

Chilli Outlook – April 2023

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 3rd advance estimates, India chilli production estimate was 15.78 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 (3rd advance estimates). Chilli area and production in Telangana account for 22% and 46% 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 5.21 lakh tonnes for 2022-23 as against 7.16 lakh tonnes in 2021-22.

During the current year (1st Jan, 2023 – 24th Mar, 2023) new crop arrivals in the Guntur benchmark market were recorded at 235,800 MT which was 194,625 MT in the same period last year, up by 21.16% on higher production and good demand and it is likely to continue until April 2023.

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	18 th Mar to 24 th Mar 2023	11 th Mar to 17 th Mar 2023	18 th Mar to 24 th Mar 2022
Andhra Pradesh	Guntur	-33.02	3,55,000	5,30,000	4,00,000
Telangana	Warangal	-47.92	1,25,000	2,40,000	160000
Madhya Pradesh	Bedia	--	Closed	1,500	23000
Karnataka	Byadgi	-10.2	2,20,000	2,45,000	84500
Total		-31.14	7,00,000	10,16,500	6,67,500

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

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chili March, 2023

State	Prices March, 2023	Prices Febraury, 2023	Prices March, 2022	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	15888.25	4350.02	8581.68	265.25	85.14
Karnataka	20428.02	17577.77	15686.4	16.22	30.23
Kerala	24084.74	25088.86	21405	-4	12.52
Madhya Pradesh	15233.91	13484.95	9358.42	12.97	62.78
Maharashtra	23399.98	21682	17750.14	7.92	31.83
Odisha	14140.66	26493.55	19800	-46.63	-28.58
Rajasthan	11189.66	10787.93	8728.39	3.72	28.2
Tamil Nadu	21560.89	13544.33		59.19	—
Telangana	18958.79	12500	15767.12	51.67	20.24
Uttar Pradesh	9512.61	2063.68	20769.23	360.95	-54.2
Average	17439.75	12631.09	15316.26		

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

Table 4: Arrivals and Prices of Chilli at Khammam Market in March, 2023

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
2	14,326	16,000	21,600	20,000
3	14,766	16,000	21,000	19,500
9	12,377	16,000	20,550	19,500
10	12,377	16,000	20,900	19,800
13	16,036	17,000	21,600	20,000
14	13,570	17,000	21,800	20,000
15	10,311	18,300	22,501	20,700
16	10,768	18,300	23,000	20,900
17	6,112	19,000	23,000	20,900
20	9,524	17,000	25,550	23,000
23	11,517	17,600	24,650	20,900
24	13,850	17,600	24,000	20,000
27	15,064	16,000	23,000	20,000
28	9,042	16,000	22,400	20,000
29	7,325	16,000	23,500	20,000
31	6,703	15,000	23,000	20,000

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

Chilli Price Outlook

Currently lower demand reported from Chilli Oleoresin Companies like Synthite, Plant Lipids etc. due to all time high prices. Normally they procure Karnataka chilli variety (due to premium quality) and from markets like Byadgi, Bellary, Hubli etc. As per local trade sources, current year as of now they are waiting for some prices correction to do fresh procurement.

In January 2023, Red Chilli exports increased by 20.70% over the previous month as a result of strong demand and increased supply of premium quality, primarily from China, the United States, Bangladesh, and Indonesia. This trend is expected to continue in the months to come.

Red Chilli exports in January were 37,429 MT, up from 31,009 MT in December and 38,112 MT at the same period last year.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli is likely to trade in price range between Rs. 18,500 – 20,500 per quintal in the month of April 2023.