

## Chilli Outlook – June 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, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). During 2020-21, 2.20 lakh acres is covered under chilli in Telangana. According to the 3<sup>rd</sup> advance estimates, Government of Telangana chilli production is estimated at 3.80 lakh metric tonnes during 2020-21.

From 1<sup>st</sup> January 2021 to 27<sup>th</sup> May 2021, red chilli supply in the Guntur market is reported to add up to around 2,77,200 MT as compared to last year's 176,625 MT, up by 56.94% as new crop supply continued in the spot market besides expected higher production in current year.

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

Particulars	2016-17	2017-18	2018-19
<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	22 <sup>nd</sup> May to 28 <sup>th</sup> May 2021	15 <sup>th</sup> May to 21 <sup>st</sup> May 2021	22 <sup>nd</sup> May to 28 <sup>th</sup> May 2020
Andhra Pradesh	Guntur	170.00	1,35,000	50,000	1,40,000
Telangana	Warangal	--	--	--	--
<b>Total</b>		170.00	1,35,000	50,000	1,40,000

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

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

	Prices May, 2021	Prices April, 2021	Prices May, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
<b>Karnataka</b>	9161.1	8607.14	17983.16	6.44	-49.06
<b>Kerala</b>	14193.45	14589.29	14564.04	-2.71	-2.54
<b>Maharashtra</b>	15798.85	22744.62	10505.61	-30.54	50.38
<b>Odisha</b>		18873.53	24800	—	—
<b>Pondicherry</b>			2400	—	—
<b>Rajasthan</b>	14000	14000	11000	0	27.27
<b>Uttar Pradesh</b>	17277.78	15372.78	16188.57	12.39	6.73
<b>Average</b>	14086.24	13541.05	13920.2		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
24	6,834	9,500	13,000	11,000
25	3,768	8,500	12,500	11,500
26	4,326	8,000	12,500	11,500
27	2,784	9,000	12,000	11,000
28	3,325	9,000	12,500	10,500
31	3,812	9,500	12,600	11,000

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

### Chilli Price Outlook

Chilli trade is happening in a slow pace in private warehouses of Guntur nearby to growing regions as farmers are bringing their produce in small quantities. From 1<sup>st</sup> May to 24<sup>th</sup> May around 6.5 to 7 lakh bags were traded.

As per trade sources, as of now around 65 – 68 lakh bags (1 bag = 40 kg) new chilli was stored at Guntur cold storage. And total chilli storage is around 85 – 90 lakh bags as of now in Andhra Pradesh.

Chilli traders are hoping for rise in market prices after the Guntur market reopens on 7<sup>th</sup> June as export quantities are pending for delivery to countries like China, Bangladesh, Sri Lanka, etc. and also there is shortage of labour.

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