A STUDY ON BLACK PEPPER EXPORTS AND THE CHALLENGES FACED BY THE MERCHANT EXPORTERS IN COIMBATORE

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Abstract

The study focuses on the challenges Faced by the black pepper merchant exporters in Coimbatore. India as an agricultural country has a strong base in cultivating and trading black pepper in the domestic and also in international market. The demand for black pepper in h market is very high and there are only few competitors for Indian in the Asian region. India is in a better position to take a lead in the export market as Black pepper is the world's most traded spice and is one of the most common spices added to cuisines around the world.

1. INTRODUCTION

Black Pepper

Pepper is said to be the "king of spices" because its usage round the world is more than any of the spices present. It is also the oldest one. The production of pepper is dependent upon the hot and moist weather conditions and the pepper crop needs these sorts of conditions to prosper. That is why it is produced in countries having this type of climate.

The pepper export fluctuates around 2.25 lakh tones and the major export share is held by Vietnam with 85 thousand tons. Earlier, India was leading the list of the pepper producing countries but after 1999, Vietnam took the lead as it put more area under pepper production. Pepper was the one of the first crops that was cultivated in India.

It is usually found in the southern and south-western regions of Indian subcontinent. India's pepper production constitutes 20% to the world's pepper production.

Kerala holds the biggest share in India's total pepper production contributing to a staggering 88%.

The remaining production is contributed by Karnataka, Tamil Nadu, Pondicherry and Andaman & Nicobar. Black pepper is the world's most traded spice and is one of the most common spices added to cuisines around the world.

World pepper Production and Export

Production of pepper depends very much on agro-climatic factors, Pests, diseases etc. High price coupled with good cultivation practices, favorable weather situation and fewer incidences of pests and diseases often lead to higher production level. Reversing the situation of the above factors would normally lead to lower production.

2.RESEARCH METHODOLOGY

METHODOLOGY OF THE STUDY

2.1. AREA OF STUDY

The research study was conducted only in Coimbatore city.

2.2. RESEARCH DESIGN

This study was conducted on the basis of Descriptive research methods. A descriptive study involves formulating the objectives of the study, defining the population, selecting a sample and designing the methods of data collection and analyze of the data and result.

2.3. PERIOD OF STUDY

The survey to know about "A study on black pepper exports and the challenges faced by the merchant exporters in Coimbatore" lasted for the period of 4 months.

2.4. METHODS OF DATA COLLECTION

The data has been used which is collected through questionnaire and reports and internet. The researcher has used both primary as well as secondary data.

2.5. PRIMARY DATA

Primary data were collected through structured questionnaire. Questionnaires were distributed to the selected exporters.

2.6. SECONDARY DATA

Secondary data have been collected from various sources outside from journals, magazines, other research works and also from other authenticated websites.

2.7. SAMPLING DESIGN

Sampling is the process of dividing the whole universe into numbers of subunits for research since it is difficult to make study on whole population at it may involve more time and cost.

2.8. SAMPLE SIZE

Sample size is the number of items to be selected from the universe to constitute a sample. The sample size is 50 respondents.

2.9. STATISTICAL TOOL USED FOR THE STUDY

The following statistical tools have been used to analyze the collected data.

- Ranking method
- Weighted average mean

3. DATA ANALYSIS AND INTERPRETATION

3.1 TABLE SHOWING THE YEAR OF EXPERIENCE

YEAR OF EXPERIENCE	NO.OF RESPONDENTS	PERCENTAGE
Below 5 years	7	14
6-10 years	12	24
11-15 years	20	40
16-20 years	6	12
Above 20 years	5	10
Total	**50**	**100**

Source: Primary Data

INTERPRETATION

The above table shows that,14% of the respondents have experience with less than 5 years, 24% of the respondents have experience with 6-10 years,40% of the respondents have experience with11-15 years, 12% of the respondents have experience with 16-20 years, 10% of the respondents have experience with above 20 years.

Majority of respondents (40%) have an experience above 11-15 year

3.2.TABLE SHOWING THE NUMBER OF EMPLOYEES IN THE COMPANY

NUMBER OF EMPLOYEES	NO.OF RESPONDENTS	PERCENTAGE
Above 5	10	20
5-10	7	14
10-15	8	16
More than 15	25	50
Total	**50**	**100**

Source: Primary Data

INTERPRETATION

The above table shows that, 20% of the companies have above 5 employees,14% of the companies have 5-10 employees, 16% of the companies have above 10-15 employees,50% of the companies have more than 15 employees.

Majority of respondents (50%) of the companies have more than 15 employees.

3.3. TABLE SHOWING THE SATISFICATION LEVEL ON THE SCHEME PROVIDED BY THE SPICE BOARD

SATISFICATION LEVEL	NO.OF.RESPONDENTS	PERCENTAGE
Highly satisfied	5	10
Satisfied	7	14
Neither satisfied	8	16
Dissatisfied	12	24
Highly dissatisfied	18	36
Total	**50**	**100**

Source: Primary Data

INTERPRETATION

The above table shows that, 10% of the respondents are highly satisfied on the level of scheme provided by the SPICE Board, 14% of the respondents are satisfied, 16% of the respondents are neither satisfied, 24% of the respondents are dissatisfied, 36% of the respondents are highly dissatisfied.

3.4. TABLE SHOWING THE NATURE OF WAREHOUSING PROBLEM

WAREHOUSING PROBLEM	NO.OF RESPONDENTS	PERCENTAGE
Storage pets	26	52
Fungal infection	19	38
Cost and budging	5	10
Total	**50**	**100**

Source: Primary Data

INTERPRETATION

The above table shows that, 52% of the respondents faces problem of storage pets, 38% of the respondents faces problem of fungal infection, 10% of the respondents faces problem of cost and budgeting**.**

RANKING METHOD

In this method the respondents were asked to rank their opinion about the characteristic of the Black Pepper Exporter. The order of merit given by respondents was converted into rank.

3.5. TABLE SHOWING THE PROBLEMS FACING DURING EXPORTS

PROBLEM	10	9	8	7	6	5	4	3	2	1	Total	Mean	Rank
High cost of production	6	2	6	2	9	2	13	7	7	4	50	4.34	VI
	60	18	48	14	54	10	52	21	14	4	295		
Quality issues	3	4	9	5	3	6	6	10	4	7	50	4.48	V
	30	36	72	35	18	30	24	30	8	7	290		
Improper packing issues	8	3	3	1	8	7	13	11	5	2	50	4.22	VII
	80	27	24	7	48	35	52	33	10	2	318		
Quarantine or pest problem	7	8	4	12	5	2	4	2	4	2	50	6.6	I
	70	72	32	84	30	10	16	6	8	2	330		
Certification problem	5	8	8	4	5	12	3	7	9	2	50	4.7	VIII
	50	72	64	28	30	60	12	21	18	2	357		
Low yield during high requirements	3	5	3	7	2	12	2	8	5	11	50	3.96	IX
	30	45	24	49	12	60	8	24	10	11	273		
Food safety system of importing countries	6	5	4	7	12	6	5	8	2	6	50	4.74	III
	60	45	32	49	72	30	20	24	4	6	237		
Quality standards fixed by importing countries	5	7	3	14	5	2	7	12	3	4	50	4.72	IV
	50	63	24	98	30	10	28	36	6	4	349		
Low profitability	5	3	2	9	3	7	7	3	6	13	50	3.88	X
	50	27	16	63	18	35	28	9	12	13	271		
Diversification	9	2	5	4	5	5	3	7	4	6	50	5.56	II
	90	18	40	28	30	25	12	21	8	6	278		

Source: Primary Data

INTERPRETATION

From the above table it is referred that by using weighted average mean the ranking for major problems faced during exports in the Black Pepper. Most of the respondents faces problem because of Quarantine or pest problems and the lowest rank for low profitability.

3.6.TABLE SHOWING THE FACTOR FOR FIXING BLACK PEPPER EXPORT PRICE

FACTORS	6	5	4	3	2	1	TOTAL	MEAN	RANK
Cost	8	8	7	18	6	3	50	3.7	V
	48	40	28	54	12	3	185		
Nature of Transportation	8	9	8	7	10	8	50	3.48	III
	48	45	32	21	20	8	174		
Type of Product	3	19	8	3	15	2	50	3.72	I
	18	95	32	9	30	2	186		
Competition	6	9	11	16	9	5	56	3.5	VI
	36	45	44	48	18	5	196		
Demand	7	12	12	5	4	10	50	3.66	II
	42	60	48	15	8	10	183		
Standardization and Adaption	5	7	11	12	7	8	50	3.34	IV
	30	35	44	36	14	8	167		

Source: Primary Data

INTERPRETATION

From the above table it is referred that by using weighted average mean the ranking for fixing Black pepper export price. Most of the respondents are fixing black pepper export price by type of product and lowest rank for the cost.

3.7. TABLE SHOWING THE OPINION ON THE SERVIES PROVIDED FOR BLACK PEPPER EXPORTERS

PERFORMANCE	HS	S	N	DS	HDS	TOTAL	MEAN SCORE
Factors	5	4	3	2	1		
Registration of exporters through online	8	24	10	4	4	178	**3.56**
	40	96	30	8	4		
Information about processing unit for exports	4	9	6	28	3	133	**2.66**
	20	36	18	56	3		
Issuance of certificate of export by spice board	5	15	27	2	1	171	**3.42**
	25	60	81	4	1		
Consignment creation, online application for certificate of export and stuffing certificate by exporters.	3	2	10	15	20	103	**2.06**
	15	8	30	30	20		

Source: primary data

INTERPRETATION

The table exhibits the weighted average mean score. The mean value 3.56 represent the Registration of exporters through online is the highly satisfied opinion on the schemes provided for black pepper exporters and the mean value 2.06 is Consignment creation, online application for certificate of export and stuffing certificate by exporters.

3.8.TABLE SHOWING THE SATISFICATION LEVEL ON UTILIZING MODERN TECHNOLOGY IN EXPORT PRODUCTION

Satisfaction Level	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Mean Score
	5	**4**	**3**	**2**	**1**		
Reduction of Production Cost	4	8	29	6	3	50	3.08
	20	32	87	12	3	154	

Raise in Level of Profit	3	18	15	5	9	50	3.02
	15	72	45	10	9	151	
Saves Time	8	10	26	4	2	50	3.36
	40	40	78	8	2	168	
Satisfaction of Importer	7	10	21	8	4	50	3.16
	35	40	63	16	4	158	
Increase the Volume of Production	2	18	19	7	4	50	3.14
	10	72	57	14	4	157	

SOURCE: Primary Data

INTERPRETATION

The table exhibits the weighted average mean score. The mean value 3.36 represent the saves time after utilizing the modern technology in export production and the mean value 3.02 is raise in level of profit.

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FINDINGS

- Majority of respondents 40% have an experience 11-15 years in the export field.
  - The maximum number of respondents 56% of companies comes under the private limited.
- 50% of the respondents are having more than 15 employees.
  - The maximum numbers of the respondents 60% have invested their own capital.
  - The maximum number of respondents 50% exports through seaways transportation.
  - Mostly 64% of the respondents are not a member of SPICE Board.
  - Majority numbers of respondents 36% are highly dissatisfied on the level of schemes provided by the SPICE Board.
  - Majority of respondents 42% companies are exporting based on order received.

- Majority of respondents 42% of the companies are identifying buyers through online.
- 40% of the respondents are not having the organic and Eco certification for export.
- Majority of respondents 46% are using the term of payment CIF.
- The maximum numbers of the respondent 70% of the companies are exporting as per the importers requirements.
- 52% of the respondents exports black pepper mostly on the size basis.
- Majority of 52% of the respondents are not availing the services provided by the SPICE Board.
- The major export 42% made from Coimbatore to Vietnam.
- 36% of the respondents exports value added products like pepper in brine.
- The maximum numbers of respondents 42% uses sacks for exporting package.
- 52% of the respondents faces problem of warehousing because of storage pets.

SUGGESTIONS

- Precautions should be taken to see that the clean and shifted pepper is not decontaminated by dust and other impurities.
- Only clean bamboo trays should be used for shifting pepper
- Pests control practices should be followed systematically. Use of pesticides and chemical fumigants should be limited to the correct dosage and should be applied only the supervision of exporters.
- A proper guideline has to be provided to the farmers.
- While stacking pepper-filled sacks in godowns, wooden planks should be used on the floor as dunnage. This is to prevent moisture from the floor affecting the pepper. The sacks should be kept at least 30cms away from the walls.
- Graded or garbled pepper should be kept separately. This means that the ungraded pepper should not be kept in godowns where sorted pepper is stored.
- Productivity has to be increased by using scientific and improved method of cultivation.
- The respondents are highly satisfied with the value-added products of pepper in brine export and dissatisfied with the curry powder, so the exporters should focus more on the exporting of curry powder.
- Price understanding with the members of International pepper community should be arrived to stabilize price of pepper in the world market.
- Exporters should be a member of SPICE Board, to avail a service provided by the SPICE Board for the black pepper exporters.

4. Conclusion

Pepper is one of the most volatile commodities traded internationally, India is basically being an agrarian economy has a greater scope in exporting black pepper to all the countries. Out of the total exports of spices, 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. Commodity boards can educate the Black Pepper cultivators to use modern equipment's for cultivation and the exporters need more support from the board in the areas of processing, grading and packing. Exporters need to have a data base of potential importers from different countries. India has a greater scope in black pepper exports as there are more potential exporters who can fulfill the global demand.

5. Reference

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