

Chilli Outlook – December 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. According to the 2nd advance estimates, India chilli production estimate was 18.66 lakh tonnes for 2021-22 as against 20.49 lakh tonnes in 2020-21.

In 2021-22, Telangana ranked fourth in chilli area and second in chilli production and productivity i.e., 3.85 lakh acres, 7.19 lakh tonnes and 1865 Kg per acre respectively (2nd advance estimates). Chilli area and production in Telangana account for 22% and 38% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). According to the 1st advance estimates, Telangana chilli production estimate was 3.70 lakh tonnes for 2022-23 as against 7.16 lakh tonnes in 2021-22.

Current year from 1st January 2022 to 2nd December 2022, Red Chilli supply in the Guntur market remained around 559,485 MT as compared to 674,595 MT same period last year, down by 17.06% on lower production and high demand of premium quality.

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 Week	26 th Nov to 2 nd Dec 2022	19 th Nov to 25 th Nov 2022	26 th Nov to 2 nd Dec 2021
Andhra Pradesh	Guntur	-8.62	2,65,000	2,90,000	2,80,000
Telangana	Warangal	250	28,000	8,000	75,000
Total		-1.68	2,93,000	2,98,000	3,55,000

Units – Bags (1 bag = 45 Kg) Source: www.agriwatch.com

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chili November, 2022

State	Prices November, 2022	Prices October, 2022	Prices November, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Karnataka	18518.18	17964.29	4827.6	3.08	283.59
Madhya Pradesh	10915.98	13039.23	5766.76	-16.28	89.29
Maharashtra	16133.48	19364.89	19384.57	-16.69	-16.77
Odisha	24800	24897.56	14800	-0.39	67.57
Rajasthan	6731	7768.35	13539.72	-13.35	-50.29
Telangana	15000	9500		-42.11	—
Uttar Pradesh	22891.89	23172.41	17162.16	-1.21	33.39
Average	16427.21	14735.9	12638.54		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	160	13,000	17,000	15,000
2	280	13,000	17,000	15,000
3	167	13,000	17,000	15,000
4	340	13,000	17,000	15,000
7	405	13,000	17,000	15,000
9	336	13,000	17,000	15,000
10	420	13,000	17,000	15,000
11	393	13,000	17,000	15,000
14	522	13,000	17,000	15,000
15	522	13,000	17,000	15,000
16	417	13,000	17,000	15,000
17	326	13,000	19,999	15,000
18	156	13,000	16,500	15,000
22	185	13,000	20,011	15,000
24	332	13,000	20,011	15,000
25	1,850	13,000	19,000	15,000
28	375	13,000	19,211	15,000
29	101	13,000	19,311	16,000

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

Chilli Price Outlook

Lower demand reported from masala millers for Teja variety has put cap on prices. In India, 334 variety has good demand from the domestic masala millers and export market, hence its price is currently trading higher as compared to Teja variety.

There is a very good demand of Red Chilli in export markets as well and hence as per Govt. data, in September 2022, 41,748 MT exports were reported, up by 55.81% from the previous month.

Farmers and stockiest are releasing their stocks on getting good prices only, due to lower stocks of premium quality with them out of which 75% are of Teja variety and except Teja all other varieties are of very short supply. As a result of which further corrections of INR 700 per quintal took place in Teja variety from the previous week.

As of now no crop damage has been reported in key growing regions in Andhra Pradesh and Telangana.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli may trade in price range between Rs. 14,500 – 16,000 per quintal in the month of December 2022.