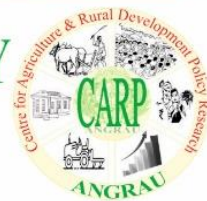




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Crop Outlook Reports of Andhra Pradesh

CHILLIES

(January to December, 2022)



Centre for Agriculture & Rural Development Policy Research (CARP)

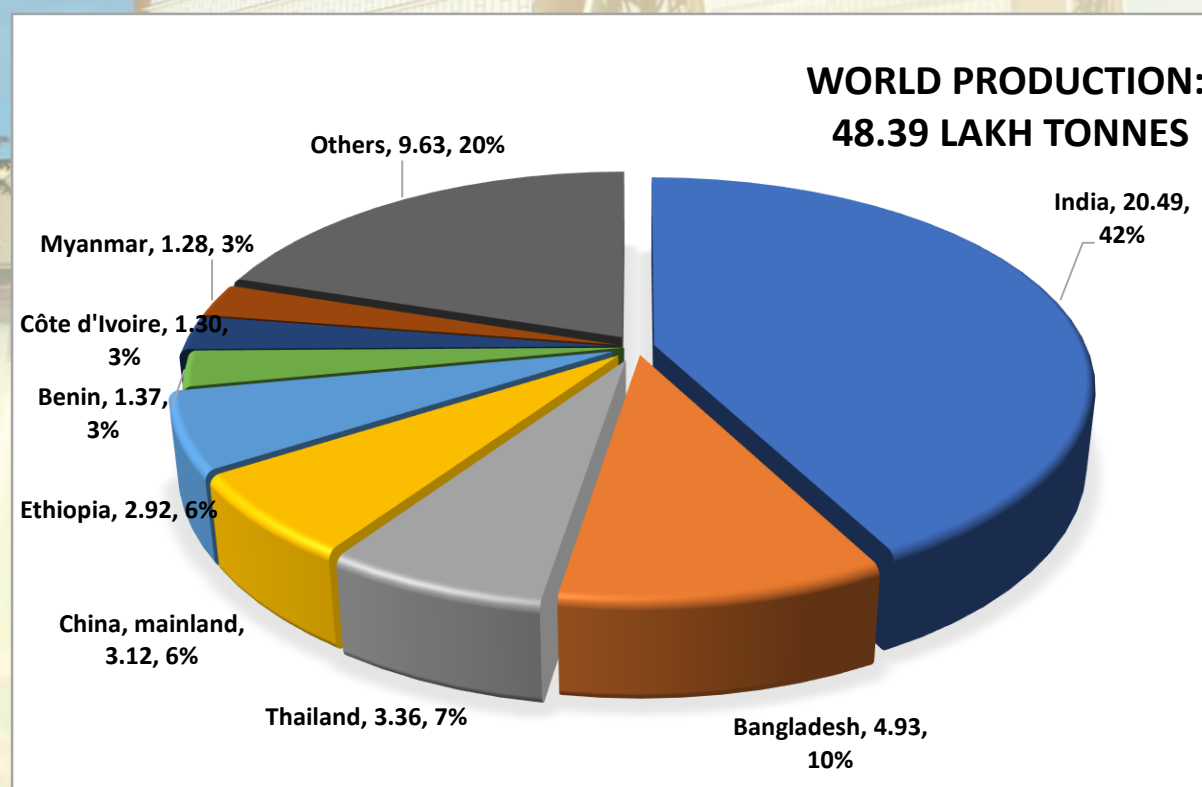
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Acharya N.G. Ranga Agricultural University Crop Outlook Reports of Andhra Pradesh

CHILLI – January to December 2022

Spices are aromatic vegetable substances used for the seasoning of foods. Among them, chilli is one important spice used all over the world in one form or the other. Indian chillies have been dominating the international chilli market. India is not only the largest producer but also the largest consumer and exporter of chilli in the world. Chilli alone contributes 42% of the total spice export quantity of the country and is predominantly exported to countries like China, Vietnam, Thailand, Sri Lanka, Indonesia and Malaysia. Indian chilli is considered to be world-famous for important commercial qualities of colour and pungency levels. India is the largest producer with 1.98 million tonnes and contributes 43% of world chilli production, followed by China, Ethiopia, Thailand, Pakistan and Bangladesh.

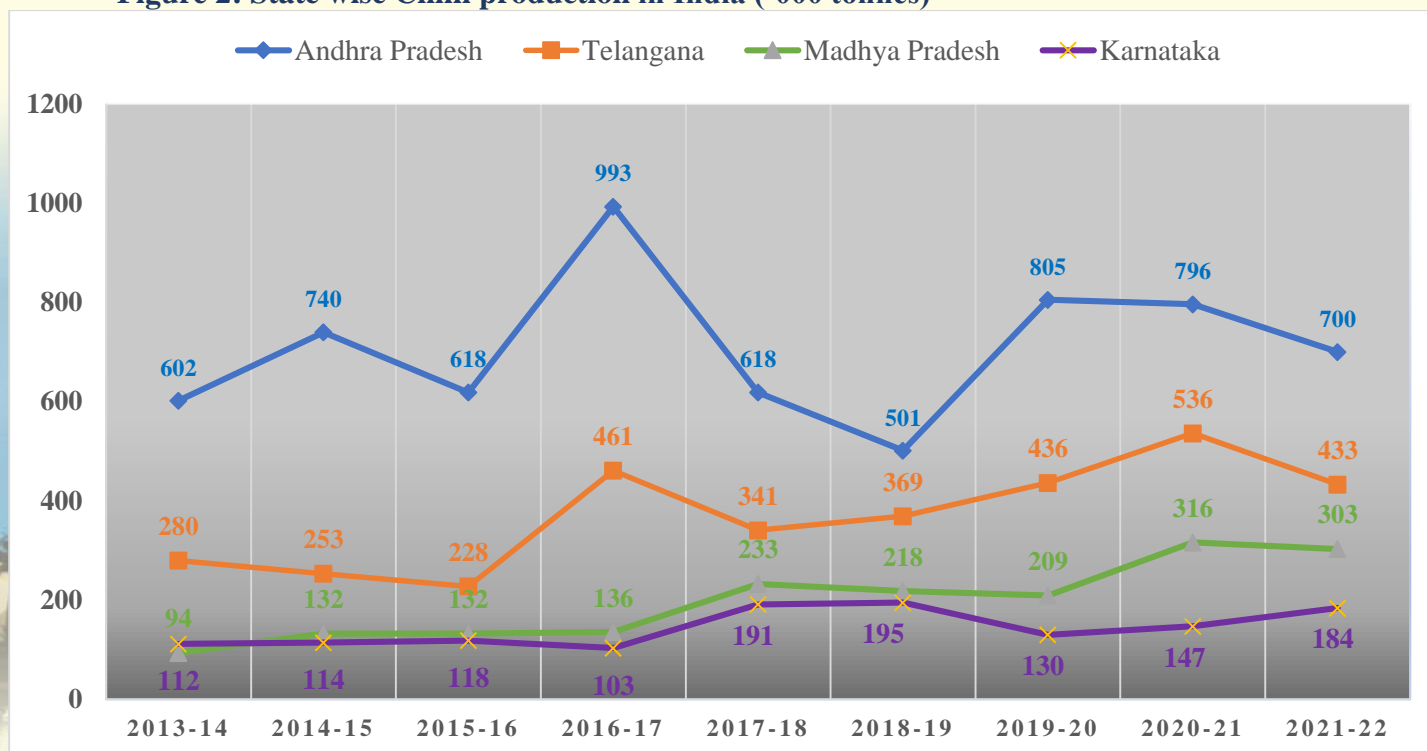
Figure 1: Major chilli producing countries in the world during 2021 (production in lakh tonnes)



Source: fao.org/faostat/en/

In India during 2021-22, Andhra Pradesh tops the list in dry chilli production of 4.07 lakh tonnes covered under 2.25 lakh ha with 1809 kg/ha productivity followed by Telangana, Madhya Pradesh, Karnataka and West Bengal. State-wise chilli production in India is presented in Figure 2. Guntur chilli yard being the largest chilli market in Asia influences the domestic and international prices of chillies. Guntur district in Andhra Pradesh alone produces 15% of all the chillies produced in India and the state of Andhra Pradesh as a whole contributes 26 % of India's chilli production (des.ap.gov.in, 2021). There are more than 400 different varieties of chillies found all over the world. The major chilli growing districts in AP are Guntur, Prakasam, Kurnool and Krishna. Teja, Byadgi, DD Best, 341, 273, 334 etc., are reported as premium varieties and preferred by exporters.

Figure 2: State wise Chilli production in India ('000 tonnes)



Source: indianspices.com

According to the Final estimates of the Government of Andhra Pradesh, chilli production is 4.07 lakh tonnes grown in an area of 2.25 lakh ha with a productivity of 1809 kg/ha during 2021-22. According to 1st advance estimates during 2022-23, chillies was grown in 1.69 lakh hectares with a production of 6.94 lakh tonnes and productivity was 4109 kg/ha.

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

Particulars	2016-17	2017-18	2018-19	2020-21	2021-22*
Opening Stock	3.84	1.87	2.39	1.04	1.88
Production	10.73	13.76	10.50	13.84	14.66
Import	0	0	0	0	0
Total Supply	14.57	15.63	12.89	14.88	16.54
Consumption	8.70	8.80	8.50	8.50	8.63
Exports	4.00	4.44	3.85	4.50	4.75
Total Demand	12.70	13.24	12.35	13	13.38
Ending Stock	1.87	2.39	0.54	1.88	3.16

Source: agriwatch.com

As per some private sources, the data given is compiled in Table 1, depicts that the production has decreased from 2017-18 to 2021-22 and it was observed that, the total demand (13.38 lakh tonnes) for chilli was easily met by the total supply (16.54 lakh tonnes).

Table 2: Major Importing countries of Indian Chilli (2021-22)

Major Importing countries	Quantity (Tonnes)	Rank	Value (in Lakh)	Rank
China	191391.48	1	313175.95	1
United States of America (USA)	45336.26	2	94259.54	2
Thailand	43838.61	3	79534.96	3
Sri Lanka	50457.73	4	69257.39	4
Indonesia	37809.52	5	55959.63	5
Bangladesh	49272.99	6	49777.61	6
Malaysia	22215.61	7	44011.31	7
United Arab Emirates (UAE)	44742.45	8	39883.77	8
Nepal	11620.99	9	10400.67	10
United Kingdom (UK)	6008.29	10	13492.20	9
India	557168.18		858188.59	
Share (%)	90.22		89.69	

Source: www.indianspices.com

China was the major importer of Indian chillies, followed by USA, Thailand, Sri Lanka, Indonesia, Bangladesh, Malaysia and UAE. Chilli exports to these major ten countries account for 90 per cent of total India's chilli export, which is shown in Table 2.

Table 3: Export and Import share of chilli to the total spices export and import for triennium years in India.

Years	Exports (000' tonnes)			Years	Imports (000' tonnes)		
	Chilli	Spices	Per cent share		Chilli	Spices	Per cent share
1993-96	35.68	180.25	19.79	2000-03	1.07	83.95	1.27
1996-99	53.52	236.08	22.67	2003-06	1.11	100.62	1.11
1999-02	65.35	238.24	27.43	2006-09	0.96	100.11	0.96
2002-05	101.89	289.00	35.26	2009-12	1.16	101.54	1.15
2005-08	156.89	389.45	40.28	2012-15	0.69	133.48	0.52
2008-11	210.67	499.67	42.16	2015-18	0.98	191.78	0.51
2011-14	284.83	715.93	39.78	-	-	-	-
2014-17	364.92	906.16	40.27	-	-	-	-
2017-20	465.47	1103.77	42.17	-	-	-	-

Source: www.indiastat.com

Table 3 reveals that the per cent share of chilli exports to total spices exports has increased from 19 to 42 per cent between 1993 and 2020, and similarly, the per cent share of chilli imports to total spices imports has decreased from 1.27 to 0.51 per cent from 2000 to 2018. The results reveal that in overall spices exports, the major share is contributed by chilli crop, which in turn contributes to the nation's GDP.

Table 4: Comparison of area and production of chilli before and after bifurcation of Andhra Pradesh.

	Before Bifurcation		After Bifurcation					
	2010-11		2015-16		2021-22		2022-23	
	AP	India	AP	India	AP#	India*	AP**	India
Area (in 000' ha)	195.47	792	156.06	810.74	225	851	169	NA
Production (in '000 tonnes)	638.3	1223.4	618.42	1519.75	407	1577	694	NA

Source: Agricultural statistics at a glance, Andhra Pradesh, des.ap.gov.in. NA-Not Available

Final Estimates of Agriculture, 2021-22, des.ap.gov.in

*3rd Advance Estimates of Horticulture, 2021-22, agricoop.nic.in

** 1st advance estimates, 2022-23, des.ap.gov.in

The details of the comparison of the area and production of chilli concerning the bifurcation of Andhra Pradesh and Telangana states have been given in Table 4. It is observed that, from 2010-11 to 2021-22 the area has increased from 1.95 to 2.25 lakh ha and production also decreased from 6.38 to 4.07 lakh tonnes, which is due to decrease in the yield from 3265 to 1809 kg/ha. In 2021-22, chilli crop was infected with thrips damage.

Table 5: Inter-District Comparison of Andhra Pradesh for Chilli (2020-21)

Major Districts	Area (in '000ha)	Rank in Area	Production (in '000'tonnes)	Rank in Production
Guntur	78	1	456	1
Prakasam	51	2	132	2
Kurnool	21	3	70	4
Krishna	12	4	101	3
Ananthapur	6	5	13	5
East Godavari	3	6	10	6
Total	171		782	
Other districts	7		15	
Andhra Pradesh	178		797	
Share (%)	96		98	

Source: Agricultural statistics at a glance, Andhra Pradesh, des.ap.gov.in.

The inter-district comparison of Andhra Pradesh for chilli (2020-21) is shown in Table 5. It is observed that, Guntur district ranks top in both area and production. Among the 13 districts of Andhra Pradesh, six districts, namely Guntur, Prakasam, Kurnool, Krishna, Ananthapur and East Godavari, cover 96 per cent of acreage and 98 per cent of production.

Chilli Price Outlook:

From 1st January 2022 to 31st December 2022, Red Chilli supply in the Guntur market remained around 593,010 MT as compared to 740,970 MT same period last year, down by 19.97% due to high demand and lower availability of premium quality during the last season.

Table 6: Monthly Dry (Red) Chilli Arrival Scenario in Guntur and Warangal markets

State	Market	% Change Over Previous month	November, 2022	December, 2022	December, 2021
Andhra Pradesh	Guntur	-34.51	12,75,000	8,35,000	2,54,000
Telangana	Warangal	-61.76	1,19,000	45,500	15,75,000
Total		-36.84	13,94,000	8,80,500	18,29,000

Units – lakh bags (1 bag = 45 kg) Source: agriwatch.com

The arrival scenario of chilli in Andhra Pradesh and Telangana is shown in Table 6. In November 2022, the chilli arrivals in Guntur market were 12.75 lakh bags and in December 2022 arrivals decreased to 8.35 lakh bags.

Table 7: Seasonal Indices of Arrivals & Prices of Dry Chilli at Guntur AMC in 2022

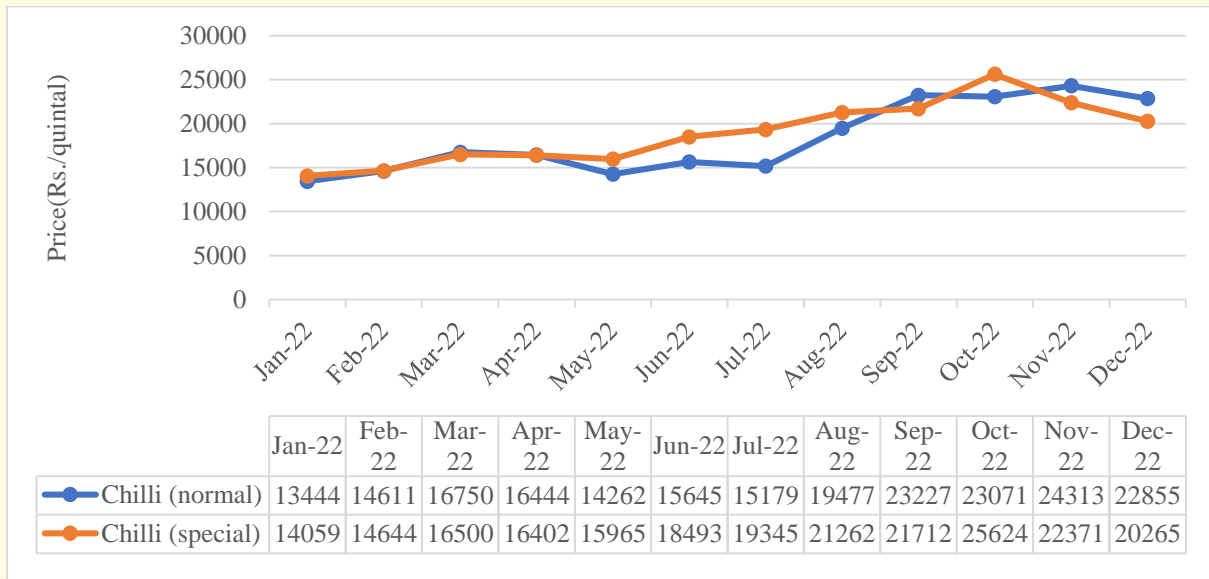
Months	Arrivals	Prices
January	103.48	74.01
February	176.80	78.73
March	189.76	89.48
April	159.57	88.39
May	60.27	81.34
June	205.67	91.87
July	74.34	92.91
August	48.73	109.63
September	31.99	120.93
October	42.38	131.04
November	61.08	125.63
December	45.95	116.04

Source: Data obtained from AMC, Guntur

Seasonal indices measure the monthly per cent deviation from the average arrivals and prices in 2022. The seasonal indices of chilli arrivals and prices from Guntur AMC presented in Table 7 show that the arrivals are highest in the months of March and February and the prices are highest in the months of October and November. The average monthly prices of the normal variety were Rs 23227, 23071, 24313 and 22855, the prices of the special variety were Rs. 21712, 25624, 22371 and 20265 for the months of September, October, November and December 2021 respectively in Guntur AMC.

As per the information shared by Agricultural Marketing Intelligence Centre (AMIC), ANGRAU, in AP and Telangana, Red Chilli standing crop affected by virus, farmers are uprooting their crop. Buyers were reported inactive in the spot market as new crop supply slowly started in Guntur, Warangal and Khammam spot market. Due to adverse weather conditions (drop in temperature and cloudy weather) overall arrivals reported down in the Red Chilli markets. Teja variety prices were trading up on fresh export demand from Bangladesh and Malaysia also currently traded lower than other Chilli varieties. Overall exports reported down by 26.70% from the same period last year as a result of lower availability of premium quality, Sri Lanka economic crisis, lockdown in China during early months of the current year and also Russia-Ukraine war has affected the exports. In Andhra Pradesh as on 28th December 2022, 2.22 lakh hectares of chillies was sown compared to 1.84 lakh hectares last year (apagrisnet.gov.in). The average monthly price of chilli in Andhra Pradesh is shown in Figure 3.

Figure 3: Average monthly prices of Chilli in Andhra Pradesh



Source: Data obtained from Andhra Pradesh AMCs

Under these circumstances, the AMIC, ANGRAU, is here with providing the latest information with regard to the forecast price range of Rs. 16,000-18,000 per quintal for the normal variety and Rs. 18,000-20,000 per quintal for the special variety of chilli in this Rabi marketing/harvesting season 2022-23.

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