

# ASTA Quarterly Crop Report Update,

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## INDIAN CHILLI CROP

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# 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%**

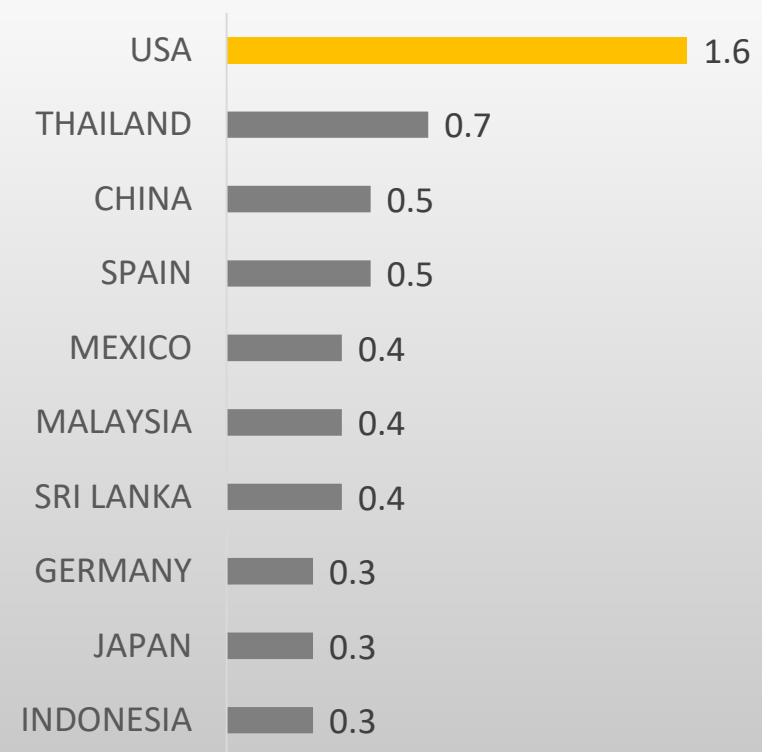
# Global Demand and Supply

**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)**

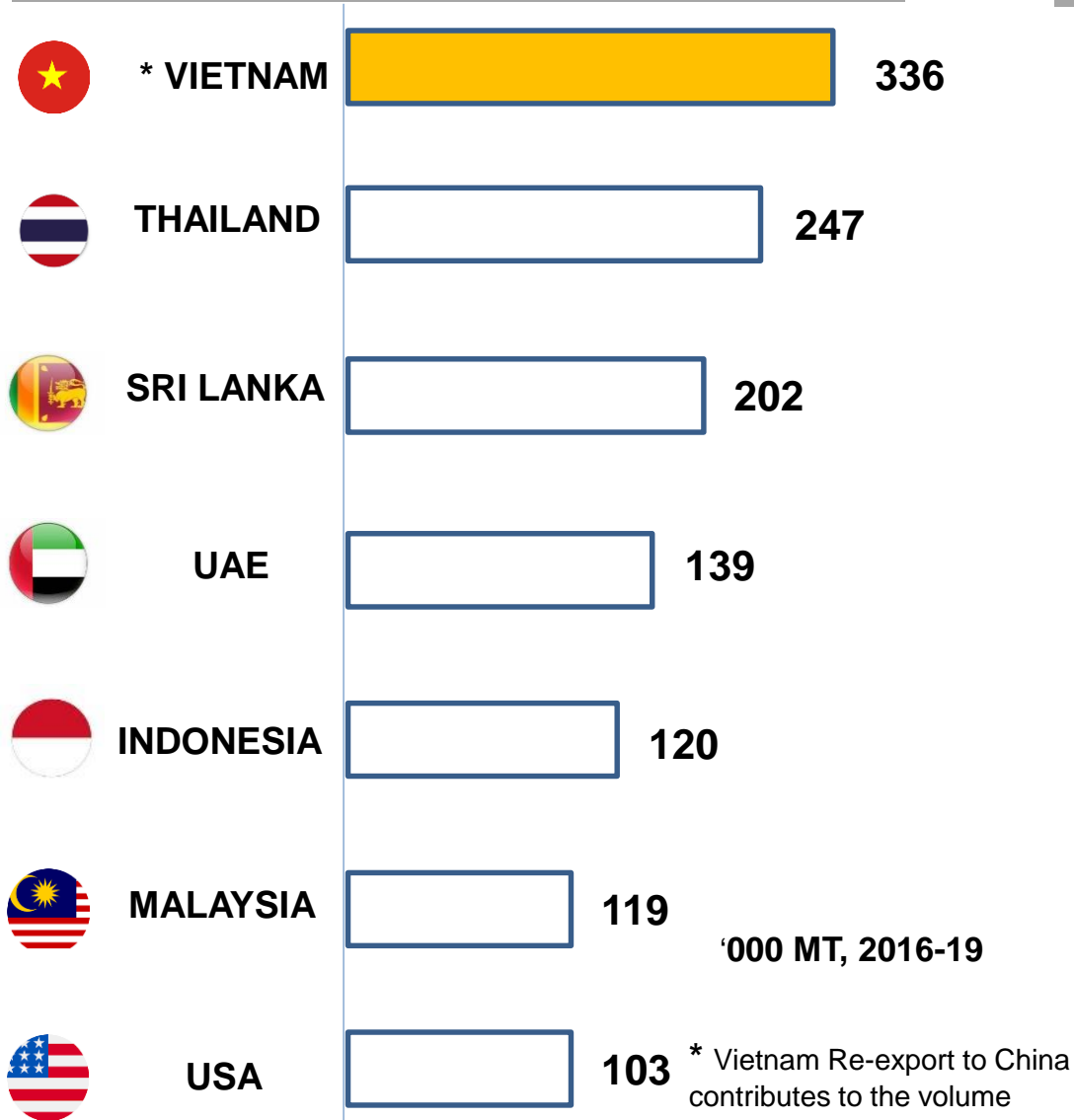


\* Source: FAOSTAT

# **Indian Chilli – Highlights**

# India Demand

## Top Chilli Importing Countries from India

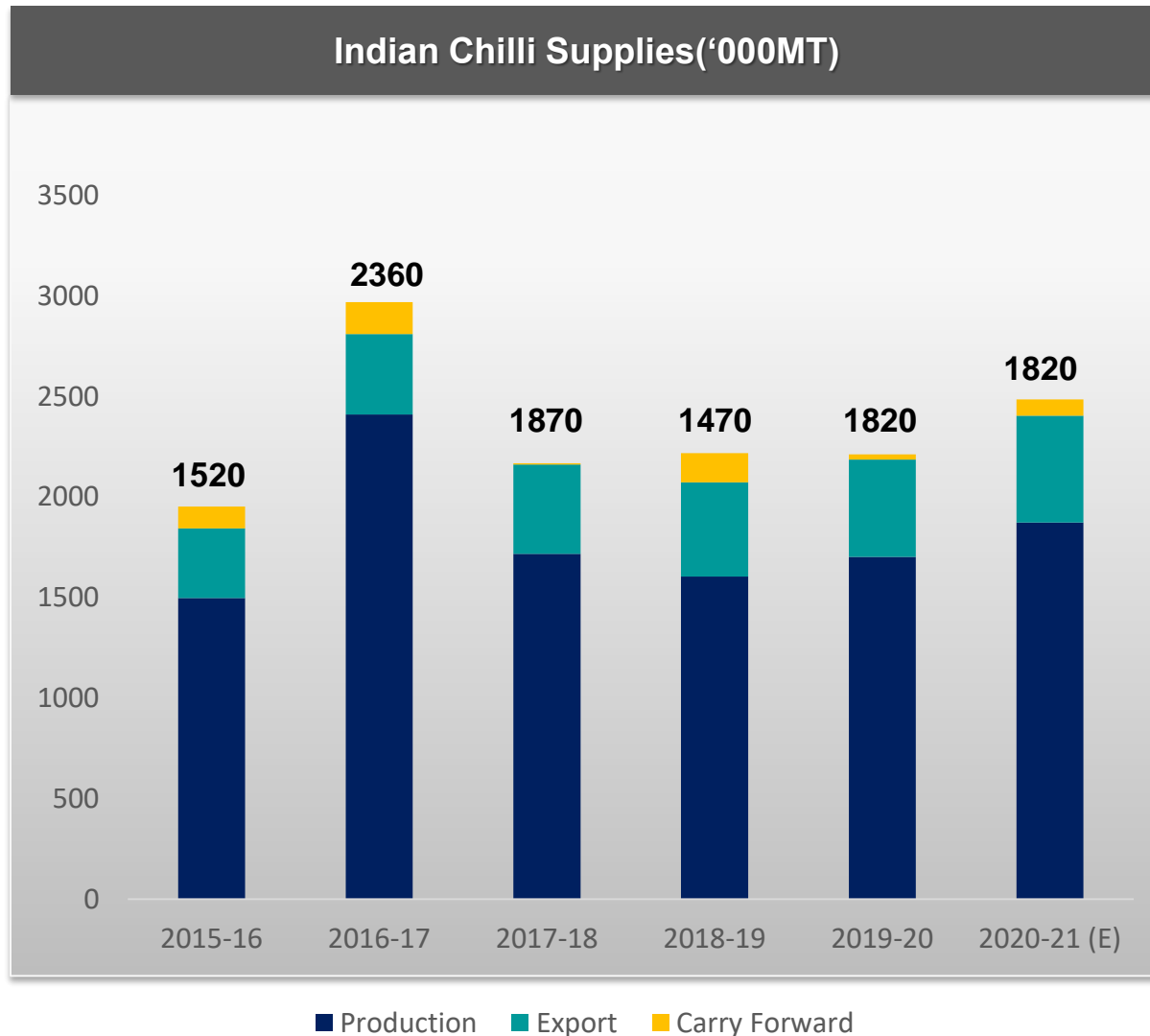


## India Demand Overview

- 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



## 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

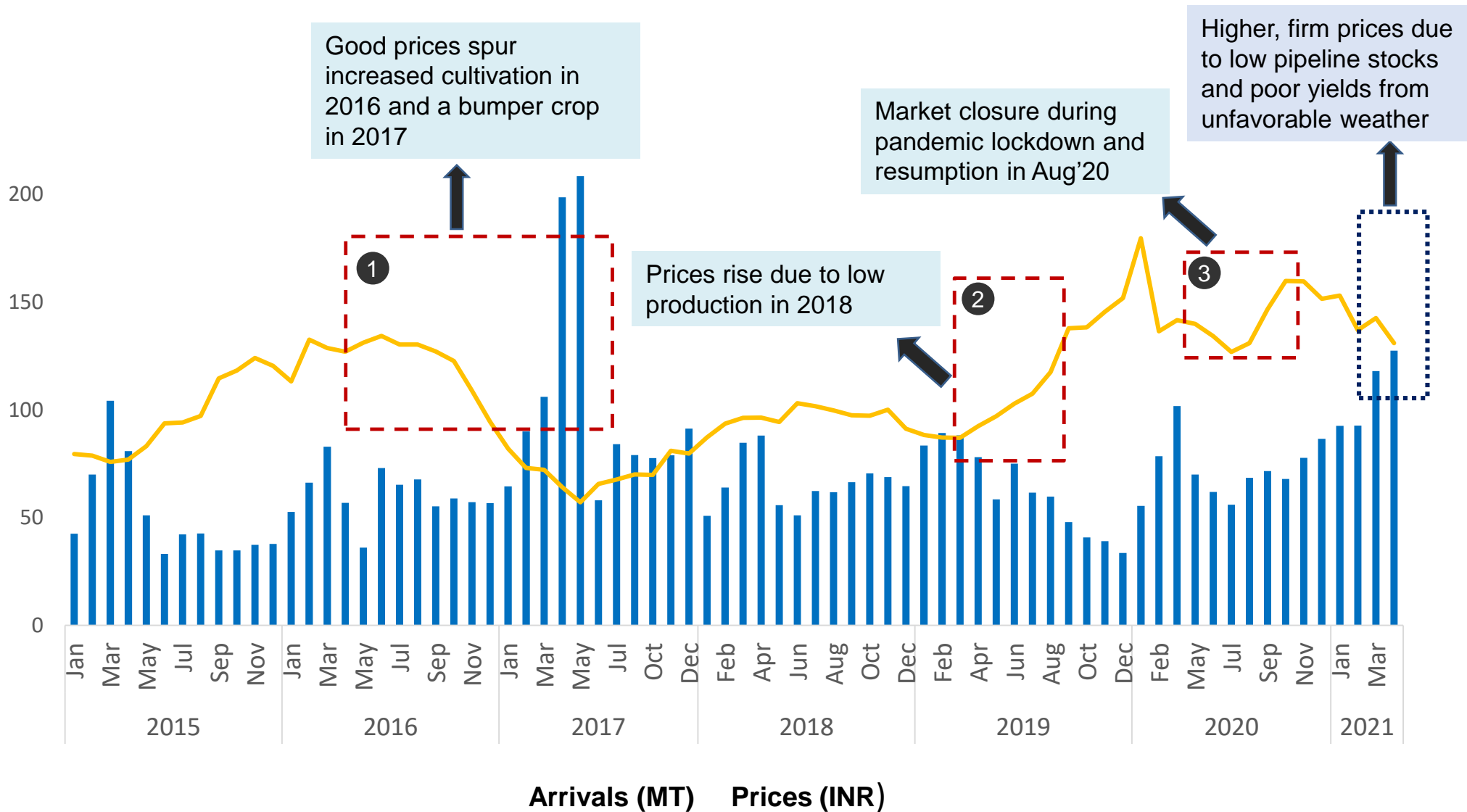
# **Indian Chilli Crop 2021 – Update**

# 2021 Crop

 <b>2020-21</b>	<b>Demand</b>	<ul style="list-style-type: none"><li>• Demand for High Heat Up</li><li>• Food Industry drives Export demand</li></ul>
	<b>Supply</b>	~10% YoY increase in acreages and production
	<b>Prices</b>	Prices remain firm owing to weather anomalies and sub-par yields

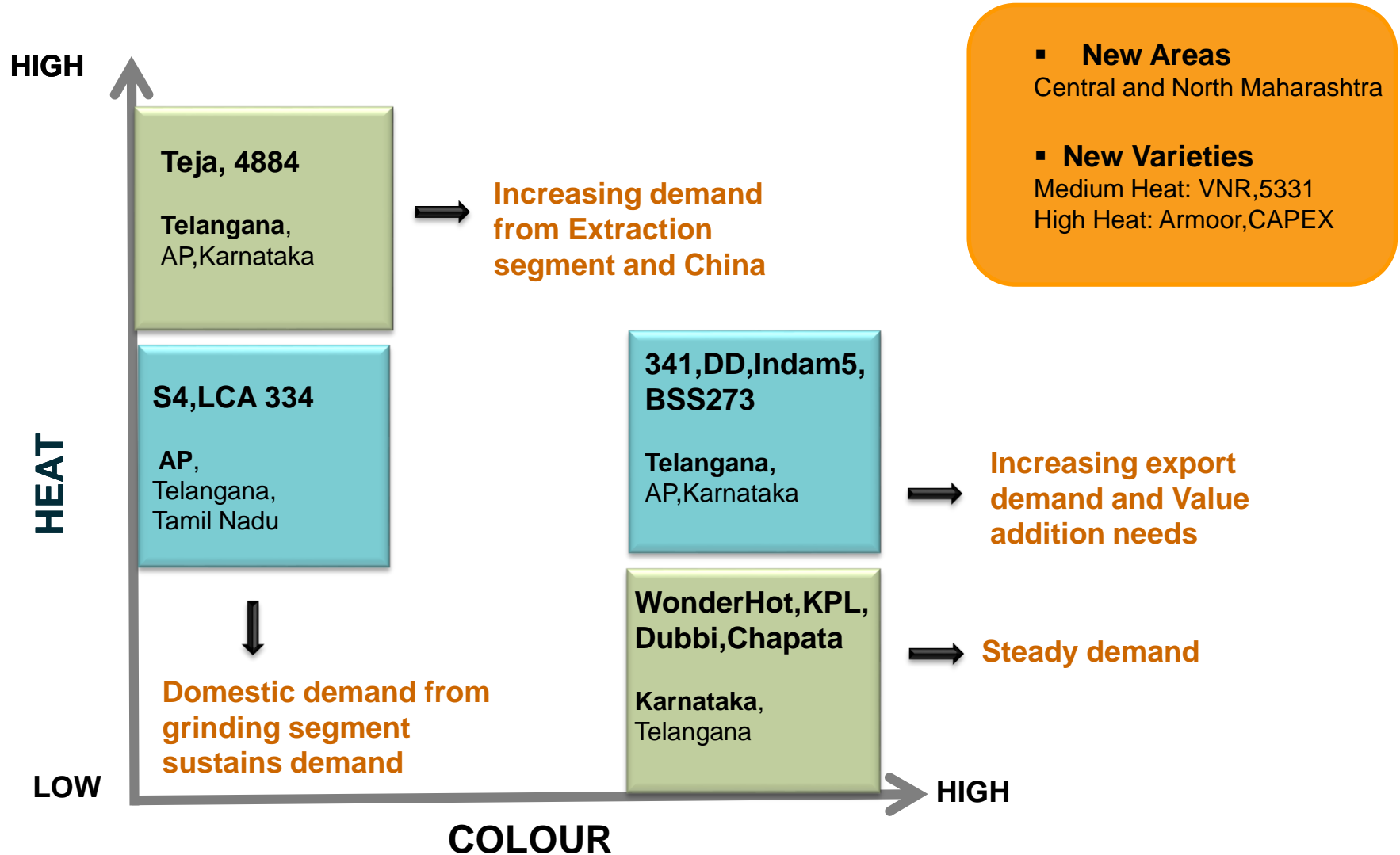


# Prices and Arrivals



# 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
<b>Activities</b>	Production & Distribution	Farming, Harvesting, Drying, Grading	Packaging, Transport, Storage	Cleaning, Crushing, Grinding, Processing	Marketing, Logistics
<b>Products</b>	Seeds, Pesticides, Fertilizers	Dried Chilli	Sorted and Graded Chilli	Crushed, Ground, Oleoresins Value Added forms	Packaged Finished product
<b>Industry Structure</b>	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
<b>Key Challenges</b>					
<ul style="list-style-type: none"> <li>• Availability of banned pesticides</li> <li>• Lack of awareness of proper irrigation techniques</li> <li>• Farm fragmentation lowering productivity</li> <li>• Non-standardized post harvest practices causing contamination and infestation</li> <li>• Unpredictable weather events affecting crop quality</li> <li>• Pandemic induced labour shortages</li> <li>• Withdrawal of Export Incentive scheme</li> </ul>					

# 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

Reduced Pesticide Residue Levels

Product Compliance

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 !**