

**ASTA Quarterly
Crop Report Update,**

May 2021

INDIAN CHILLI CROP

SHIRAZ H

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1. Global Chilli Market Overview

2. Indian Chilli – Highlights

3. Indian Chilli Crop 2021– Update

4. Trends and Challenges

5. Market and Crop Outlook– 2022 Crop

Global Chilli Market Overview

Global Production



Global Landscape

- **Global Demand**
 - **\$0.84 Bn**, 2019
 - CAGR ~6%, (2015-19)

- **Top Producers**
(MT, 2015-19)

- 1 India, 9.1 Mn: 42%**
- 2 Thailand 1.8 Mn: 8%**
- 3 China 1.6 Mn: 7%**
- 4 Ethiopia 1.5 Mn: 7%**
- 5 Others, 35%**

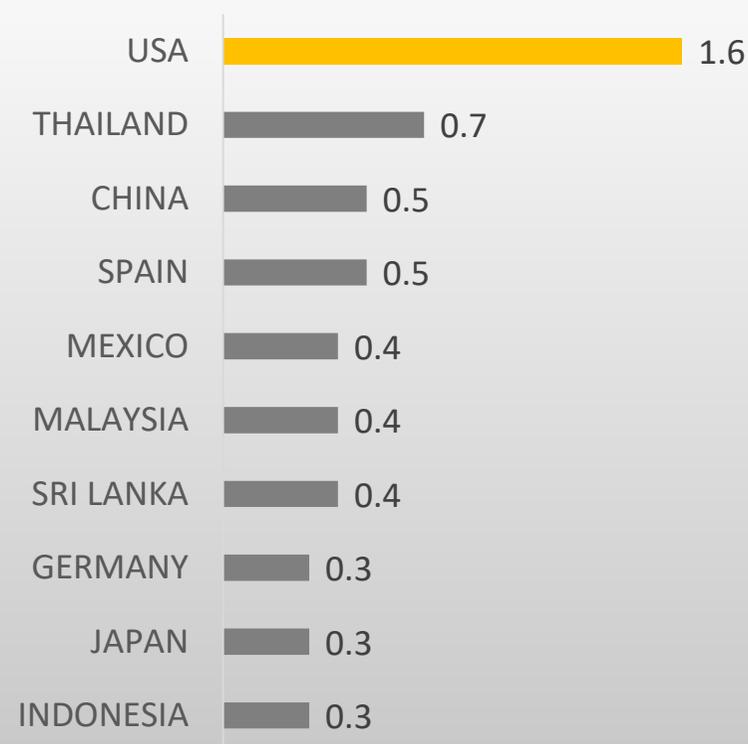
Global Demand and Supply

TOP 10 EXPORTERS \$ Bn (2015-2019)

1	INDIA	3.5
2	CHINA	2.3
3	SPAIN	0.8
4	PERU	0.4
5	MEXICO	0.3
6	* GERMANY	0.2
7	TUNISIA	0.1
8	* NETHERLANDS	0.1
9	UZBEKISTAN	0.1
10	USA	0.1

* The figures could be high due to import and re-export. Needs verification

TOP 10 IMPORTERS \$ Bn (2015-2019)

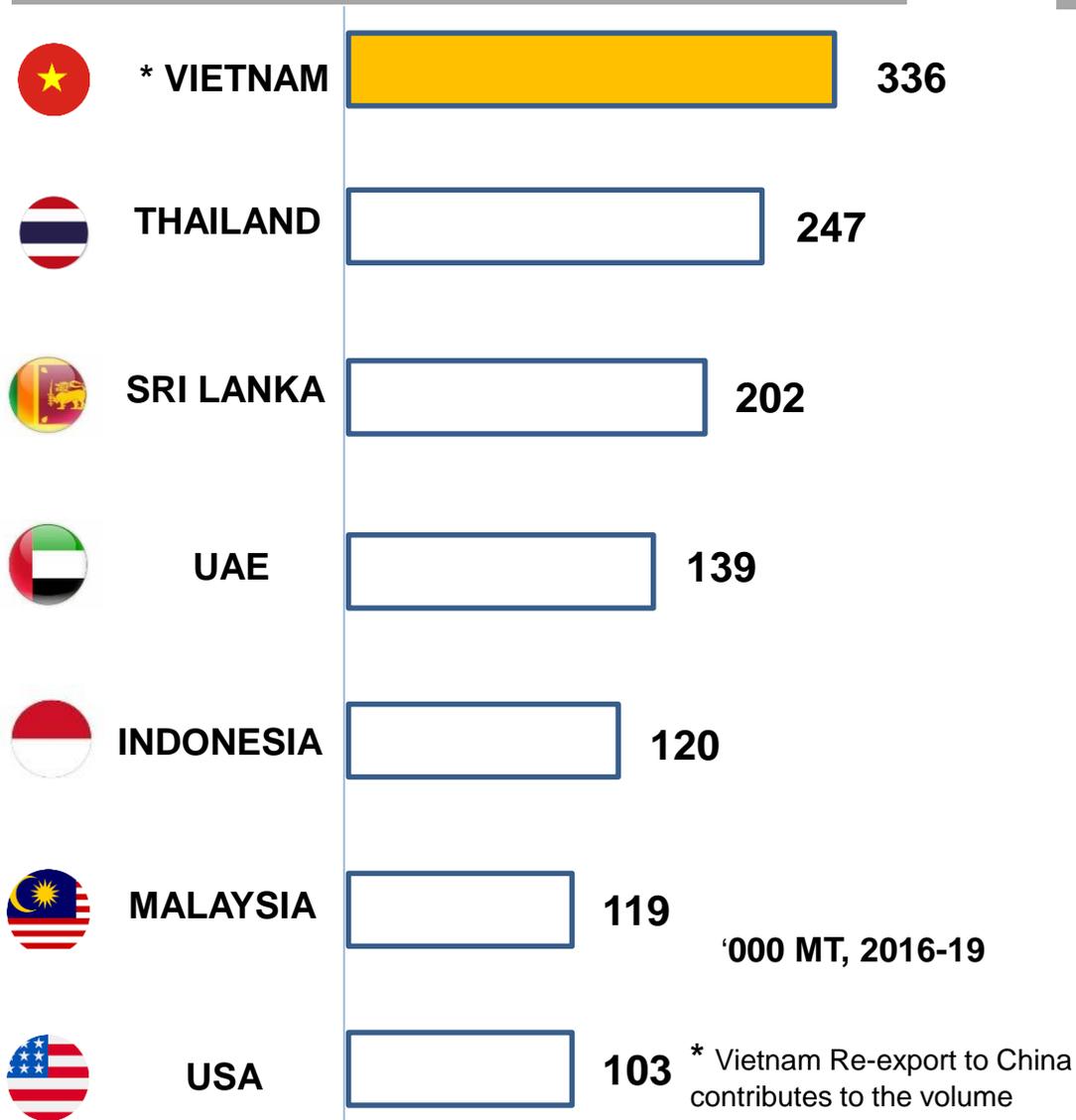


* Source: FAOSTAT

Indian Chilli – Highlights

India Demand

Top Chilli Importing Countries from India

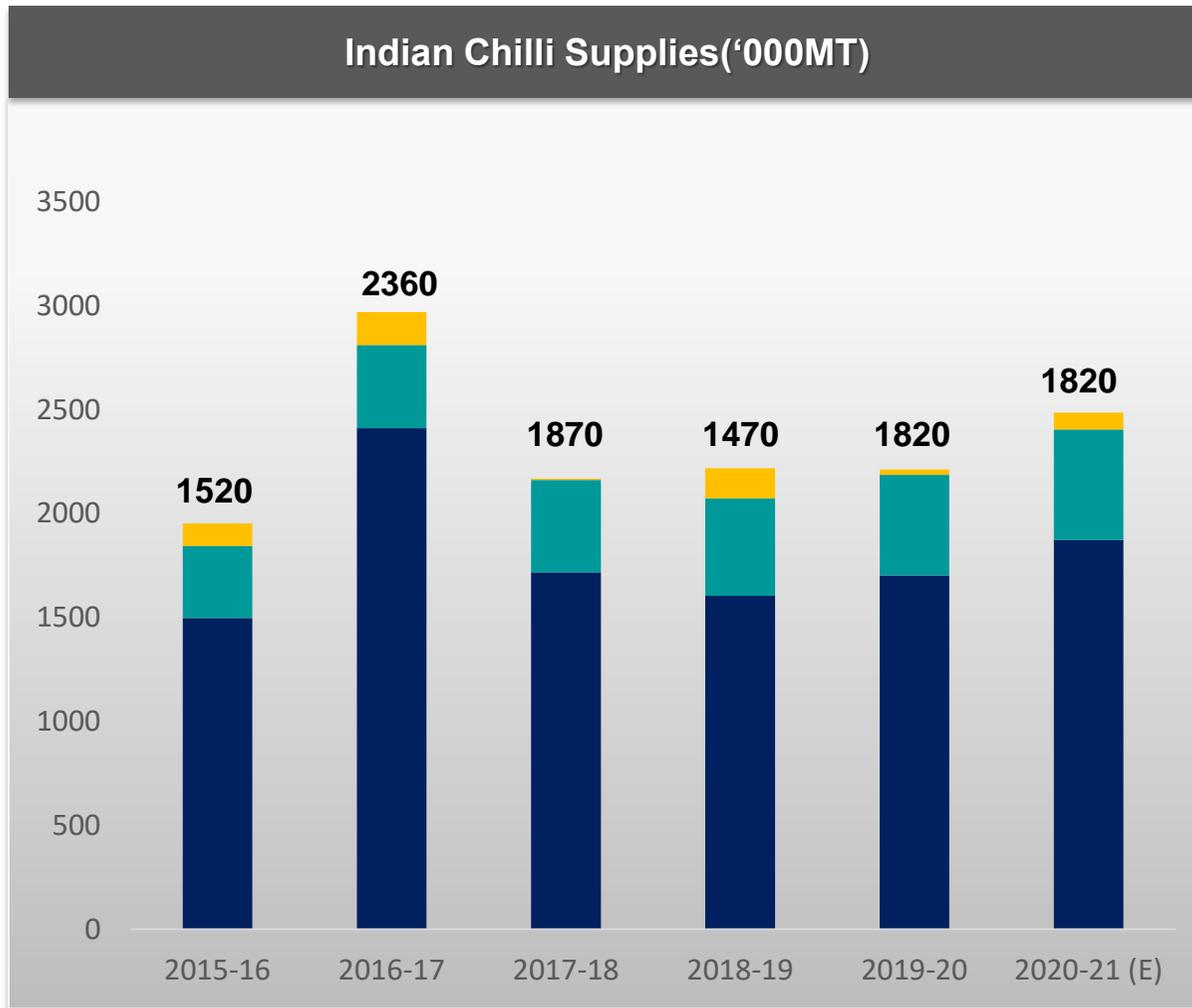


India Demand Overview

- India is the world's largest Chilli producer and exporter meeting ~40% of global demand consistently
- Indian High Heat varieties are seeing increased global demand
- Chinese imports from India has grown at a CAGR of ~145% over the last 4 years
- Indian Exports consist of ~80% Whole form and 20% Value added

Source: Spices Board, Secondary research

India Supply



■ Production ■ Export ■ Carry Forward

Drives of Growth

Demand factors

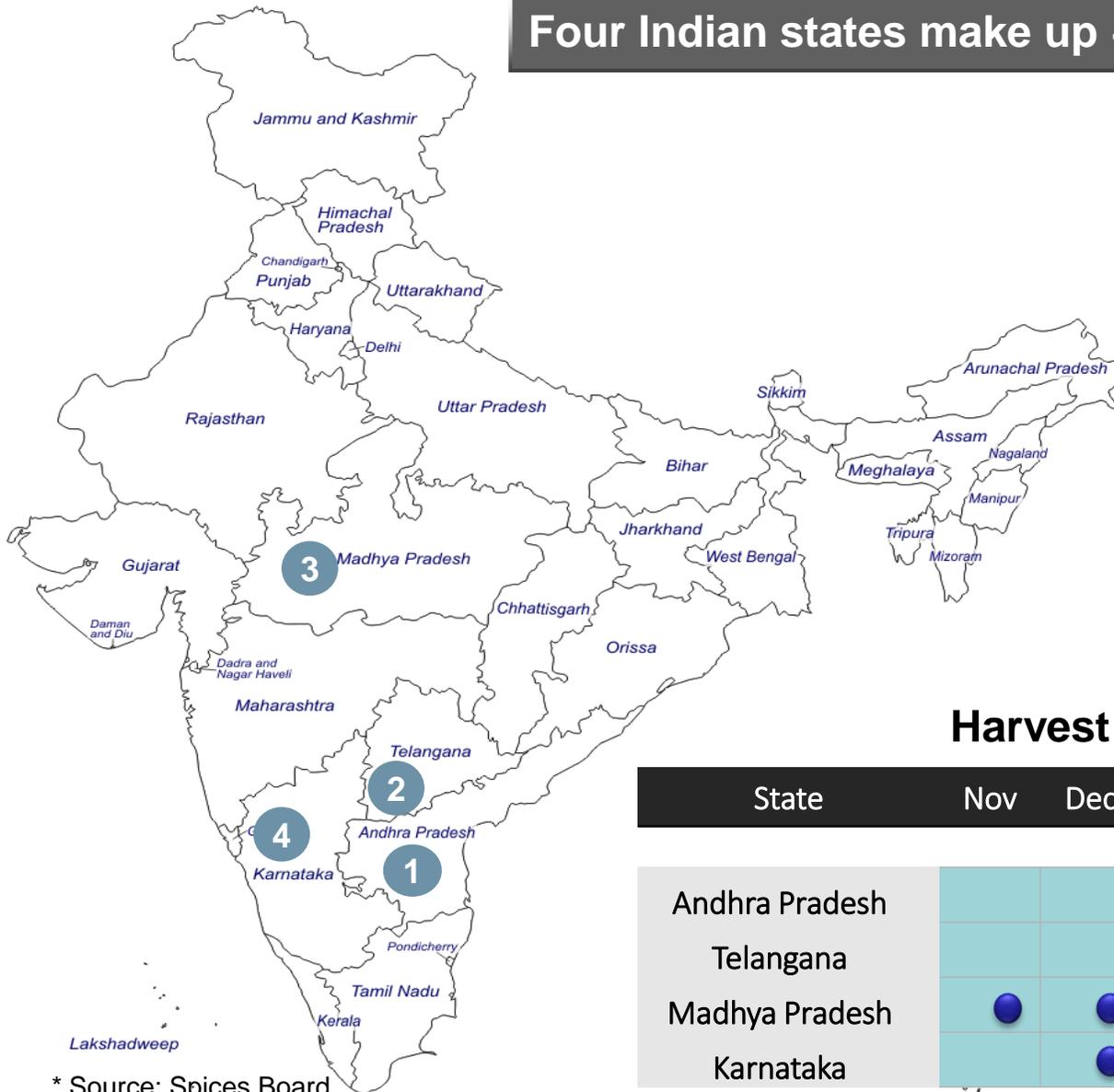
- Increasing culinary preference for Red pepper globally
- QSR segment drives Domestic demand
- Increases demand from China for High heat

Supply factors

- Advances in farm practices and Agri technology function as enablers

India Production Footprint

Four Indian states make up ~70% production



Production ('000 MT)
2019-20 Est

- 1 Andhra Pradesh, **660**
- 2 Telangana, **301**
- 3 Madhya Pradesh, **218**
- 4 Karnataka, **180**

Other regions
Tamil Nadu, Orissa, West Bengal

Harvest Calendar

State	Nov	Dec	Jan	Feb	Mar	Apr	May
Andhra Pradesh			●	●	●	●	
Telangana			●	●	●	●	
Madhya Pradesh	●	●	●	●			
Karnataka		●	●	●	●		

* Source: Spices Board

Indian Chilli Crop 2021 – Update

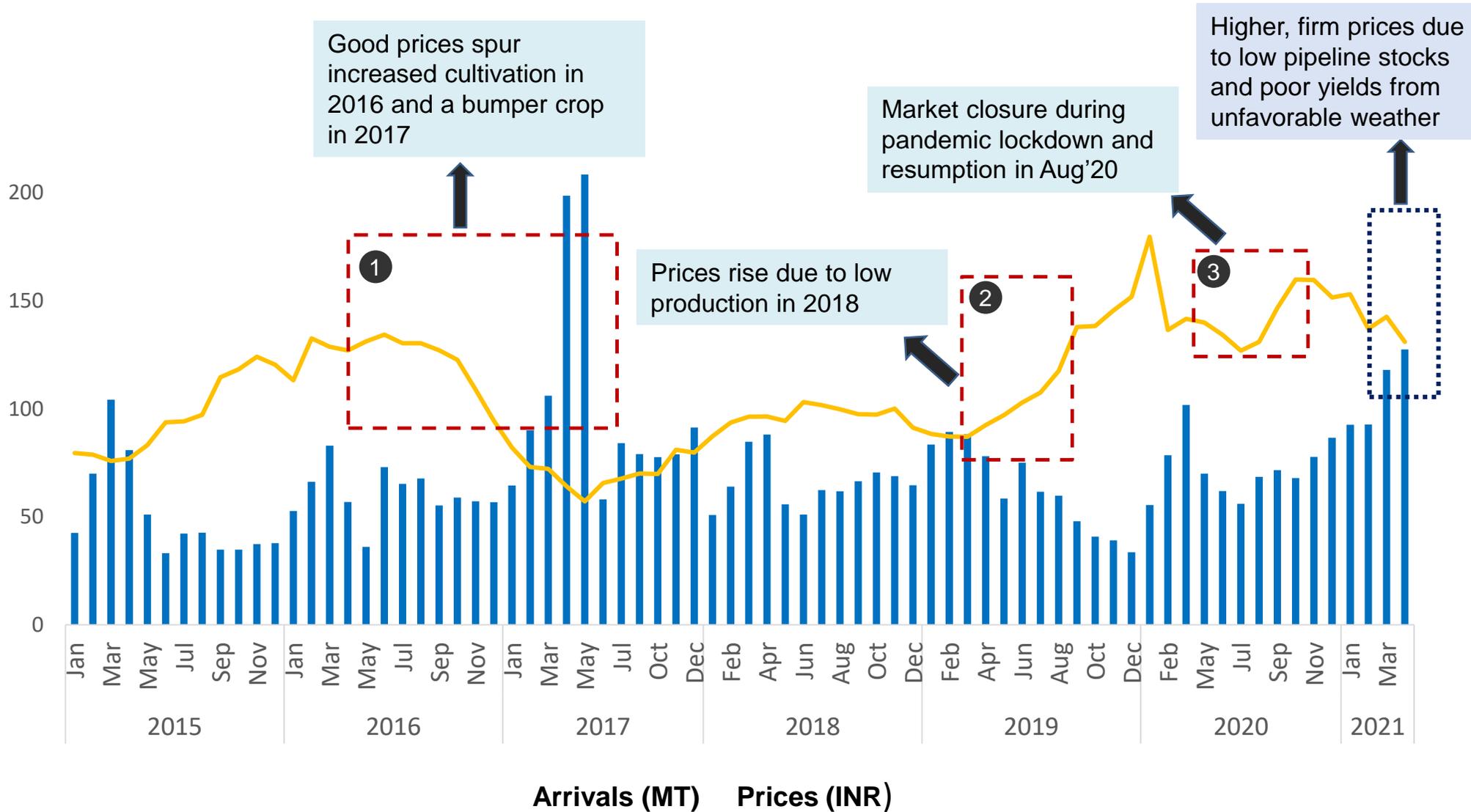
2021 Crop



Demand	<ul style="list-style-type: none">• Demand for High Heat Up• Food Industry drives Export demand
Supply	~10% YoY increase in acreages and production
Prices	Prices remain firm owing to weather anomalies and sub-par yields

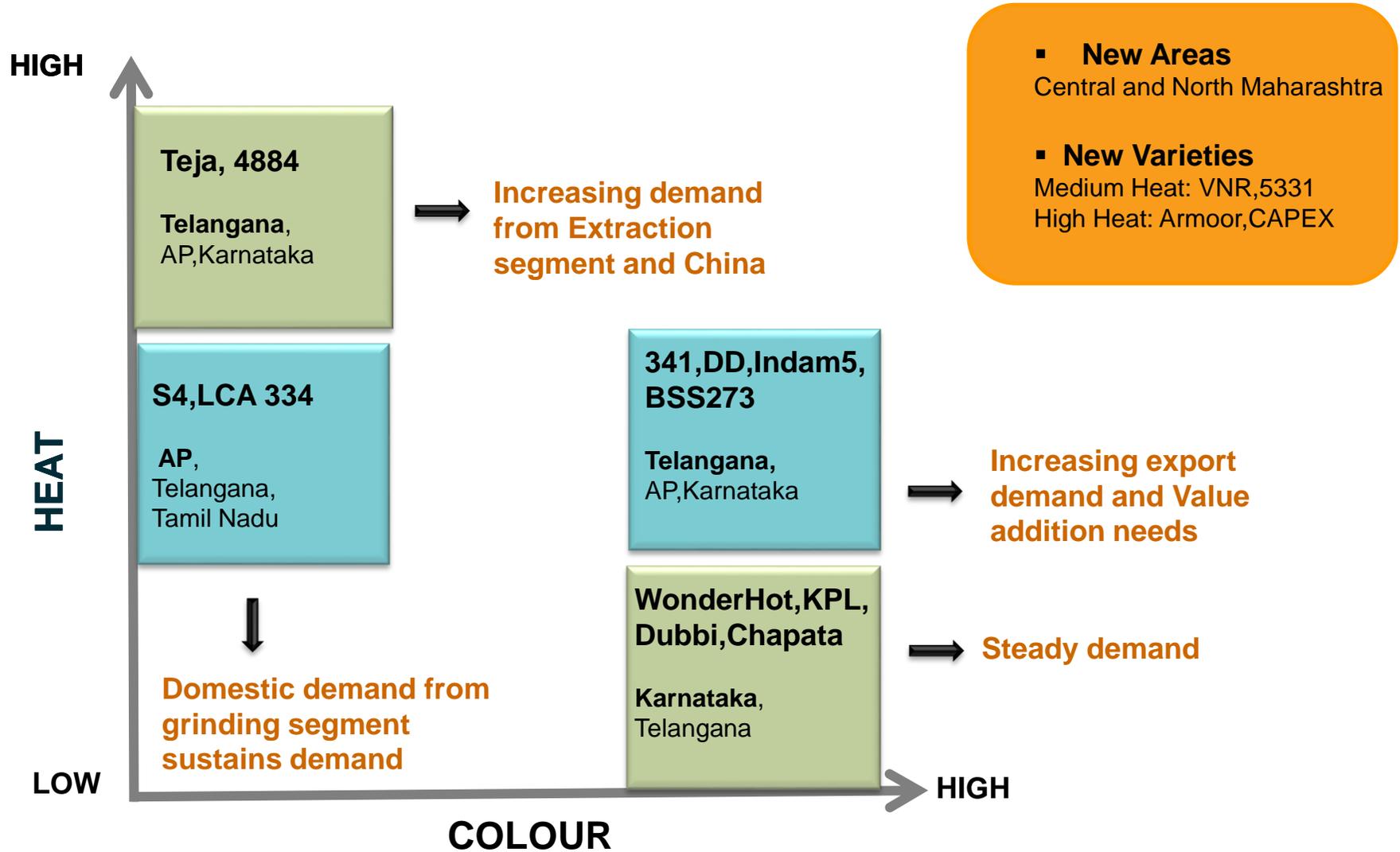


Prices and Arrivals



Trends and Challenges

Chilli Varieties Demand Trends



Chilli Value Chain Challenges

	Input Supplies	Chilli farming and Production	Aggregation and Logistics	Processing	Exports and Domestic Markets
Activities	Production & Distribution	Farming, Harvesting, Drying, Grading	Packaging, Transport, Storage	Cleaning, Crushing, Grinding, Processing	Marketing, Logistics
Products	Seeds, Pesticides, Fertilizers	Dried Chilli	Sorted and Graded Chilli	Crushed, Ground, Oleoresins Value Added forms	Packaged Finished product
Industry Structure	Small and Large private and public companies	Very large number of Small and marginal farmers	Large number of service providers, traders, agents	Limited number of private companies	Logistics service providers
Key Challenges					
<ul style="list-style-type: none"> • Availability of banned pesticides • Lack of awareness of proper irrigation techniques • Farm fragmentation lowering productivity • Non-standardized post harvest practices causing contamination and infestation • Unpredictable weather events affecting crop quality • Pandemic induced labour shortages • Withdrawal of Export Incentive scheme 					

Factors Influencing Supply

Key Initiatives

- 1 Drip Irrigation, Fertigation
- 2 Safe, Specialized Inputs
- 3 Post Harvest Practices
- 4 Sustainable standards
- 5 Farm to Fork Linkages
- 6 Sensor Technology Artificial Intelligence
- 7 Mechanization

Farm practices

Agri Technology

Areas of Impact

Higher Yields

Product Compliance

Reduced Pesticide Residue Levels

Traceability, Supply Chain Transparency

Reduced Cost of Cultivation

Market and Crop Outlook – 2022 Crop

2021-22 Crop and Market Outlook



Crop Outlook

- Higher demand levels expected to positively impact sowing
- A normal monsoon forecasted
- Maharashtra expected to see increased farmer interest; overall acreages are expected to be similar to LY

Market Outlook

- Carry forward stocks are expected to be meagre
- Higher demand for high heat expected to continue
- Continued demand from China can increase pricing pressures



THANK YOU !