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A Study On Performance And Issues Faced By Spices Exporters In Coimbatore District

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ABSTRACT

Agricultural crops that form the input of agro-based industries may be broadly classified into Food Crops and Commercial Crops. However, this classification is not specific as many crops are both commercial and food crops, for example - Sugarcane, Tea, Coffee, Cardamom and other spices. But it is common practice to include these among commercial cash crops, as they are primarily cultivated for earning money income and not for direct consumption by the producers. Spices constitute an important group of agricultural commodities, which are virtually indispensable in the culinary art. They also play a significant role in our national economy and in the national economies of several spice producing, exporting and importing countries. Spice is defined as "a strongly flavored or aromatic substance of vegetable origin, obtained from tropical plants, commonly used as a condiment".India is known as the "Home of spices" and boasts of a long history of trading with the ancient civilizations of Rome and China. Today, Indian spices are the most sought-after globally, given their exquisite aroma, texture and taste. India has the largest domestic market for spices in the world. India is the world's largest producer and exporter of spices of the 109 varieties listed by the International Organization for Standardization (ISO), as the country produces and exports about 75 varieties of spices. . In order to analysis the above export performance of spice products and issues faced by spices exporters in Coimbatore district.

Key Words: Agriculture, foreign Currency & Spices

Introduction:

Spices Board of India

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. It participates in major international fairs and food exhibitions to promote Indian spices, apart from organising various domestic events. According to the Spices Board, the Indian

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government body that promotes Indian spices, India accounts for about 30%* of the world's pepper production, 35% of the world's ginger production and 90%* of turmeric production.Among all the states in India, Kerala tops the chart when it comes to the production of spices because the state produces close to 96%* of pepper, 53%* of cardamom, and 25%* of ginger in the country.

Andhra Pradesh leads the country in the production of chilli and turmeric, with 49% and 57% respectively. Rajasthan is the largest producer of coriander, cumin and fenugreek, and the figures stand at 63%*, 56%* and 87%* respectively. The Indian spices market is projected to reach approximately USD 18 billion by 2020 with growth in the sector is expected to be led by branded spices and spice mixes. The Indian government is aggressively promoting spice exports through various initiatives such as setting up of spice parks. Spice Parks offer common processing facilities to both producers and exporters.

Statement of the Problem

India is known as the home of spices. The history and culture of Indian spices is probably as old as human civilization. Within the past one decade the international trade in spices has grown by leaps and bounds. An estimated 500,000 tonnes* of spices and herbs valued at 1500 million* US dollars are now exported globally every year. An impressive India's exports of spice extracts have shown spectacular growth attaining over 50 percent* of the global market within a short span. But the use of chemical fertilizers and plant pesticides is an important sustainability issue in the production of some of the larger spices. Due to lack of understanding at the farm level or government controls that are not effective, over use of fertilizers for an extended period of time and the inappropriate use of plant pesticides cause the spreading and transmission of diseases. Furthermore high levels of pesticide residue make these spices unfit for export to consumer markets and thereby threatening the long term livelihood of farmers. Hence, we make this research as "A Study on Performance and Issued faced by Spices Exporters in Coimbatore District".

Objectives of the Study

- To access the performance of spice exporters from Coimbatore.
- To study the export quality and value of spices from Coimbatore.
- To study the issues faced by the spice exporters

REVIEW OF LITERATURE

Mamatha(1996) conducted the field study on the estimated the growth rate of production and export of selected spices for the period from 1970-71 to 1991-92. The spices considered were pepper, chillies, turmeric and ginger. She found that the positive growth rate in respect of production and export of the selected spices was mainly due to the increased domestic.

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Mary. PU (2012) made a research on the “Role of Spices Board in the cultivation and export of spices: A study with particular reference to Kerala”. He explained the role played by the Board in respect of cultivation, postharvest operation and export. The study traces the evolution of the Board and its expansion over the years, production and productivity of spices, value addition of spices, organic cultivation, export and import of spices etc., The study indicates that most of the schemes for the cultivators are underutilized by them due to technical reasons, lack of timely information, lack of initial funds etc. But the schemes for the export promotion have been utilized by exporters to a remarkable extent.

Analysis & Interpretation

Profile	**Factor**	**No.of Respondents**	**Percentaage**
Nature of ownership of the respondents	Sole proprietorship	1	10%
	Company	9	90%
Year of experience	Less than 5 years	1	10%
	5-10 years	3	30%
	10-20 years	5	50%
	Above than 20 years	1	10%
Nature of business	Merchandise	2	20%
	Manufacturing	3	30%
	Both	5	50%
Product manufactured by the respondents	Cardamom	2	25.0%
	Red chilli	3	37.5%
	Turmeric	2	25.0%
	Black pepper	1	12.5%
Spice products exported by the respondents	Cardamom	2	18.18%
	Red chilli	4	36.36%
	Turmeric	2	18.18%
	Black pepper	3	27.27%
Quantity of spices exported in the year	Below 50 tons	2	20%
	50 to 100 tons	4	40%
	100 to 150 tons	3	30%
	Above 150 tons	1	10%
Spice products exported to others countries by the respondents	European countries	3	30%
	American countries	2	20%
	African countries	1	10%
	Asian countries	2	20%
	Australian countries	2	20%
Mode of transport preferred	Airways	2	20%

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Profile	Factor	No.of Respondents	Percentaage
for export by the respondents	Waterways	8	80%
Schemes utilizing by the respondents provided by spice board	Trade promotion	2	33.33
	Product development and research	4	66.67
Reasons for not utilizing the schemesgiven by spice board	Complicated Procedure	2	50
	Lack of time	2	50
	Seasonal changes	9	90
Impact of competition	Product variety	3	30
	Marketing strategy	4	40
	Customer performance	2	20
	Price variability	1	10
Difficulties faced by the respondents in international promotions	Language barrier	5	50
	Cultural barrier	3	30
	Psychological barrier	1	10
	Political barrier	1	10

Suggestions

Based on the observations and results discussed above, the following are some of the suggestions for making profitable export of spices abroad.

- ✓ Indian pepper and cardamom enjoy a unique position in the export market but the producers are not getting price in proportion to the quality. Hence the producers should form their own joint stock company for spices in Indian and abroad.
- ✓ The company should adopt direct marketing and the producers should share the profit resulting from the process.

Export market particularly in developed countries never tolerates such elements in food materials. There are incidents in which the exported spices were returned due to the presence of such elements over the permitted range. So it should be ensured that their produces are fake such extraneous elements and thereby improve the quality of our spices. Presently pricing of spices is highly subjective due to the absence of scientific methods for determining the quality of spices sold in the market. Hence standard pricing practices (based on oil content and quality of produces) should be implemented are the earliest to avoid exploitation by the middlemen.

Conclusion

Presently there is no governmental agency engaged in the exporting process of spices. Being the only promotional agency for spices, Spices Board should immediately take up the responsibility of exporting Indian spices to all major importing countries.

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Demand for organic agricultural products is increasing rapidly in developed nations. But we are not able to export our spices with organic certification due to the absence of an official agency giving such certification. Hence the central government should urgently constitute an official agency empowered to issue organic certification based on international norms in this respect. Government and promotional agencies should try to make the farmers aware of the market phenomena. Exporting time is very important for securing better prices. Spices producers should be well aware of the cropping time, volume of production and price of spices in other producing countries. This will help them to sell the produces at the most appropriate time securing maximum possible price.

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