

Chilli Outlook – June 2022

India is the world's largest producer, consumer and exporter of chilli. 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 1st 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 (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). According to the 2nd advance estimates, Telangana chilli production estimate was 7.11 lakh tonnes for 2021-22 as against 5.45 lakh tonnes in 2020-21.

During the current year from 1st January 2022 to 13th May 2022, Red Chilli supply in the Guntur market remained around 288,585 MT as compared to 270,675 MT same period last year, up by 6.62% 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 Week	14 th May to 20 th May 2022	6 th May to 13 th May 2022	14 th May to 20 th May 2021
Andhra Pradesh	Guntur	-	Closed	2,28,000	25000
Telangana	Warangal	-22	39,000	50,000	Closed
Total		-85.97	39,000	2,78,000	25,000

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

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

State	Prices May, 2022	Prices April, 2022	Prices May, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	10693.67	15342.97		-30.3	—
Karnataka	15347.57	8624.48	9161.1	77.95	67.53
Kerala	21631.51	21337.04	14166.81	1.38	52.69
Madhya Pradesh	11965.07	9943.14		20.33	—
Maharashtra	23701.99	20792.86	16439.91	13.99	44.17
Odisha	21006.35	19360.67		8.5	—
Rajasthan	14000	13491.46	14000	3.77	0
Telangana	15520.87	18434.5		-15.81	—
Uttar Pradesh	20000	21288.29	17500	-6.05	14.29
Average	17096.34	13998.67	14253.56		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
2	6,751	12,000	18,600	17,000
5	8,091	12,000	18,725	17,000
6	4,442	11,500	18,500	17,000
9	4,858	11,000	18,200	16,900
10	3,822	11,000	18,000	16,800
11	3,259	11,500	18,200	17,000
12	3,406	11,500	18,300	16,800
13	2,926	11,500	17,800	16,500

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

Chilli Price Outlook

Red Chilli supply fell by 85.97% last week in the major spot markets as most of the days markets were closed due to the summer vacation.

Cold storage stocks are reportedly lower at benchmark Guntur market during the current season. According to sources, till now, the cold storage stocks are around 48 lakh bags (1 bag = 40 Kg) and total stocks in Andhra Pradesh is around 65 to 66 lakh bags compared to 77–78 lakh bags in the same period last year down by 15.38%.

In Andhra Pradesh and Telangana also Red Chilli acreage is likely to go down by 10% to 15% this season. Farmer realization from other competitive crops like Cotton, Maize etc. are very high this season compared to last year. In Andhra Pradesh and Telangana Red Chilli nursery activity is likely to start from the last week of June.

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 June 2022.