

## Chilli Outlook – March 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 3<sup>rd</sup> advance estimates, India's 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 (3<sup>rd</sup> 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 2<sup>nd</sup> 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 (1<sup>st</sup> Jan, 2023 – 24<sup>th</sup> Feb, 2023) new crop arrivals in the Guntur market were recorded at 155,250 MT which was 118,800 MT in the same period last year, up by 30.68% on higher production and good demand in the market.

**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	18 <sup>th</sup> Feb to 24 <sup>th</sup> Feb 2023	11 <sup>th</sup> Feb to 17 <sup>th</sup> Feb 2022	18 <sup>th</sup> Feb to 24 <sup>th</sup> Feb 2022
Andhra Pradesh	Guntur	<b>-17.07</b>	5,10,000	6,15,000	4,90,000
Telangana	Warangal	<b>-26.67</b>	1,65,000	2,25,000	155,000
<b>Total</b>		<b>-19.64</b>	<b>6,75,000</b>	<b>8,40,000</b>	<b>6,45,000</b>

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

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

State	Prices Febraury, 2023	Prices January, 2023	Prices Febraury, 2022	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	4350.02	3819.41	3548.9	13.89	22.57
Karnataka	17577.77	20872.55	13843	-15.79	26.98
Kerala	25229.22	28189.72	18270.7	-10.5	38.09
Madhya Pradesh	13436.46	11109.43	10585.03	20.95	26.94
Maharashtra	22117.09	15847.6	16518.69	39.56	33.89
Odisha	26325.42	20761.54	19800	26.8	32.96
Rajasthan	10437.73	9778.2	6503.79	6.74	60.49
Tamil Nadu	17850			---	---
Telangana	12500	15040.66		-16.89	---
Uttar Pradesh	2063.68	23432.99	17675.68	-91.19	-88.32
Average	14126.13	14935.21	13343.22		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
2	14,587	12,000	18,200	17,700
3	14,197	12,000	18,200	17,500
4	5,221	12,000	18,200	17,000
7	22,658	12,000	18,200	17,500
8	20,760	12,000	18,050	17,500
9	21,190	12,000	18,150	17,000
10	18,705	12,000	18,200	17,500
13	24,053	12,000	18,150	17,600
14	20,885	14,000	18,400	17,800
15	23,797	14,000	18,300	17,800
16	21,285	14,000	18,300	17,800
21	17,366	14,000	18,500	17,800
22	20,624	14,000	19,100	18,500
24	20,970	14,000	20,800	19,500
25	8,388	14,000	20,200	19,000

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

### Chilli Price Outlook

Buyers from the domestic (including masala millers and companies) and export markets have now started to buy due to which prices are stable at higher range in the cash markets. There is a very good export demand for 334, Teja and NCDEX Quality in the Guntur spot market.

Higher productions with premium quality are attracting the major importing countries like China, Sri Lanka, Thailand, Indonesia, Malaysia, Vietnam, etc. due to which chillies may trade stable in the short-term.

Red Chilli export demand declined during the year 2022 due to lower availability of premium quality (in the season 2021-22) as a result, total exports (Jan 2022 to Dec 2022) reported at 4,04,950 MT down by 26.94% from the previous year at 554,293 MT.

Last year exporters are inactive as Red Chilli prices are trading at all time high position and also lower availability of premium quality. Red Chilli exports were down by 26.90% during the current year as compared to last year same period.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Chilli may trade in price range between Rs. 16,500 – 19,000 per quintal in the month of March 2023.