

## Chilli Outlook – May 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).

Current year 1<sup>st</sup> January 2022 to 21<sup>st</sup> April 2022, red chilli supply in the Guntur market adds up to around 256,275 MT as compared to last year's same period 251,550 MT, up by 1.88% 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)
<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	15 <sup>th</sup> Apr to 21 <sup>st</sup> April 2022	08 <sup>th</sup> Apr to 14 <sup>th</sup> April 2022	15 <sup>th</sup> Apr to 21 <sup>st</sup> April 2021
Andhra Pradesh	Guntur	22.22	4,40,000	3,60,000	5,40,000
Telangana	Warangal	-32.00	85,000	1,25,000	2,60,000
<b>Total</b>		8.25	<b>5,25,000</b>	<b>4,85,000</b>	<b>8,00,000</b>

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

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

State	Prices April, 2022	Prices March, 2022	Prices April, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	15342.97	8581.68		78.79	—
Karnataka	7791.37	15686.4	8607.14	-50.33	-9.48
Kerala	21034.3	21405	14589.29	-1.73	44.18
Madhya Pradesh	10074.47	9358.42		7.65	—
Maharashtra	20615.78	17750.14	22744.62	16.14	-9.36
Odisha	19328.92	19800	18873.53	-2.38	2.41
Rajasthan	13491.46	8728.39	14000	54.57	-3.63
Telangana	18523.92	15767.12		17.48	—
Uttar Pradesh	21361.9	20769.23	15372.78	2.85	38.96
Average	13903.19	15316.26	13541.05		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
4	9,354	8,900	19,050	15,500
6	13,601	13,000	19,000	16,900
8	20,322	13,000	19,050	17,000
11	10,556	13,000	18,800	17,100
13	15,187	13,000	18,775	17,000
16	7,996	12,500	17,800	16,800
18	11,912	12,200	18,400	17,000
19	10,980	12,000	18,400	16,900
20	10,720	12,000	18,050	16,900
21	9,665	12,000	18,100	17,000
22	8,103	12,000	18,100	16,900
25	7,352	11,200	17,700	16,500
26	6,645	11,500	18,400	16,900
27	6,530	12,000	18,650	16,900
28	6,424	12,000	18,300	16,900

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

### Chilli Price Outlook

Red Chilli buyers were reported inactive at higher prices level as Red Chilli prices were already trading at higher levels. Exporters are also expecting some price correction for fresh buying.

At Guntur spot market, normal chilli export demand reported from Bangladesh and Sri Lanka. Chilli total export quantity is likely to go down current year due to higher domestic prices. Also, lockdown in China (biggest importer from last three years) and Sri Lanka economic crisis may have added the sentiment.

Farmers and Stockiest are continuously storing the best quality at cold storage on expectation of further rise in prices after summer vacation which is likely to start from May second week for a one month.

As per trade sources, as of now Guntur cold storage stocks are around 45 to 48 lakh bags (1 bag = 40 Kg) and total stocks in Andhra Pradesh is around 62 to 65 lakh bags compared to last year same period 77 – 78 lakh bags.

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 May 2022.