

Chilli Outlook – May 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, Mahbubabad, Gadwal, Suryapet and Warangal (Rural). According to the 3rd advance estimates, Telangana chilli production estimate was 5.32 lakh tonnes for 2022-23 as against 7.16 lakh tonnes in 2021-22.

As of now in AP, total around 55 to 60 lakh bags (1 bag = 45 kgs) cold storage stocks have been reported and we expect another 30 to 35 lakh bags more can be stored before summer vacation (which is likely to start from 2nd week of May). Current year as per current situation total stocks are expected to be around 85 to 95 lakh bags.

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 Month	Current Month March 2023	Last Month March 2023	Previous Year March 2022
Andhra Pradesh	Guntur	-10.4	18,95,000	21,15,000	18,25,000
Telangana	Warangal	15.11	8,00,000	6,95,000	7,10,000
Total		-4.09	26,95,000	28,10,000	25,35,000

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

Table 3: State wise Wholesale Prices Monthly Analysis for Red Chilli April, 2023

State	Prices April, 2023	Prices March, 2023	Prices April, 2022	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	15944	15888	15343	0.35	3.92
Karnataka	21173	17999	8624	17.63	145.51
Kerala	26731	24294	21337	10.03	25.28
Madhya Pradesh	12998	15543	9943	-16.37	30.73
Maharashtra	23139	24138	20793	-4.14	11.28
Odisha	29800	14879	19361	100.28	53.92
Rajasthan	15000	11190	13491	34.05	11.19
Tamil Nadu	17436	22073		-21.01	—
Telangana	18096	19667	18434	-7.99	-1.83
Uttar Pradesh	14478	10048	21288	44.09	-31.99
Average	16667.67	16701.73	13998.55		

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

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

Date	Arrivals (q)	Minimum Price (Rs/q)	Maximum Price (Rs/q)	Modal Price (Rs/q)
4	16,248	17,500	23,900	21,000
6	21,314	17,000	23,800	21,000
10	22,466	17,000	23,600	21,000
11	19,191	17,000	24,500	21,000
12	22,182	17,000	23,100	21,000
13	21,400	17,000	23,700	21,000
17	26,202	17,500	23,500	21,000
19	19,507	18,000	22,900	21,000
21	25,930	18,000	22,900	21,000
24	19,915	18,000	23,000	21,000
25	19,369	18,000	22,800	21,000
26	13,876	18,000	23,050	21,000
27	14,607	15,000	22,650	19,600
28	10,503	14,500	22,300	19,000
4	16,248	17,500	23,900	21,000
6	21,314	17,000	23,800	21,000

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

Chilli Price Outlook

As Indian Red Chilli prices are trading at higher range, demand from China reported lower in the domestic market. Till March 2023 Vietnam exported 2,671 tons of Red chilli, compared to the same period in 2022, the export volume increased by 49.2%. China is the main export market of Vietnamese chilli, accounting for 88.2%, reaching 2,355 tons and increasing by 57% compared to the same period last year.

In February 2023 (Acc. to Govt. data), Red Chilli exports increased by 105.08% over the previous month as a result of increased supply of premium quality and a very strong demand, primarily from China, the United States, Bangladesh, Malaysia and Indonesia.

Red Chilli exports in February were 76,760 MT, up from 37,429 MT in January 2023 and 28,498 MT during the same period last year.

Arrivals in the Guntur benchmark market have increased by 18% from the previous week. Due to higher price level farmers and stockiest are offloading their lower quality stocks in the fear of decline in prices on higher production. Warangal market has also witnessed a 7.89% increase in arrivals as compared to the previous week.

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