

Chilli Outlook – April 2022

India is the world's largest producer, consumer and exporter of chillies. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. Indian chilli is mainly exported to Asian countries like China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand, UAE, etc. In India, major chilli producing states are Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka and West Bengal.

In 2020-21, Telangana ranked fourth in chilli area and second in chilli production and productivity i.e., 2.23 lakh acres, 5.45 lakh metric tonnes and 2444 Kg per acre respectively (4th advance estimates). Chilli area and production in Telangana account for 12.32% and 27.41% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural).

From 1st January 2022 to 30th March 2022, red chilli supply in the Guntur market is reported to add up to around 207,675 MT as compared to last year's same period of 196,650 MT, up by 5.61% as new crop supply continues in the spot market. Due to unseasonal rainfall during December and January, chilli quality reported damage. So, stockiest want to sell good quality cold storage stocks at further high prices.

Table 1: Red Chilli Balance Sheet (Quantities in lakh MT)

Particulars (Jan – Dec)	2021	2022 (Expected)
Opening Stock	1.04	1.88
Production	13.84	14.66
Imports	0.00	0.00
Total Supply	14.88	16.54
Consumption	8.50	8.63
Exports	4.50	4.75
Total use	13.00	13.38
Ending Stock	1.88	3.16
Stock to Use Ratio	14.46%	23.62%

Source: www.agriwatch.com

Table 2: Red Chilli (Dry) Arrival Scenario

State	Market	% Change Over Previous Month	Current Month Mar 2022	Last Month Feb 2022	Previous Year Mar 2021
Andhra Pradesh	Guntur	10.61	18,25,000	16,50,000	19,25,000
Telangana	Warangal	47.61	7,10,000	4,81,000	10,60,000
Total		18.96	25,35,000	21,31,000	29,85,000

Units – Bags (1 bag = 45 Kg)

Source: www.agriwatch.com

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chilli March, 2022

State	Prices March, 2022	Prices February, 2022	Prices March, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	8581.68	3548.9		141.81	—
Karnataka	15842.38	13843	11067.53	14.44	43.14
Kerala	21329.77	18270.7	14403.2	16.74	48.09
Madhya Pradesh	9538.71	10585.03	8854.75	-9.88	7.72
Maharashtra	17789.21	16518.69	20833.94	7.69	-14.61
Odisha	19800	19800	14800	0	33.78
Rajasthan	8225.88	6503.79	10101.57	26.48	-18.57
Telangana	15367.56			—	—
Uttar Pradesh	20769.23	17675.68	16141.3	17.5	28.67
Average	15249.38	13343.22	13743.18		

Source: <https://agmarknet.gov.in>

Table 4: Arrivals and Prices of Chilli at Khammam Market in March, 2022

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
3	9,706	13,000	18,200	17,200
4	15,176	13,000	18,450	17,100
9	16,052	14,500	18,300	17,100
10	14,270	14,300	18,550	17,300
11	12,916	14,000	18,400	17,100
14	13,244	13,000	18,450	17,100
15	1,335	14,000	18,400	17,200
17	5,322	13,500	18,500	17,200
21	13,083	14,500	18,525	17,200
22	13,500	14,000	18,400	17,000
23	16,731	14,000	18,300	17,000
24	11,302	14,000	18,100	16,900
25	9,290	13,000	18,400	16,900
29	10,886	13,500	18,400	17,000
30	11,237	13,200	18,625	17,000

Source: <http://tsmarketing.in/>

Chilli Price Outlook

Mixed sentiment was witnessed in the Red Chilli spot market during March. As Red Chilli supply rose by 18.96% last month as Farmers and Stockiest were in the major spot market due to the closing financial year.

Farmers and Stockiest are storing the best quality at cold storage with an expectation of further rise in prices after summer vacation which is likely to start from May second week for a one month.

Cold storage stocks reported lower at Guntur spot market in the current season. As per trade sources, as of now Guntur cold storage stocks are around 45 lakh bags (1 bag = 40 Kg) and total stocks in Andhra Pradesh is around 65 lakh bags compared to last year same period 75 – 78 lakh bags. On an average 12 to 15 thousand bags are stored in cold storage on a daily basis.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli is likely to trade in price range between Rs. 16,500 – 18,500 per quintal in the month of April 2022.