

Chilli Outlook – May 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 in Telangana are Khammam, Mahbubabad, Gadwal, Suryapet and Warangal (Rural). During 2020-21, 1.91 lakh acres is covered under chilli. According to the 1st advance estimates, Government of Telangana chilli production is estimated as 4.10 lakh metric tonnes during vanakalam (kharif) 2020-21.

From the 1st January 2021 to 22nd Apr 2021, red chilli supply in the Guntur market is reported to add up to around 248,850 MT as compared to last year's 172,800 MT, up by 44.01% as new crop supply continued in the spot market and also expected higher production in current year.

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

Particulars	2016-17	2017-18	2018-19 (Expected)
Opening Stock	3.84	1.87	2.39
Production	10.73	13.76	10.50
Import	0.00	0.00	0.00
Total Supply	14.57	15.63	12.89
Consumption	8.70	8.80	8.50
Exports	4.00	4.44	3.85
Total Demand/Usage	12.70	13.24	12.35
Ending Stock	1.87	2.39	0.54
Average Monthly Consumption	0.73	0.73	0.71
Stock to Month Use	2.58	3.26	0.76
Stock to Consumption Ratio %	14.72	18.05	4.37

Source: www.agriwatch.com

Table 2: Monthly Red Chilli (Dry) Arrival Scenario

State	Market	% Change Over Previous Week	17 th Apr to 23 rd Apr 2021	10 th Apr to 16 th Apr 2021	17 th Apr to 23 rd Apr 2020
Andhra Pradesh	Guntur	-22.22	2,80,000	3,60,000	NA
Telangana	Warangal	86.36	2,05,000	1,10,000	NA
Total		3.19	4,85,000	4,70,000	0

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

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

State	Prices April, 2021	Prices March, 2021	Prices April, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Karnataka	8593.25	11067.53	12905	-22.36	-33.41
Kerala	14600.58	14403.2	16546.01	1.37	-11.76
Madhya Pradesh		8854.75		—	—
Maharashtra	24254.69	20833.94	13697.76	16.42	77.07
Odisha	18427.55	14800	24536.84	24.51	-24.9
Rajasthan	14000	10101.57	11000	38.59	27.27
Uttar Pradesh	15586.8	16141.3	18257.14	-3.44	-14.63
Average	13723.27	13743.18	14706.11		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	24,228	8,500	15,300	14,500
3	21,174	8,200	15,375	14,700
9	25,560	9,000	15,000	14,200
12	19,846	9,000	14,900	13,800
5	24,048	8,000	14,800	13,500
16	19,868	8,500	14,900	13,700
19	32,364	8,500	14,700	13,500
22	16,560	9,000	14,300	12,200
23	18,120	5,000	14,400	12,500
26	26,280	9,000	14,500	12,500
28	30,643	9,000	14,300	11,500

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

Chilli Price Outlook

Weak sentiment witnessed in Red chilli market, market movement reported slow due to corona virus fear.

As per trade sources, as of now around 48 – 50 lakh bags (1 bag = 40 kgs) new chilli stored at Guntur cold storage of total capacity 70 lakh bags. In the Khammam market, new arrivals reported around 45,000 bags, buyers reported inactive due to lower quality.

Chilli prices may correct from higher levels in the spot market if good quality new arrivals enter the market, also expected higher production in current year.

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 May 2021.