

KHARIF 2019-20 PRE-SOWING PRICE FORECAST OF CHILLI

Chilli Price per Quintal will be around Rs. 8500 – 9000 at the Time of Harvesting (January to March 2020)

Chilli is considered as one of the commercial spice crops. It is the most widely used universal spice, named as wonder spice. Indian chilli is considered to be world famous for two important commercial qualities namely, its color and pungency levels. India is the world leader in chilli production followed by China, Mexico, Turkey, Indonesia, Spain and United States. Indian chilli is mainly exported to Asian countries like Vietnam, Thailand, Sri Lanka, Bangladesh, U.A.E, Malaysia and China.

India being the world's largest producer, consumer and exporter of chillies has the largest area under chillies in the world. Indian chilli occupied an area of 739 thousand hectares with a production of 2172 thousand metric tonnes in 2018-19. In India, major chilli producing states are Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Madhya Pradesh and West Bengal.

In Telangana, area sown under chilli during 2018-19 was 46,126 hectares as compared to 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 hectares), Gadwal (Jogulamba) (6,289 hectares) and Warangal (Rural) (1,794 hectares) in 2018-19. There is good demand for chilli hybrid varieties like 334 and Teja in international market.

According to trade sources, chilli cold storage stocks as on April 2019 (including old and new crops) in Guntur range between 2,47,500 to 2,52,000 MT. This lower cold storage stocks reported in current year may be attributed to less carry forward stocks for 2019/20 year.

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 2019-20 kharif pre-sowing price forecast of chilli. Under expected normal rainfall and lower cold storage stocks, it is expected that the chilli price per quintal will be around **Rs. 8500-9000** at the time of harvesting (January to March 2020). 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, 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.