

The background of the slide is a close-up photograph of several bell peppers hanging from a green vine. There are red, green, and orange peppers, some in sharp focus and others blurred in the background.

Crisil

a company of **S&P Global**

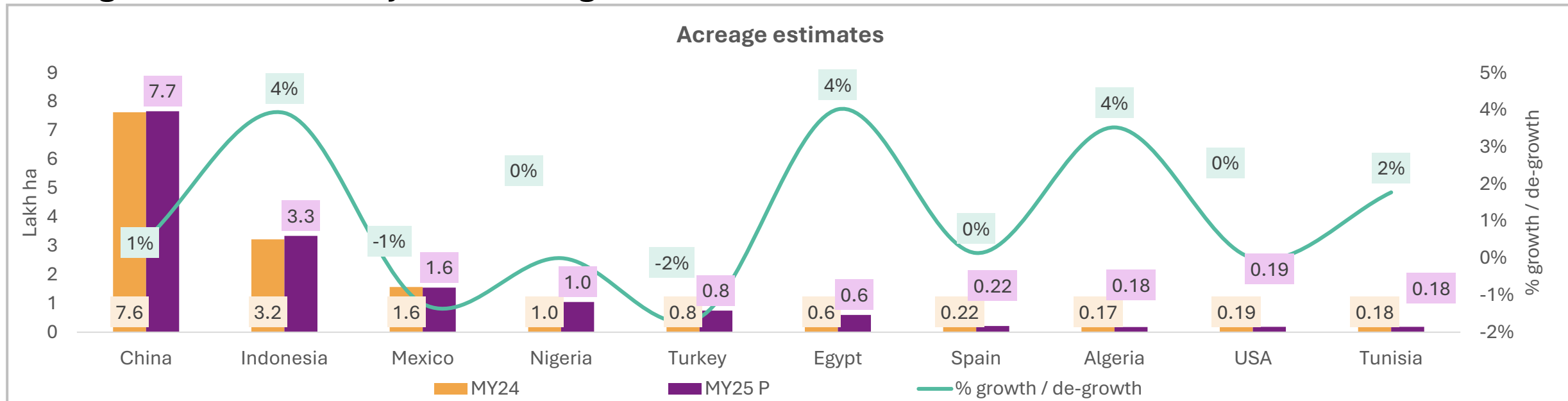


Monthly dashboard – Capsicum Sep-2025

Acreage & Production Trend



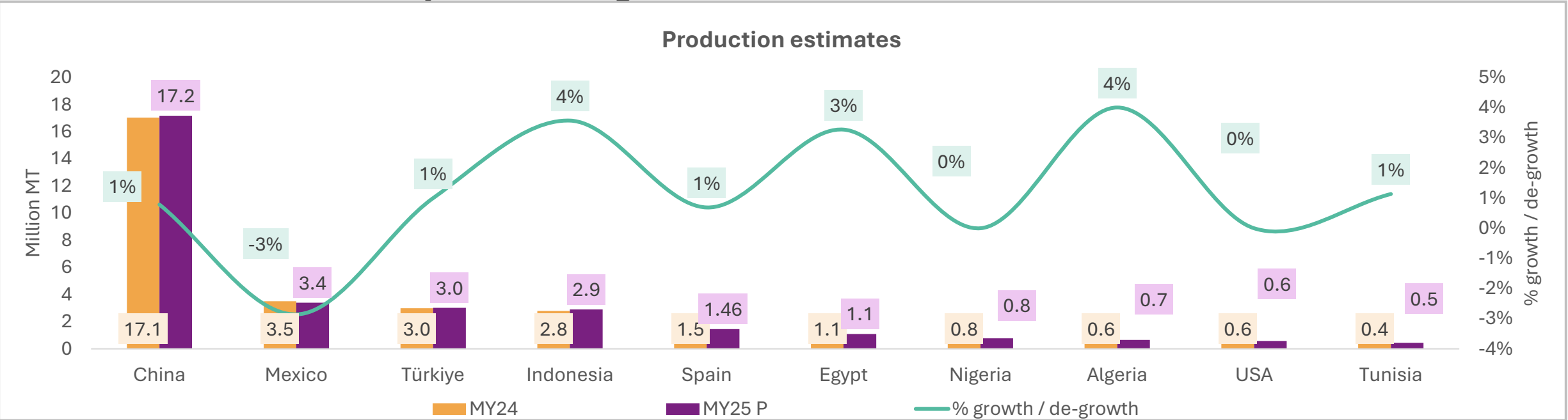
Acreage Estimates of Major Producing Countries



P – Projected value; MY – Marketing year (Jan-Dec)

- The countries in the chart **account for nearly 80% of the world's capsicum acreage**, with **global acreage in MY25 expected to be 2-3% higher** than the previous year.
- **In the US**, open field acreage **has declined by 2% CAGR (MY19-MY24)** due to 70% of demand being met by imports, mainly from Mexico, with domestic production concentrated in California.
- **China accounts for 37% of global capsicum acreage**, with a **expected marginal increase of 1-2% in MY25**, with most of its production coming from intensively managed open fields.
- Protected cultivation, such as polyhouse and greenhouse systems, is growing in India, Turkey, Mexico, and Spain, offering higher productivity (30-50 tons/acre) compared to open field cultivation (10-20 tons/acre).
- **Egypt's capsicum season concluded in June** with a successful harvest, while Mexico has received a \$130 million investment from the Inter-American Development Bank to support greenhouse crops, including capsicum, which is expected to boost acreage under the crop.

Production Estimates of Major Producing Countries



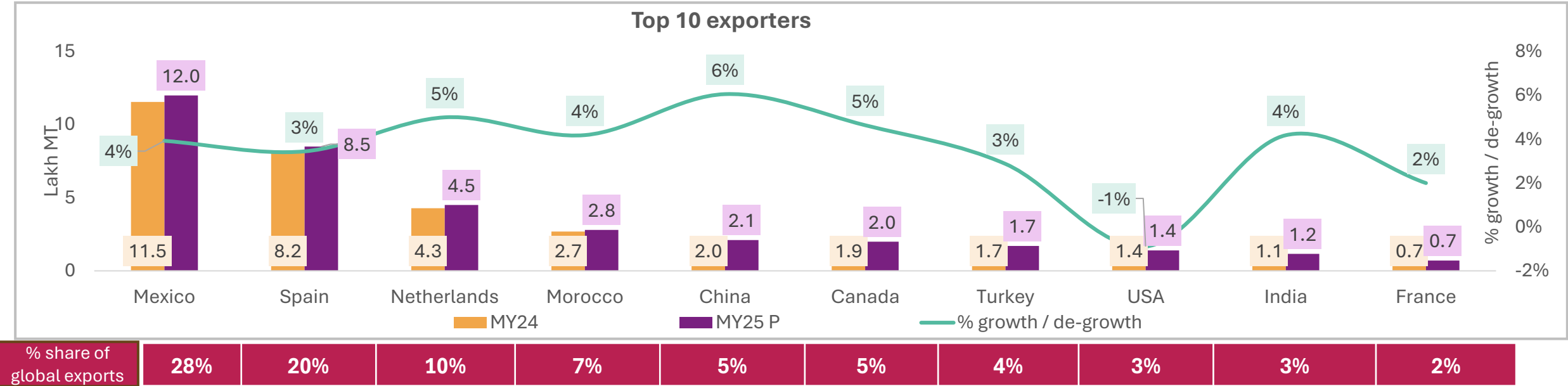
P – Projected value; MY – Marketing year (Jan-Dec)

- The countries in the chart **account for 83% of the world's capsicum production**, with global production in **MY25 expected to be 2-3% higher** than the previous year.
- **China's production is expected to remain marginally higher** at 17.2 lakh MT in MY25, driven by strong domestic demand and increasing protected cultivation practices to mitigate climate risks.
- **Mexico's production is expected to decline by 3-4% in MY25** due to high energy costs and regulatory changes, despite some provinces like Jalisco and Nayatri witnessing good produce with consistent size, quality, and yield.
- **Turkey's capsicum production is expected to edge up marginally**, driven by **growing export demand at a CAGR of ~10% (MY20-MY24)**.
- Indonesia is expected to increase its area under capsicum cultivation in MY25, driven by the adoption of Integrated Pest Management (IPM) practices to combat rising pest concerns, particularly in regions like Bangka Belitung and Lampung.



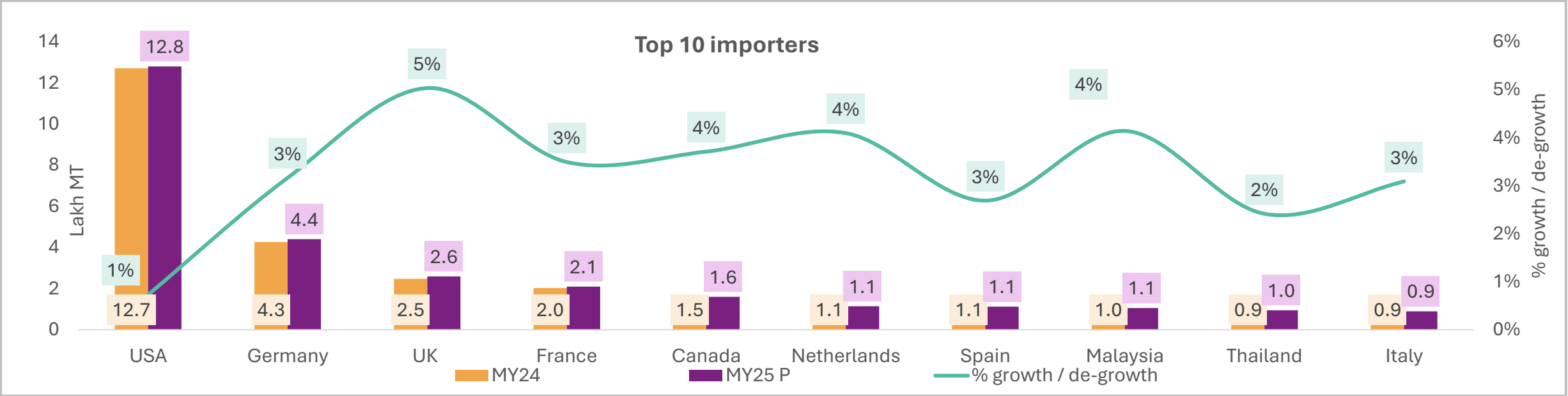
Export trends and price outlook

Major Exporters of Capsicum



- **Mexico's exports are expected to grow 3-4% in MY25**, driven by rebounding yields and new market access in Japan, with colored pepper demand supporting exports. September 2025 supplies were stable and of good quality, **except for mini sweet peppers**, with colored bell peppers seeing good supplies.
- **Spain's export volumes are set to rise 3-4% in MY25**, driven by rebounding greenhouse production and robust EU demand, despite yield concerns due to extreme cold weather.
- **China's export growth is expected to be 8-10% in MY25**, driven by expanded controlled-environment farming and **stronger demand from Southeast Asia and Russia**, after complying with phytosanitary requirements.
- **Turkey's exports are expected to grow in MY25**, driven by demand from countries like Russia, Germany, Poland, and Romania.
- **India's exports are projected to increase 3-4% in MY25**, driven by **rising greenhouse production in southern states** and targeted shipments to the Middle East.
- **Morocco's exports have been supported by high demand** in Germany, UK, and France, with **red bell peppers being the most demanded** variety, and growers have shifted from round tomatoes to bell peppers due to disease concerns.

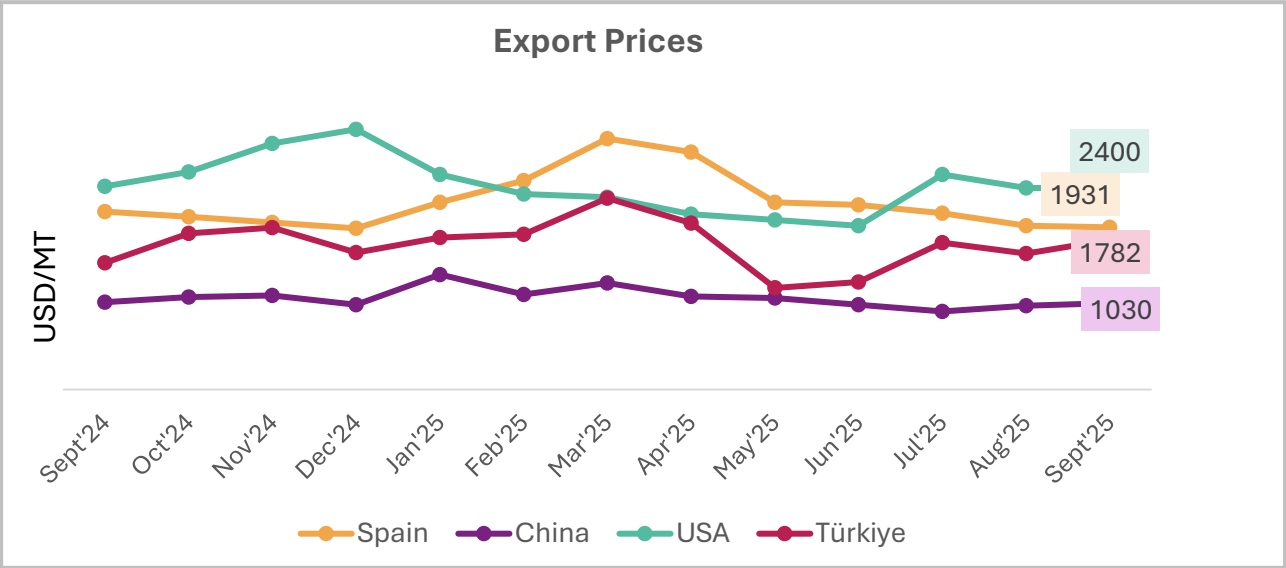
Major Importers of Capsicum



% share of global exports	32%	11%	6%	5%	4%	3%	3%	3%	2%	2%
---------------------------	-----	-----	----	----	----	----	----	----	----	----

- The countries in the chart **account for ~71% of global imports**, with global imports expected to increase by 3-4% in MY25.
- **USA imports are expected to rise 1-2% in MY25**, driven by stable demand and strong supply from Mexico and Canada, with greenhouse-produced imports gaining share.
- **Germany's imports are set to rise 2-3% in MY25**, driven by increasing demand for colored and organic bell peppers, with red peppers expected to dominate cultivation.
- **Malaysia's imports are likely to rise 4-5% in MY25**, driven by urban consumption and expanded sourcing from Vietnam, Thailand, and China.
- **UK's imports are forecast to grow 4-5% in MY25**, driven by limited domestic production and strong retail demand for pre-packed, mixed-variety peppers.
- **Italy's imports have been impacted by overlapping production from Sicily, Campania, and the Netherlands**, due to high temperatures and weak demand

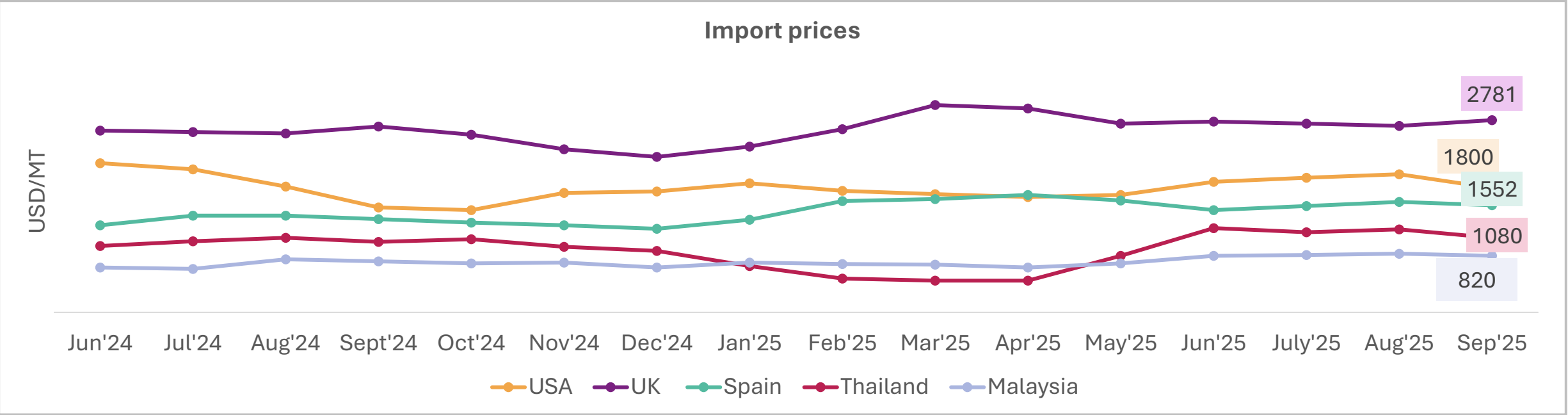
Price trends of key exporting nations



Price outlook for next quarter (OND)					
Countries	Sep'25 Price (USD/MT)	Sep'24 Price (USD/MT)	%age c hange	Price direction	Average price range for OND (USD/MT)
Spain	1931	2120	-9%	Bearish	1890-1910
China	1030	1040	-1%	Bullish	1030-1060
USA	2400	2420	-1%	Sideways	2380-2420
Türkiye	1782	1510	18%	Bullish	1800-1840

- Countries with higher export prices, such as **Spain, the US, and Turkey**, are **associated with glasshouse-intensive cultivation** and premium colored bell pepper varieties, while **lower-priced origins like India and China focus on bulk**, field-grown exports.
- The **global bell pepper market is experiencing price shifts**, production challenges, and evolving export dynamics, with **the US seeing stable prices** in September 2025 **due to stable supplies from Mexico** and the USCMA agreement.
- Turkey has maintained stronger price levels** in early 2025, driven by Ramadan demand and the popularity of specialty types, but faces shortfalls in key varieties, which is expected to support prices in the next quarter.
- Spain faces early crop termination due to pest pressure and weather, pushing prices higher, but prices started correcting in June with delayed supplies and are **expected to remain under pressure from Dutch imports**, particularly in the **yellow pepper segment**.
- China's export prices have remained firm for two years**, driven by growing demand, and inched up 3% in September due to premium pricing for greenhouse produce, with urban demand driving traction for greenhouse supplies, but limited acreage keeping prices firm.

Price trends of key importing nations

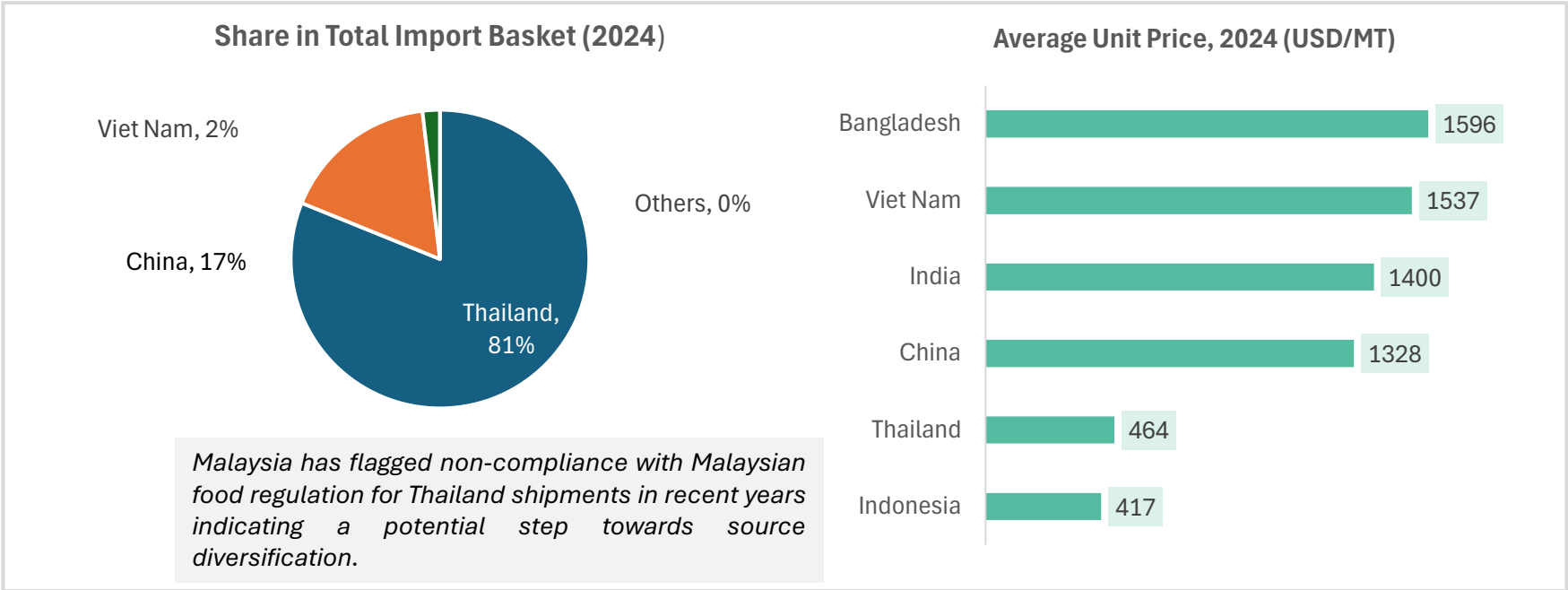


Source: ITC trade map, HS code 070960

- **The EU and US markets are experiencing upward price pressure** in 2025 due to adverse weather, supply disruptions, and higher input/energy costs.
- **The EU's reliance on Morocco and Turkey is increasing as Spanish production remains flat**, and premium, organic, and sustainably produced bell peppers command higher price premiums.
- **UK import prices remained firm** in September 2025 **due to off-season sourcing from Morocco and Spain**, higher logistic costs, and tightened supplies.
- **Thailand's import prices** dropped from \$960/ton in mid-2024 to \$490-500/ton in early 2025 due to strong domestic production and slowed tourism-driven consumption. It **rebounded to around \$650/ton in May-June 2025** as domestic supplies tightened and demand from HORECA remained steady.
- **Malaysia's import prices:**
 - Remained low and stable, averaging \$650-720/ton through 2024-2025, with most supplies coming from greenhouses in the Cameron Highlands.
 - Firmed up in August 2025 due to tapering supplies but moderated in September with new planting arrivals.

Indian Capsicum Export Opportunity in Malaysia Market

Imported Volume (2024)	101,784 tonnes
Malaysia's share in global capsicum import basket	~3%
Key Competitive Exporters	Thailand, China, Vietnam and Indonesia
CAGR growth (MY19-MY24)	~11%
India's Penetration (In the country's import basket)	0-1%
India's exported volume to the country (average 2019-2024)	~37 tonnes
Average Malaysian Import Price (2024)	850 USD/MT
Average Indian import price in Malaysia (2024)	1400 USD/MT



- Malaysia is a **significant market with 3% share in global imports** and an **11% CAGR** (MY19-MY24), driven by retail and food-service channels, making it a growing market of strategic importance. Malaysia's **limited domestic production capacity** makes it **reliant on imports**
- Indian exports to Malaysia have been fluctuating**, but there is demand, and Indian **prices are ~9% more competitive** than premium- range suppliers like Vietnam.
- India is well-positioned to tap into Malaysia's emerging premium-oriented demand, and the ASEAN-India agreements and bilateral CECA (Comprehensive Economic Cooperation Agreement) frameworks provide customs facilitation and preferential terms to smoothen trade.
- To increase market share in Malaysia, India should focus on:**
 - Frequent, smaller consignments by sea or air
 - Residue certification
 - Improved packaging or branding
 - Leveraging existing trade agreements to reduce transaction friction and certify origin.

Thank You

Methodology for Price Forecasting

Our methodology combines comprehensive secondary research, targeted stakeholder consultations, and rigorous analytical techniques to ensure accuracy and actionable insights. The methodology comprises three key stages: Data Collection, Data Analysis & Interpretation, and Price Forecasting.

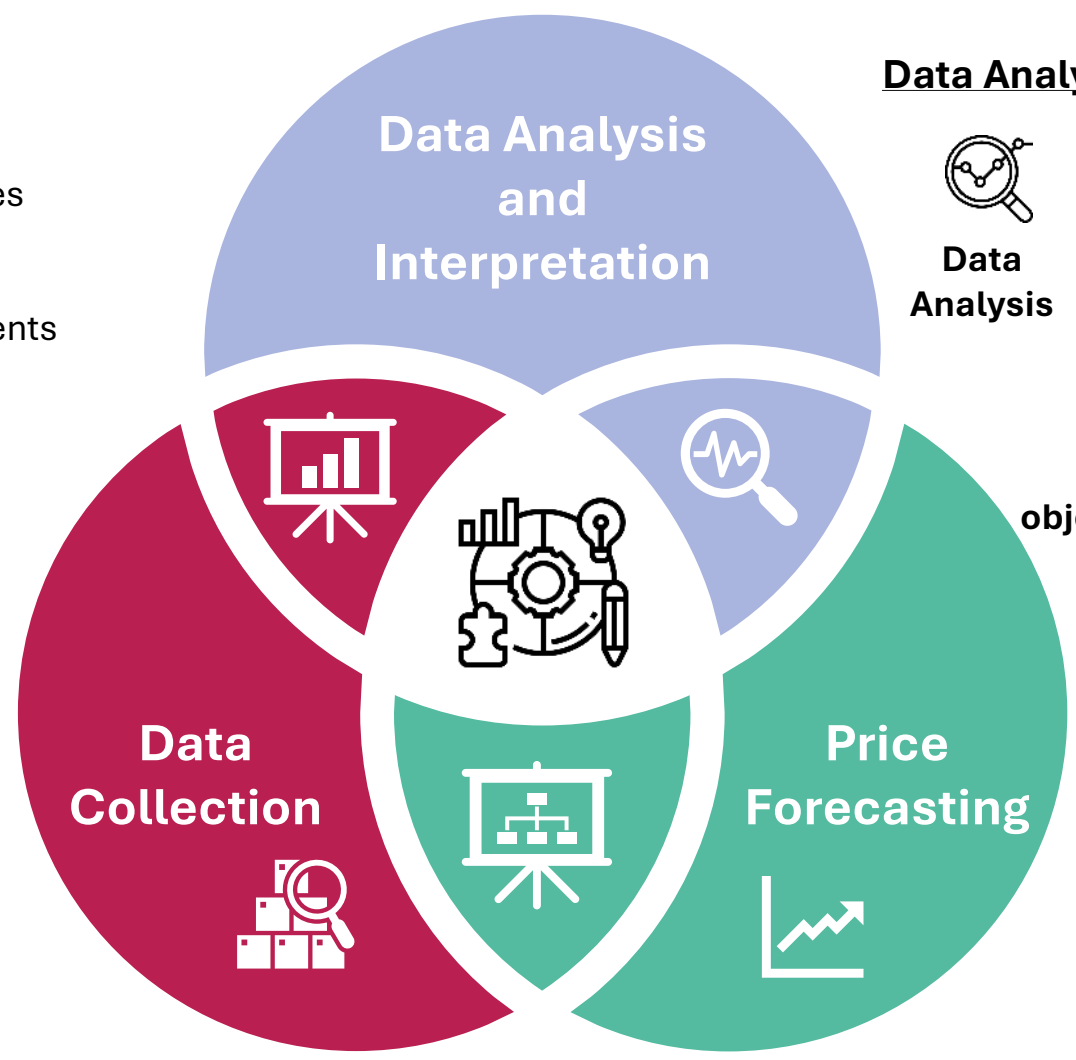
Data Collection

- 

Sources
- Global agricultural databases (USDA, FAO, etc.)
 - Country-wise statistics from official agriculture departments
 - Industry publications and research reports

- 

Policy Updates
- Detailed review of Production policies & trade barriers for each country
 - Data from government websites & official publications



Data Analysis and Interpretation

- 

Data Analysis
- Supply-demand assessment
 - Policy impact analysis
 - Stakeholder consultations

- 

Key objectives
- Production trends
 - Trade dynamics
 - Policy implications

Price Forecasting

- Historical Trend & Seasonality
 - Macro-Economic & Trade Variables
- Integration of commodity fundamentals to forecast future price ranges.

Structured consultations with Indian exporters and industry associations, cross-verifying secondary data and validating price forecasts to refine production, trade, and policy assessments.