

Red chilli prices crash 40% in two weeks

K V Kurmanth



Surge in arrivals prompts fear of more falls; farmers seek govt support
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KV Kurmanath Red chilli prices in Telangana have crashed by over 40 per cent to ₹7,000 a quintal in a span of two weeks, leaving farmers reeling — and bracing for more sharp falls if the government does not intervene.

Arrivals of red chilli at the Khammam market yard, one of the biggest chilli markets in the country, have increased, on average, to 50,000-60,000 bags (of 40-50 kg each) a day. “Prices of the Teja variety were ₹12,500-13,000 about two weeks ago. Now, they are ₹7,000 a quintal,” Ramesh Madineni, District Secretary of Telangana Rythu Sangham, told *BusinessLine* over phone from Khammam. “Some lots get a token price of ₹9,000, but the bulk of the farmers get far less.”

The situation much the same in Andhra Pradesh. In the Guntur market, chilli sells for ₹7,000-8,000 a quintal, and in Kurnool, for about ₹7,110. This price is unviable for farmers. With production costs of about ₹1.30-1.50 lakh an acre, only a price of at least ₹10,000 a quintal on an average production of 20 quintals can help them recover the costs.

The yields this year, however, are less than 15 quintals. The tenant farmers’ production costs are even higher as they have to pay a rent of ₹20,000 an acre.

Protests

Farmers’ unions are planning protests from March 6 at the yard to demand that the government ensure a price of ₹15,000 a quintal.

“We are planning to meet the District Collector on Saturday to discuss the challenges and seek a solution,” Ramakrishna said. The area under red chilli has come down in the kharif season as farmers have shifted to cotton after prices fell to as low as ₹2,000.

Consequently, chilli output is expected to come down. Farmers grew chilli on 1.18 lakh acres and expect a production of two lakh tonnes.

Source: <https://www.thehindubusinessline.com/economy/red-chilli-prices-crash-40-in-two-weeks/article22911660.ece>

