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Export of Spices from India

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ABSTRACT

This study attempts to examine the export of spices from India during 2018-19 and 2019-20. This study also attempts to analyse the growth of export of spices in 2019-20 compared to 2018-19. For this purpose, necessary data required for the study were collected from the 2019-20 annual report of Spices Board, Ministry of Commerce and Industry, Government of India. This study reveals that India exported 11.83 lakh tonnes of eighteen major spices valued at Rs.21, 515.40 crore during 2019-20 compared to 11.00 lakh tonnes valued at Rs.19, 505.81 crore in 2018-19, registering an increase of 8% in volume and 10% in value. Large Cardamom, Chilli, Ginger, Coriander, Cumin, Celery, Fenugreek, Curry powders, Mint products, and other seeds have registered positive growth both in volume and value in 2019-20 compared to 2018-19. On the other hand Fennel and Nutmeg & Mace have registered negative growth both in volume and value. Small cardamom, Garlic, and other spices had positive growth in value but negative growth in volume. But Pepper and Turmeric had positive growth in volume and negative growth in value.

Keywords: Spices in India, Export of major spices.

Introduction

India is the world's largest producer, consumer and exporter of spices; the country produces about 75 of the 109 varieties listed by the International Organization for Standardization and accounts for half of the global trading in spices. Andhra Pradesh is the largest spice producing state in India. Gujarat, Karnataka, Rajasthan, Tamil Nadu, Assam, Kerala, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh and West Bengal are the other major spices producing states in India. Kerala is called as the "spice garden" of India as it is known for producing great varieties of spices. These spices make our food super delicious. The spices are exported from Kerala to all parts of the world; the state has become the "Spice Trade Hub". Black Pepper is considered the 'king of spices' and rightfully so. Unlike its perennial companion, salt, which is easily available in any nook and corner of the world, the black pepper owes its origins to Kerala.

India is known as "The origin and Land of spices". There is no other country in the world that produces as much kind of spices as India. India is dominating in producing spices due to the environmental condition. The moderate Indian climate is suitable for almost all spices grow here. In India, spices are one of the important commercial crops from the point of view of both domestic consumption and exportation. Besides, large quantities of spices are also being consumed within the country for flavouring foods and are also used in other areas like medicine, pharmaceutical, perfumery, cosmetics and the same has been exported to several other countries which increase the export ratio in the country. India is the world's largest producer in terms of spices; the country produces about 75 varieties of spices and exporting a huge amount. India has especially important place in the world spice export among all countries in the world including those which do not produce spices or spice products. Some of the southern and north eastern states in India are Kerala, Karnataka, Andhra Pradesh, Rajasthan, Tamil Nadu play a vital role in producing the spices. Kerala, Karnataka, Tamil Nadu produces pepper and small cardamom where as large cardamom is produced in the northern states like Sikkim and West Bengal. Some other states like Andhra Pradesh, Madhya Pradesh, Mizoram, Chhattisgarh, Uttaranchal; Meghalaya produce Ginger. States like Orissa, Tamil Nadu, West Bengal, Tripura, Assam, and Bihar produce Turmeric. On the other hand, Rajasthan, Gujarat and Uttar Pradesh produce Cumin (**Devi Priya. B and Thyagarajan. M**).

India is today in the lucky position as one of the world's biggest maker of seed spices and is a noteworthy player in the worldwide market. India has the better capability of expanding the production of seed spices yields and future prospects of their export are many. The seed spices can be developed effectively under saline/acidic water, corrosive soils, disintegrated lands, bring down ripe soils, constrained soil dampness conditions and metal contaminated soil. These seed spices flourish well under these odd circumstances as well as enhance them by following means. Some seed spices have potential for hyper gathering of salt resultant aides in recovering saline sodic soil, for example, fennel and coriander. Seed spices harvests could be

effectively developed on substantial metal dirtied soils and under environmental contamination as substitutes for some other eatable yields and evacuates the apparent measure of overwhelming metals by hyper gathering (**Padam Bhushan and Swati Mishra**).

The Spices Board of India works towards the development and worldwide promotion of Indian spices. It provides quality control and certification, registers exporters, documents trade information and provides inputs to the central government on policy matters. The board participates in major international fairs and food exhibitions to promote Indian spices, apart from organising various domestic events (**Supriya Lamba, Kajal Midha, and Shalabh Agrawal**). Spices Board, the statutory organization constituted on 26th February 1987, under the Spices Board Act 1986 with the merger of the erstwhile Cardamom Board and Spices Export Promotion Council under the Ministry of Commerce & Industry, Government of India, is responsible for the export promotion of the 52 scheduled spices and development of cardamom (small and large). Spices Board is the flagship organization for the development and worldwide promotion of Indian spices. The Board has been spearheading activities for the excellence of Indian spices, so as to help the Indian spice industry in attaining the vision of becoming the international processing hub and premier supplier of clean and value added spices and herbs to the industrial, retail and food service segments of the global spices market. The mandate of the Board is primarily for promotion of export of spices and regulating the quality of spices for export (**Spices Board of India**).

The world literature on spices comprises of 45,455 records, out of which 17,918 records are from Asia which accounts for 39.42% of world contribution. The Indian contribution is 11,298 which accounts for 63.05% of Asian contribution. Asian countries are the major producers, marketers, and consumers of spices in the world. Hence, the research and development activity is assumed to be very high on this subject. India is one of the ancient and acclaimed Asian countries in spices. India is found to be a significant producer actively engaged in spices research particularly in mustard, chilli and peppers. Indian Institute of Spices Research (IISR) seems to be the prime producer of spices research in India as it is tops the list of prolific authors and prime institutions on spices research. There is a definite need to compile inventory of literature produced by a country on different subjects comprehensively. Such an inventory, if analysed appropriately will be an invaluable tool in the formulation of strategic directions for research and development (**Senthilkumaran. P and Amudhavalli. A**).

Hari Babu . P (2017), in his study on “Export performance of spices in India: An empirical study, has found that the previous close linkage between commodity exports and balance of payments has been declining and the traditional role of commodity exports and also the emerging unfavourable conditions, for the commodity exports of developing countries, have a mixed impact on their economies. Some of the developing countries are slowly shifting from exports of raw commodities to process and semi processed commodities and intermediate manufactured goods. The above discussion is that India is performing well as far as exports of spices are concerned. It seems that various factors appear to play a larger role determining the performance of exports. Still it has the potential to perform better under such circumstances the government should design supportive policies and development of strategies for spices exports.

Varadharaj.S and Ram Prakash. A (2018), in their study on “An analytical study on the production and the growth trends of spices in India”, have attempted to analyse the growth of spices production in India between 2001-02 and 2015-16. They found that the production of spices in India shown a modest growth rate over the period from 2010-2015, growing from 5350 tonnes in 2010-2011 to 6988 tonnes in 2015-2016. Trends in spice production of Indian spices are likely to increase every year after year. The population growth in India is surging and consumer expenditure on food is also swelling. The demand for Indian spices from the European nations is expanding. The spice industry is also showing a positive trend and the forecasted trend of spice production for the next five years would gradually increase. The Government is also keen on increasing value-addition in spices. It is now about eight per cent, and is expected to double in the next five years. It is observed that the future of spice industry in India is blooming and the units and the firms involved in production, processing and trading of spices will reap more benefits in future.

Methodology

This study attempts to examine the export of spices from India during 2018-19 and 2019-20. This study also attempts to analyse the growth of export of spices in 2019-20 compared to 2018-19. For this purpose, necessary data required for the study were collected from the annual report (2019-20) of Spices Board, Ministry of Commerce and Industry, Government of India. A simple growth rate was employed in this study to analyse the data.

Export of Spices from India

Export of various spices in volume and value from India during 2018-19 and 2019-20 is shown in the table-1. The table shows that India exported a total quantity of 16,250 tonnes of pepper valued at Rs.551.87 crore during 2019-20 as against 13,540 tonnes valued at Rs.568.68 crore during 2018-19, registering a growth of 20% in volume and a marginal decline of 3% in value. The reason for decline in value is mainly attributed to the decline in the global pepper prices during the year. During 2019-20, India exported 2,090 tonnes of cardamom (small) valued at Rs.426.30 crore as against 2,850 tonnes valued at Rs.356.25 crore in 2018-19, registering a decline of 27% in volume but registered a growth of 20% in value due to the high unit value realization for Indian cardamom. During 2019-20, India exported 1,100 tonnes of cardamom (large) valued at Rs.67.58 crore as against 860 tonnes valued at Rs.61.06 crore in 2018-19. The export of large cardamom during 2019-20 registered an increase of 28% in volume and 11% in value. During 2019-20, India has exported 4, 84,000 tonnes of chilli and chilli products valued at Rs.6211.70 crore as against 4, 68,500 tonnes valued at Rs.5411.18 crore during 2018-19. The traditional buyers of Indian chilli such as Thailand, Malaysia, Indonesia and Sri Lanka were active in the market.

Table-1: Export of Spices from India during 2018-19 and 2019-20

Spices	2018-19 (April to March)		2019-20 (April to March)		% Change	
	Quantity (Tonnes)	Value (Rs.in Lakh)	Quantity (Tonnes)	Value (Rs.inLakh)	Quantity	Value
Pepper	13,540	56,868.00	16,250	55,187.00	20%	-3%
Small Cardamom	2,850	35,625.00	2,090	42,629.50	-27%	20%
Large Cardamom	860	6,106.00	1,100	6,758.50	28%	11%
Chilli	4,68,500	5,41,117.50	4,84,000	6,22,170.00	3%	15%
Ginger	18,150	19,602.00	50,410	44,905.00	178%	129%
Turmeric	1,33,600	1,41,616.00	1,36,000	1,21,640.00	2%	-14%
Coriander	48,900	35,208.00	50,250	41,110.00	3%	17%
Cumin	1,80,300	2,88,480.00	2,10,000	3,22,500.00	16%	12%
Celery	6,100	6,649.00	6,510	7,175.50	7%	8%
Fennel	26,250	24,412.50	23,800	22,888.00	-9%	-6%
Fenugreek	27,150	13,846.50	27,660	16,383.60	2%	18%
Other seeds(1)	29,740	18,736.20	32,700	19,257.00	10%	3%
Garlic	29,500	17,110.00	23,350	17,232.50	-21%	1%
Nutmeg&Mace	3,300	15,015.00	2,955	13,630.75	-10%	-9%
Other spices(2)	43,300	61,486.00	41,050	66,303.00	-5%	8%
Curry powders	33,850	74,470.00	38,200	83,410.00	13%	12%
Mint products(3)	21,610	3,74,933.50	22,725	3,83,835.00	5%	2%
Spice oils	12,750	2,19,300.00	13,950	2,64,525.00	9%	21%
Total	11,00,250	19,50,581.20	11,83,000	21,51,540.00	8%	10%

Source: Annual Report 2019-2020, Spices Board, Ministry of Commerce and Industry, Government of India

Note: (1) Includes Mustard, Aniseed, Ajwan seed, Dill seed, Poppy seed, etc.

(2) Includes Tamarind, Asafoetida, Cassia, Saffron, etc.

(3) Includes Mint oils, Menthol and Menthol crystal.

During 2019–20, a total volume of 50,410 tonnes of ginger valued at Rs.449.05 crore has been exported as against 18,150 tonnes valued at Rs.196.02 during 2018-19, registering an increase of 178% in volume and 129% in value. The major reason for the growth in export of ginger is due to the import of huge volume of ginger by Bangladesh due to their crop loss. Export of turmeric from India during 2019–20 has shown an increase in terms of volume. However, due to the low unit value prevailing in the market resulted in a decline of 14% in terms of export earnings. During 2019–20, a total of 1, 36,000 tonnes of turmeric valued at Rs.1216.40 crore was exported as against 1, 33,600 tonnes valued at Rs.1416.16 crore during 2018-19. During 2019–20, a total volume of 50,250 tonnes of coriander valued at Rs.411.10 crore was exported as against 48,900 tonnes valued at Rs.352.08 crore during 2018-19, registering an increase of 3% in volume and 17% in value.

During 2019–20, a total volume of 2,10,000 tonnes of cumin valued at Rs.3225 crore was exported as against 1,80,300 tonnes valued at Rs.2884.80 crore during 2018-19 by registering an increase of 16% in volume and 12% in value. The mandatory sampling system implemented by the Board helped to make Indian cumin more acceptable in the world market thereby achieving sustainable growth over years. The total export of fennel during 2019–20 was 23,800 tonnes valued at Rs.228.88 crore as against 26,250 tonnes valued at Rs.244.13 crore during 2018–19. The export of fennel has shown a decline of 9% in terms of volume and 6% in terms of value. The major reason for the shortfall is the short supply of fennel. During 2019-20, a total volume of 27,660 tonnes of fenugreek valued at Rs.163.84 crore was exported as against 27,150 tonnes valued at Rs.138.46 crore during 2018-19. The export of fenugreek during 2019–20 registered an increase of 2% in volume and 18% in value.

During 2019–20, India exported 38,200 tonnes of curry powder/paste valued at Rs.834.10 crore as against 33,850 tonnes valued at Rs.744.70 crore during 2018–19. The export of curry powder/paste showed an increase of 13% in quantity and 12% in terms of value. During 2019–20, a total volume of 22,725 tonnes of mint products valued at Rs.3838.35 crore was exported as against 21,610 tonnes valued at Rs.3749.34 crore during 2018–19, registering an increase of 5% in volume and 2% in terms of value. India is the world leader in production and export of spices extracts by holding a share of more than 70% in terms of volume. The other major suppliers are China and Sri Lanka. In the case of spice extracts, India is the stable supplier to the world and our export figures have shown a continuous increase since decades. During 2019–20, the export was 13,950 tonnes of spice oils and oleoresin extracts valued at Rs.2645.25 crore as against 12,750 tonnes valued at Rs.2193.00 crore during 2018–19. The export of spices extract showed an increase of 9% in volume and 21% in terms of value.

Conclusion

The Spices Board is responsible for the overall development of spices in terms of improving production, productivity quality and exports. The Board is also implementing post-harvest improvement programmes for production of quality spices for export. The various development programmes and post-harvest quality improvement programmes of the Board are included under the head 'Export Oriented Production'. The development programmes are implemented through the extension network of the board consisting of regional offices, divisional offices and field

offices. The board is maintaining five departmental nurseries in the major cardamom growing areas in Karnataka to cater to the requirements of quality planting materials for the spice growers.

Spices Board has established the eleven Spice Development Agencies (SDAs) to promote development and marketing of spices and to enable better coordination with various states, central and allied agencies/institutions for implementing programmes for research, production, marketing, quality improvement and export of spices grown in the state. The Chief Secretary of the concerned state is the Chairperson of SDA with seventeen members representing spice growers, exporters, traders, state horticulture/ agriculture department, state agriculture university, Joint Director General of Foreign Trade (JDGFT), Ministry of Agriculture, Ministry of Commerce, etc. The respective regional officer of the Board is the Member Secretary of the SDA. The SDAs have conducted meetings and actions are being taken as per the decisions of SDA. In addition to the eleven SDAs, Spices Board has established Saffron Production & Export Development Agency (SPEDA) at Srinagar for promoting development, marketing, quality, export and domestic consumption of saffron in Jammu & Kashmir. The SPEDA is co-chaired by the Secretary, Department of Commerce, Ministry of Commerce & Industry and Chief Secretary, Government of Jammu and Kashmir.

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