



Chilli Seasonal Report 2021

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Executive Summary

All India chilli production for the season 2021 is expected to be around 14.3 lakh tons, an increase of 3.6% compared to last year, mainly due to acreage expansion. Crop loss as well yield impact was reported in Warangal district due to projections to floods during end-August and beginning September-2020. However, production levels are still on a positive note. Total supply for the current season is expected to drop by 0.8% given the low opening stock.

Whole chilli export during 2020 reached all-time-high, to 4.23 lakh tons (28.7% of the total supply). Due to Covid-19 pandemic, most of the key destinations imported Indian Chilli aggressively even at higher prices. Hence, export quantity for the season 2021-22 is expected to be around 4 lakh tons as the destinations have surplus stock in hand. Indian Chilli powder and oleoresin exports during 2020 reported an increase of 15% and 47% respectively.

New potential destinations for Indian chilli exporters

China imported about 1.62 lakh Mt in 2020, followed by Bangladesh 65,847 Mt. Apart from key locations, exporters may look at other potential locations as follows where the volume reported steep increase.

Indian Whole Chilli export			
Destination	2020	2019	Increased by
UAE	7138	990	7 times
Afghanistan	1815	28	65 times
Nepal	5104	1063	5 times

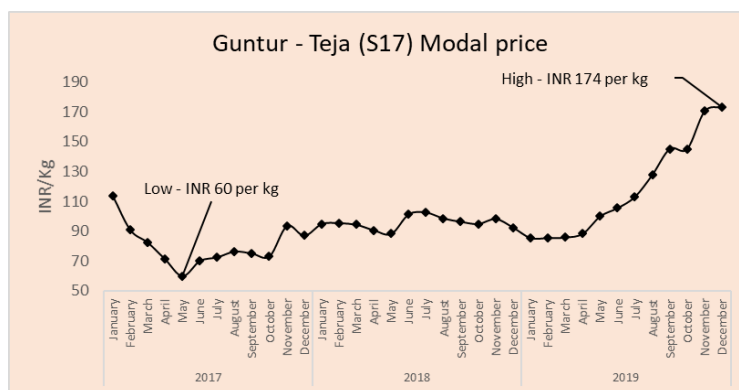
Similarly, new potential destinations to export Indian chilli powder based on steep increase in volume during 2020 are Indonesia, Russia, Oman, UK and South Africa.

All India Chilli Supply & Demand

Particulars	Quantity in Lakh tons					
	2016	2017	2018	2019	2020	2021
Opening stock	2.12	1.22	4.3	2.4	0.92	0.29
Production	11.7	17.44	11.8	12.9	13.8	14.3
Total supply	13.82	18.66	16.1	15.3	14.72	14.59
Domestic consumption	10.2	10.4	10.5	10.6	10.2	10.3
Export	2.4	3.96	3.2	3.78	4.23	4
Total demand	12.6	14.36	13.7	14.38	14.43	14.3
Closing stock	1.22	4.3	2.4	0.92	0.29	0.29

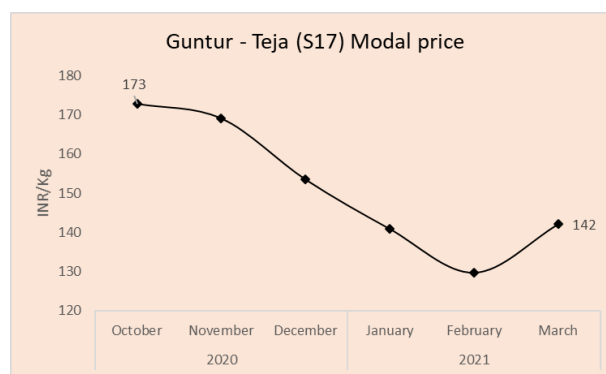
Procurement Strategy

Since the year 2017, modal price of Teja (S17) touched its all-time-high at INR 174 per kg levels during December 2019, almost 3 times increase compared to the price levels of May 2017. During the first 3 months of 2020, the time before the lockdown was imposed, the modal price of Teja



ranged between INR 130 and INR 145 per kg. Since Oct 2020, price started falling gradually from INR 173 per kg levels (close to the previous high of INR 174, but didn't cross previous high), to INR 153 per kg levels in Dec 2020. The declining trend in price is attributed to anticipated increase in production levels for 2021.

New arrivals in 2021 started from third week of Feb 2021 and it is expected to continue up to 1st week of May 2021. Till date, about 35 lakh bags of new crop has already arrived in Guntur market. Currently, the price of Teja in Guntur market is ranging from INR 130 to 150 per kg levels. Modal price is ranging from INR 138-142 per kg levels.



Considering the current trend, price of Teja (Modal) is unlikely fall below INR 130 per kg levels in 2021. On the higher side, the resistance is observed at INR 165 per kg levels. The resistance level may break if southwest monsoon remains unfavorable coupled with lower acreage. Similarly, INR movement against USD needs to be watched. Indian Rupee against USD during April 2021 to June 2021 is expected to trade in the range of 72 to 74.50 levels.

State-wise area under chilli

Andhra Pradesh

Chilli area in Andhra Pradesh during 2020-21 reached 1.42 lakh hectares, higher by 4.73% compared to previous year. In most of key locations, acreage increased above the normal area levels. Notably, in Anantapuram and YSR Kadapa district, acreage size witnessed a sharp increase by 83% and 130% respectively.

Better price realization during 2020 encouraged farmers to allocate more acreage to chilli.

Area under chilli in Andhra Pradesh (in hectares)					
District	2020-21	2019-20	Season Normal area	% covered normal area 2020-2021	% Diff. from previous year
Guntur	71,818	76,197	71,782	100.1	-5.75
Prakasam	27,365	27,050	28,598	95.7	1.16
Kurnool	22,121	14,772	17,459	126.7	49.75
Krishna	11,495	12,943	11,735	98.0	-11.19
Anantapuram	6896	3748	4868	141.7	83.99
YSR Kadapa	1654	719	971	170.3	130.04
East Godavari	738	348	334	221.0	112.07
Visakhapatnam	169	123	196	86.2	37.40
Vizianagaram	49	81	129	38.0	-39.51
Chittoor	200	38	17	1176.5	426.32
Others	117	164	395	29.6	-28.66
Total	1,42,622	1,36,183	1,36,484	104.5	4.73

Telangana

As per the information provided by the Telangana agriculture department, area under chilli during 2020-21 increased sharply by 85% compared to previous year. As per the trade source and our primary survey, acreage size increased by about 50% compared to previous year. Most of the districts sown more than the normal area levels. Khammam and Mahbubabad alone accounted for about 41,000 hectares during 2020-2021, 49% of the total.

Area under chilli in Telangana (in hectares)					
District	2020-21	2019-20	Season Normal area	% covered normal area 2020-2021	% Diff. from previous year
Khammam	22,656	14,268	21,250	106.6	58.79
Mahbubabad	18,399	12,113	11,248	163.6	51.89
Jogulamba Gadwal	9862	9328	10,507	93.9	5.72
Jayashankar Bhupalpalli	7468	20	7116	104.9	—
Warangal Rural	5452	2387	4542	120.0	128.41
Suryapet	5025	4166	3848	130.6	20.63
Bhadradi Kothagudem	4792	58	3928	122.0	—
Mulug	4225	5	3385	124.8	—
Nagarkurnool	1014	527	635	159.7	92.37
Others	4540	2156	7144	63.5	110.57
Total	83,432	45,028	73,603	113.4	85.29

Karnataka

Bellary district accounts for over 50 to 55% of the total chilli area in Karnataka. Area under chilli in Bellary district during 2020-2021 stood at 45,175 hectares as compared to 42,000 hectares in the same period last year. In Hubli, Gadag and surrounded regions chilli area in 2020 was reported at over 25,000 hectares which are highly rainfed. Yield in Rainfed area in Karnataka during 2020 ranged between 200 and 300 Kg per acre.

Rainfall influence on sowing

Excess rainfall reported in Warangal during 3rd and 4th week of August 2020 resulted in floods in major chilli sowing areas. Post sowing, excess rainfall reported in Warangal which created impact on the standing crop.

Weeks	Guntur			Bellary			Warangal		
	Actual (mm)	Normal (mm)	Difference	Actual (mm)	Normal (mm)	Difference	Actual (mm)	Normal (mm)	Difference
June									
1	21.8	19.6	2.2	1.5	10.9	-9.4	18.4	25.6	-7.2
2	40.7	26.1	14.6	24.4	19.1	5.3	106.3	47.5	58.8
3	27.1	18.8	8.3	5.8	14.3	-8.5	40.8	33.3	7.5
4	41.8	23.6	18.2	19.8	14.9	4.9	23.3	50.7	-27.4
July									
1	49.5	29.6	19.9	12.8	11.4	1.4	107	56.5	50.5
2	135.4	26.4	109	17.6	15.9	1.7	113	69.9	43.1
3	39	37.4	1.6	54.7	18	36.7	22.5	67.3	-44.8
4	52.5	41.8	10.7	91.8	23	68.8	41.6	77.5	-35.9
August									
1	44.4	36.2	8.2	21.8	20.2	1.6	47.2	69.4	-22.2
2	28.4	30.3	-1.9	31	21	10	119	68.4	50.6
3	64.5	39.6	24.9	24.6	19	5.6	542.4	69.6	472.8
4	38.1	37.8	0.3	14.1	25.5	-11.4	202.5	47	155.5
September									
1	1.6	33	-31.4	2.6	25.9	-23.3	42.7	66	-23.3
2	19.3	34.5	-15.2	59.4	21.7	37.7	15.4	44	-28.6
3	93.4	29.7	63.7	93.5	26.7	66.8	110.2	35.7	74.5
4	41.9	43.1	-1.2	20.1	47.2	-27.1	28.7	34.5	-5.8
5	96.9	42.1	54.8	48.1	36	12.1	92.8	31.6	61.2
October									
1	25.7	39.8	-14.1	32	41.5	-9.5	7.8	31.6	-23.8
2	101.2	25.4	75.8	78.9	27.6	51.3	136.6	16.9	119.7
3	57.9	34.3	23.6	34.6	17.7	16.9	45.3	21	24.3
4	0.1	29.4	-29.3	22.1	24	-1.9	0	14.7	-14.7
November									
1	4.1	37.3	-33.2	0	11.3	-11.3	0	12.4	-12.4
2	8.9	21.8	-12.9	0	11.3	-11.3	0	8.7	-8.7
3	22.4	20.1	2.3	1.3	11.3	-10	2.8	5	-2.2
4	0.5	12.9	-12.4	0	2.5	-2.5	0	3.4	-3.4
December									
1	82.8	9.5	73.3	9.2	3.9	5.3	12.8	1.9	10.9
2	0.2	5.6	-5.4	3.1	5.4	-2.3	0	3.1	-3.1
3	0	9	-9	0.5	2.4	-1.9	0	3.6	-3.6
4	0	0.6	-0.6	0	0.2	-0.2	0	2.9	-2.9

Arrival and price trend during Oct 2020 to March 2021

Price of chilli in Guntur market started declining gradually since October 2020 on account of surge in acreage.

Guntur

Teja chilli variety (S17) – Arrivals in Bags (35 Kg each), Price INR/Kg						
Particulars	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	March 2021 (Till 25 Mar)
Min	130	150	130	120	115	120
Max	195	195	182	158	143	150
Average Modal	173	170	155	142	132	140
% Min to Max	50	30	40	32	24	25
% Avg. to Max	13	15	17	11	8	7
334 Chilli variety						
Min	110	120	110	100	100	100
Max	148	152	140	125	120	130
Average Modal	134	136	123	118	112	119
% Min to Max	35	27	27	25	20	30
% Avg. to Max	10	12	14	6	7	9
Total arrivals	10,20,000	13,00,000	12,50,000	11,50,000	15,80,000	17,50,000

Byadgi

Price of Byadgi (KDL) chilli in 2020 reached all-time-high due to lower stock and anticipated decline in yield levels. Similarly, the availability of the good quality material reported limited.

Byadgi (KDL/Kaddi)						
Particulars	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	March 2021 (Till 25 Mar)
Min	220	200	250	240	230	220
Max	310	320	370	360	360	340
Average Modal	270	278	290	295	280	255
% Min to Max	41	60	48	50	57	55
% Avg. to Max	15	15	28	22	29	33
Total arrivals	1,00,000	1,40,000	4,35,000	6,00,000	8,50,000	12,00,000

Trade Flow

Export of Indian chilli in various forms

Export of all forms of Indian chilli during 2020 increased amid higher price compared to previous year.

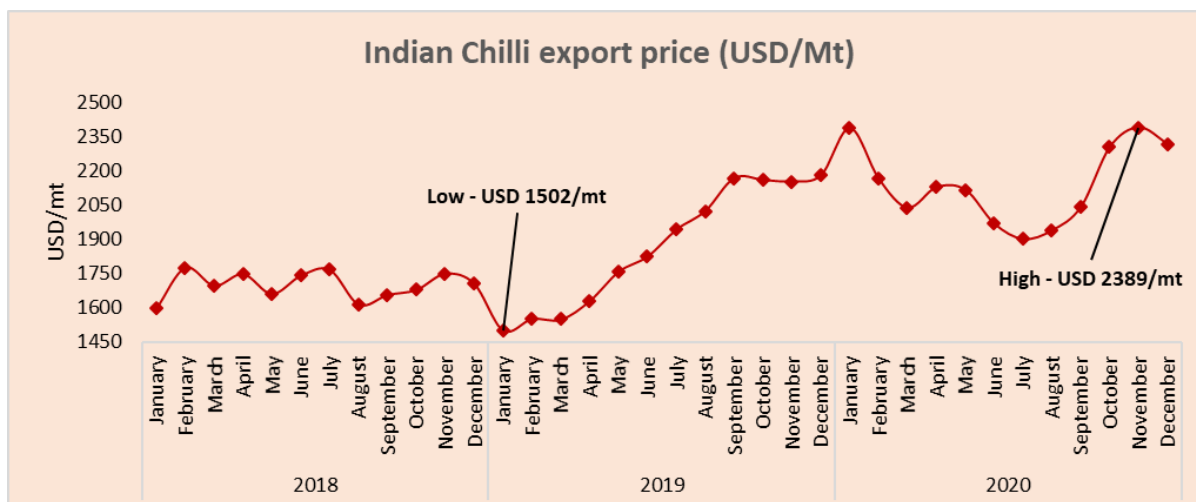
Forms of Chilli	2020		2019		% Diff. quantity
	Quantity in Mt	Avg. Unit price (USD/Mt)	Quantity in Mt	Avg. Unit price (USD/Mt)	
Whole Chilli	4,23,909	2120	3,78,979	1833	11.9
Chilli Powder	42,265	2160	36,697	1846	15.2
Chilli Oleoresin	4732	21,247	3203	15,957	47.7
Total	4,70,906	-	4,18,879	-	12.4

Source: Indian Ministry of Commerce and Industry

Year-wise/Month-wise Indian Whole Chilli export

HS Code 09042110	Quantity in MT					
Month	2015	2016	2017	2018	2019	2020
January	0	15,756	29,116	17,927	18,285	22,923
February	26,284	23,268	45,349	32,959	38,835	40,731
March	28,060	29,917	58,366	38,501	54,053	43,972
April	32,673	23,855	43,858	29,112	36,280	33,446
May	18,773	18,778	31,101	18,503	25,475	27,349
June	12,799	16,272	20,530	18,357	27,239	31,823
July	20,855	18,092	21,452	25,362	55,737	41,747
August	25,397	20,206	31,022	24,557	36,099	39,124
September	19,132	18,889	31,954	25,859	29,037	48,013
October	13,995	15,686	22,630	30,824	21,084	38,134
November	14,794	18,539	32,629	33,348	18,837	30,034
December	15,291	23,215	28,541	26,961	18,020	26,613
Total	2,28,054	2,42,472	3,96,547	3,22,270	3,78,979	4,23,909

Source: Indian Ministry of Commerce and Industry



Chilli powder export year-wise/month-wise

HS Code 09042211	Quantity in MT					
Month	2015	2016	2017	2018	2019	2020
January	2220	1494	2212	2489	3080	2828
February	1981	1597	2640	2004	3058	3617
March	2142	1891	3740`	2859	4213	2839
April	2215	1483	3374	2190	3013	2412
May	1465	2265	3654	2934	3079	3573
June	2039	2820	3044	2437	2796	3546
July	2314	2753	2452	1620	2651	4561
August	4243	2914	2472	2751	2762	3720
September	1417	2712	3241	3145	3262	4112
October	2255	2797	3006	2882	2970	4022
November	1707	2228	2610	2659	2478	3232
December	1527	2786	3726	2953	3335	3803
Total	25,526	27,740	36,172	30,923	36,697	42,265

Chilli Oleoresin export from India year-wise/month-wise

HS Code 09042211	Quantity in MT					
Month	2015	2016	2017	2018	2019	2020
January	117.4	171.9	187.2	224.2	251.0	288.0
February	187.9	183.3	185.5	279.6	188.9	248.2
March	137.6	301.1	348.2	355.2	356.8	277.4
April	192.1	173.8	190.1	250.6	187.1	269.8
May	175.6	257.5	240.2	245.1	241.7	627.1
June	158.2	190.3	182.1	171.8	273.7	445.3
July	201.5	181.1	320.1	216.7	237.6	468.7
August	121.1	213.4	285.4	196.7	294.6	378.3
September	194.6	177.2	368.9	267.5	257.8	476.9
October	138.3	124.9	280.2	168.5	338.7	308.2
November	177.9	137.1	262.2	216.0	281.8	391.5
December	153.2	194.4	275.0	185.7	293.4	553.6
Total	1955.4	2306.0	3125.0	2777.5	3203.2	4732.9

Source: Indian Ministry of Commerce and Industry

Country-wise Indian chilli (whole) export from India

Country	2020	2019	% Change
China	1,62,435	1,49,263	8.8
Bangladesh	65,847	20,198	3 times
Thailand	52,039	65,300	-20.3
Sri Lanka	50,948	52,445	-2.9
Indonesia	24,307	35,732	-32.0
Malaysia	23,902	24,695	-3.2

Country	2020	2019	% Change
USA	10,369	9040	14.7
Vietnam	7871	8903	-11.6
UAE	7138	990	7 times
Nepal	5105	1064	5 times
Myanmar	4578	6301	-27.3
Singapore	2374	2454	-3.3
Afghanistan	1815	28	65 times
Others	5180	3381	53.2
Total	4,23,908	3,79,795	11.6

Cost of Cultivation – per acre

Guntur

Cost of Cultivation in irrigated area in Guntur belt increased by 1.5% compared to last year. Increase is attributed to increase in labour cost.

Particulars	Total Cost (INR)
Land Preparation	
i) Field cleaning (10W @200/-)	2000
ii) Mould board plough	2200
iii) Ploughing with Gorru (2 times)	2400
iv) Working marker	700
Seedling Cost	8800
Transplantation Charges	3650
Manures (FYM, Need Cake etc)	5800
Fertilizers	15,500
Pesticides	18,000
Labour costs	
i) Fertilizer application	2400
ii) Pesticide application	3200
iii) Inter cultivation(including weeding)	8000
iv) Irrigation	6000
Harvesting, Grading & Packing	50,000
Total	1,28,650
Land lease per year	30,000
Average yield per acre	17-21 quintals per acre
Cost of Production (A1+FL)	INR 60 to 75 per kg
Cost of Production (C2) (including land lease)	INR 75 to 93 per kg

Disclaimer: The report is based on the research done at Eventell Global Advisory Private Limited, Bangalore based on available secondary data and field visits. Due care is taken to check the accuracy of the data. Projections are based on objective analysis and past guidelines. However, actual projection may vary from the projections. Eventell will not be responsible for any kind of losses incurred by any party either directly or indirectly based on our research results, though we have presented the best of our knowledge.