

VANAKALAM (KHARIF) 2022-23 PRE-SOWING PRICE FORECAST OF CHILLI

Chilli Price per Quintal will be around Rs. 13500 – 15500 at the Time of Harvesting (January to March 2023)

India being the world's largest producer, consumer and exporter of chillies has the largest area of 7.32 lakh ha (18.08 lakh acres) accounting for 44% of world area. India is the world leader in chilli production with 19.88 lakh tonnes followed by Thailand (3.23 lakh tonnes), China (3.08 lakh tonnes), Ethiopia (2.98 lakh tonnes) and Bangladesh (1.58 lakh tonnes) accounting for 40 per cent of total world chilli production with 41.57 lakh tonnes in 2020-21. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. Indian chilli is mainly exported to Asian countries like China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand, UAE, etc.

During 2021-22, India is likely to export 4.75 lakh tonnes of chilli compared to 6.01 lakh tonnes in 2020-21 due to below normal chilli export demand reported from China, Bangladesh and Sri Lanka. Chilli total export quantity is likely to go down current year due to higher domestic prices. Also, lockdown in China (biggest importer from last three years) and Sri Lanka economic crisis might have added to the sentiment. In Andhra Pradesh cold storage stock is around 63 to 66 lakh bags compared to 77–78 lakh bags (1 bag=40kg) last year during the same period. Chilli varieties like Byadagi, Teja, Guntur Sannam and US 334 there is a good demand at international market.

During 2020-21, 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 (4.45 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.

In 2020-21, Telangana ranked fourth in chilli area and second in chilli production and productivity i.e., 2.23 lakh acres, 5.45 lakh metric tonnes and 2444 Kg per acre respectively (4th advance estimates). Chilli area and production in Telangana account for 12.32% and 27.41% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). Due to good remunerative prices for chilli current year chilli area likely to move upside by 10-15 percent compared to previous year. According to the 2nd advance estimates, Telangana chilli production estimate was 7.11 lakh tonnes for 2021-22 as against 5.36 lakh tonnes in 2020-21.

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 2022-23 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.13500-15500** at the time of harvesting (January to March 2023). This price forecast is based on the monthly modal price of chilli obtained for 20 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.