

## **VANAKALAM (KHARIF) 2025-26 PRE-SOWING PRICE FORECAST OF CHILLI**

**Chilli Price per Quintal will be around Rs. 14000 – 16500 at the Time of Harvesting  
(January to March 2026)**

India is the world's largest producer, consumer, and exporter of Chillies, known for their vibrant color and varying levels of pungency. Most Indian Chilli exports go to Asian countries such as China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand, and the UAE. In 2023, Chillies were grown on 18.03 lakh hectares globally, producing 58.22 lakh tonnes with an average yield of 3,229 kg per hectare. India led global production with 27.82 lakh tonnes, followed by Bangladesh, Thailand, China, Ethiopia, Myanmar, Benin, Côte d'Ivoire, and Pakistan.

During January to April 2025, the supply of Chilli crop, including cold-storage arrivals, in the Guntur benchmark market reached 84.18 lakh bags, up 4.7% from 80.40 lakh bags during the same period last year. Similarly, the Warangal market recorded 26.996 lakh bags, a 3.87% increase from 25.99 lakh bags last year. Meanwhile, Karnataka is holding a record 40 lakh bags in cold storage, significantly higher than the usual 15 to 25 lakh bags. However, despite this recent surge in dry Chilli production driven by favorable returns and good yields over the past four years, this growth may begin to slow down in the coming year.

According to the 1<sup>st</sup> advance estimates for 2024-25, Chilli cultivation in India covered an area of 9.22 lakh hectares (22.77 lakh acres), producing 26.93 lakh tonnes with a productivity of 2923 kg per hectare (1183 kg per acre). The major Chilli-producing states are Andhra Pradesh (10.33 lakh tonnes), Telangana (6.89 lakh tonnes), Madhya Pradesh (3.37 lakh tonnes), Karnataka (3.11 lakh tonnes), and Odisha (0.89 lakh tonnes), which contribute approximately 38%, 26%, 13%, 12%, and 3% respectively to India's total Chilli production.

According to the 1<sup>st</sup> advance estimates for 2024-25, Telangana ranked third in Chilli cultivation area and second in both production and productivity, with 3.80 lakh acres, 6.89 lakh tonnes, and 1813 kg per acre, respectively. Telangana accounts for 17% of India's total Chilli area and 26% of its production. The major Chilli-growing districts in the state are Khammam, Mahabubabad, Gadwal, Suryapet, and Warangal (Rural). However, the Chilli production estimate for Telangana in 2024-25 (6.89 lakh tonnes) is lower compared to 7.94 lakh tonnes in 2023-24.

As of 2025, red Chilli exports from India have reached 1,37,911.80 metric tonnes, following a strong performance in 2024, when total exports stood at 5,36,067.73 metric tonnes. This growth in exports underscores the steady global demand for Indian red Chillies, despite fluctuations in the domestic market. It reflects India's strong position in the international spice trade and the consistent preference for Indian Chillies due to their quality and variety.

Popular Chilli varieties in high demand worldwide include Guntur Sannam, Teja, Byadgi, Kashmiri, Bhavnagri, and Ghost Pepper (BhutJolokia). They are known for their unique flavors, different heat levels, and wide use in cooking, making them highly sought after in global markets.

In Telangana, Chilli cultivation has shown significant variation in area, production, and productivity over the years. The extent of cultivation has fluctuated, reflecting changing farmer interest and market dynamics. Despite these shifts, Chilli production has witnessed notable growth at times, largely due to improvements in productivity. Yield per hectare has varied, influenced by factors such as weather conditions, pest management, and the adoption of better cultivation practices. Overall, Chilli remains as an important crop in Telangana, with growing efforts to enhance productivity and meet increasing market demand.

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 Agricultural University with the financial support of Agricultural Marketing Department, Telangana State has assessed 2025-26 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.14000-16500** at the time of harvesting (January to March 2026). This price forecast is based on the monthly modal price of Chilli obtained for 23 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.*