

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

**Chilli Price per Quintal will be around Rs. 11500 – 13500 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.

In 2019-20, India had exported 4.84 lakh tonnes of chilli 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 colour and pungency. Besides, there is a good demand for other chilli varieties like Teja, Guntur Sannam and US 334.

During 2019-20, Indian chilli occupied an area of 6.83 lakh hectares (16.87 lakh acres) with a production of 17.02 lakh tonnes and productivity of 2494 Kg per hectare (1009 Kg per acre). In India, major chilli producing states are Andhra Pradesh (6.60 lakh tonnes), Telangana (3.28 lakh tonnes), Madhya Pradesh (2.18 lakh tonnes), Karnataka (1.80 lakh tonnes) and West Bengal (1.04 lakh tonnes) accounting for 39,19,13,11 and 6 percent of all India production respectively.

According to 2020-21 first advance estimates, Telangana chilli occupied an area of 0.77 lakh hectares (1.91 lakh acres) with a production of 4.10 lakh tonnes and productivity of 5307 Kg per hectare (2147 Kg per acre). Chilli area and production in Telangana accounts for 11.27 and 19.27 per cent of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). Presently, In Andhra Pradesh, around 67-70 lakh bags (1 bag = 40 Kg) 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 2021-22 vanakalam (kharif) pre-sowing price forecast of chilli. Under expected normal rainfall and crop coverage, it is expected that the chilli price per quintal will be around **Rs.11500-13500** 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.