

## Export of performance of Indian chilli

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### ABSTRACT

There is immense scope to expand India's export potential of chilli (*Capsicum annum L.*) and detailed analyses of export trade of this chilli have been studied. High priority should be given to increase the production and productivity of chilli. This is necessary to meet the increasing domestic demand on one hand and to build up a sustained supply to meet international markets for earning foreign exchange through chilli export in other hand. Markov chain analysis revealed that there is huge scope to expand the export of chilli to Malaysia, Sri Lanka, Singapore, USA, UK and other countries. Therefore, appropriate export promotion strategies have to be evolved to diversify the geographical concentration for chilli export. Also steps should be initiated to capture the world markets on a sustained basis through international trade fair, exhibitions can be arranged to gain knowledge about quality preferences and thereby measures can be taken to export chilli in the needy market.

### Key words :

Chilli (*Capsicum annum L.*) is one of the most important spice crops in India. Its origin is in Mexico. It is grown and cultivated from 3500 BC. Mexicans used it to spice up their food. Christopher Columbus who discovered America in 1493 brought chilli to the rest of the world. Dry chilli is extensively used as spice in curried dishes. It is also used as an ingredient in curry powder and in seasonings. Bird chilli is used in making hot sauces as pepper sauce and tabsco sauce. In 1912, Wilbur L. Scoville, a pharmacist found a new method to measure the pungency of the chilli. This new method came to be known as Scoville Organoleptic Test. There are more than 400 different varieties of chillies found all over the world. The world's hottest chilli "Naga lolokia" is cultivated in hilly terrain of Assam in a small town Tezpur, India. Indian chilli has been dominating international chilli market. Majority of chilli grown in India is cultivated in states such as Andhra Pradesh, Maharashtra, Karnataka, Gujarat, Tamil Nadu and Orissa. The demand for Indian chilli in the market of Malaysia, Bangladesh, Sri Lanka and USA have been growing on an average between 20 to 25 per cent because of its quality and price competitiveness. The major chilli producing states in India namely Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan and Tamil Nadu. The export potential of chilli

has enormously increased with the liberalization of trade. Chilli is predominantly an Asian crop produced extensively in South - East Asian countries extending from India to Malaysia, UAE, Sri Lanka, Singapore and UK, account for the major share of exports from India. India is the first largest producer of chilli Thus, there is immense scope to expand India's export potential of chilli and detailed analyses of export trade of this chilli have not been studied. Hence, the present study was initiated with the following objectives.

- To study the direction of trade and changing pattern of chilli export,
- To study export competitiveness of chilli in global major market, and 3. To study constraints associated with export of chilli.

### METHODOLOGY

#### Direction of trade:

The structural change in export was examined by using Markov chain approach under exportable hypothesis, the pre-assumption is that Indian chilli could compete with the international chilli market. Therefore, chilli price must be low enough to make it competitive in foreign market.

The Entropy Index is

$$E(I) = \text{Theil's Entropy Index} = P_i \log (1/P_i)$$

It is inverse measure of concentration having logarithmic character for increasing diversification  $E(I)$  is increasing. It is also found between 0 and 1.

$$P_i = \frac{X_i}{\sum_{i=1}^n X_i}$$

where

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