



# Chinese Chilli Report

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# Overview:

## Chinese Chilli Report

- COVID DISEASE HAS CREATED A BIG DISRUPTION ON GLOBAL SUPPLY
- CAPSICUM OLEORESIN ARE IN THE HIGHEST PRICE LEVEL EVER
- NO CARRYOVER IN CHILLI COMPANIES FROM LAST YEAR CROP
- IN RECENT YEARS, DEMAND OF CHILLIS WORLDWIDE INCREASE YEAR BY YEAR, ESPECIALLY IN CHINA
- PLANTATION AREA FOR NEW CROP IS SMALLER, BETWEEN 15-20%
  - HEAVY RAIN IN SUMMER
  - PRIORITY OF PLANTING CORN, INCREASE ALL OVER CHINA



# Main Growing Areas in China

- \* Estimated 2021

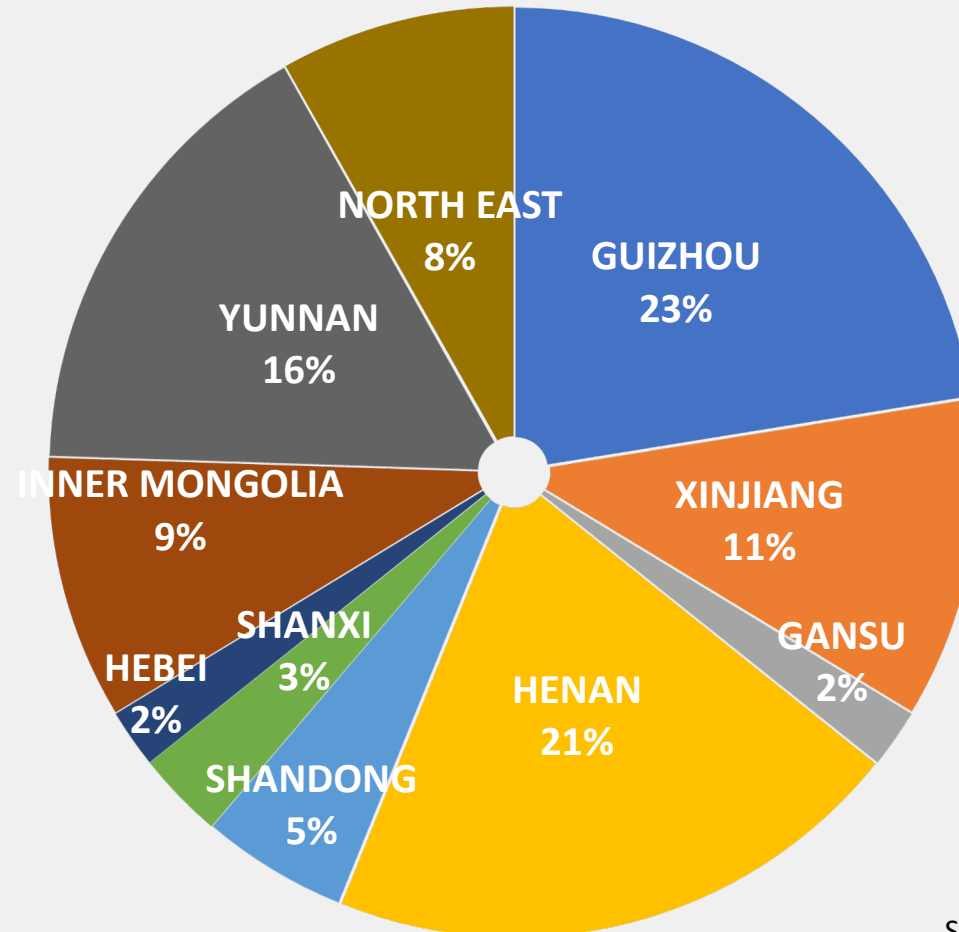


# Chinese Crop information



\* ESTIMATED 2021

- GUIZHOU
- XINJIANG
- GANSU
- HENAN
- SHANDONG
- SHANXI
- HEBEI
- INNER MONGOLIA
- YUNNAN
- NORTH EAST



Source: Ministry of Agriculture

# Issues Impacting Supply/ Price



- New chillies varieties:
  - High pungency varieties
- Alternative Crops:
  - Corn
  - Wheat
  - Onion
- Political Issue :
  - Xinjiang restrictions still outstanding
- Increase in costs
  - COVID 19
  - Labour & Transport

# Issues Impacting Supply/ Price



- Weather:
  - Heavy rains in July and September.
- Pesticide residue
  - More strict regulations worldwide
- Micotoxins
- China Electrical Restrictions

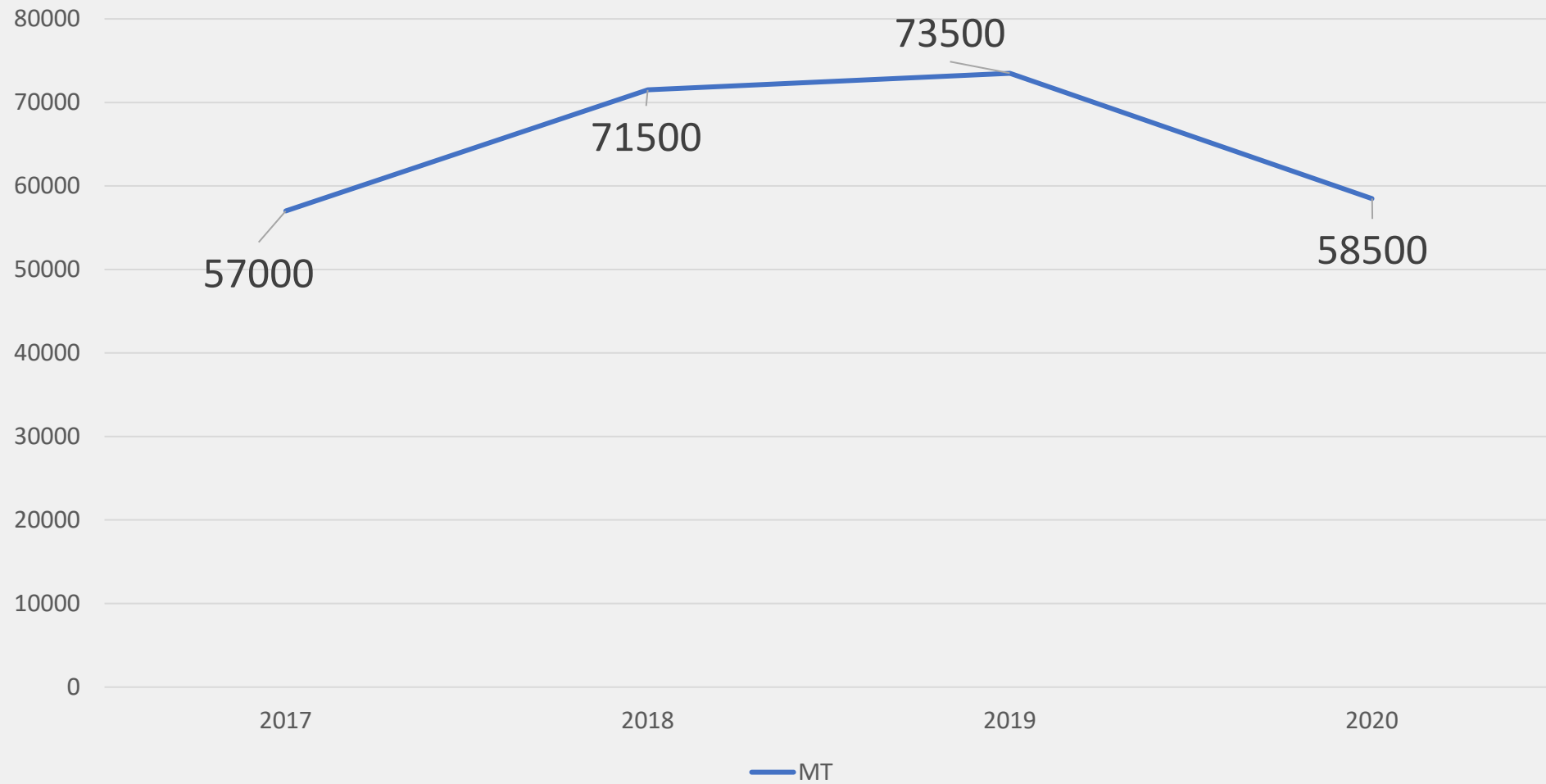


# Food Safety/ Quality



- Micotoxins
- Adulterants
- Allergen
- Pesticides Residues
- Heavy Metals
- Organic & Sustainable

# Historical Chinese Chilli Export



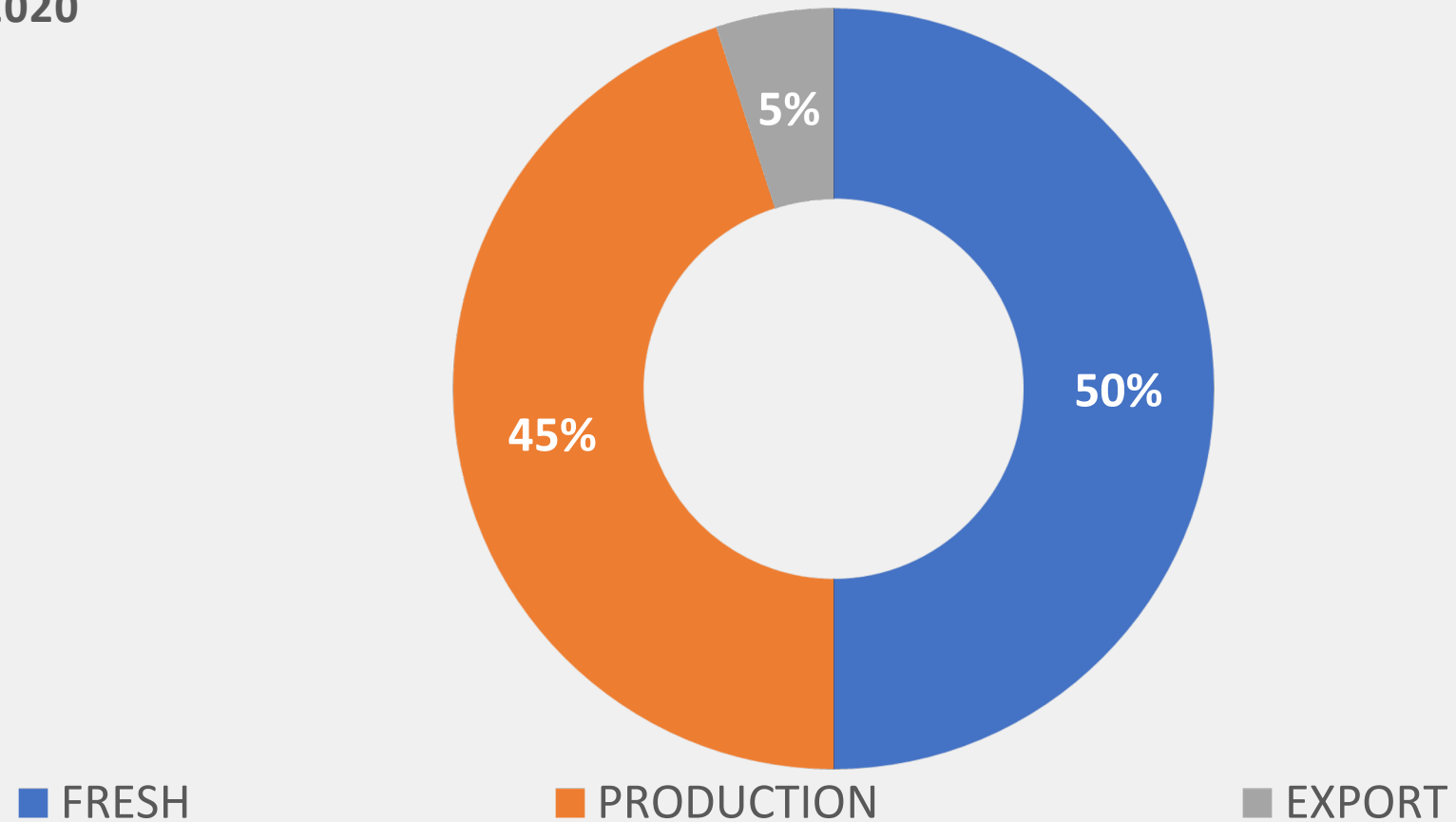
Source: myagric.cn



# Chinese Chilli Usage



\* ESTIMATED 2020



Source: China Chilli Association

# Summary:

- CHINESE CHILLI CROP WILL BE LESS THAN LAST YEAR
- NO CARRYOVER IN CHILLI COMPANIES FROM LAST YEAR CROP, SPECIALLY CAPSICUM OLEORESIN.
- FREIGH COST KEEP IN A HIGH LEVEL, NO POSITIVE FORECAST IN SHORT TERM.
- CHINA ELECTRICAL RESTRICTIONS IN MANY PROVINCES.
- STRICT REGULATION FOR IMPORT
- IN RECENT YEARS, EXPORT DEMAND OF CHILLIS FROM CHINA KEEP FIRM.



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Questions?

Thank you!  
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