

KHARIF 2017-18 PRE HARVESTING PRICE FORECAST OF CHILLI

Chilli Price Per Quintal will be around Rs 5600 – 6000 at the Time of Harvesting (January to February 2018)

India is the world's largest producer, consumer and exporter of chillies in the world. India also has the largest area under chillies in the world. India is the world leader in chilli production followed by China. Indian chilli is considered to be world-famous for two important commercial qualities, colour and pungency levels. Indian share in global production is 50 to 60 per cent. Major chilli growing countries are India, China, Indonesia, Korea, Pakistan, Turkey and Sri Lanka in Asia; Nigeria, Ghana, Tunisia and Egypt in Africa; Mexico, United States of America in North – Central America; Yugoslavia, Spain, Romania, Bulgaria, Italy and Hungary in Europe and Argentina and Peru in South America.

In India, major chilli producing states are Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and Madhya Pradesh. In Telangana, major chilli producing districts are Khammam and Warangal. In Telangana the area under chilli during kharif 2017-18 has decreased to 0.25 lakh hectares from 0.53 lakh hectares in kharif 2016-17. There was sudden price crash from last year due to fall in demand for the commodity, international prices and lack of sufficient storage facilities. In Andhra Pradesh and Telangana, chilli acreage has declined by 30–35% during current year. As per market sources, chilli area was shifted to cotton and maize crops due to assurance of prices.

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 2017-18 kharif pre- harvesting price forecast of chilli. Under expected normal rainfall and area coverage under the crop, it is expected that the chilli price per quintal will be around Rs. **5600-6000** at the time of harvesting (Jan to Feb 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.