

Trend And Growth Performance Of Major Spices Export In India

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ABSTRACT

India is known the world over as ‘the home of spices’. Today it is the largest producer, consumer and second largest exporter of spices in the world. It is known as the home of spices and Indian spices has got a good name in the world market. The present study seeks to analyze the growth performance on quantity of major spices export in India and growth performance on value of major spices export in India. The study is based on secondary data obtained from reports of Annual Report, Indian Spices Board Statistics, Spices Board of India, Ministry of Commerce and Industry, Government of India (2017-18). The analysis is based on the 13 years starting from 2005-06 to 2017-18 of major spices such as Pepper Cardamom (small), chilli, Ginger, Turmeric. The analysis was done by the use of SPSS and Excel. The study used average, Mean, Standard deviation, coefficient of variation, Compound Annual growth analyzing the data.

KEYWORDS: *Export, world Market, Spices*

INTRODUCTION

India is the land of spices. It has been an integral part of the Indian diet. No Indian meal is considered complete without the tangy and delectable flavor of Indian spices, locally known as “masala”. Indian spices are famous in the world wide for their gastronomic value, are also known to possess high medicinal values (Thumar.,et.al 2012). India produces a wide range of spices due to varying agro-climatic conditions from arid to temperate. Almost allspices grow splendidly in India. In almost all the

states and union territories of India, at least one spice is grown in abundance. Under the act of Parliament, a total of 52 spices are brought under the purview of Spices Board. However, 109 spices are notified in the ISO list. Spice products are essentially products derived from the whole spices. They are in the form of powders, extracts (oil, oleoresin, colors), preserved for like freeze dried, dehydrated frozen, in brine, in sugar syrup, etc. Spices are defined as strongly flavored or aromatic substance of vegetable origin, obtained from tropical plants, commonly used as a condiment. In ancient times, spices were as precious as gold and significant as medicines, preservatives and perfumes. India is the land of spices plays a significant role in the global spices market. None of the country in the world produces as many kinds of spices as India, with quality spices coming from the state of Kerala. The most popular spice products are extracts which are widely used in food, pharmaceutical and toiletry industries. India enjoys a near monopoly in the field of spice extract [Spices Kerala]. India is not only the largest producer but also the largest consumer and exporter of spices in the world. Indian spices flavor foods in over 134 countries. Spice exports touched 10,28,060 tonnes valued 17,92,955 lakhs in 2017-18 (Spices board statistics 2017-18). The shift in preferences of domestic consumers for food items, increasing urbanization and rising incomes, altered demographic and social factors and the changes in productivity of spices have brought about changes in the pattern of their consumption and demand. India has certain natural comparative advantages with respect to production and utilization of spices; these include diverse agro-climatic production environments, availability of innumerable varieties and cultivars of each spice suitable for different climatic conditions, cheap labour, large domestic market and a strong tradition of using spices and their products in food, medicine and cosmetics. As India is known for the land of spices and has the great potential to meet the global demand. Looking to all these aspect there is a need to study the growth and instability in area, production and export of spices from India. The high growth and low instability index indicates sustainability in production which is the prerequisite and reflects positive indication for the export potential of the country. Keeping this in view the present study was planned. India is known as the “Land of Spices” and produces a large variety and quantity of spices. About sixty-three spices are grown in the country, which includes pepper (King of Spices), cardamom (Queen of Spices), chillies, ginger, turmeric, coriander, cumin, fenugreek and many Others (Ashoka, 2013). The export of the basic agricultural commodities by developing countries can be relied upon to earn valuable foreign exchange due to the ever demand of spices. Indian spices exports have gained value realization despite very small growth in volumes (Sarangi and Singh, 2014). However, Marketing problems are more frequently faced

by growers and exporters mainly due to failure in establishing market linkages rather than lack of market opportunities (Rohatash et al., 2011). According to the Bureau of Indian Standards (BIS), out of the 109 spices listed by the ISO about 63spices are being grown in our country of which commercial cultivation is limited to a dozen of spices which are of importance in the domestic and international markets. Black pepper, cardamom, chillies, turmeric and ginger are grouped under major spices and the rest are considered as minor spices based on their importance and contribution in foreign trade. Besides earning substantial foreign exchange to the country it provides direct and indirect employment to millions of farmers, traders and Agricultural labourers. The international spice scenario depicted a quantum leap over the past decade to more than 4.5 million tonnes valued at 1500 million US dollars every year. India's share of the world spices trade is estimated at 45-50 per cent by volume and 25 per cent by value. The present annual production of spices in the country is 3 million tonnes from over 2.5million hectares, the lion's share (90 per cent) of the spices produced in India is absorbed in the domestic market and only 10 per cent is exported to over 150 countries (peter, 2002).

SIGNIFICANCE FOR THE STUDY

There have been several regulations indifferent countries to export of agriculture commodities. These regulations have caused the reduction of spices exports. This results welfare loses in spices exporting countries, as a result of decrease spices production. Welfare losses include a decrease foreign revenue, incase unemployment unfavorable terms of trade and loss of revenue to the Government. In addition, this situation increases poverty levels, and a reduction in social welfare services, which may calls unrest among they people, it is therefore very necessary to know the trends in the Export performance of spices, that can help in understanding the kind of impact it will have and its social political consequences, this study therefore attempted to find out the growth performance on quantity and value of major spices export in India during 2005-06 to 2017-18.

OBJECTIVE OF THE STUDY

- To study the growth performance on quantity of major spices export in India during 2005-06 to 2017-18
- To find out the growth performance on value of major spices export in India.

RESEARCH METHODOLOGY

The present study is based on secondary data. The time-series data on quantity and value of major spices exports were collected from Annual Report, Indian Spices Board Statistics, Spices Board of India,

Ministry of Commerce and Industry, Government of India (2017-18). The analysis is based on the 13 years starting from 2005-06 to 2017-18 of major spices such as Pepper Cardamom (small), chilli, Ginger, Turmeric. The analysis was done by the use of SPSS and Excel. The study used average, Mean, Standard deviation, coefficient of variation, Compound Annual growth analyzing the data.

MAJOR SPICES EXPORTS IN INDIA

The table 1.1 shows the trend values and the Annual average growth rate in the export of pepper from India during 2005-06 to 2017-18.

TABLE NO.1.1
EXPORT OF PEPPER FROM INDIA DURING 2005-06 to 2017-18

Year	Pepper (Quantity in tonnes)	AAGR (%)	Trend value	Pepper (value in Rs. lakhs)	AAGR (%)	Trend value
2005-06	17363		22424	28750		20576
2006-07	15095	-13.1	22258	30620	6.5	29432
2007-08	35000	131.9	22093	51950	69.7	38289
2008-09	25250	-27.9	21928	41373	-20.4	47146
2009-10	19750	-21.8	21762	31392	-24.1	56002
2010-11	18850	-4.6	21597	38318	22.1	64859
2011-12	26700	41.6	21432	87813	129.2	73716
2012-13	15363	-42.5	21266	63810	-27.3	82572
2013-14	21250	38.3	21101	94002	47.3	91429
2014-15	21450	0.9	20935	120842	28.6	100286
2015-16	28100	31.0	20770	173042	43.2	109142
2016-17	17600	-37.4	20605	114313	-33.9	117999
2017-18	16840	-4.3	20439	82078	-28.2	126856

Source: Spices Board of India

It is observed from Table. 1.1 that the quantity of pepper export in India was the highest in 2007-08 and the lowest in 2006-07. The quantity of pepper export has gone up from 15,095 tonnes in 2006-2007 to 16,840 tonnes in 2017-18. But its growth rate in quantity of pepper export gradually decelerated from -13.1 per cent to -4.3 per cent. The trend value decreased from 22,424 tonnes in 2000-2001 to 20,439 tonnes in 2017-18.

The value of pepper export in India was the highest in 2014-15 and the lowest in 2005-06. The value of pepper export has increased from 30,620 lakhs in 2006-2007 to 82,078 lakhs in 2017-18. But its

growth rate in value of pepper export gradually decelerated from 6.5 per cent to -28.2 per cent. The trend value increased from 20,576 lakhs in 2000-2001 to 1, 26,856 lakhs in 2017-18.

TABLE NO.1.2**EXPORT OF CARDAMOM(S) FROM INDIA DURING 20005-06 to 2017-18**

year	Cardamom(s) (Quantity in tonnes)	AAGR (%)	Trend value	Cardamom(s) (Value in Rs. lakhs)	AAGR (%)	Trend value
2005-06	1909		625	2150		-3891
2006-07	1500	-21.4	999	2331	8.4	704
2007-08	500	-66.7	1372	2475	6.2	5298
2008-09	750	50.0	1746	4727	91.0	9892
2009-10	1975	163.3	2119	16570	250.6	14486
2010-11	1175	-40.5	2492	13216	-20.2	19081
2011-12	4650	295.7	2866	36322	174.8	23675
2012-13	2372	-49.0	3239	21215	-41.6	28269
2013-14	3600	51.8	3613	28381	33.8	32863
2014-15	3795	5.4	3986	32347	14.0	37458
2015-16	5500	44.9	4359	44983	39.1	42052
2016-17	3850	-30.0	4733	42150	-6.3	46646
2017-18	5680	47.5	5106	60908	44.5	51241

Source: Spices Board Statistics

From the above Table.1.2 that the quantities of cardamom (small) export in India were the highest in 2017-18 and the lowest in 2007-08. The quantity of cardamom (small) export has improved from 1,500 tonnes in 2006- 2007 to 5,680 tonnes in 2017-18. But its growth rate in quantity of cardamom (small) export gradually increased from -21.4 per cent to 47.5 per cent. The trend value increased from 625 tonnes in 2000-2001 to 5,106 tonnes in 2017-18.

The value of cardamom (small) export in India was the highest in 2017-18 and the lowest in 2005-06. The value of cardamom (small) export has gone up from 2,331 lakhs in 2006- 2007 to 60,908 lakhs in 2017-18. But its growth rate in value of cardamom (small) export gradually declined from 6.5 per cent to -28.2 per cent. The trend value increased from -3,891 lakhs in 2000-2001 to 51,241 lakhs in 2017-18.

TABLE NO.1.3

EXPORT OF CHILLI FROM INDIA DURING 20005-06 to 2017-18

year	Chilli (Quantity in tonnes)	AAGR (%)	Trend value	Chilli (Value in Rs. lakhs)	AAGR (%)	Trend value
2005-06	113174		92682	148500		41799
2006-07	40300	-64.4	120666	80775	-45.6	75073
2007-08	209000	418.6	148650	109750	35.9	108346
2008-09	188000	-10.0	176634	108095	-1.5	141619
2009-10	204000	8.5	204618	129173	19.5	174892
2010-11	240000	17.6	232602	153554	18.9	208166
2011-12	241000	0.4	260586	214408	39.6	241439
2012-13	301000	24.9	288571	238061	11.0	274712
2013-14	312500	3.8	316555	272227	14.4	307985
2014-15	347000	11.0	344539	351710	29.2	341259
2015-16	347500	0.1	372523	399744	13.7	374532
2016-17	400250	15.2	400507	507075	26.8	407805
2017-18	443900	10.9	428491	425633	-16.1	441078

Source: Spices Board Statistics

It could be seen from the table.1.3 that the quantities of chilli export in India were the highest in 2017-18 and the lowest in 2006-07. The quantity of chilli export has gone up from 40300 tonnes in 2006-2007 to 443900 tonnes in 2017-18. But its growth rate in quantity of chilli export gradually increased from -64.4 per cent to 10.9 per cent. The trend value decreased from 92,682 tonnes in 2005-2006 to 4,28,491 tonnes in 2017-18.

The value of chilli export in India was the highest in 2016-17 and the lowest in 2006-07. The value of chilli export has increased from 80,775 lakhs in 2006-2007 to 4,25,633 lakhs in 2017-18. But its growth rate in value of chilli export gradually decelerated from -45.6 per cent to -16.1 per cent. The trend value increased from 41,799 lakhs in 2000-2001 to 4,41,078 lakhs in 2017-18.

TABLE NO.14**EXPORT OF GINGER FROM INDIA DURING 20005-06 to 2017-18**

year	Ginger (Quantity in tonnes)	AAGR (%)	Trend value	Ginger (value in Rs. lakhs)	AAGR (%)	Trend value
2005-06	9411		4132	7500		1779
2006-07	4295	-54.3	6347	3975	-47.0	4141
2007-08	6700	56.0	8561	2800	-29.6	6503
2008-09	5000	-25.3	10776	3482	24.4	8865
2009-10	5500	10.0	12991	4675	34.2	11227

2010-11	15750	186.3	15206	12131	159.5	13589
2011-12	21550	36.8	17421	20420	68.3	15951
2012-13	22207	3.0	19635	18725	-8.3	18313
2013-14	23300	4.9	21850	25614	36.8	20675
2014-15	40400	73.3	24065	33133	29.4	23037
2015-16	24800	-38.6	26280	27595	-16.7	25399
2016-17	24950	0.6	28495	25705	-6.9	27761
2017-18	22605	-9.40	30709	21606	-15.9	30123

Source: Spices Board Statistics

It could be seen from the table. 1.4 that the quantities of ginger export in India were the highest in 2014-15 and the lowest in 2006-07. The quantity of ginger export has improved from 4,295 tonnes in 2006- 2007 to 22,605 tonnes in 2016-17. But its growth rate in quantity of ginger export gradually decelerated from -54.3 per cent to -9.40 per cent. The trend value increased from 4,132 tonnes in 2000-2001 to 30,709 tonnes in 2017-18.

The value of ginger export in India was the highest in 2014-15 and the lowest in 2007-08. The value of ginger export has gone up from 3,975 lakhs in 2006- 2007 to 21,606 lakhs in 2017-18. But its growth rate in value of ginger export gradually increased from -47.0 per cent to -15.9 per cent. The trend value increased from 1,779 lakhs in 2000-2001 to 30,123 lakhs in 2017-18.

TABLE NO.15

EXPORT OF TURMERIC FROM INDIA DURING 2005-06 to 2017-18

year	Turmeric (Quantity in tonnes)	AAGR (%)	Trend value	Turmeric (value in Rs.lakhs)	AAGR (%)	Trend value
2005-06	46405		29513	51500		17635
2006-07	15286	-67.1	36226	16480	-68.0	25040
2007-08	49250	222.2	42938	15700	-4.7	32446
2008-09	52500	6.6	49651	24857.8	58.3	39852
2009-10	50750	-3.3	56363	38123	53.4	47258
2010-11	49250	-3.0	63076	70285.2	84.4	54663
2011-12	79500	61.4	69789	73434.4	4.5	62069
2012-13	88513	11.3	76501	55487.7	-24.4	69475
2013-14	77500	-12.4	83214	66675.9	20.2	76881
2014-15	86000	11.0	89927	74435	11.6	84286
2015-16	88500	2.9	96639	92165	23.8	91692
2016-17	116500	31.6	103352	124189	34.7	99098
2017-18	107300	-7.9	110065	103567	-16.6	106504

Source: Spices Board Statistics

It is observed from Table.1.5 that the quantities of turmeric export in India were the highest in 2016-17 and the lowest in 2006-07. The quantity of turmeric export has gone up from 15,286 tonnes in 2006- 2007 to 1, 07,300 tonnes in 2017-18. But its growth rate in quantity of turmeric export gradually decelerated from -67.1 per cent to -7.9 per cent. The trend value improved from 29,513 tonnes in 2000-2001 to 1, 10,065 tonnes in 2017-18.

The value of turmeric export in India was the highest in 2014-15 and the lowest in 2005-06. The value of turmeric export has gone up from 16,480 lakhs in 2006- 2007 to 1, 03,567 lakhs in 2017-18. But its growth rate in value of turmeric export gradually declined from -68.0 per cent to -16.6 per cent. The trend value increased from 17,635 lakhs in 2000-2001 to 1, 06,504 lakhs in 2017-18.

TABLE NO.16

**MINIMUM, MAXIMUM, MEAN, STANDARD DEVIATION CO-EFFICIENT OF VARIATION
AND COMPOUND GROWTH RATE OF SPICES EXPORTS**

Spices Exports (Quantity in tonnes)						
Variables	Minimum	Maximum	Mean	Standard deviation	Co-efficient of variation	CGR
Pepper	15095	35000	21431.61	5843.29	3.66	-0.23
Cardamom	500	5680	2865.84	1759.82	1.62	8.75
Chilli	40300	443900	260586.46	113525.05	2.29	11.1
Ginger	4295	40400	17420.61	10766.98	1.61	6.97
Turmeric	15286	116500	69788.76	28473.26	2.45	6.66
Spices Exports (value in Rs.lakhs)						
Variables	Minimum	Maximum	Mean	Standard deviation	Co-efficient of variation	CGR
Pepper	28750	173041	73715.74	43737.94	1.68	8.4
Cardamom	2150	60908	23675.00	19000.50	1.24	29.3
Chilli	80775	507075	241438.83	139433.59	1.73	8.4
Ginger	2800	33133	15950.98	10661.37	1.49	8.4
Turmeric	15700	124189	62069.21	33165.13	1.87	5.5

Source: calculated by researcher

The mean and standard deviation for the quantities of major spices export was 21431.61 2865.84 260586.46 17420.61, 69788.76 and 5843.29 1759.82 113525.05 10766.98 28473.26. The mean and standard deviation for the value of major spices export was found as 73715.74, 23675.00, 241438.83, 15950.98, 62069.21 and 43737.94, 19000.50, 139433.59, 10661.37, 33165.13. The co-efficient of variation for the five variables such as quantities of major spices export was found as 3.66, 1.62, 2.29, 1.61, and 2.45. The co-efficient of variation for the five variables such as value of major spices export was found as 1.68, 1.24, 1.73, 1.49, 1.87 and 5.5. Regarding the Compound growth rate of quantities of major spices export was concerned, Chilli has highest compound growth rate of 11.1 per cent per annum and pepper has lowest compound growth rate of -0.23 per cent per annum. The value of major spices export was concerned, Cardamom was found highest compound growth rate of 29.3 per cent per annum and tumeric was found lowest compound growth rate of 5.5 per cent.

CONCLUSION

The present study focused on growth performance of quantity and value of export. The major spice export of India show positive trend both in terms of quantity and value. India is known as the home of spices and Indian spices has got a good name in the world market. India has a worldwide reputation as the only country which produces almost all kinds of spices and it is through these spices exports the country earns the much needed foreign exchange over a long period of time. The demand for Indian spices and its products are ever increasing both in the internal and external markets. Although there is tremendous importance of spices, it is rather unfortunate that the sector has not achieved the required level development because of many problems in the marketing, supply chain, exports, pre and post-harvesting activities. Also exporters overseas are struggling. This requires costly quality management systems and training of farmers. A targeted effort is needed to include poorer households in value chains: organizational development, technical upgrading, management skills and access to financing are all required. 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 major spices export. Still it has the potential to perform better under such circumstances the GOVT should design supportive policies and development of strategies for spices exports.

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