

VANAKALAM (KHARIF) 2020-21 PRE-SOWING PRICE FORECAST OF CHILLI

**Chilli Price per Quintal will be around Rs. 9500 – 11000 at the Time of Harvesting
(January to March 2021)**

India being the world's largest producer, consumer and exporter of chillies has the largest area of 7.33 lakh ha (18.11 lakh acres) accounting for 42.81% of world area. India is the world leader in chilli production with 17.64 lakh tonnes followed by China (3.21 lakh tonnes), Ethiopia (2.94 lakh tonnes), Thailand (2.47 lakh tonnes) and Pakistan (1.48 lakh tonnes) in 2018-19.

In 2018-19, around 4 - 5 lakh tonnes of chilli was exported to countries like China, Sri Lanka, Bangladesh, U.A.E, Malaysia, Vietnam and Thailand. For 2019-20, mostly chilli exports are halted due to COVID 19.

According to 2019-20 first advance estimates, Indian chilli occupied an area of 7.33 lakh hectares (18.11 lakh acres) with a production of 17.64 lakh tonnes and productivity of 2400 Kg per hectare (971 Kg per acre). In India, major chilli producing states are Andhra Pradesh (6.30 lakh tonnes), Telangana (3.04 lakh tonnes), Madhya Pradesh (2.18 lakh tonnes), Karnataka (1.95 lakh tonnes) and West Bengal (1.06 lakh tonnes) accounting for 35, 17, 12, 11 and 6 percent of all India production respectively.

In 2019-20, Telangana ranked second in chilli area, production and productivity i.e., 0.85 lakh hectares (2.10 lakh acres), production 3.28 lakh tonnes and productivity 3859 Kg/ha (1561 Kg per acre) respectively. Chilli area and production in Telangana accounts for 11.59% and 17% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). There is good demand for chilli hybrid varieties like 334 and Teja in international market. Presently, In Andhra Pradesh and Telangana, around 5.40 lakh tonnes chilli was in cold storages.

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 2020-21 vanakalam (kharif) pre-sowing price forecast of chilli. Under expected normal rainfall, crop coverage and high cold storage stocks due to COVID 19 state of affairs it is expected that the chilli price per quintal will be around **Rs. 9500-11000** at the time of harvesting (January to March 2021). This price forecast is based on the monthly modal price of chilli obtained for 18 years from Khammam regulated market using econometric models like ARIMA, SARIMA, ARIMAX, ARCH and GARCH and also the market survey. Khammam, Warangal and Mahbubabad 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.