



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



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:**
 - Culinary and Household Cooking-Powder, Flakes
 - Food Processing - Namkeen, Blends, Sauces etc.
 - Pharmaceuticals- Pain Relief cream, Hair growth
 - Cosmetics and Personal Care-Slimming Creams
 - Resins-Oleoresins, Natural Colorants

Global Production



Overall Production (Red-Chili) is in the range of 4 mn MT

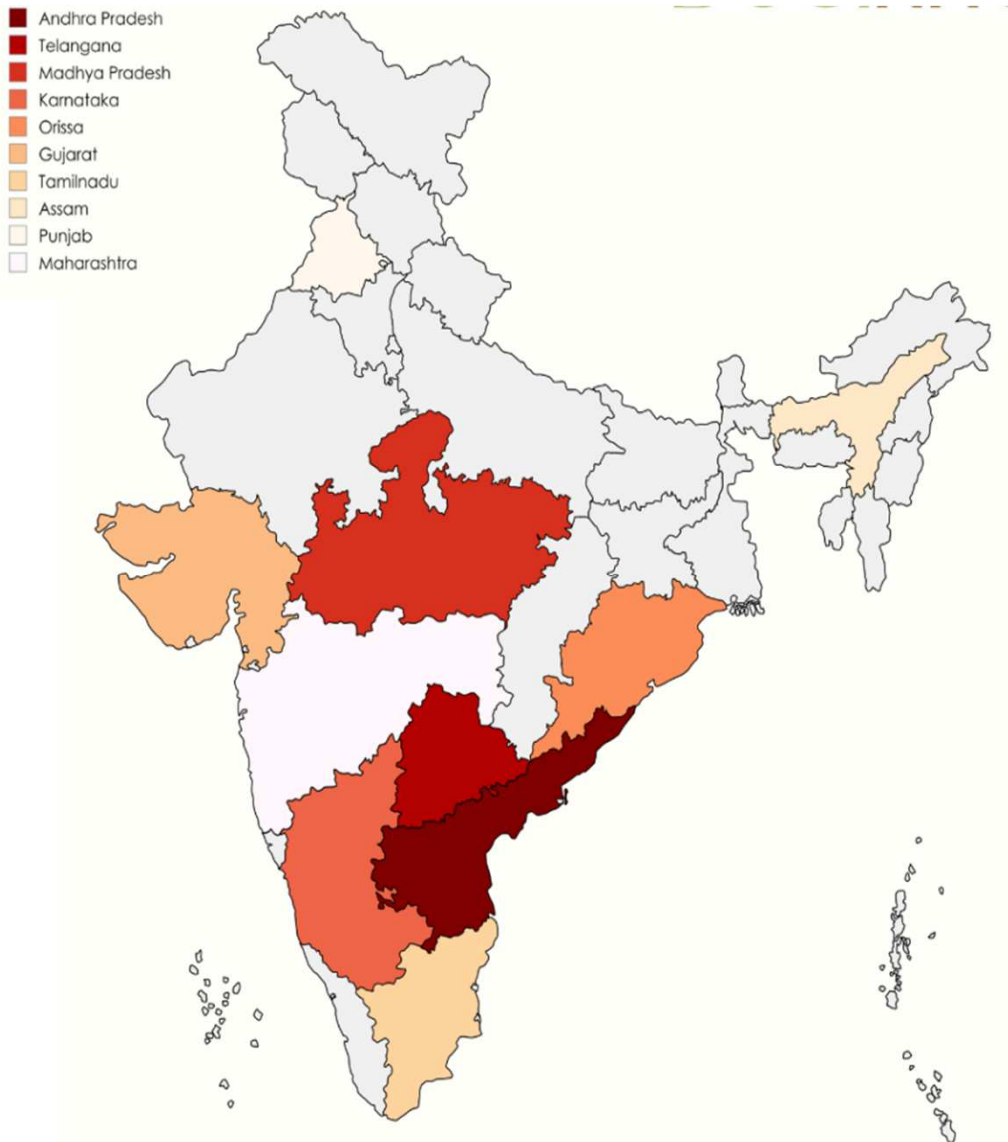
India continues to be leader in Global supplies

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

 Major Producing Countries

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

India: Red Pepper (Chili) Production



- India accounts for around 1.8-2.0 Million MT of Dried Red Chilli making it the topmost producer and consumer in the world.
- India has more than 50 types of Chilies with Teja(S17), Guntur Sannam(S4), Kashmiri Chilli(KDL), Byadgi Chilli(5531), US 341 as the prominent varieties.
- We have Chilies majorly classified based on the Color and Heat.
- Teja (S17) is the largest grown and exported variety known for its high Pungency.
- We have super high heat varieties grown in Northeast also known for flavors also.
- Kashmiri Chilli (KDL) mainly used for the bright color
- Most of the varieties available are Hybrids which are preferred due to high yield and disease resistance

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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

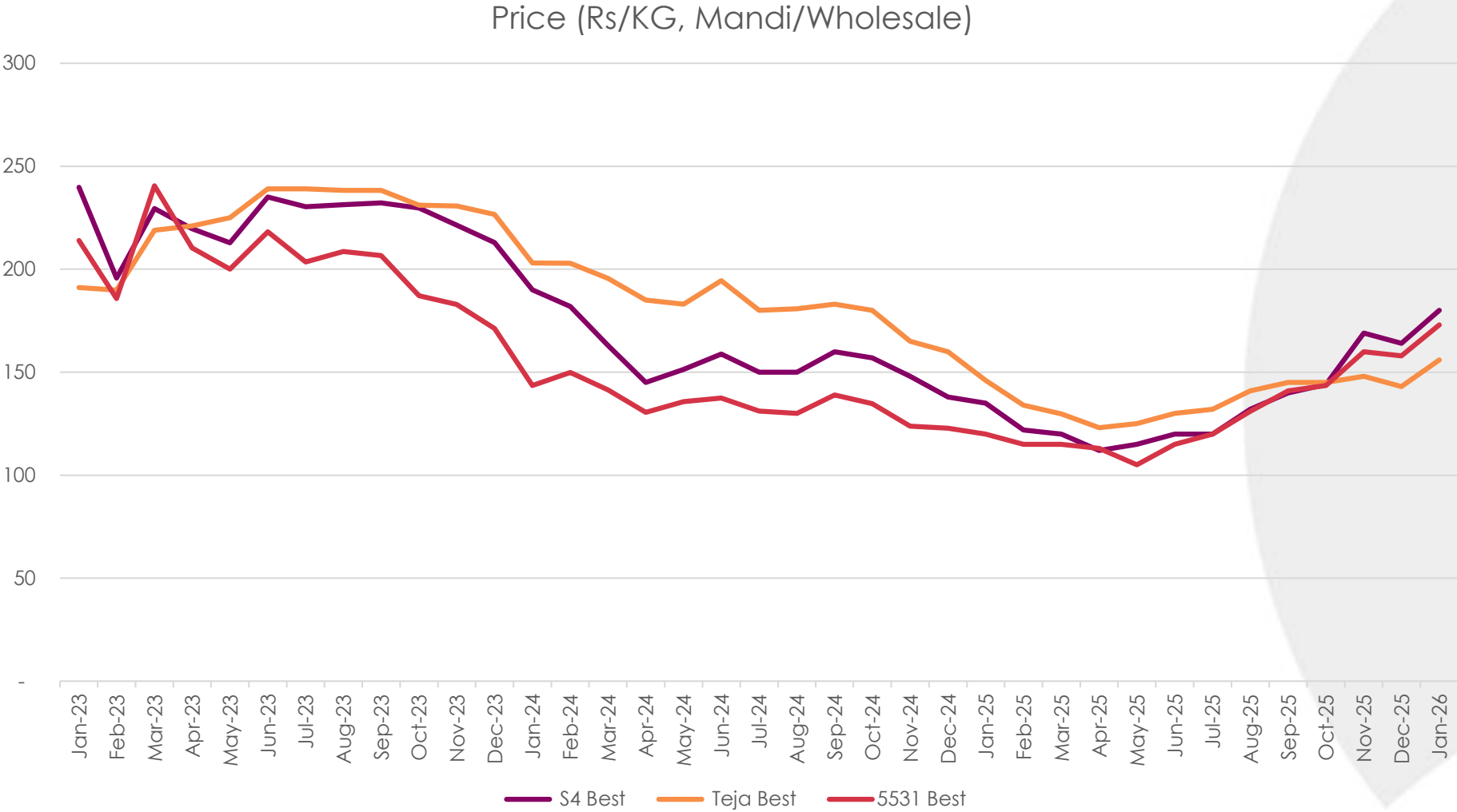


Packing

Categorization

| Low Heat | | Medium Heat | | High Heat | |
|---|--|--|--|---|--|
|  | ← KDL (Kashmiri Chilli) |  | ← S4 (Guntur Sanam) |  | ← Teja Variety |
| Chapata Variety → |  | 5531 Variety → |  | Armour Chilli Variety → |  |
|  | ← Wonder Hot Variety |  | ← Indam 5 Variety |  | ← Birds Eye Chilli Variety |

Recent Price Trend



- 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

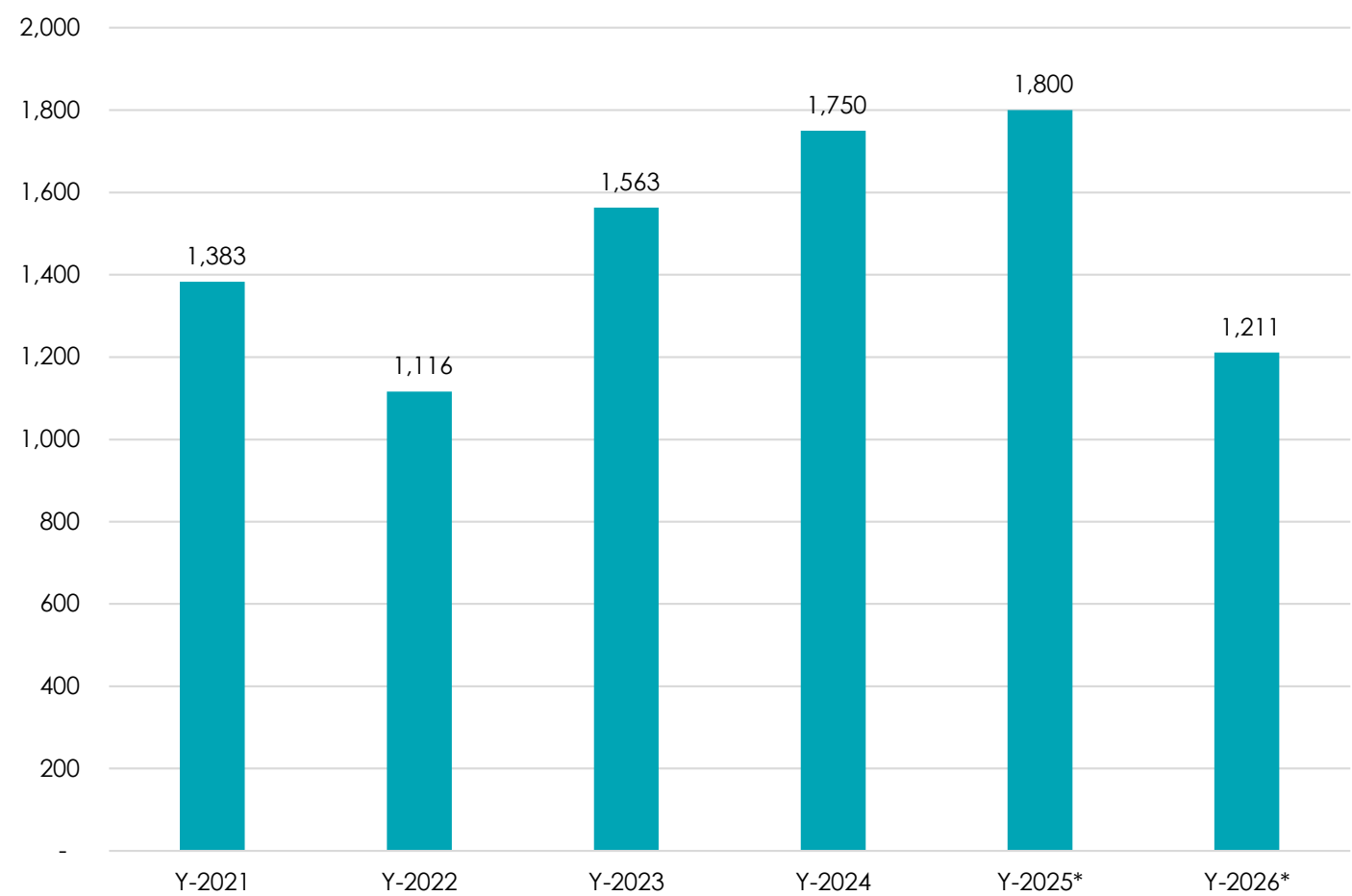
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2026 Season

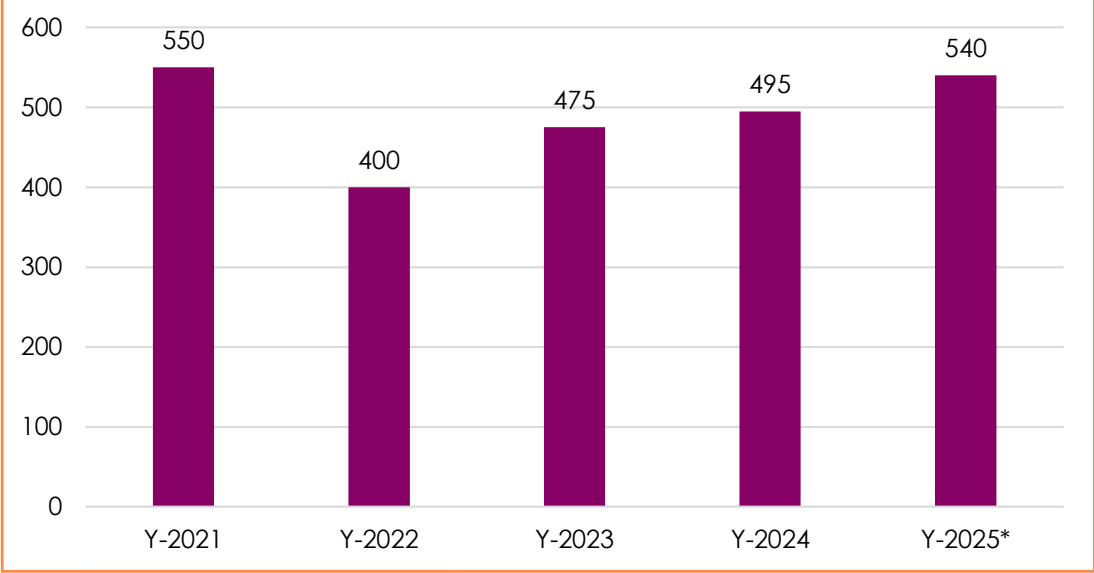
- As per sowing data figures, we can see an estimated acreage reduction of around 35% across major Chilli Producing states of AP, Telangana and Karnataka. Rest of India also had similar drop
- Low Prices in 2025, Liquidity issues and risk aversion nature of the farmers have prompted for the lower sowings in the acreage of Chilli for 2026 Season.
- We have seen stunted growth this season due to excess rainfall in the vegetative Phase of the crop impacting the yield.
- Black Thrips infestation is significant in Karnataka with 25–30% spread and 20–25% intensity, moderate in Andhra at 10–15% spread, Additionally we are seeing red Spider Mite infestation in AP and Karnataka, with higher intensity compared to Last season causing flower drop and impacting yields.
- Shift from straight varieties (S4, KDL, others) to more of Hybrids (S17 (Teja), 5531, 341 etc.)

2026 Season, Crop Outlook

Crop Outlook in 000'MT



Total Exports in 000'MT



- **Drastic reduction in Acreage as compared to last year**
- **Unfavourable rains resulting in stunted Growth**
- **Pest attack and damage with thrips and Red mites impacted the crop.**

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US Market – Key areas to watch

- Spicy Trends Continue in USA and will drive chili demand
 - Consistent reporting on growth in retail, foodservice, and consumer trends.
- Prices expected to rise, specifically on high quality grades
 - Price climb since Q2 2025, with bullish forward outlook
- Ocean Freight Movement
 - Container availability is strong with depressed costing due to tariffs.
- Tariff Uncertainty with new developments daily
 - New India-EU deal spurs USA attention, awaiting reaction.



Thank you!

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