

Chilli Outlook – August 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.

According to 2020-21 second advance estimates of Government of India, though Telangana ranked fourth in chilli area coverage after Andhra Pradesh, Karnataka and Madhya Pradesh, it ranked second in production with 5.45 lakh metric tonnes from 0.9 lakh ha. Chilli area and production in Telangana account for 12.3% and 27% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural).

From 1st January 2021 to 30th July 2021, red chilli supply in the Guntur market is reported to add up to around 3,76,695 MT as compared to last year's 3,21,075 MT, up by 17.32% as new crop supply continued in the spot market and expected higher production in current year. Also, the market was closed 23rd March to 16th May last year on account of lockdown which affected arrivals.

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

Particulars	2016-17	2017-18	2018-19
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	24 th July to 30 th July 2021	17 th July to 23 rd July 2021	24 th July to 30 th July 2020
Andhra Pradesh	Guntur	33.33	3,20,000	2,40,000	20,00,000
Telangana	Warangal	88.89	17,000	9,000	Closed
Total		35.34	3,37,000	2,49,000	20,00,000

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

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

State	Prices July, 2021	Prices June, 2021	Prices July, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Chhattisgarh		6000.00	6000.00	—	—
Karnataka	6422.78	8565.5	17099.07	-25.02	-62.44
Kerala	13740.06	13592.88	13827.4	1.08	-0.63
Madhya Pradesh	9977.26	9562.34		4.34	—
Maharashtra	17348.96	16956.2	15290.55	2.32	13.46
Odisha	19540.26		19800.00	—	-1.31
Rajasthan	11673.28	14000.000	11000.00	-16.62	6.12
Uttar Pradesh	16685.19	17241.94	17005.88	-3.23	-1.89
Average	13626.83	12274.12	13517.56		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	260	9,000	12,000	11,000
2	263	8,500	11,500	10,500
5	296	8,000	11,000	9,500
6	307	9,500	11,600	10,500
7	196	9,000	11,200	10,100
8	246	9,000	11,000	10,000
12	368	9,000	11,800	10,400
13	169	8,500	11,800	10,000
14	307	8,000	12,000	10,000
15	305	8,500	12,000	9,500
16	246	8,000	11,500	9,500
19	267	6,000	11,000	9,500
22	166	8,500	11,200	9,800
23	71	11,200	14,800	13,000
26	25	7,000	10,500	9,500
27	25	8,500	15,100	10,500
29	50	9,000	12,000	10,000
30	40	9,500	12,700	11,000

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

Chilli Price Outlook

Buyers reported inactive at higher price levels as cold storage stocks reported overflow in Andhra Pradesh, Telangana, Karnataka and lower exporters demand in the spot market due to increased shipping costs. Also, recent corona virus lockdown in Bangladesh affects the sentiment.

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

Chilli sowing continued in major growing regions like Andhra Pradesh, Telangana, etc. and replanting will start from August first week till September.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli may trade in price range between Rs. 11,500 – 13,500 per quintal in the month of August 2021.