

VANAKALAM (KHARIF) 2023-24 PRE-SOWING PRICE FORECAST OF CHILLI

**Chilli Price per Quintal will be around Rs. 18500 – 20000 at the Time of Harvesting
(January to March 2024)**

India is the world's largest producer, consumer and exporter of chilli. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. 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. In India, major chilli producing states are Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka and West Bengal.

In 2022-23, export demand may reach up to 5.70 to 5.90 lakh MT due to higher production of premium quality in AP, Telangana and Karnataka growing regions. Due to increased supply of premium quality and a very strong demand, primarily from China, the United States, Bangladesh, Malaysia and Indonesia. During 2021-22, India exported 5.57 lakh tonnes worth Rs. 8581 crores.

During 2021-22, Indian chilli occupied an area of 6.94 lakh hectares (17.14 lakh acres) with a production of 15.78 lakh tonnes and productivity of 2689 Kg per hectare (1088 Kg per acre). In India, major chilli producing states are Andhra Pradesh (7 lakh tonnes), Telangana (4.33 lakh tonnes), Madhya Pradesh (3.03 lakh tonnes), Karnataka (1.85 lakh tonnes) and Odisha (0.69 lakh tonnes) accounting for 44,27,19,12 and 4 percent of all India production respectively.

In 2021-22, Telangana ranked fourth in chilli area and second in chilli production and productivity i.e., 3.85 lakh acres, 7.19 lakh tonnes and 1865 Kg per acre respectively. Chilli area and production in Telangana account for 22% and 46% of all India area and production respectively. The major chilli growing districts are Khammam, Mahabubabad, Gadwal, Suryapet and Warangal (Rural). According to the 3rd advance estimates, Telangana chilli production estimate was 5.32 lakh tonnes for 2022-23 as against 7.16 lakh tonnes in 2021-22.

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 2023-24 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.18500-20000** at the time of harvesting (January to March 2024). This price forecast is based on the monthly modal price of chilli obtained for 21 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.