

Economics Of Value addition in Chillies in Krishna zone of Andhra Pradesh

M Chandrasekhar Reddy, G Raghunadha Reddy and D Vishnu Sankar Rao
Department of Agricultural Economics, RARS, Lam, Guntur, A.P

ABSTRACT

The study was carried out in 3 districts of Krishna zone namely Guntur, Krishna and prakasam districts of Andhra Pradesh to estimate the additional investment involved in value addition to chilli crop to produce high quality economic product. The farmers are investing an additional amount of about Rs. 919/- per quintal accounting for 16.53 percent more than the production cost at several stages of pre and post harvest processing with main objectives of realizing a better and profitable price. The crucial processing stages of additional investment for chilli are drying, grading, packing and storage. Keeping produce in cold storage is a very common practice in and around Guntur district resulting in better price realization from Rs. 8000 to 8500 during the year 2014-15 with an additional price realization of Rs 2000/- to Rs.2500/- than other farmers. Capacity building trainings need to be conducted for farmers to reduce the additional cost especially where managerial aspects are involved. The raw produce purchased from the market at Rs. 85/kg by the processor/trader will be Rs 160/kg at consumer level as chilli powder. Thus, the producer share in the consumer rupee works out to be 53.12 percent.