

## **Price forecast for Chilli**

India is the leading producer of chilli in the world along with China, Pakistan, and Bangladesh. It is the major spice crop occupying about 29 per cent of area under cultivation accounting for nearly 7.69 lakh hectares with a production of 16.28 lakh tonnes of chilli during 2015-16. The major chilli growing states in India are Andhra Pradesh (49%), Karnataka (15%) Maharashtra (6%) and Tamil Nadu (3%) which constitute nearly 75 per cent of the total area under chilli. In Tamil Nadu, chilli is mainly grown in Ramanathapuram and Thoothukudi districts and sparsely grown in almost all other districts. Mundu and sannam are the major varieties grown in Tamil Nadu and peak sowing of chilli will be taken up in October-Novemeber.

India is the largest consumer of chilli in the world. Around 80 per cent of India's production is consumed within the country. India has exported 3.47 lakh tonnes of chillies in 2015-16 in the form of dried chillies, chilli powder, picked chillies and chilli oleoresin. Indian chilli is mainly exported to USA, Sri Lanka, Bangladesh, the Middle East and the Far East. Chillies are excellent source of Vitamins and minerals. They also have antioxidant properties that can control cholesterol.

Trade sources reported that due to low rainfall during current year chilli production may decline in Tamil Nadu. However increased chilli area in Andhra Pradesh around 28 per cent over normal area would compensate for the reduction in domestic supply. Onset of the North East Monsoon will also influence acreage under chilli in the coming months.

In this situation, Price Forecasting Scheme of Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University has analyzed the past 15 years of red chilli prices that prevailed at Tirunelveli regulated market for sannam variety. The analysis and traders survey results showed that for

sannam variety the farm gate price will rule around Rs. 100 - 110 per kg at the time of harvesting. Hence, the farmers are advised to take up sowing decision accordingly.

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