

KHARIF 2017-18 PRE-SOWING PRICE FORECAST OF CHILLI

**Chilli Price per Quintal will be around Rs. 5500 - 6000 at the Time of Harvesting
(December 2017 to January 2018)**

World chilli production is primarily concentrated in South Asian countries to an extent of about 55% of total world production. India is the single largest producer contributing for about 38% followed by neighbors i.e., China with 7%, Pakistan and Bangladesh contributing for about 5% each, while rest of the output is spread across South American and African countries.

Further, India is the largest exporter of chillies, meeting nearly half of the world's consumption demand. Apart from India, China also exports to an extent of about 19% of total world's exports. Peru contributes for nearly 9%, while Spain is the fourth largest exporter in the world as per the FAO data.

In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh. In Telangana, major chilli producing districts are Khammam and Warangal.

In Telangana the area under Chilli during kharif 2016-17 has increased to 0.59 lakh hectares from 0.36 lakh hectares in kharif 2015-16. Due to favorable agro-climatic conditions and less pest and disease infestation bumper crop yields were realized. However, there was sudden price crash due to fall in demand for the commodity, international prices and lack of sufficient storage facilities.

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, Professor Jayashankar Telangana State Agricultural University, Rajendranagar, Hyderabad with the financial support of Agricultural Marketing Department, Telangana State has assessed pre-sowing price of chilli for kharif 2017-18. Under expected normal rainfall and crop area coverage, it is predicted that the chilli price per quintal will be around **Rs. 5500 - 6000** at the time of harvesting (Dec 2017 to Jan 2018). This price forecast is based on the monthly modal price of chilli obtained for 16 years from Khammam regulated market using econometric models like ARIMA, SARIMA, ARCH, GARCH and ANN and also the market survey.

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.