



A STUDY ON THE EXPORT PERFORMANCE OF PEPPER IN INDIA

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Abstract:

India has been the world's most important spice land and produces more than 60 intrinsic variety of spices including pepper, cardamom, ginger, turmeric, chill and several seed spices like coriander, celery, cumin etc. India is the leading producer and supplier of pepper, pepper oils & oleoresins. This exercise on the Production & exports of pepper in the world is a maiden attempt as the study is concerned. Although there are few words separately on export performance this projects attempts to compare the production with relation to the policy implication. In this sense, the study is analytical in nature. The main objective is to study about the functions of Spices board & the various promotional schemes available for pepper.

Introduction:

The intrinsic quality of Indian spices makes them superior to other spices in terms of taste, flavor, aroma & Texture. With the past decade international trade in spices has quantum leaped to more than 50,000 tones and India's share is 40% of supplies in terms of quantity and 21% in terms of value. India exports spices to more than 100 countries. With increasing in export of spice products, a need was felt for producing clean, hygienic and flavor spices. The focal point of export today is a need to produce value added and quality spice products. As mentioned earlier that India is one of the most important spice producer and exporter of a wide variety of spices producer and exporter of a wide variety of spices in the world mostly in bulk form, it was felt that measures should be taken to export more processed spice products, in order to maximize foreign currency earnings. Much of the pepper consumed in the household sector of Western European Countries is ungrounded or ground white pepper while its share of the market may vary from Country to Country, while pepper probably accounts for an average at 60-70 of total annual imports of pepper into these countries. The food Industries & Spice extractors however pepper black pepper. The sharp difference in the Preferences of the end-users have an important bearing on the purchasing decisions of the importers. Although the favor of the white pepper from Brazil is not considered to be on par with that of Malaysia, several importers prefer Brazilian white pepper on account of its clean appearance & Uniform size. Spice extractors generally flavor lampoon and Malabar black pepper, while Italian Salami-makers are known to have a strong preference for the bold tellichery black form India.

Objectives:

Objectives of the Study are as follows,

- ✓ To analyze the export performance of pepper from India.
- ✓ To study about Production & export of pepper all over the world.
- ✓ To study about the functions of Spices board & the various promotional schemes available for pepper.
- ✓ To study about the pepper Industry in India
- ✓ To find out the problems & prospects of pepper exports from India.
- ✓ To suggest remedial measures.

Need for the Study:

India basically is an agrarian economy where more than 60% of population depends on agriculture for their livelihood. Majorities of exports are of raw materials and other agricultural products. Recently it is attempting to improve processed goods exports, which contributes more to over foreign exchange earnings. However a package of economic reform introduced in the name of 'LPG' namely liberalization privatization & globalization in India could bring the desired results. Pepper, either known as "King of Spices" or black gold is the most commonly used Spice in the word. Pepper is the valuable item in the International spices trade, activities of its behalf are the best organized and most sophisticated. At the International level, the three leading producers, India, Malaysia & Indonesia formed a activities of the Pepper Industry with a view to achieve maximum economic developments. The export performance by India as one of the Major producing countries is increasing gradually because of the high consumption of pepper in food & other products like pharmaceuticals, cosmetics etc. The existing supply not able to cover the demand that is prevailing which has made this area of export a high profitable one. This has lead some of the countries to concentrate on this products exports by increasing the area, output & yield under this crop emerging as the competitors to India. This project attempts to forecast the export performance o the different pepper exporting countries in the world India's share in it.

Scope of the Study:

This exercise on the Production & exports of pepper in the world is a maiden attempt as the study is concerned. Although there are few words separately on export performance this projects attempts to compare the production with relation to the policy implication. In this sense, the study is analytical in nature.

Review of Literature:

Rajasekar T (2009), The performance of the ports plays a major role in the promotion of international trade. Around 90% of the international cargo is transported through ships only. The main objective of this paper is to analyse the performance of export and import traffic in Tuticorin Port Trust (TPT) which has been a centre for maritime trade and pearl fishery for more than a century. . The paper mainly discusses about the ports traffic performance, growth rate of port and the performance of commodities of export and import. This paper also tries to study and compare the efficiency of major ports in India. A case study is used in order to collect the required information about the performance of export and import traffic of TPT. Growth of exports and imports and other variables have been analysed by using the simple growth rate and compound growth rates. Method of least squares was adopted to calculate the trend values. From this study it is found that on an average the export and import traffic showed a growth of 4.03%. Among the commodities exported general cargo accounted for 62.23% and the major commodity imported was coal which accounted for 56.69%. Tuticorin port also registered effective performance in container trade during the study period.

Methodology of the Study:

Source of Data: The study is mainly based on published data from government & non government agencies. Opinions of eminent persons in the pepper field were also sought for the purpose of the study.

Secondary Data: The secondary data was collected form the agricultural statistics, published by ministry of agriculture and from the economic survey of various issues. The data relating to exports by different countries were collected from various World Bank reports. Also the spices board & pepper exporters were consulted or further data on this project.

Tools & Techniques Used: For the Purpose of analysis simple percentage and simple arithmetic mean are used. Technique like linear growth, compound growth rate were also used. Simple bar graphs and pie charts were used for analysis.

Period of Study: Data Collected for analysis taken from the year 1996 - 2003.

Analysis and Interpretation:

World Pepper Production and Exports:

Table 1: Area & Production of Pepper in India

Year	Area (Hectres)	Production (Tonnes)	Yield Kgs/HA
2012	198030	61580	310.9
2013	180260	55590	308.3
2014	181550	58270	320.9
2015	181750	62500	343.8
2016	181230	65320	360.4

Table 2: Area Under Pepper Cultivation in producing countries (Area in Hectre)

Country	2012	2013	2014	2015	2016	Mean
Brazil	21000	20500	20750	23120	23400	21754
India	198030	180260	181550	181750	182300	184778
Indonesia	128671	133220	127730	128730	129800	129630
Malaysia	8800	8600	8900	7890	8210	8480
Thailand	2390	2350	2220	2325	2300	2317
Srilanka	12093	12390	12460	12480	12580	12401
Vietnam	17000	17050	17271	17390	17280	17198
China	11176	12050	12300	12350	12120	11999
Madagascar	4000	3650	3121	3500	3590	3572
Mexico	1300	1300	1043	1205	1275	1225
	404460	39370	387345	390740	392855	393354

World Pepper Production & Export Country Wise:

(Average 2012-2016)

Country	Production (Metric Tonnes)	Exports (in Metric Tonnes)
Brazil	25400	23300
India	58600	43180
Indonesia	47700	41600
Malaysia	21500	20100
Sri Lanka	4400	3700
Thailand	8600	2300

Other Countries	30600	19200
World	196800	142000

Table 4: World Pepper Production & India's Share

Year	India's Production	World Production	Percentage (%)
2007	54000	180000	30
2008	51350	223260	23
2009	50760	220695	23
2010	51320	180375	28
2011	60340	204069	29
2012	61580	219928	28
2013	55590	205888	27
2014	57270	173545	33
2015	62500	173611	36
2016	65320	1866629	35

Table 5: Exports of Pepper from India

(Quantity in Tonnes; value in crores)

Year	Quantity	Value
2012	26244	196.29
2013	47893	412.32
2014	35907	496.32
2015	35864	638.11
2016	36371	741.13

Area Under Pepper Cultivation in Producing Countries: Table 3 – indicates the area under pepper cultivation. A close perusal of the table indicates that among the 10 major pepper producing countries, India holds the leading position in case of area under pepper production for India between 2000 to 2005 is 184778 hectares, which are almost 46% of the total area under pepper cultivation in the world. The next country, which has the highest area under this crop, is Indonesia. The area under pepper stood at 128671 hectares in 1996 & it increased to 129800 hectares. The average area under cultivation during the period of study stood as 129630 hectares. The other countries, which have highest area under this crop in order of Brazil (23400 hectares), Vietnam (17198 hectares), Sri Lanka (12401 hectares), Malaysia (8480 hectares), Madagascar (3572 hectares), Thailand (2317 hectares) and Mexico (1225 hectares)

Findings:

The study of the Industry and various problems faced by pepper exporters brings to light the following aspects

- ✓ Pepper contributed around 18% in quantity and 35% in value of total spices exported from India.
- ✓ The production of pepper from India remains more or less stagnant.
- ✓ Due to recession in the world, Indian industry is facing competitive problems from other producing countries.
- ✓ Largest producer of pepper in the world is India.
- ✓ Largest exporter of pepper in the world is India followed by Indonesia.
- ✓ Production of white pepper in India is negligible.
- ✓ In India, Kerala State accounts for 88% of the total production.
- ✓ Largest area of pepper cultivation in the world is in India.
- ✓ World demand for pepper is higher than supply of pepper.
- ✓ India is the largest producer of pepper products like pepper oleoresin, pepper oil and green pepper products.
- ✓ Indian exporters generally export to intermediaries in buying countries. Only a few companies in India market products in their own brand name.
- ✓ USA is the largest buyer of pepper from India.
- ✓ Netherland is the largest buyer of pepper in EEC from India.

Suggestions:

- ✓ The international spice community may be effectively informed of the efforts taken by Indian spices industry for export of quality spice. This can be achieved by deputing delegation/participation in fairs/publication in mass media delegation/representation should be equipped to handle technical matters especially with reference to the quality of spices.
- ✓ The ongoing activities of training farmers on quality aspects should be continued.
- ✓ Pre harvest problems like early harvesting; educating the agriculturists should control heavy use of pesticides.
- ✓ Post harvest handling is to be improved by cleaning, separating, drying, grading and packing.

- ✓ Productivity has to be increased by using scientific and improved method of cultivation.
- ✓ Start new plantation in non traditional areas so as to generate sufficient exportable surplus.
- ✓ Price understanding with the members of the international pepper community should be arrived at to stabilize price of pepper in the world market.
- ✓ A comprehensive promotional program to increase the per capita consumption of pepper in importing countries together with new markets should be organized.
- ✓ Value addition of pepper should be promoted in view of the increasing world demand for exports.
- ✓ The role of spice in medicine and health is not well understood although some countries have been carried out turmeric, pepper and chillies. Greater attention is required in future in these areas.
- ✓ The spices for cosmetics and perfumery value as well as for body and body care are known from ancient days. This should be promoted by use.
- ✓ New markets should be identified and better promotional measures should be resorted to, in order to bring awareness about the products in these markets.

Conclusion:

India is basically being a agrarian economy, which still more than 60% of population depends on agriculture for their livelihood could export no other than the agricultural goods. The economic reforms like liberalization, privatization and globalization in India helps the India for development. The export performance of pepper by India as one of the major producing countries increasing gradually because of the high consumption of pepper in food and other products like pharmaceutical cosmetics etc. The study covering the main pepper consuming countries is that India, as potentially larger producer and exporter of pepper and its allied products has become a significant factor in the world market and will play an important role in the future development of world trade in pepper products. As a result India entering the principal world market with satisfactory quality, pepper in the consumer countries have reassessed their position and in general have indicated a preference for importing pepper and its allied products. Pepper has established itself as a true foreign exchange earner. Out of the total exports of prices, pepper has a major share in quantity and in value wise. Indian pepper is treated as a premium produce and premium price is charged for Indian pepper. Because of the natural colour and high quality of Indian pepper in the world market prefers Indian pepper.

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