

Chilli Outlook – February 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).

In current year, from 1st January 2022 to 2nd February 2022, red chilli supply in the Guntur market is reported up to around 54,900 metric tonnes (MT) as compared to last year's same period 51,750 MT, up by 6.09% as cold storage supply continued in the spot market in the wake of new crop supply. Last year, from 1st January 2021 to 31st December 2021, red chilli supply in the Guntur market was reported at around 737,370 MT as compared to last year's same period of 612,225 MT, up by 20.44% due to higher production.

Table 1: Area, Production and Productivity of Chilli in India

Year	Area (in Lakh ha)	Area (in lakh acres)	Production (in Lakh Tonnes)	Productivity (in Kg/Ha)
2010-11	7.16	17.70	12.99	1800
2011-12	8.05	19.89	12.76	1600
2012-13	7.94	19.62	13.04	1600
2013-14	7.75	19.15	14.92	1900
2014-15	7.61	18.80	16.05	2100
2015-16	8.11	20.04	15.20	1900
2016-17	8.31	20.53	18.72	2250
2017-18	8.40	20.76	20.96	2500
2018-19	7.06	17.45	23.86	3400
2019-20	6.84	16.90	19.31	2490
2020-21	7.32	18.08	19.88	2716

Source: www.indiastat.com, *2nd Advance Estimates

Table 2: Red Chilli (Dry) Arrival Scenario

State	Market	% Change Over Previous Month	January 2022	December 2021	January 2021
Andhra Pradesh	Guntur	-27.62	4,10,000	4,30,000	2,50,000
Telangana	Warangal	-18.11	44,000	53,000	13,800
Total		-26.30	4,54,000	4,83,000	2,63,800

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

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

State	Prices January, 2022	Prices December, 2021	Prices January, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Karnataka	8330.97	6660.26	16550.15	25.08	-49.66
Kerala	16981.85	15535.08	14962.27	9.31	13.5
Madhya Pradesh	6894.34	6324.35	8917.23	9.01	-22.69
Maharashtra	13321.32	14367.54	15483.64	-7.28	-13.97
Odisha	19800.00	15765.91	19800	25.59	0
Rajasthan	5100.56	10465.52	8585.65	-51.26	-40.59
Telangana	12500.00			—	—
Uttar Pradesh	17138.89	17495.24	18411.06	-2.04	-6.91
Average	10108.69	12373.41	14672.86		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
3	1,775	12,000	15,250	13,500
4	2,967	11,000	15,400	14,200
5	2,923	11,000	15,400	14,500
6	3,349	12,000	15,400	14,300
7	2,682	11,500	15,500	14,500
10	4,745	12,500	15,100	14,300
11	3,573	12,200	15,400	14,200
12	3,405	11,400	15,400	14,200
17	1,669	11,200	15,400	14,400
18	3,593	11,500	15,500	14,450
19	4,464	12,000	16,150	14,600
20	6,186	12,500	16,100	15,000
21	6,085	12,600	16,100	15,100
24	7,946	12,200	16,150	15,000
25	8,288	12,500	16,350	15,100
27	8,668	13,000	16,350	15,500
28	6,211	12,500	16,200	14,500
31	5,624	14,000	16,250	15,000

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

Chilli Price Outlook

By and large firm sentiment was witnessed in the Red Chilli spot market during January. Mostly, Warangal market reported up due to quality damage as a result of unseasonal rainfall during December and January.

Lower cold storage supply reported as stockiest were holding their stocks, which also supported the prices. Good demand reported for cold storage stocks as buyers feared quality damage in the new chilli crop.

At Guntur spot market, new crop arrivals continued with high moisture content around 10% to 12%, however, is expected that quality will remain poorer than normal, following the unseasonal rainfall. Currently chilli buyers like masala industries are waiting for good quality supply.

At Byadgi spot market, last week new chilli arrivals reported at around 414,000 bags (1 bag = 35 Kg), up by 2,000 bags as stockiest were releasing their stocks. Chilli prices were reported steady to firm.

At Bedia (Madhya Pradesh) market, chilli prices continued steady. New crop arrivals reported 15,000 bags, down by 7,000 bags as stockiest and producers were expecting further high prices for releasing their stocks.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli is likely to trade in price range between Rs. 12,500 – 15,000 per quintal in the month of February 2022.