

KHARIF 2018-19 PRE-HARVEST PRICE FORECAST OF CHILLI

Chilli Price per Quintal will be around Rs. 8500 – 9000 at the Time of Harvesting (January to March 2019)

India is the world's largest producer, consumer and exporter of chillies in the world. 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 Vietnam, Thailand, Sri Lanka, Bangladesh and U.A.E.

In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Andhra Pradesh, as per all India crop situation - kharif 2018 - 19 as on 26th September 2018, about 116,578 hectares was reported under red chilli. Till now, chilli area coverage in Guntur, Kurnool and Krishna regions is reported as 65,259 hectares, 15,584 hectares and 12,816 hectares respectively.

As per season and crop coverage report kharif – 2018-19 as on 26th September 2018, red chilli sown area in Telangana was reported as 46,126 hectares as compared to only 24,920 hectares in the corresponding period of last year. Among major chilli growing districts, Khammam has reported maximum 18,010 hectares followed by Mahabubabad (10758 ha), Gadwal (Jogulamba) (6,289 ha) and Warangal (rural) (1,794 ha).

Standing crop condition reported weak in Maharashtra and Madhya Pradesh due to lower rainfall. Heavy rainfall reported in Guntur, Krishna and other major chilli growing regions slightly affected chilli standing crop. In the current season, normal demand was reported from Malaysia, Thailand, China, Bangladesh and Sri Lanka. Sources revealed that, Teja prices may go up further as export qualities available only at Andhra Pradesh and Telangana state. Currently, chilli is at fruit development stage. New crop arrivals are likely to enter into markets from last week of January 2019.

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 2018-19 kharif pre-harvest price forecast of chilli. Based on present crop condition and crop coverage, it is expected that the chilli price per quintal will be around **Rs. 8500 – 9000** at the time of harvesting (Jan to March 2019). This price forecast is based on the monthly modal price of chilli obtained for 17 years from Khammam regulated market using econometric models like ARIMA, SARIMA, ARCH, GARCH and ANN 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.