

Chilli Outlook – September 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 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 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 spot market, current year from 1st January 2022 to 26th August 2022 Red Chilli supply remained around 90,820 MT as compared to 111,728 MT same period last year, down by 18.71% due to crop damage reported this year and also during the last few weeks Warangal market was closed due to heavy rainfall in the district.

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	27 th Aug to 2 nd Sep 2022	20 th Aug to 26 th Aug 2022	27 th Aug to 02 nd Sep 2021
Andhra Pradesh	Guntur	-25.93	2,00,000	2,70,000	3,40,000
Telangana	Warangal	-31.25	22,000	32,000	10000
Total		-26.49	2,22,000	3,02,000	3,50,000

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

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

State	Prices August, 2022	Prices July, 2022	Prices August, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
Chhattisgarh		6000	633.47	—	—
Karnataka	12242	11382.67	12649.82	7.55	-3.22
Kerala	28499.44	25336.44	13613.81	12.48	109.34
Madhya Pradesh	6155.83	7746.87	7750.15	-20.54	-20.57
Maharashtra	20961.48	25420.41	20555.31	-17.54	1.98
Odisha	24800	24800	19010.53	0	30.45
Rajasthan	12780.17	11915.48	14000	7.26	-8.71
Uttar Pradesh	23526.32	21176.47	17244.68	11.1	36.43
Average	18423.61	16722.29	13182.22		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	1,871	13,000	16,800	15,200
2	1,631	13,000	16,500	15,200
3	1,240	13,000	17,000	15,200
4	1,847	13,000	17,000	15,200
5	992	13,000	16,500	15,000
8	1,300	13,000	16,500	15,000
10	1,720	13,000	17,000	15,000
11	518	13,000	17,000	15,000
12	1,440	13,000	17,000	15,000
16	160	13,000	17,000	15,000
17	2,262	13,000	17,500	15,000
18	2,447	13,000	17,000	15,000
19	1,841	13,000	17,500	15,000
22	1,945	13,000	17,500	15,000
23	2,527	17,500	17,500	20,100
24	2,288	13,000	17,500	15,000
25	2,980	13,000	17,000	15,000
26	1,898	13,000	17,000	15,000
29	720	13,000	17,000	15,000

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

Chilli Price Outlook

Continuing exporters demand (to supply/export to Bangladesh, Indonesia and Malaysia) at Guntur market supporting the prices. Red Chilli 334(S4) increased demand coming from Bangladesh and masala millers from South India.

Red Chilli supply rose by 89.94% as farmers and stockiest were releasing their stocks especially in Guntur Market on getting good prices amid good demand in export market. As compared to last year, it is down by 7.93% on low stock of premium quality during the current season.

As per govt. data, in June 2022, 26,016 MT exports were reported down by 11.43% from the previous month. Overall exports from January 2022 to June 2022 is reported as 2,03,656 MT which is down by 31.15% from the same period last year as a result of lower availability of premium quality, Sri Lanka economic crisis, and lockdown in China during early months of the current year. From January 2021 to June 2021 total exports were 295,780 MT.

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