.17	21366.15	11909.84	-1.78	76.21
Odisha	14800	18919.57	19139.24	-21.77	-22.67
Rajasthan	10011.05	8850.13	9594.96	13.12	4.34
Uttar Pradesh	16141.3	16110.61	14135.26	0.19	14.19
Average	14566.01	14763.76	12583.75		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	6,150	8,000	14,200	13,700
2	11,250	8,000	14,350	13,800
3	11,730	8,000	14,900	14,500
4	13,804	8,000	15,075	14,500
5	14,560	8,000	15,000	14,300
8	17,097	8,000	14,500	13,800
9	16,150	8,500	14,450	13,700
10	10,812	8,000	14,450	14,000
12	4,760	8,000	14,150	13,800
15	8,585	8,000	14,200	13,800
16	12,580	8,000	14,700	14,500
18	19,720	8,000	15,000	14,500
19	12,920	8,000	14,700	14,200
22	10,200	8,000	14,850	14,300
23	13,600	8,000	14,850	14,300
24	18,156	8,000	14,900	14,500
25	17,000	8,000	14,900	14,400
27	15,300	8,000	14,900	14,400

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

## **Chilli Price Outlook**

Slight deterioration in chilli quality during current year in Andhra Pradesh and Telangana due to unseasonal rainfall during September and October supported the prices from lower levels.

Chilli prices may correct from higher levels in the spot market when good quality new arrivals fully enter into the market and also expected higher production in the current year. As per trade sources, as of now around 43 – 45 lakh bags (1 bag = 40 Kg) new chilli was stored at Guntur cold storage.

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 April 2021.