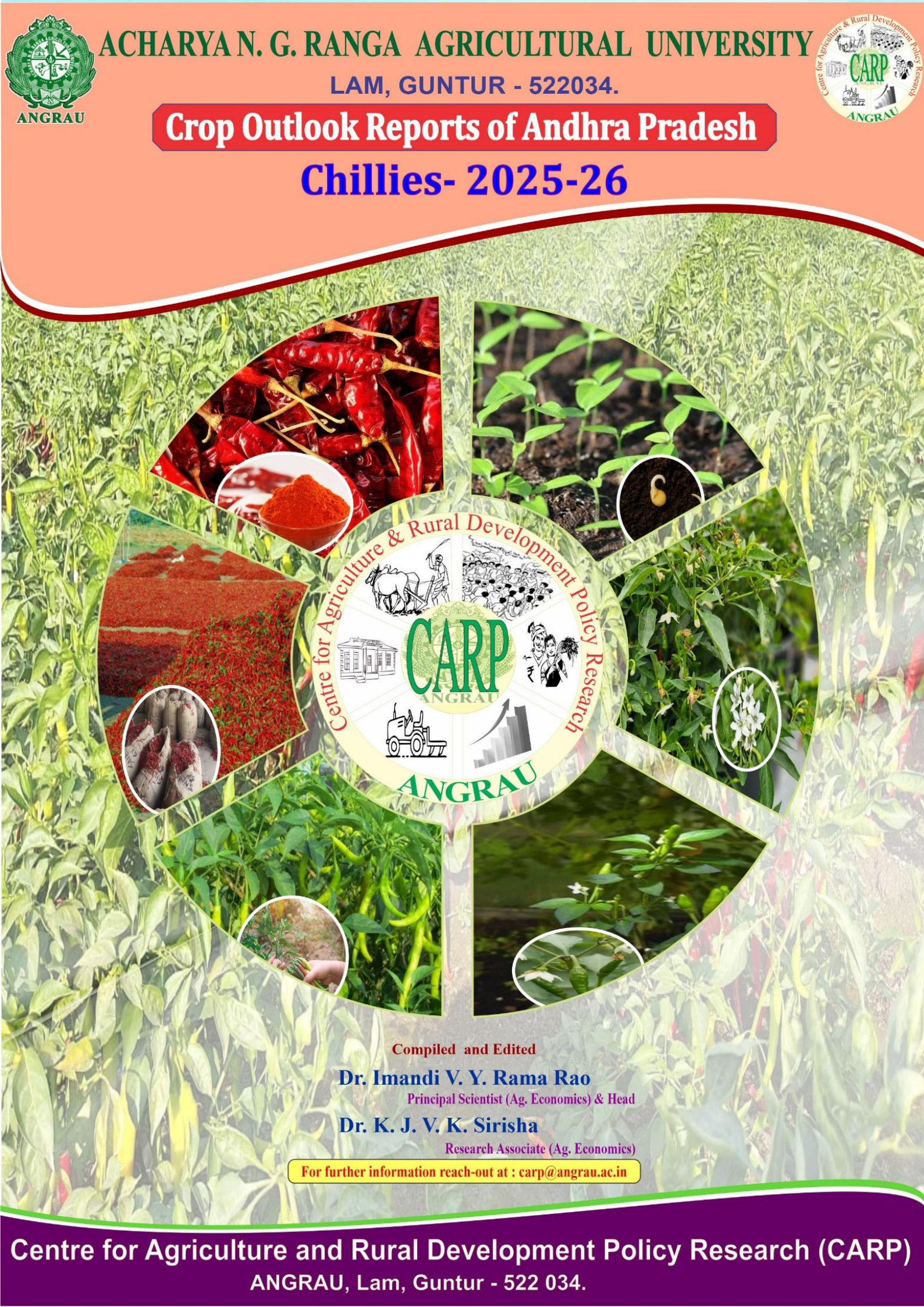
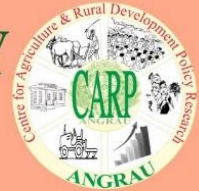




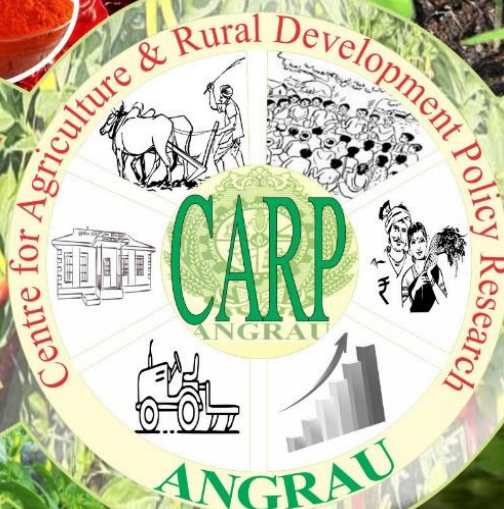
ACHARYA N. G. RANGA AGRICULTURAL UNIVERSITY

LAM, GUNTUR - 522034.



Crop Outlook Reports of Andhra Pradesh

Chillies- 2025-26



Compiled and Edited

Dr. Imandi V. Y. Rama Rao

Principal Scientist (Ag. Economics) & Head

Dr. K. J. V. K. Sirisha

Research Associate (Ag. Economics)

For further information reach-out at : carp@angrau.ac.in

Centre for Agriculture and Rural Development Policy Research (CARP)

ANGRAU, Lam, Guntur - 522 034.

In Nutshell.....

- During 2025-26 globally, chilli is cultivated in 19 Lakh hectares (Lha) and produce 57.83 Lakh tonnes (Lt).
- India ranks first in area and production with 9.66 Lha and 29.10 Lt respectively.
- The major growing states are Andhra Pradesh, Karnataka, Odisha and Madhya Pradesh accounted 66 per cent share in total area.
- During 2025-26, India exported 683 Thousand tons (Tt) valued at ₹ 10,395 crores. Major destinations were Bangladesh (210.99 Tt), UAE (106.40 Tt) and Thailand (58.77 Tt).
- In 2025-26, The balance sheet shows that opening stocks declined from 7.47 Lt to 3.90 Lt, owing to production decreased from 12.39 Lt to 9.15 Lt.
- Chilli utilisation is dominated by food processing and commercial seasoning (60–65%), followed by oleoresin and extract manufacturing (15–20%), commercial pickling and pastes (10–12%) and pharmaceutical and cosmetics sector (3–5%).
- During 2024-25, in Andhra Pradesh, Palnadu occupied the first position with area of 38.95 Thousand hectares (Tha), production of 217.96 Thousand tons (Tt) and yield of 55.96 q/ha followed by Kurnool (38.83 Tha) and Prakasam (20.33 Tha).
- Categorization of districts based on cross tabulation of growth and instability of area shows that 14.11 per cent area comes under *stagnation scenario* followed by 31.46 per cent area is under *vulnerable category* and 54.36 per cent area under the *risky expansion zone*.
- During 2025-26, the total Cost of cultivation (₹/ha) for the chilli was ₹4,20,634; the gross returns were ₹5,82,913. The benefit–cost ratio (BC ratio) was 1.83 based on Variable Cost (VC) and 1.38 based on Total Cost (TC).
- During 2025-26, the seasonal indices of arrivals were below annual average during June–December, increased sharply from January and peaked in April (205.16), followed by a steep decline in May (34.87). While Price indices increased from January (107), reaching the highest in March (126.78) and remained above annual average through May despite high arrivals.
- Agricultural Market Intelligence Centre (AMIC), ANGRAU forecasts the price (₹/q) are for Normal quality is 18,519 to 22,156 and for special quality is 19,660 to 24,020.

Global Scenario

Chilli (*Capsicum annum* L.) is one of India's important commercial spice crops valued for its use as a fresh vegetable, dried spice, chilli powder, oleoresin and other processed products. Chillies contain capsaicin, which has important industrial and pharmaceutical applications, contributing to strong domestic and export demand. During 2025-26, world dried chilli area is at 19.33 Lakh hectares (Lha) with 57.83 Lakh tons (Lt) (Table 1). India dominates the global dried chilli sector, accounting for 50 per cent in both area and production; it ranks first in area with 9.66 Lha, (49.96%) followed by Ethiopia (1.78 Lha), Myanmar (1.06 Lha), Bangladesh (0.99 Lha) and Thailand (0.85 Lha). Regarding production, India dominates with 29.10 Lt (50.32%) followed by China (3.26 Lt), Thailand (3.24 Lt), Bangladesh (3.01 Lt) and Ethiopia (2.98 Lt).

Table 1. Global statistics of area and production of dried Chilli for the 2024-25

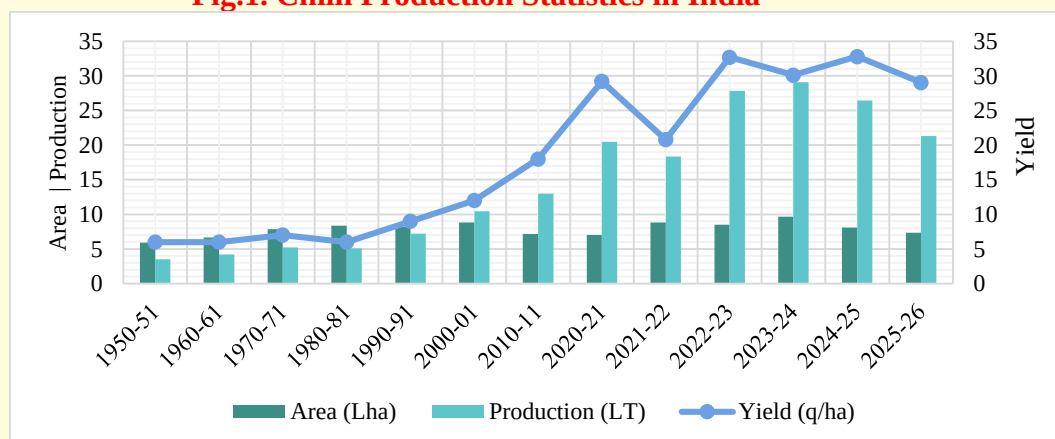
Area			Production		
Country	Lha	Share (%)	Country	Lt	Share (%)
India	9.66	49.96	India	29.10	50.32
Ethiopia	1.78	9.21	China	3.26	5.64
Myanmar	1.06	5.50	Thailand	3.24	5.60
Bangladesh	0.99	5.13	Bangladesh	3.01	5.21
Thailand	0.85	4.42	Ethiopia	2.98	5.15
World	19.33	100	World	57.83	100

Source: FAO

National Scenario:

In India, during 1950–51 to 2025–26, area increased (23%) from 5.92 Lha to 7.34 Lha, production increased (507%) from 3.51 Lt to 21.32 Lt and yield increased (383%) from 6 q/ha to 29 q/ha (Fig.1). It demonstrated that growth in production was led by yield's growth than area's expansion.

Fig.1. Chilli Production Statistics in India



Source: agriwelfare

**Table 2. Major Chilli producing States during 2025-26
(Area - Lha, Production – Lt, Yield - q/ha)**

State	Area	Share (%)	Production	Share (%)	Yield
Andhra Pradesh	1.41	19.20	8.39	39.34	59.50
Karnataka	1.26	17.13	2.21	10.39	17.61
Odisha	1.11	15.14	0.89	4.17	8.01
Madhya Pradesh	1.09	14.82	3.14	14.74	28.90
Telangana	0.61	8.34	3.37	15.79	55.01
Tamil Nadu	0.38	5.23	0.27	1.29	7.14
Uttar Pradesh	0.34	4.62	0.45	2.09	13.17
Gujarat	0.23	3.16	0.61	2.87	26.40
Assam	0.20	2.72	0.20	0.93	9.93
Punjab	0.20	2.68	0.66	3.10	33.57
All India	7.34	100	21.32	100	29.04

Source: agriwelfare (2nd advance estimates)

Note: States have been arranged in descending order of percentage share of area

During 2025–26, India recorded an area of 7.34 Lha with production of 21.32 Lt and an average yield of 29.04 q/ha (Table 2). Andhra Pradesh is the leading state with highest in area (10.41 Lha; 19.20%), production (8.39 Lt; 39.34%); and yield (59.50 q/ha). Karnataka ranked second in area with 1.26 Lha (17.13%) followed by Odisha (1.11 Lha; 15.14%) and Madhya Pradesh (1.09 Lha; 14.82%). However, in terms of production, Telangana secured the second position with 3.37 Lt (15.79%), followed by Madhya Pradesh with 3.14 Lt (14.74%) and Karnataka with 2.21 Lt (10.39%). Overall, southern states dominated India's chilli economy, while Andhra Pradesh and Telangana recorded relatively higher yields. The interstate variation in yield highlights the scope for improving yields through the adoption of improved technologies and efficient input management in low-yielding states, could substantially increase national chilli production without requiring additional expansion of cultivated area.

Table 3. Indian dried chilli exports (Top 10 countries) during 2025-26.

Country	Quantity (Tt)	Value (₹ crore)
China	210.99	3,171.32
Bangladesh	106.40	990.74
UAE	62.20	598.92
Thailand	58.77	1,084.76
Sri Lanka	45.81	728.85
USA	37.31	961.47
Indonesia	36.03	578.20
Malaysia	22.61	443.52
Mexico	8.18	177.53
UK	5.97	177.39
World	684	10,396

Source: Indian spices.com

India exported 684 thousand tonnes (Tt) of dried chilli products, valued at ₹10,395 crore, to the global markets during 2025–26 (Table 3). China was the leading destination, with 210.99 Tt (₹3,171 crore), followed by Bangladesh with 106.40 Tt (₹990.74 crore). Other major destinations included UAE (62.20 Tt), Thailand (58.77 Tt) and Sri Lanka (45.81 Tt). Markets such as the USA and Thailand generate higher value

relative to their volume, indicating demand for higher-grade or chilli varieties in these regions. The export market is heavily concentrated in Asian nations.

Table 4. Balance sheet of red chilli for India

Particulars (Lt)	2024-25	2025-26*
Opening stocks	7.47	3.90
Production	12.39	9.15
Imports	0.00	0.00
Total supply	19.86	13.05
Domestic consumption	9.00	8.10
Exports	6.96	4.25
Total Demand	15.96	12.35
Ending Stock	3.90	0.70
Stock Use Ratio (%)	24.44	5.67

Source: Agriwatch.com, * estimates

The balance sheet of red chilli shows that, during 2024-25, stocks declined from 7.47 Lt (opening) to 3.90 Lt (Ending), owing to negative (- 3.57 Lt) net production (= production – demand) (Table 4). As per the estimates, during 2025-26, production is going to decline by 3.24 Lt in comparison with 2024-25. This led to negative net production (- 3.20 Lt) resulting in ending stocks to 0.70 Lt. This effects in decline of stock to Use ratio (%) from 24.44 to 5.67.

India consumes approximately 70% of its total chilli production domestically, while the remaining 30% is exported. Within domestic supply chains and value-addition sectors, industrial and commercial applications break down into the following estimated percentage-wise segments (Table 5).

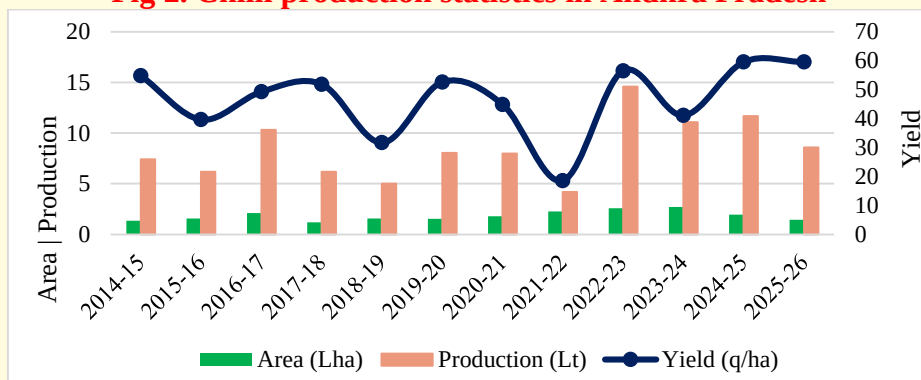
Table 5. Chilli Industrial Usage sector wise

Sector	Per centage	Utilisation
Food Processing & Commercial Seasoning	60% – 65%	whole and ground chillies into commercial curry powders, blended spice mixes (masalas), ketchups and hot sauces
Oleoresin & Extract Manufacturing	15% – 20%	concentrated oleoresins used for uniform colour (capsanthin) and pungency (capsaicin) in commercial food and beverage formulations
Commercial Pickling & Pastes	10% – 12%	red and green chilli pickles, purees, and garlic-chilli pastes
Pharmaceuticals & Cosmetics	3% – 5%	capsaicin extracts in topical pain-relief ointments and muscle patches etc.

Source: marketreportsworld.com

State Scenario:

In Andhra Pradesh, Chilli is grown in Kharif season. During 2014-15 to 2025-26, there is a positive compound growth rate (CGR) in both area (3.43%) and production (4.14%), accompanied by a slight increase in yield (0.69%) (fig 2). This indicates that production growth was primarily area expansion-driven, supported by modest gains in yield.

Fig 2. Chilli production statistics in Andhra Pradesh

Source: DES.AP

During 2024–25, the chilli area was 144 thousand hectares (Tha), with production estimated at 774.72 Tt and an average yield of 53.80 q/ha (Table 6). Chilli cultivation area concentrated in a few districts like Palnadu, Kurnool, NTR, Ananthapuram and NTR. Among the major producing districts, Palnadu accounts for the largest area and production, with 38.95 Tha and 217.96 Tt, respectively followed by Kurnool (38.83 Tha) with 167.94 Tt and Prakasam 81.67 Tt from 12.66 Tha. Despite having smaller area in NTR (12.66 Tha), with state's highest yield (64.51 q/ha) resulting in 73.30 Tt of production. Over all, Palnadu and Kurnool has the large acreage and production base, while NTR have substantially higher yields.

Table 6: Major Chilli producing Districts during 2024-25
(Area – 000' ha, Production- 000' tons, Yield - q/ha)

S.No	District	Area @	Production*	Yield [#]
1	Palnadu	38.95	217.96	55.96
2	Kurnool	38.83	167.90	43.24
3	Prakasam	20.33	131.15	41.37
4	Anathapuram	16.14	48.92	30.31
5	NTR	12.66	73.30	64.51
	Andhra Pradesh	144	774.72	53.80

Source: DES, A.P. actuals up to (30/09/24) *Estimated by CARP;

[#] yield averages TE 2023-24

Note: Districts have been arranged in descending order based on area.

During 2020–21 to 2024–25, Growth–Instability Matrix (GIM) (refer paddy Outlook Report- June to May 2025-26) analysis revealed that Prakasam with 14.11 per cent area comes under *stagnation scenario* (Table 7). While, Alluri Sitharama Raju, Eluru, Guntur, Bapatla, Palnadu, S.P.S. Nellore, Y.S.R. Kadapa and Chittoor with 31.46 per cent area is under *vulnerable category*. N.T.R, Kurnool, Nandyal, Ananthapuram and Sri Sathya Sai with 54.36 per cent area under the *risky expansion zone*. The findings emphasize the need for differentiated, region-specific policy interventions rather than uniform developmental strategies across the state.

Table 7: Categorisation of districts based on growth and instability of area during 2020-21 to 2024-25

		CGR	
		< 4% (Low)	> 4% (High)
CV	< 20% (Low)	Prakasam (14.11%)	-
	> 20% (High)	Alluri Sitharama Raju, Eluru, Guntur, Bapatla, Palnadu, S.P.S. Nellore, Y.S.R. Kadapa, Chittoor (31.53%)	N.T.R, Kurnool, Nandyal Ananthapuram, Sri Sathyasai (54.36%)

Note: Values in parentheses represent percentage of in state total area, 2024-25

Primary data from farmers was collected for estimation of costs and returns (₹/ha) in chilli cultivation during 2025–26 indicated that the Variable Cost (VC) was ₹3,18,083 accounting for 75.61 per cent of the Total Cost (TC) of ₹4,20,634, while fixed costs amounted to ₹1,02,551, constituting 24.38 per cent. (Table 8). Within the VC, material cost was the major component at ₹1,67,711 (52.72%) followed by labour cost of ₹1,41,761 (44.36%). The average yield was 34.89 q/ha with an average farm-gate price of ₹16,707/q generating gross returns of ₹5,82,913. The crop generated positive net returns of ₹1,62,278. The benefit–cost ratio (BC ratio) was 1.83 based on VC and 1.38 based on TC.

Table 8: Cost-return structure of Chilli in Andhra Pradesh 2025-26 (₹/ha)

S.No	Particulars	Value (₹/ha)
1	Labour cost	1,41,761
2	Material cost	1,67,711
3	Miscellaneous	8,611
4	Variable cost (VC)	3,18,083
5	Fixed Costs (FC)	1,02,551
6	Total Cost (Cost C2)	4,20,634
7	Yield (q/ha)	34.89
9	Price (₹/q)	16,707
10	Gross Returns (GR)	5,82,913
11	Net Returns (NR)	1,62,278
12	BCR on VC	1.83
13	BCR on TC	1.38

Source: Survey Data (2025-26)

Price outlook:

The seasonal indices of dry chilli in Andhra Pradesh during 2025–26, Arrivals remained below the annual average during June to December (Table 9). From January onwards, arrivals increased sharply, reaching a peak in April (205.16), followed by a sharp decline in May (34.87). The seasonal price index was below 100 during June to December, with the lowest index in July (77.29). Prices increased from January onwards, reaching the highest seasonal index in March (126.78), followed by relatively high indices in April (125.20) and May (121.70). The highest actual price was recorded in March at 19,321₹/q, despite arrivals being substantially above the annual average. Overall, the seasonal pattern indicates that dry chilli prices tend to strengthen during the early months of the major arrival season, while heavy arrivals

during March–April do not result in a proportionate decline in prices. This suggests that market demand, quality, storage, processing and export requirements may also be influencing price movements alongside seasonal arrivals.

Table 9: Seasonal Indices of dry Chilli in Andhra Pradesh (2025-26)

Months	Arrivals		Price	
	Tons	Seasonal Index	₹/q	Seasonal Index
Jun-25	30,218.13	64.07	11,934	78.31
Jul-25	42,169.64	89.42	11,779	77.29
Aug-25	33,593.98	71.23	12,311	80.78
Sep-25	30,427.40	64.52	13,180	86.48
Oct-25	28,316.53	60.04	13,465	88.35
Nov-25	35,838.50	75.99	14,225	93.34
Dec-25	43,261.78	91.73	14,024	92.02
Jan-26	47,706.69	101.16	16,307	107.00
Feb-26	73,984.44	156.88	18,706	122.74
Mar-26	87,211.02	184.92	19,321	126.78
Apr-26	96,754.90	205.16	19,081	125.20
May-26	16,446.66	34.87	18,547	121.70
Yearly Average	47,161	100	15,240	100

Source: Agmark net

As per the estimates given by Agricultural Market Intelligence Centre (AMIC), ANGRAU, for marketing season of Kharif '2026, the forecast prices (₹/q) are for chilli - normal is 18,519 to 22,156 and for chilli - special is 19,660 to 24,020.
