



RED CHILLIES

Overview

Though chilli peppers originated in South and Central America some 3000 years ago, South Asia is also known for its predilection for spicy foods and for cultivation of a myriad of chilli varieties. In Pakistan, Sindh holds the position of top producer of red chillies, a spice liked for its strong pungent taste and red colour. Its hot, pungent taste is owing to the presence of *capsaicin*, a chemical substance that also quickens digestive process and possesses great medicinal value. Apart from this, red chillies are also a very good source of vitamins A, B, C, and contain high quantities of magnesium, potassium, and iron. Red chillies are used primarily as spice in foods and beverages in whole form or in powdered form. In addition, red chillies are used as main ingredients in various types of sauces, vinegars, ketchups, and pickles. Oleoresin, a compound extracted from chillies is also sought-after because of its use as artificial flavouring and colouring agent in various foods. Chilli peppers are, therefore, one of the key spices being traded in the world market in the present day.



Red Chillies in Kunri



Dundicut from Mirpur Khas

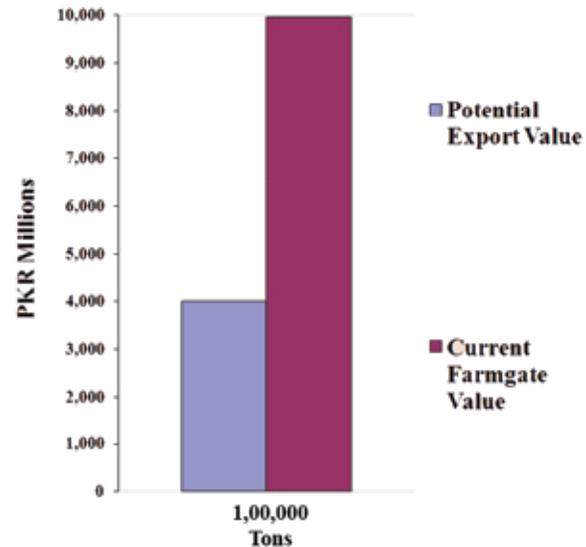
Market Analysis

Pakistan continues to remain among the top five producers in the world. Sindh is the largest producer of red chillies with annual production at 85,000 tons which amounts to 85% of the country's produce. The top producers of red chillies are India, China and Mexico. In Sindh, red chillies are being cultivated on an area of nearly 40,000 hectares with per hectare yield at 1.9 metric tons. In Sindh, a small town of Kunri, once called the "Chilli Capital of Asia" alone produces 55% of Sindh's produce. Other cultivation hubs are Mirpur Khas, Sanghar, Badin, Tando Muhammad Khan, Khairpur, Shikarpur, and Ghotki. The main varieties from Kunri are Desi, Mexi, and Nageena while Talhari, a winter variety is from Badin. Ghotki is from Ghotki and Khairpur and Sanam is cultivated in the outskirts of Karachi. However, Dundicut or Loungi variety from Mirpur Khas which is round-shaped is mainly used for chilli powder. The varieties grown in Pakistan are of high quality and clearly superior to other varieties grown in the region.

The top importing countries in the world are the USA, UK, Netherlands, Germany, Japan, Malaysia and some countries from the Middle East. Pakistan has realized only a fraction of its potential as producer of red chillies. Despite better varieties, Pakistani red chillies fetch lower price than Indian varieties. Proper post-harvest handling and marketing of Sindhi red chillies are the needs of the hour.



A number of initiatives are being taken by various organizations to improve the quality and quality of red chillies production. Agribusiness Support Fund, a project of USAID is funding the construction of 588 solar dryers in Kunri, which have resulted in reduction of drying time from 8-10 days to 4-5 days and a 20% increase in income. Moreover, Ministry of Industries, Government of Pakistan has started the funding of a dehydration plant consisting of 02 state-of-the-art hot-air dehydration units at a cost of Rs 192 million. The plant will dehydrate 30 ton red chillies a day and will function as a demonstration unit as well as a common facility centre. As a result, farmers will be able to get their chilli produce dehydrated at nominal rates. The plant is likely to start functioning in 2013.



Investment Opportunities

■ Dehydration Plant

Private sector investment in dehydration plant for red chillies in Sindh is undoubtedly a profitable area of investment. Currently, chillies are being sun-dried which leads to time lags and quality reduction. A dehydration plant for red chillies can not only be run on commercial basis but other vegetables like onions and garlic can be also dehydrated in the same plant.

■ Chilli Powder Mill

Chilli powder is used in all sorts of food recipes across South Asia. Currently, National Foods and Shan Foods are the major producing companies of chilli powder in Pakistan. Chilli powder is not only highly saleable product but it also has long shelf life. Such mills can be set up in Sindh especially near cultivation hubs for wide-ranging benefits to all concerned.

■ Paste and Ketchup Unit

Sauces and ketchups based on red chillies are in intensive use in homes and restaurants in Pakistan and across the region. Industrial units for preparation of chilli sauces and ketchups based in Sindh are a lucrative investment opportunity.





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