

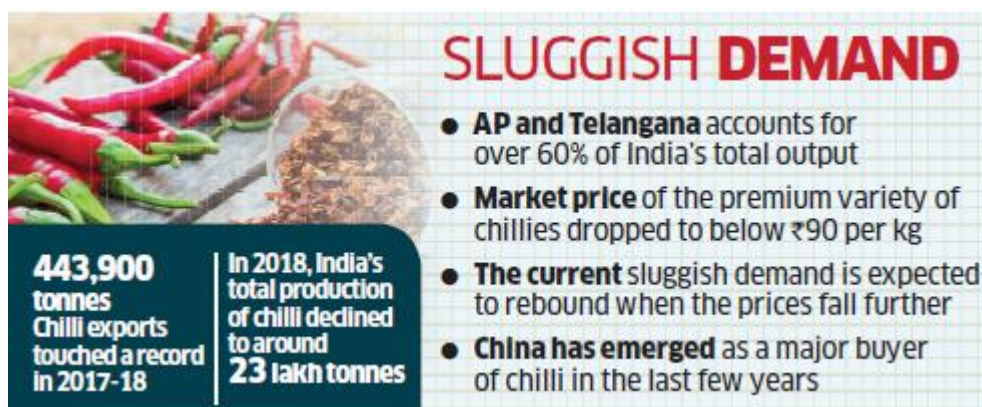
# Chilli not so hot as harvest gains momentum

By PK Krishnakumar, ET Bureau | Feb 20, 2019

**Kochi:** Red chilli prices fell by 10 per cent in a month as harvest gained momentum in the chief producing regions of Andhra Pradesh and Telangana, which account for over 60 per cent of India's total output, and production is expected to be 10 per cent higher than previous year.

“Though acreage was up by 25 per cent, output will increase by only 10 per cent because of irregular weather. Some regions had deficient rainfall, while others saw excess showers,” said Ravipati Peraiah, MD of Vijayakrishna Spice Farms.

The market price of the premium variety of chillies, which used to hover around Rs 100 per kg, has dropped to below Rs 90 per kg. The lowest prices range is from Rs 65 to Rs 70 per kg. “If the arrivals increase by March, then the prices may fall further,” Peraiah said.



The cost of production is around Rs 70 per kg and anything below that would be unprofitable for the growers, he added. The current sluggish demand, though, is expected to rebound when the prices fall further.

“China is not buying now, but it may start purchasing when the prices decline further,” said AP Murugan, director of Paprika Oleos (India), an exporter.

Chilli is the largest exported spice from India and China has emerged as a major buyer in the last few years. Chilli exports touched a record 443,900 tonnes in 2017-18.

But earnings fell 16 per cent to Rs 4,256 crore as the prices plunged due to a bumper production in 2017. Total Indian output rose 60 per cent to touch a record 24 lakh tonnes. In 2018, the total production declined to around 23 lakh tonnes.

Exports have been slow in the current year. “The demand is weak as many of the buying countries already have good stock,” said Ashish Maheswari, export manager of Sidhartha Corporation, another exporter. Though figures are not available, export quantity is likely to be less this year though the earnings could be better because of the improved price, he said

**Source:** <https://economictimes.indiatimes.com/markets/commodities/news/chilli-not-so-hot-as-harvest-gains-momentum/printarticle/68073342.cms>