

## Chilli Outlook – March 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 (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).

From 1<sup>st</sup> January 2022 to 18<sup>th</sup> February 2022, red chilli supply in the Guntur market is reported to add up to around 1,01,250 MT as compared to last year's same period 93,375 MT, up by 8.43% 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: Area, Production and Productivity of Chilli in India**

Year	Area		Production (in Lakh Tonnes)	Productivity (in Kg/Ha)
	(in lakh ha)	(in lakh acres)		
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, \*2<sup>nd</sup> Advance Estimates

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

State	Market	% Change Over Previous Month	11 <sup>th</sup> Feb to 17 <sup>th</sup> Feb 2022	04 <sup>th</sup> Feb to 10 <sup>th</sup> Feb 2022	11 <sup>th</sup> Feb to 17 <sup>th</sup> Feb 2021
Andhra Pradesh	Guntur	40.54	5,20,000	3,70,000	3,60,000
Telangana	Warangal	9.38	1,05,000	96,000	1,60,000
<b>Total</b>		34.12	<b>6,25,000</b>	<b>4,66,000</b>	<b>5,20,000</b>

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

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

State	Prices February, 2022	Prices January, 2022	Prices February, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	3479.42	2215.74		57.03	—
Karnataka	14180.93	8505.64	14784.52	66.72	-4.08
Kerala	18120.7	16821.21	14802.31	7.73	22.42
Madhya Pradesh	10778.26	6875.37	8513.05	56.77	26.61
Maharashtra	16735.23	11763.3	21366.15	42.27	-21.67
Odisha	19800	19800	18919.57	0	4.65
Rajasthan	4720.54	4887.76	8850.13	-3.42	-46.66
Uttar Pradesh	17675.68	17138.89	16110.61	3.13	9.71
Average	13186.34	9917.55	14763.76		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
2	8,202	13,600	17,000	15,500
3	7,893	12,500	17,525	16,400
4	6,785	11,000	17,700	16,400
5	4,097	11,000	18,025	17,000
8	8,142	12,500	18,500	17,300
9	10,709	15,000	19,550	18,000
11	11,413	13,600	19,650	18,000
14	16,758	14,500	19,000	17,300
18	8,156	16,000	18,200	17,300
19	4,292	16,000	18,000	17,000
21	7,067	15,200	18,000	16,900
22	10,591	14,000	17,800	16,800
23	16,070	14,000	18,200	17,000

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

### Chilli Price Outlook

Mixed sentiment was witnessed in the Red Chilli spot market during the last week of February. At Guntur Red Chilli spot market, out of total arrivals, around 50% arrivals are of rain affected qualities.

In the current year, due to unseasonal rainfall during November and December and virus attack, chilli quality has been damaged. Supply of premium quality is likely to be low in coming days and will support the prices. Currently normal export demand is reported for premium varieties. If farmers start selling more aggressively, the prices may temporarily decline below our forecast range.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli may trade in price range between Rs. 15,500 – 17,500 per quintal in the month of March 2022.