

Chilli Outlook – October 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 2nd advance estimates, India chilli production estimate was 18.66 lakh tonnes for 2021-22 as against 20.49 lakh tonnes in 2020-21.

In 2021-22, Telangana ranked fourth in chilli area and second in chilli production and productivity i.e., 3.85 lakh acres, 7.19 lakh tonnes and 1865 Kg per acre respectively (2nd advance estimates). Chilli area and production in Telangana account for 22% and 38% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). According to the 4th advance estimates, Telangana chilli production estimate was 7.19 lakh tonnes for 2021-22 as against 5.45 lakh tonnes in 2020-21.

In Warangal market, farmers and stockiest were releasing their stocks in the fear of further decline in prices as it is trading at 4.26% low prices from the previous month on low stock of premium quality. Current year from 1st January 2022 to 23rd September 2022, Red Chilli supply in the Guntur market remained around 450,090 MT as compared to 489,960 MT same period last year, down by 8.14%.

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	24 th Sep to 30 th Sep 2022	17 th Sep to 23 rd Sep 2022	24 th Sep to 30 th Sep 2021
Andhra Pradesh	Guntur	-15.38	2,20,000	2,60,000	2,60,000
Telangana	Warangal	-3.57	27,000	28,000	39,000
Total		-14.24	2,47,000	2,88,000	2,99,000

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

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

State	Prices September, 2022	Prices August, 2022	Prices September, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	6500			—	—
Chhattisgarh	778.18	500	600	55.64	29.7
Karnataka	11750	12063.09	9652.1	-2.6	21.74
Kerala	29480.55	28588.86	13381.67	3.12	120.31
Madhya Pradesh	9182.93	5951.88	6297.43	54.29	45.82
Maharashtra	20921.99	20724.75	21826.16	0.95	-4.14
Odisha	24800	24800	16616.09	0	49.25
Rajasthan	11921.68	12780.17	14000	-6.72	-14.85
Uttar Pradesh	24250	23526.32	17308.16	3.08	40.11
Average	15509.48	16116.88	12460.2		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	950	13,000	17,000	15,000
2	370	13,000	17,000	15,000
5	400	13,000	17,000	15,000
6	560	13,000	17,000	15,000
7	458	13,000	17,000	15,000
8	912	13,000	17,000	15,000
9	360	13,000	17,000	15,000
12	234	13,000	17,000	15,000
13	256	13,000	17,000	15,000
14	654	13,000	17,000	15,000
15	250	13,000	17,000	15,000
19	506	13,000	17,500	15,000
20	108	13,000	17,500	15,000
21	275	13,000	17,500	15,000
22	378	13,000	17,500	15,000
23	1,556	18,000	22,400	19,500
27	235	13,000	17,500	15,000
28	283	13,000	17,500	15,000
29	268	13,000	17,500	15,000

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

Chilli Price Outlook

Red Chilli supply fell by 12.20% especially due to less supply in Guntur market as farmers and stockiest were anticipating further increase in prices. As compared to last year, it is down by 32.71% due to lower stocks of premium quality during the current season.

As per Govt. data, in July 2022, 35,456 MT exports were reported up by 36.29% from the previous June month. Overall exports from January 2022 to July 2022 is reported at 239,112 MT which is down by 26.87% from the same period last year (326,952 MT) as a result of lower availability of premium quality, Sri Lanka economic crisis, lockdown in China during early months of the current year.

During the current year, from January to July, China has imported 65,788.42 MT which was 115,980.97 MT during the same period last year, down by 43.28%. This is because of the crop damage and issue in quality, domestic trading is at all-time high prices, affecting the export scenario.

As of now, no crop damage has been reported in key growing regions in Andhra Pradesh, Telangana and Madhya Pradesh except mites have been seen in some parts of Karnataka key growing regions.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli may trade in price range between Rs. 14,500 – 16,000 per quintal in the month of October 2022.