

KHARIF 2019-20 PRE-HARVEST PRICE FORECAST OF CHILLI

Chilli Price per Quintal will be around Rs. 10500 – 12500 at the Time of Harvesting (January to March 2020)

Chilli is considered as one of the commercial spice crops. Indian chilli is considered to be world famous for two important commercial qualities namely, its color and pungency levels. India is the world leader in chilli production followed by China, Mexico, Turkey, Indonesia, Spain and United States. During 2019, Indian chilli is mainly exported to China, Bangladesh, Malaysia and Sri Lanka. There is good export demand for chilli varieties like S4 Sannam, S17 Teja, Byadagi, 334, Mundu, Wonderhot, Indam 5 and Kashmiri chilli in international market.

India being the world's largest producer, consumer and exporter of chillies has the largest area under chillies in the world. Indian chilli occupied an area of 739 thousand hectares with a production of 2172 thousand metric tonnes in 2018-19. In India, major chilli producing states are Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Madhya Pradesh and West Bengal.

In Telangana, during 2019-20, an area of 45,028 hectares was reported under chilli as compared to 46,126 hectares in the corresponding period of last year. Among the districts, Khammam stood first with 14,268 ha followed by Mahabubabad (12,113 ha), Gadwal (9,328 ha), Suryapet (4,166 ha) and Warangal (Rural) (2387 ha). New chilli arrivals are likely to enter from December third week in small quantities with medium quality. However good quality arrivals are expected to enter from 15th January onwards. High yield is expected during coming marketing year due to favorable weather.

Currently chilli crop reported well in all over growing regions like Andhra Pradesh, Telangana and Madhya Pradesh etc. due to sunny weather. However, in Karnataka standing chilli crop damaged around 28 - 30% due to unseasonal rainfall (during September and October).

Current year total red chilli supply in Guntur market from 1st January 2019 to 29th November 2019, stands at around 522,675 MT as compared to 558,855 MT in the corresponding period of last year i.e., supply down by 6.47% as a result of lower stocks available in the spot market.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Rajendranagar, Hyderabad at Professor Jayashankar Telangana State Agricultural University with the financial support of Agricultural Marketing Department, Telangana State has assessed 2019-20 kharif pre-harvest price forecast of chilli. Under present crop condition and lower cold storage stocks, it is expected that the chilli price per quintal will be around **Rs. 10500-12500** at the time of harvesting (January to March 2020). This price forecast is based on the monthly modal price of chilli obtained for 17 years from Khammam regulated market using econometric models like ARIMA, SARIMA, ARIMAX, ARCH and GARCH and also the market survey. Khammam, Warangal and Mahabubabad are the major chilli markets in Telangana.

Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.