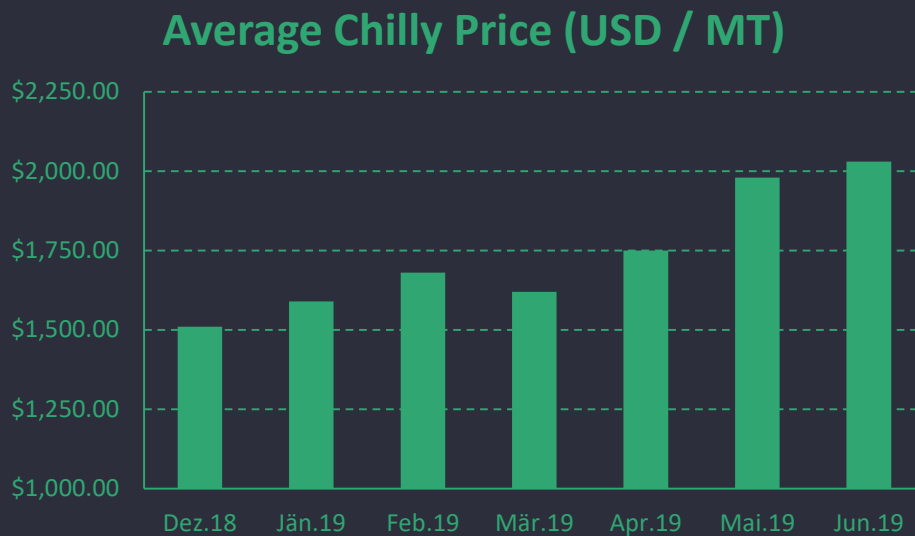


Chilly Exports on the rocks

The Indian government is still on track to withholding chilly exports until mechanized farm practices and modern quality control are not implemented by the Indian growers. This comes on the heels of complains by certain American nations of qualities not meeting standards.

However, to implement modern techniques required good capital investment in agriculture (something which is not compatible with the current investment climate in India). This has resulted in farmers, local traders and exporters logging heads with the Indian government.

The result (Seen clearly in the graph) is a sharp rise in Chilly prices in the international markets that receive a major chunk of supply from India.



Currently the Indian government is adamant on bringing new reforms and hence all exporters (except certain government licensed businesses) have been directed to halt exports from June 30th 2019.

Although the Indian Agriculture Exporters guild is raising strong objections against the legislation, whether or not an extension will be received is yet to be seen.

