

## Chilli Outlook – February 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 2<sup>nd</sup> 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 (2<sup>nd</sup> 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 1<sup>st</sup> advance estimates, Telangana chilli production estimate was 3.70 lakh tonnes for 2022-23 as against 7.16 lakh tonnes in 2021-22.

During the year 2022 (1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022), Red Chilli supply in the Guntur market remained around 593,010 MT as compared to 740,970 MT same period last year, down by 19.97% due to high demand and lower availability of premium quality during the last season.

**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	14 <sup>th</sup> Jan to 20 <sup>th</sup> Jan 2023	7 <sup>th</sup> Jan to 13 <sup>th</sup> Jan 2022	14 <sup>th</sup> Jan to 20 <sup>th</sup> Jan 2022
Andhra Pradesh	Guntur	<b>-22.67</b>	2,90,000	3,75,000	2,25,000
Telangana	Warangal	<b>-18.37</b>	40,000	49,000	26,000
<b>Total</b>		<b>-22.17</b>	<b>3,30,000</b>	<b>4,24,000</b>	<b>2,51,000</b>

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

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

State	Prices January, 2023	Prices December, 2022	Prices January, 2022	% Change(Over Previous Month)	% Change(Over Previous Year)
Chhattisgarh		500		—	—
Gujarat	3828.15	3593.51	2215.74	6.53	72.77
Karnataka	20717.52	32319.1	8505.64	-35.9	143.57
Kerala	28370.57	126594.03	16821.21	-77.59	68.66
Madhya Pradesh	8827.95	8570.56	6875.37	3	28.4
Maharashtra	13272.12	13654.69	11763.3	-2.8	12.83
Odisha	20234.78	23619.44	19800	-14.33	2.2
Rajasthan	9859.44	6249.5	4887.76	57.76	101.72
Telangana	19840.79		1250	—	1487.26
Uttar Pradesh	24000	23750	17138.89	1.05	40.03
Average	16550.15	26538.98	9917.55		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
3	4,786	13,500	20,100	18,800
4	4,748	13,500	21,000	19,500
5	5,898	13,500	21,050	19,500
6	4,804	13,500	21,000	19,500
9	7,366	13,600	20,800	19,700
10	6,978	13,600	20,100	19,100
11	7,336	13,500	20,100	19,300
12	6,682	13,500	20,000	18,500
13	3,303	13,500	19,600	18,500
17	5,368	13,500	19,600	18,500
19	12,375	13,500	19,700	18,500
20	12,264	13,500	19,800	18,500
23	15,044	13,500	19,500	18,000
27	14,666	12,000	19,100	18,000
30	19,156	12,000	18,700	17,500
31	13,979	12,000	18,400	17,700

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

### Chilli Price Outlook

Despite of good export demand from China, Malaysia and other exporting countries, mostly prices reported down in the cash markets due to increased pressure from supply side as farmers and stockiest are continuously releasing their stocks in the fear of further decline in prices in the coming weeks.

Red Chilli (including Dry, Powder, and Crushed) around 34,623 MT exports were reported in the Nov, 2022 up by 10.15% from the previous month on good demand from major exporting countries during the past month.

Overall exports (from Jan, 2022 to Nov, 2022) reported at 373,712 MT down by 32.58% from the same period last year due to lower availability and high prices of premium quality during the season 2021-22.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli is likely to trade in price range between Rs. 16,500 – 18,500 per quintal in the month of February 2023.