

## Chilli Outlook – July 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 1<sup>st</sup> advance estimates, India chilli production estimate was 18.74 lakh tonnes for 2021-22 as against 20.49 lakh tonnes in 2020-21.

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 (4<sup>th</sup> 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). According to the 2<sup>nd</sup> advance estimates, chilli production estimate of Telangana was 7.11 lakh tonnes for 2021-22 as against 5.45 lakh tonnes in 2020-21.

In the current year from 1<sup>st</sup> January 2022 to 1<sup>st</sup> July 2022, Red Chilli supply in the Guntur market remained around 3,26,835 MT as compared to 3,18,195 MT same period last year, up by 2.72% as new crop supply continues in the spot market. In Warangal spot market, current year from 1<sup>st</sup> January 2022 to 1<sup>st</sup> July 2022, Red Chilli supply remained around 82,740 MT as compared to 1,05,220 MT same period last year, down by 21.36% due to crop damage reported this year.

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

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

Source: www.agriwatch.com

**Table 2: Red Chilli (Dry) Arrival Scenario**

State	Market	% Change Over Previous Week	25 <sup>th</sup> June to 1 <sup>st</sup> July 2022	18 <sup>th</sup> June to 24 <sup>th</sup> June 2022	25 <sup>th</sup> June to 1 <sup>st</sup> July 2021
Andhra Pradesh	Guntur	-12.12	2,90,000	3,30,000	3,05,000
Telangana	Warangal	2.63	39,000	38,000	10,000
<b>Total</b>		-10.60	3,29,000	3,68,000	3,15,000

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

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

State	Prices June, 2022	Prices May, 2022	Prices June, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	13065.71	10693.67		22.18	—
Karnataka	5904	15347.57	8565.5	-61.53	-31.07
Kerala	23434.62	21612.03	13592.88	8.43	72.4
Madhya Pradesh	9255.1	11893.64	9562.34	-22.18	-3.21
Maharashtra	19007.93	22346.08	16956.2	-14.94	12.1
Odisha	24800	21249.28		16.71	—
Rajasthan	14000	14000	14000	0	0
Telangana		16551.71		—	—
Uttar Pradesh	20600	20000	17241.94	3	19.48
Average	15586.72	17077.11	12274.12		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
6	901	13,500	18,000	17,000
7	1,557	12,000	17,400	16,000
8	1,779	12,000	17,800	16,200
9	1,468	12,000	17,000	16,000
10	1,207	12,000	17,100	14,000
13	1,080	12,100	17,300	16,000
14	2,109	12,000	16,500	15,000
15	688	12,000	17,300	16,000
16	321	12,500	18,500	17,000
17	412	12,000	18,200	16,500
22	791	12,000	17,500	16,000
23	577	12,500	18,500	16,900
24	467	12,500	17,200	16,200
27	944	11,000	16,000	15,000
29	1,520	18,500	22,000	20,100

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

### Chilli Price Outlook

By and large firm sentiment was witnessed in the Red Chilli spot market during the past week. Fresh export demand is coming from Bangladesh, Indonesia and Malaysia at Guntur market supporting the price. It may improve further in coming days. Demand from China is likely to come up in the coming days.

Red Chilli prices opened higher in Guntur and Khammam markets due to good quality cold storage stocks. Currently, at Guntur market old crop supply is comparatively more as farmers and stockiest are storing their fresh current year best quality crops on expectations of further higher prices in coming months.

Cold storage stocks are reportedly lower at benchmark Guntur market during the current season. According to sources, the cold storage stocks are around 48 lakh bags (1 bag = 40 Kgs) and total stocks in Andhra Pradesh is around 60 to 62 lakh bags compared to 78 to 80 lakh bags in the same period last year down by 22.78%.

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