

## Chilli Outlook – January 2023

India is the world's largest producer, consumer and exporter of chilli. 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.

Current year from 1<sup>st</sup> January 2022 to 23<sup>rd</sup> December 2022, Red Chilli supply in the Guntur market remained around 586,485 MT as compared to 720,270 MT same period last year, down by 18.57% on lower production and high demand 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	17 <sup>th</sup> Dec to 23 <sup>rd</sup> Dec 2022	10 <sup>th</sup> Dec to 16 <sup>th</sup> Dec 2022	17 <sup>th</sup> Dec to 23 <sup>rd</sup> Dec 2021
Andhra Pradesh	Guntur	22.22	2,20,000	1,80,000	4,30,000
Telangana	Warangal	11.76	9,500	8,500	53000
<b>Total</b>		21.75	2,29,500	1,88,500	4,83,000

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

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

State	Prices December, 2022	Prices November, 2022	Prices December, 2021	% Change(Over Previous Month)	% Change(Over Previous Year)
<b>Karnataka</b>	32319.1	18433.33	6660.26	75.33	385.25
<b>Madhya Pradesh</b>	8550.32	10431.41	6324.35	-18.03	35.2
<b>Maharashtra</b>	14589.33	14420.31	14367.54	1.17	1.54
<b>Odisha</b>	24165.08	24800.00	15765.91	-2.56	53.27
<b>Rajasthan</b>	6556.63	6878.13	10465.52	-4.67	-37.35
<b>Telangana</b>	18000.00	16500.00		—	—
<b>Uttar Pradesh</b>	23750.00	22891.89	17495.24	3.75	35.75
<b>Average</b>	18275.78	16336.44	12373.41		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
1	148	13,000	19,200	16,000
2	300	13,000	19,431	16,000
5	442	13,000	19,250	16,000
6	240	13,000	19,250	15,000
7	462	13,000	19,300	18,000
8	316	13,000	19,500	18,000
9	538	15,000	19,629	18,000
12	497	13,000	20,502	18,500
13	766	15,000	21,699	19,500
14	930	15,000	21,900	19,500
15	1,179	16,000	21,500	19,500
16	1,491	16,000	21,000	19,000
19	2,117	15,000	20,111	19,000
20	1,572	16,000	19,800	19,000
21	1,703	12,000	19,900	18,000
22	2,120	12,000	19,800	18,000
27	3,084	12,000	19,800	18,000
28	2,508	12,000	20,250	18,500

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

### Chilli Price Outlook

On fresh demand red chilli in export market from China and Bangladesh and limited supply of new crop stocks, prices of many varieties were trading at higher side.

Major importers are now waiting for the start of new crop arrivals due to which Teja variety is now trading at INR 18,000-22,000 (Low-High) per quintal, up by INR 500 per quintal from the previous week. However it was trading at INR 23,000 (High) per quintal on export demand during the start of previous week but then corrected by INR 1,000 per quintal to INR 22,000 per quintal.

On the start of new crop arrivals, prices have started to decrease for a few varieties. Arrivals are likely to increase after second fortnight of January. Currently normal export demand is reported for premium varieties.

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 January 2023.