

VANAKALAM (KHARIF) 2021-22 PRE-HARVEST PRICE FORECAST OF CHILLI

Chilli Price per Quintal will be around Rs. 12500 – 14500 at the Time of Harvesting (January to March 2022)

India being the world's largest producer, consumer and exporter of chillies has the largest area of 6.83 lakh ha (16.87 lakh acres) accounting for 40% of world area. India is the world leader in chilli production with 17.02 lakh tonnes followed by Thailand (3.50 lakh tonnes), China (3.30 lakh tonnes), Ethiopia (3.10 lakh tonnes) and Côte d'Ivoire (1.80 lakh tonnes) accounting for 42.60 per cent of total world chilli production in 2019-20. Indian chilli is mainly exported to Asian countries like China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand, UAE, etc.

According to 2020-21 second advance estimates, Indian chilli occupied an area of 7.32 lakh hectares (18.08 lakh acres) with a production of 19.88 lakh tonnes and productivity of 2716 Kg per hectare (1099 Kg per acre). In India, major chilli producing states are Andhra Pradesh (8.36 lakh tonnes), Telangana (5.45 lakh tonnes), Madhya Pradesh (2.92 lakh tonnes), Karnataka (1.93 lakh tonnes) and West Bengal (0.85 lakh tonnes) accounting for 42, 27, 15, 10 and 4 percent of all India production respectively. From 1st January 2021 to 17th December 2021, red chilli supply in the Guntur market is reported to add up to around 700,020 MT as compared to last year's same period 584,550 MT, up by 19.75%.

According to the Spice board, in 2020-21 India had exported 6.01 lakh tonnes of chilli of worth Rs. 8429.75 Crores to China, Bangladesh, Sri Lanka, Indonesia and Thailand. The 'Byadagi' chilli grown in Karnataka has tremendous demand in the world market largely due to its rich color and low pungency. Besides, there is a good demand for other chilli varieties like Teja, Guntur Sannam and US 334, Red Chilli No.273, Red Chilli No.5, Wonder hot, LCA 334, US 341, Devanoor Delux and Indam 5. This year chilli quality and yield may reduce due to heavy rainfall at initial stage and pest attack (mainly thrips).

In 2020-21, Telangana ranked second in chilli area, production and productivity i.e., 0.90 lakh hectares (2.23 lakh acres), 5.45 lakh tonnes and 6039 Kg/ha (2444 Kg per acre) respectively. Chilli area and production in Telangana accounts for 13.15% and 27.41% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural).

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 2021-22 vanakalam (kharif) pre-harvest price forecast of chilli. Under prevailing weather and crop conditions, it is expected that the chilli price per quintal will be around **Rs.12500-14500** at the time of harvesting (January to March 2022). This price forecast is based on the monthly modal price of chilli obtained for 19 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.