



Chili Crop and Market Update

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Topics Covered

- 1** Crop (Global and India)
 - 2** Trends (Price and Others)
 - 3** Factors to watch out for
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Introduction

- Botanical Name: ***Capsicum annuum***
- It is 9-month crop (Cycle time, sowing to harvest)
- Chili peppers are rich in antioxidants and capsaicin, which is responsible for their hot taste
- Usage: Chilly Powder in foods, in Seasonings and Flavoring, Pickles and Sauces, Cosmetics, Essential Oils, Used in Pharma for health benefits.

Global Production



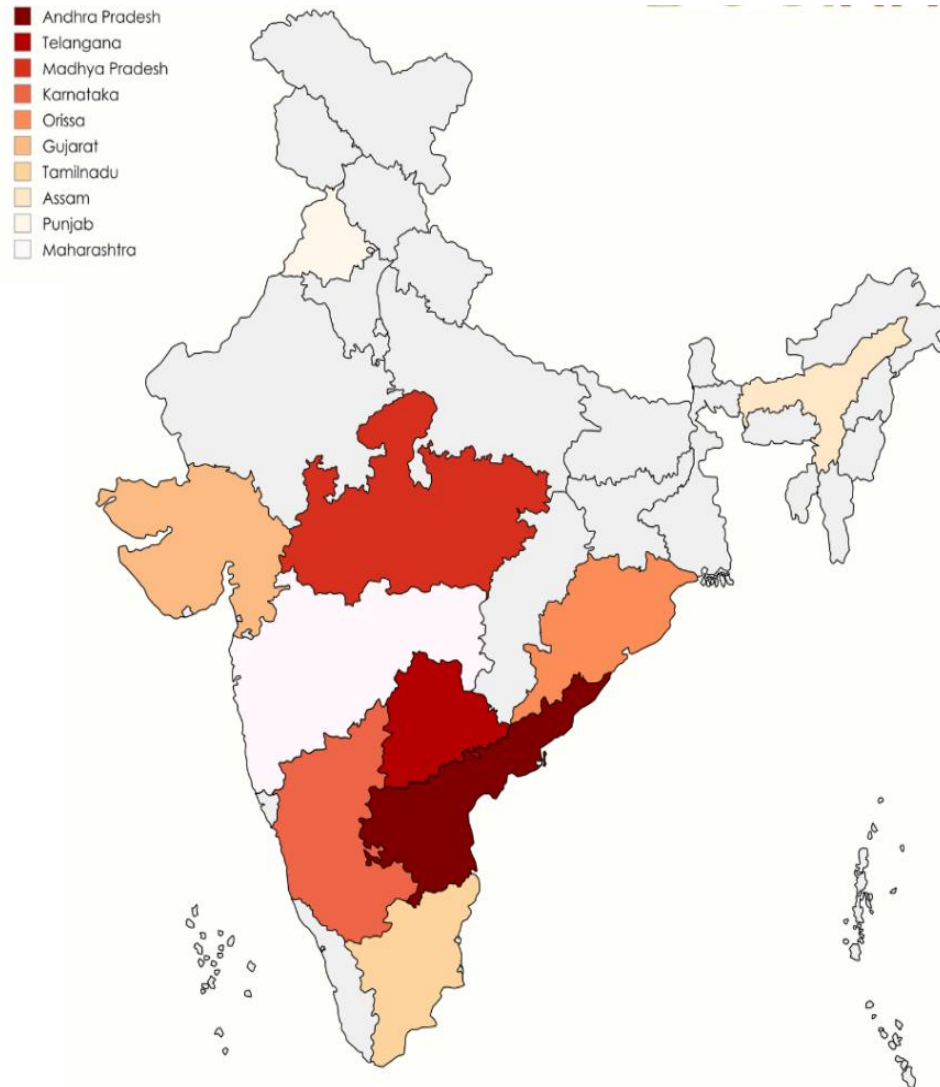
 Major Producing Countries

Overall Production (Red-Chili) close to 3-4 mn MT

India continues to be leader in Global supplies

The Dry Chilies Market size is estimated to be growing at a CAGR of 6.11% during the forecast period (2025-2030).

India: Red Pepper (Chili) Production



- Varying estimates of Indian Production number. Local consumption makes estimation a challenging task.
- Andhra Pradesh is the most dominant contributing 35-40% of the entire production volume
- The High heat varieties are mostly grown in the North-Eastern India
- The broad classification is based on Native varieties and Hybrids
- Most of the varieties available are Hybrids which are preferred due to high yield and disease resistance

India: Season and activity flow



Sowing/Nursery: Aug - Sep



Vegetative stage: Sep - Nov



Flowering stage: Nov - Jan



Fruiting stage: Dec - Mar



Harvesting Stage: Jan - May



Grading

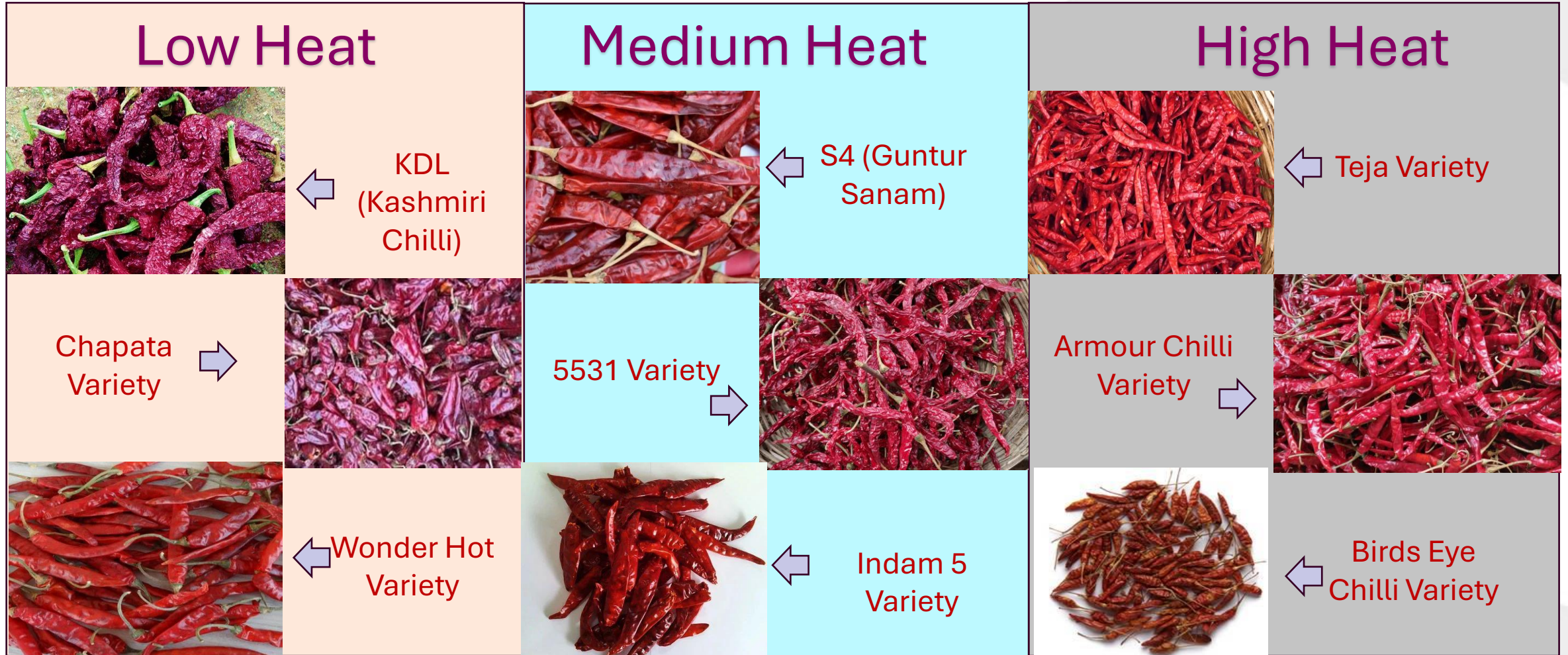


Drying



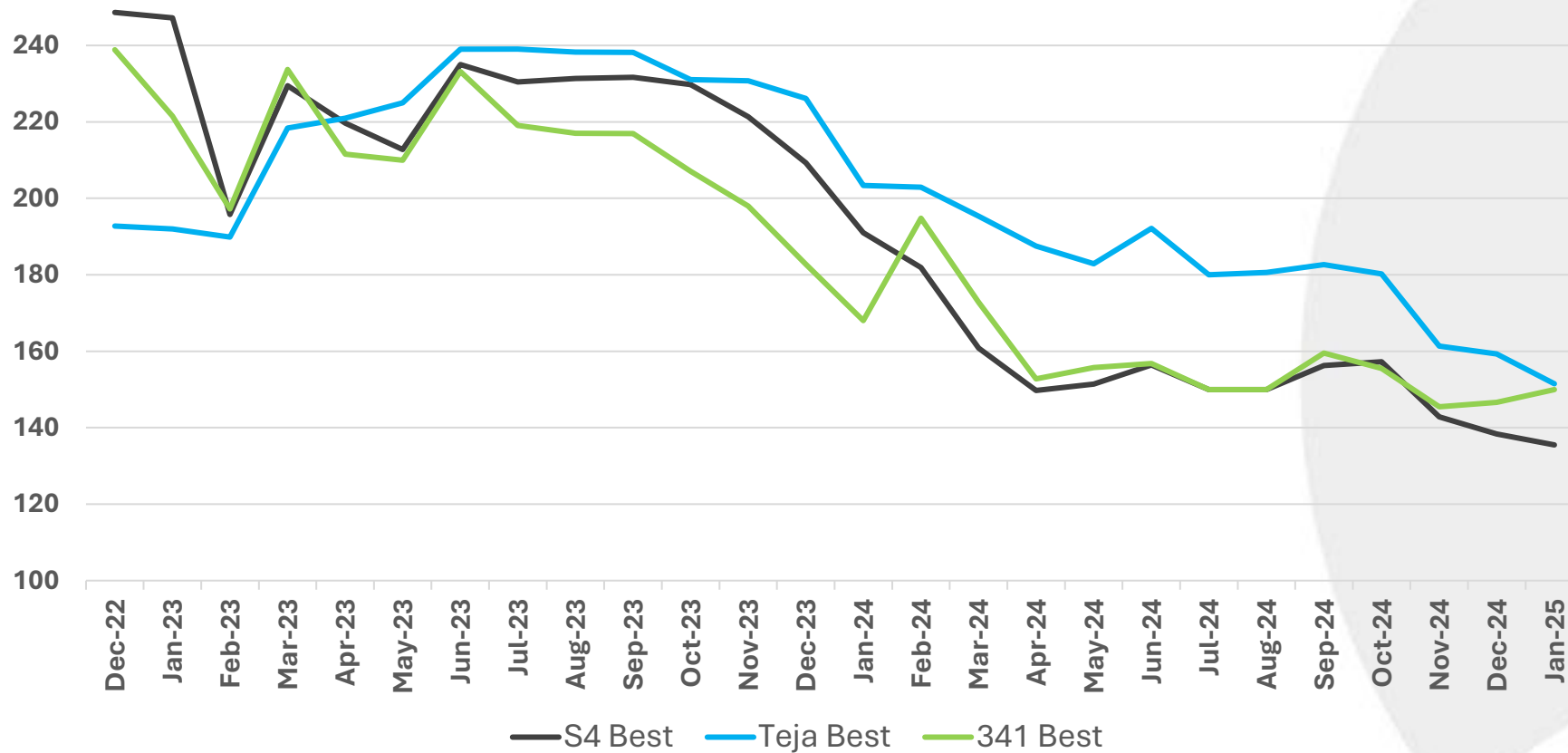
Packing

Categorization



Recent Price Trend

Price Trends (INR/kg, Mandi/Wholesale)



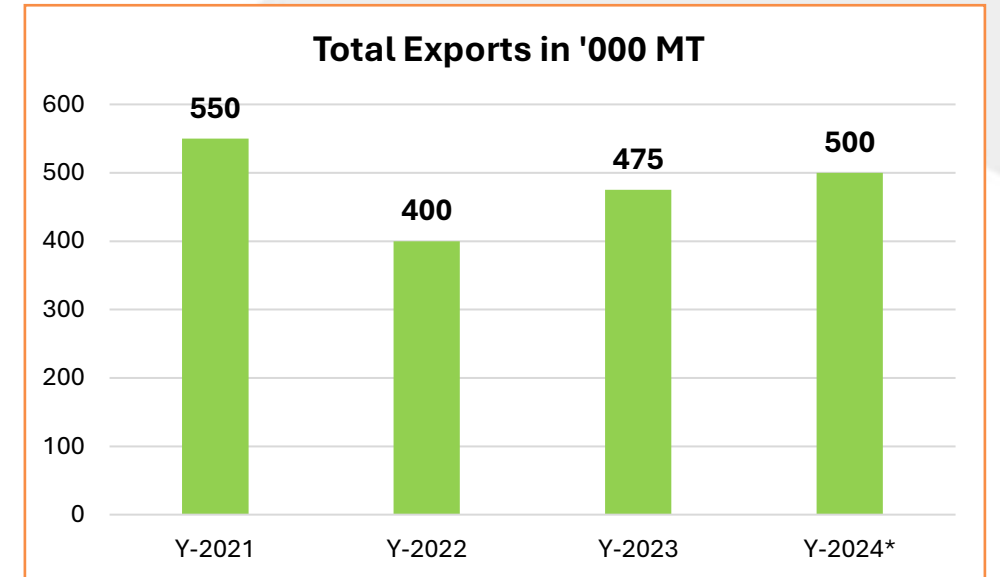
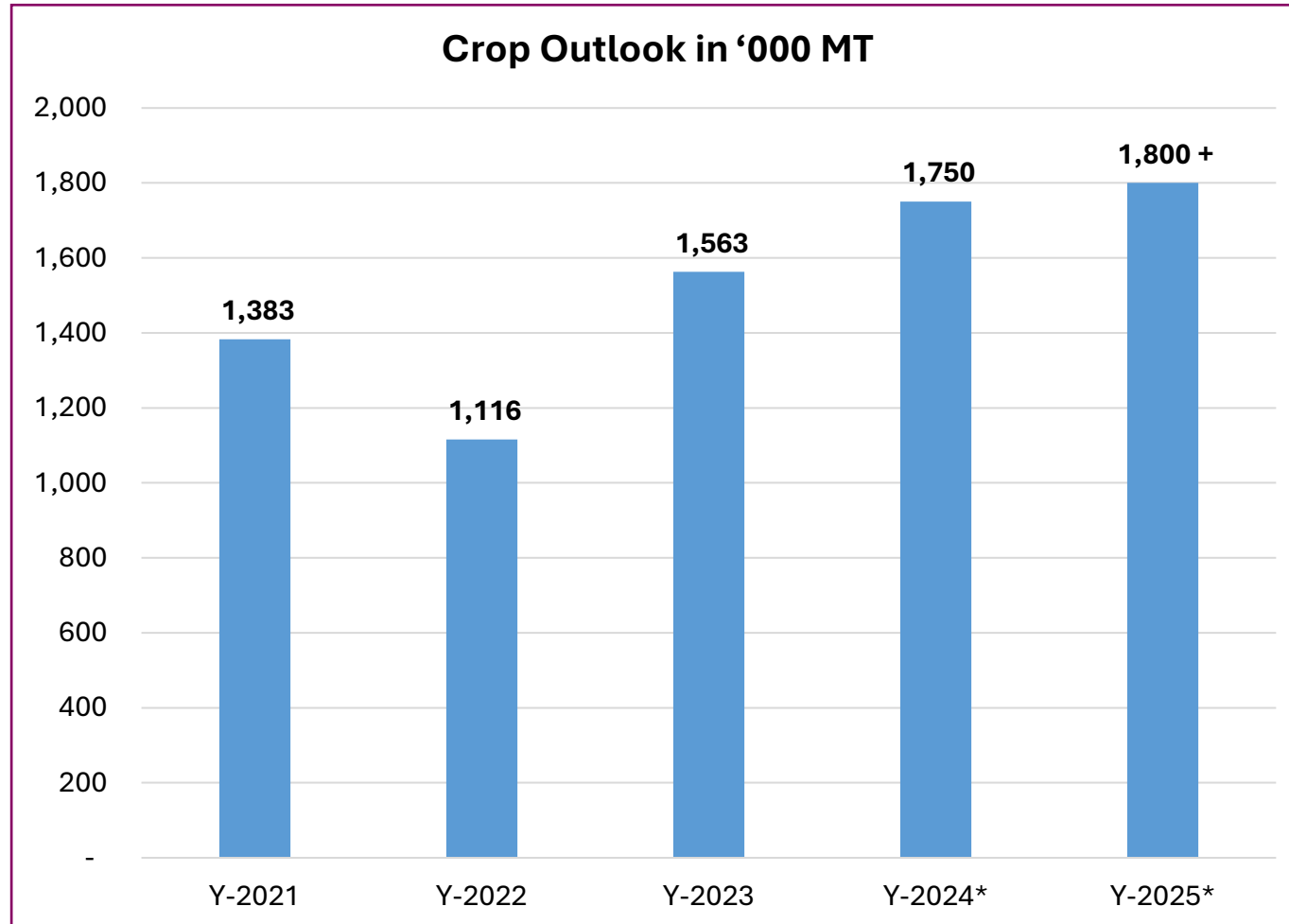
- Grade-wise differentials are moving throughout the year
- Price differentials based on compliance is an acceptable norm across trade
- Hybrid varieties are becoming more prominent

*data points mentioned are Industry estimates. To be verified and not to be replicated.

2025 Season

- Switch to Tobacco in certain areas
- Shift from straight varieties (S4, KDL, others) to more of Hybrids (S17 (Teja), 5531, 341 etc.)
- Farmers have got good realization in 2023 and 2024 season; however, downtrend towards end of 2024 season has impacted sentiments during the sowing period
- Rainfall will play a factor, Black thrips too has an impact
- Cost of growing Chili has been changing

2025 Season, Crop Outlook

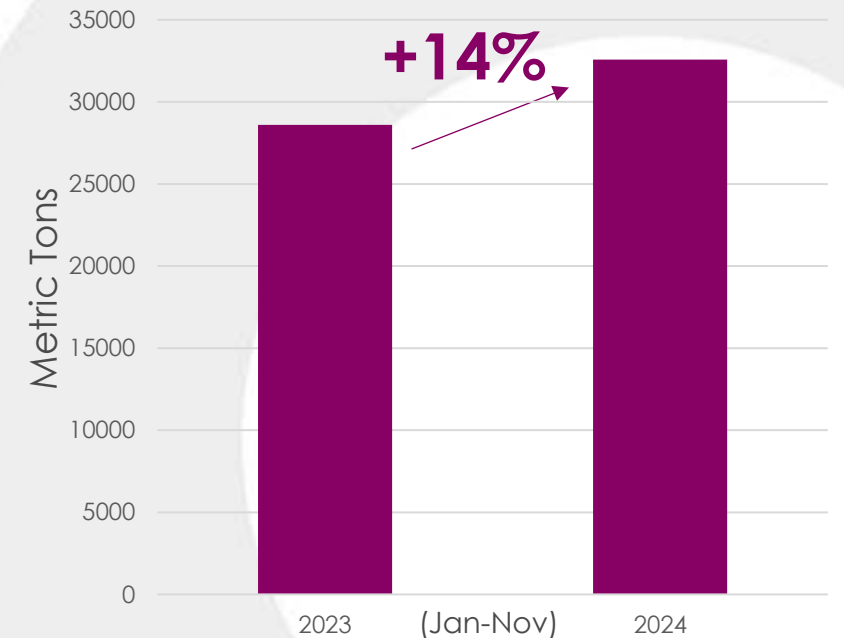


- **Overall acreage similar / better to last year**
- **Favourable rains and overall favourable weather / water levels are better in dams**
- **Pest attack and damage situation much better than 2022**

USA Market Demand & Consumption

- **USA Imports +14% YTD** on India Peppers through November. ⁽¹⁾
- **Chilli Pepper consumption** trends maintain growth in USA +5% CAGR (4 years). ⁽²⁾
- **Spicy foods** stay on-trend, including new growth from “**Swicy**” flavors (sweet & spicy) driving innovation and +9% growth. ⁽³⁾

India Imports, USA



Source: US Department of Agriculture, Foreign Agriculture Service data All Dried, Crushed, Ground (codes 0904-21 & 0904-22)

Source:

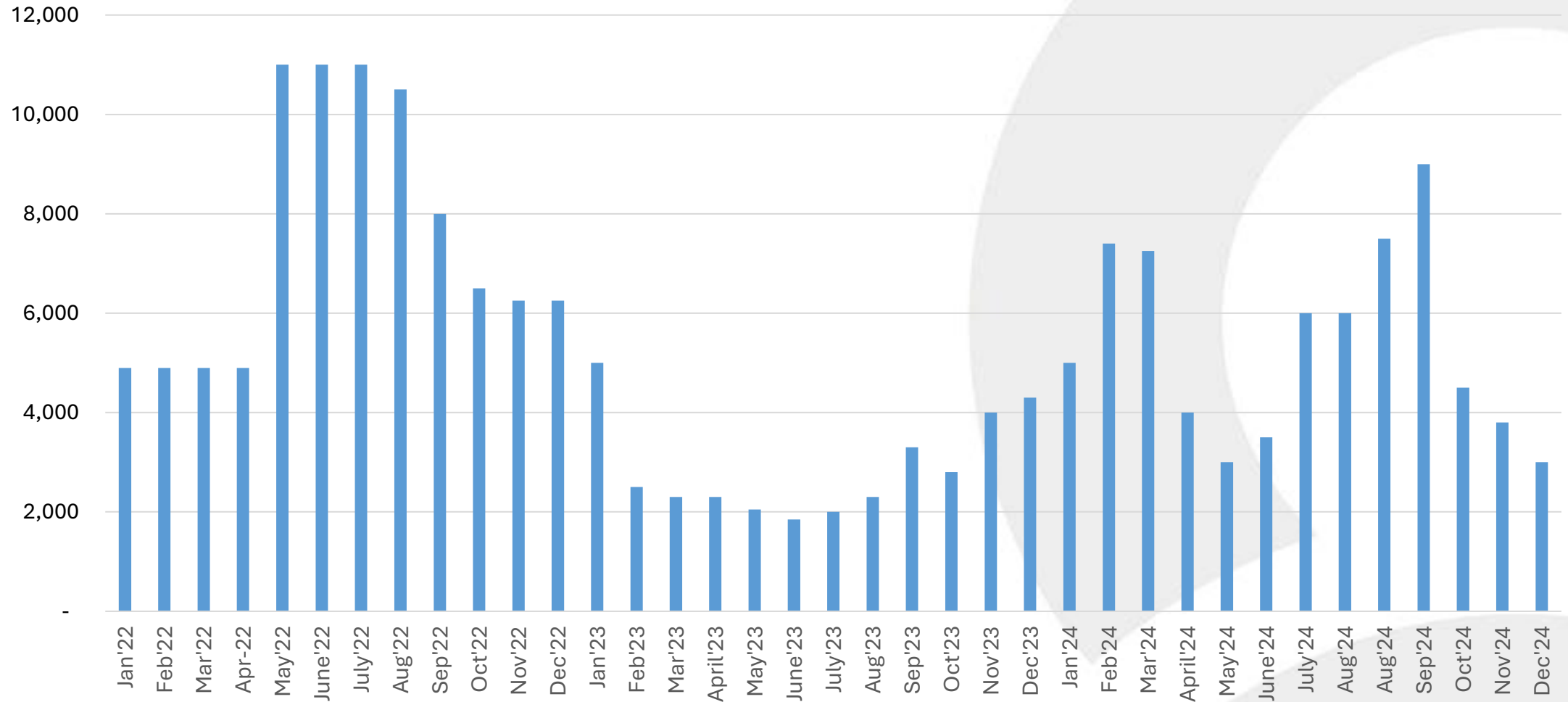
(1) US Department of Agriculture, Foreign Agriculture Service data Jan-Nov 2023 vs Jan-Nov 2024. All codes under 090421 & 090422. Jan 2025.

(2) Innova Market Insights, Flaming Flavour Trends: Global Innovation in Hot & Spicy Foods, April 2024.

(3) Circana Food & Beverage Research 2024, as featured www.cnn.com/2024/06/02, Dollar Sales of Food & Beverage. June 2024.

Sea Freight Trend

Sea Freight, \$ per 40 ft FCL



Factors to watch out for

- Inventory levels : throughout the chain, pipeline remains thin, trade is eagerly waiting for new crop
- Demand: 2024 exports were 20+ % higher than 2022. With prices stabilizing, demand is picking up.
- Price differentials between various grades and various compliance parameters
- Any further impact of rains / weather
- Increase in ability to hold and store across the supply chain
- Demand from extracts and adjacent industries



Thank you!

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