

PRODUCTION AND MARKETING OF CARDAMOM IN KERALA

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ABSTRACT

In the industry of spices, marketing play a vital role which forms a prerequisite for the development in other sectors and for the overall development of the economy. Marketing of spices are defined as the operations involved in the movement of food and raw materials from the planters to the final consumers. In our country, there exists an elaborate and inter-connected system of spices markets through which the produce flows from the producer to the consumers in India. Spices marketing have the greatest and most enduring role to play in the economic changes in developing countries. Marketing holds the key for spices development which could determine the quality of urban life. An efficient internal marketing system for spice commodities holds the key for rural development and for meeting the challenges thrown up by explosive growth of population in developing countries.

Indian cardamom has a history as old as human civilization. In early days India was the single largest producer and supplier of Cardamom to the world. But from 2002 onwards, Guatemala has replaced the India by taking first position in production. Even though, India has been pushed to second place, it plays vital role in international trade because of the aroma and rich flavor of cardamom. Cardamom cultivation in India is mainly confined to three states, namely Kerala, Karnataka and Tamil Nadu. It is a pungent aromatic spice and medicinal herb. It is a perennial plant that can grow from six to twelve feet height. Cardamom grows well in humid and moderately cool climate, filtered sunlight through the tree canopy, humus rich soil, well-distributed rainfall and protection from heavy winds. In India, the natural habitat of small cardamom is the evergreen forest of Western-Ghats on the Malabar Coast of South-West India. This area is commonly known as the Cardamom Hills. Kerala is the maximum contributor of cardamom out of India's total production. Karnataka and Tamil Nadu share the next position after Kerala. Kerala includes cardamom-growing districts like Udumbanchola taluk, Peermedu taluk, Devikulam taluk and Thodupuzha taluk

Keywords: Cultivation, Grading, Production, Marketing

Introduction

Spices are non-leafy parts (e.g. bud, fruit, seed, bark, rhizome, bulb) of plants used for flavoring or seasoning, although most of them can also be used as a herbal medicine. A closely related term, 'herb', is used to distinguish plant parts finding the same uses but derived from leafy or soft flowering parts. The two terms may be used for the same plants where the fresh leaves are used as herbs, while other dried parts are used as spices, e.g. coriander, dill. Spices have a profound influence on the course of human civilization. They permeate our lives from birth to death. In everyday life, spices succor us, cure us, relax us, and excite us. Ancient peoples such as the Egyptian, the Arab and the Roman made extensive uses of spices, not only to add flavor to food and beverages, but as medicines, disinfectants, incenses, stimulants and even as aphrodisiac agents. The name cardamom is used for spices within three generation in the Ginger family (Zingiberaceae), Elettaria, Amomum and Aframomum. Among these, Aframomum is widely cultivated in Africa and Madagascar, whereas Amomum mainly grows in a few places of Asia and Australia. These two varieties are considered as inferior substitutes for Elettaria cardamom, the true cardamom that is distributed from India to western Malaysia. For the

purpose of present study the *Elettaria cardamom*, which is also known as Small cardamom, Green cardamom, or cardamom is considered. In India it is popularly known as *elaichi*. It is native to the moist forest of southern India and cultivated in India, Sri Lanka, Malaysia and Sumatra, Nepal, Guatemala, Thailand, Central America, Indo China, Tanzania, Egypt, China, Indonesia, Mexico, Turkey, Laos, Vietnam, Costa Rica, El Salvador and Brazil.

Statement of the Problem

India from time unknown has been the home of spices producing almost all varieties of spices of the world. Spices are one the important group of crops grown in India. One or other spices are grown in different parts of the country, so they play an important role in the economy of the country. The quality of these produced and exported from this country continues to be one of the best. The hilly areas have comparatively low temperatures in winter and moderate temperatures in summer, so the spices produced in these areas are comparatively of superior quality. Spices are used in the form of seed, bark, bulb, tuber, leaf, flower and powder etc. Indian Cardamom is superior in quality, but has always been out-priced by Guatemala where the home consumption is insignificant. India is the second largest consumer of small cardamom after Saudi Arabia. The states of Kerala, Karnataka and Tamilnadu are the key producers of small cardamom in India. Cardamom, enjoys a vital position in the global spices market as one of the most hunted after Pepper (The King of spice). Out of the total area under cardamom plantation in India, more than fifty per cent of the area is in the State of Kerala used for cardamom cultivation.

Objectives of the Study

The objectives of the present study are:

1. To know the uses of cardamom
2. To know the plantation practices of cardamom in Kerala
3. To examine the existing channels of distribution of cardamom
4. To study the problems faced by the cardamom planters in marketing of cardamom; and

Importance of the Study

Among the cardamom producing countries of the world, India occupies an important place in terms of total area under cultivation and total production but as far as productivity and growth rate are considered it has lost its place of pride. The fast increasing population builds up the need for tapping the vast opportunities to increase spice production, particularly cardamom. Cardamom is a water-intensive crop and given the restricted availability of irrigation potential, increasing the area under the crop to increase production calls for huge investments in irrigation. Hence, the increase in production can be achieved by making a breakthrough in productivity and increased efficiency. In India Cardamom cultivation is carried out prominently in Kerala, Tamilnadu and Karnataka. Even among these states equality in productivity is not maintained because of the presence of different agro-climatic conditions. Besides that, some of the causes are poor and varying levels of yield. Another major factor affecting the cardamom planters is the uncertainty of remunerative prices. Therefore, marketing of cardamom also assumes significance, because any increase in the consumer price will affect the people and at the same time the producers should get remunerative prices for their produce. Removing the obstacles in marketing the product is essential to ensure that producers get remunerative prices for their produce. At this juncture, tracing the bottlenecks in production and marketing of cardamom, and suggesting ways and means to accomplish the task of increasing cardamom production are vital.

The increase in cardamom production will help develop cardamom processing industries. These agro-based industries will create backward linkages like supply of credit, inputs and production enhancement services,

and also forward linkages like processing and marketing. Such a development will add to the value of planters' produce, generate employment opportunities and increase the incomes. This, in turn, will lead to industrial and economic development.

Uses of Cardamom

Each country has its own uses of cardamom. It is used for flavouring various preparations of food, confectionary, beverage and liquours. Cardamom is also used for medical purposes both in Allopathy and Ayurveda. In India, cardamom is mainly used as a flavouring agent in the preparation of sweets, Tea, Masala, Pan Beeda, Chewing, Currys and Rice, Biryani etc. In the Northern States cardamom is offered with supari during marriage functions. In the Hotels, cardamom is used for cooking food items, meat preparations, etc. The housewives make use of cardamom for preparing Tea, Fried Rice, Pulav, etc. In South India, cardamom is an essential ingredient in Gheer (Payasam). In the middle east 'Gahwa' or Arab Coffee (Cardamom flavoured coffee) is served in all religious ceremonies, social functions and celebrations. Coffee and cardamom are mixed together and boiled in water to prepare 'Ghawa Coffee'. Cardamom coffee is served frequently in traditional Arab households. This Cardamom coffee is regarded as beneficial to health at the consumer level in the Middle East. It is believed to cool the blood in the country where extreme heat is a regular feature of daily life. Cardamom is also used in Ayurvedic and Allopathic medicine preparations as a digestive and flavouring agent. Cardamom flavoured biscuits and coffees are now manufactured and marketed by certain food industries in India. This spice is also used in pickles, vegetable currys, etc. Cardamom flavoured ice cream is also used in the market. There is tobacco paste called 'kimam' which is made spicy by adding cardamom.

In India, cardamom is used for the preparation of products like 'True Biscuits manufactured by M/s Auro Food Private Ltd., Pondicherry. Cardamom flavoured Horlicks Manufactured by /s.Hindustan Company, Punjab; Cardamom flavoured milk prepared by M/s.Livestock Development and Milk Marketing Board, Kerala; Pan Supari manufactured by M/s.Ashok & Co., Kanpur; Allopathic Medicines like Lupizurre manufactured by M/s.Lupin Laboratories Ltd., Bombay. In Iran, cardamom is used in confectionary, bakery items and meat products for its flavour and aroma. In Iraq, sweet meat, puddings and confectionary items are flavoured with cardamom. In Sweden, it is used in spice mixes, produced for the manufacture of sausages and processed meat products. Cardamom is used extensively for flavouring wide categories of food stuffs and products. The aroma and flavour of cardamom is mainly due to its volatile oil and flavour. Its strength is directly related to the quantity of oil present in it. Dried fruits (capsules) of cardamom contain steam volatile oil, fixed (fatty) oil, pigments, proteins, cellulose, pentosans, sugars, starch, silica, calcium oxalate and minerals. The major constituent of seed is starch (up to 50%) while fruit husk is crude fibre (up to 30%). The quality of cardamom is highly dependent on volatile oil and a few other components differ among varieties, maturity of capsules, agro- climatic conditions, processing methods and conditions of storage. The colour of processed fruits in general has no direct bearing on the intrinsic organoleptic qualities of cardamom. However, faded fruit colour can be due to over maturity of capsules, improper processing and longer storage. The trading of whole cardamom is regulated as per rules of Spices Board through auction centre and in fact the primary determinants (Physical features) that judge the price are parrot green colour, size (boldness / width) and weight.

Cardamom Producing Countries

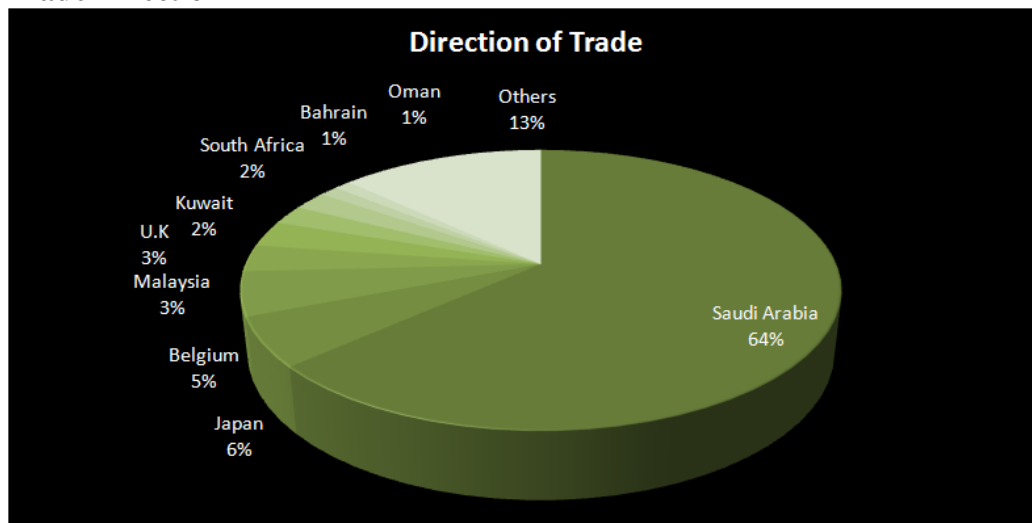
The spice, Cardamom, is native to the tropical areas of the world but some of the spice can also be cultivated in the cooler areas of the world. The world's total produce relating to cardamom is around 35000 metric tons annually. The major countries indulged in the production of cardamom are

- Guatemala
- India
- Tanzania

- Sri Lanka
- Vietnam
- Nepal

Guatemala is the leading producer of the spices in the world. Its share in the global production is around 66%. Earlier, India led the production list with the highest production figures but Guatemala overtook India due to sharp rise in the domestic production of the country during the years 2003 and 2004. In the year 2002, Guatemala was producing just a mere 13500 MT. The area covered in the cultivation of cardamom has decreased since recent years but the productivity has increased significantly.

Trade Direction



Largest export destination for Indian cardamom is Saudi Arabia that accounts for 64% of the total cardamom exports from India followed by Japan (6%), Belgium (5%), Malaysia (3%).

Present trend

The arrival of freshly picked cardamom has been flowing to the auction centres in small quantities. At present, daily average arrivals are around 15-20 tonnes and is expected to increase in coming days. The demand is quite good at present from up country and exports to Gulf nations. The production of cardamom is expected to fall by around 20% to 9000-9500 tonnes due to unfavorable weather condition. In the current season, Cardamom prices are forecast to raise on strong demand and lower production estimates. According to trade sources, cardamom production in India is likely to decline by 20%. Though the onset of monsoon was earlier, its activity in June and July was subdued due to unfavorable conditions. Hence, we recommend buying September contract on dips.

Indian Scenario (Production of Cardamom in India)

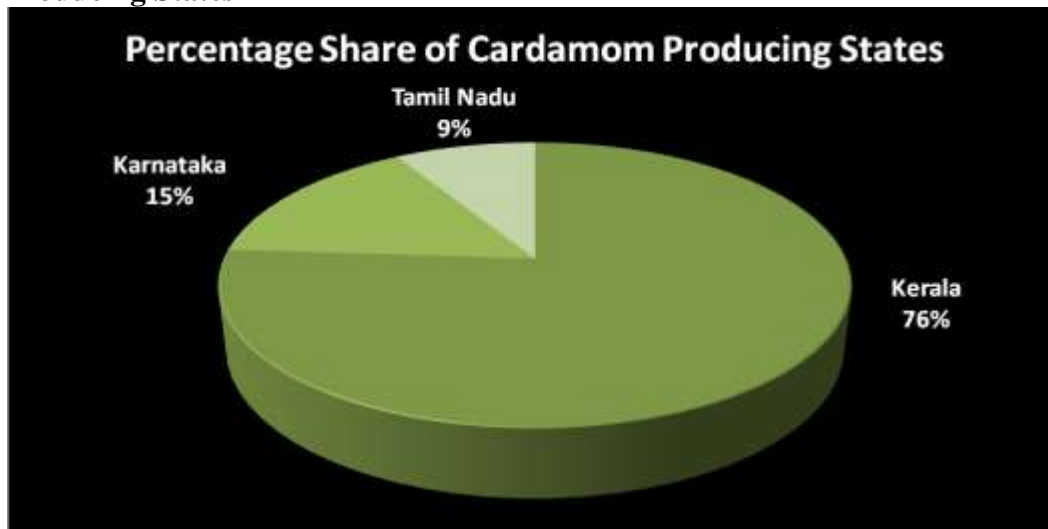
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Cardamom Growing Areas in India

Cardamom cultivation in India is mainly confined to three states, namely Kerala, Karnataka and Tamil Nadu. It is a pungent aromatic spice and medicinal herb. It is a perennial plant that can grow from six to twelve feet height. Cardamom grows well in humid and moderately cool climate, filtered sunlight through the tree canopy, humus rich soil, well-distributed rainfall and protection from heavy winds. In

India, the natural habitat of small cardamom is the evergreen forest of Western-Ghats on the Malabar Coast of South-West India. This area is commonly known as the Cardamom Hills. Kerala (76%) is the maximum contributor of cardamom out of India's total production. Karnataka (15%) and Tamil Nadu (9%) share the next position after Kerala. Kerala includes cardamom-growing districts like Udumbanchola taluk, Peermedu taluk, Devikulam taluk and Thodupuzha taluk.

Producing States



In India, two types of cardamoms are grown viz., Small and Large. Production of small cardamom is confined to southern states where as large ones are grown mainly in North Eastern states. Among the major small cardamom growing states, Kerala has taken the first place in India.

History and profile of Kerala

The modernized Kerala is influenced from western culture similar to any other state in India being affected. The Muslims of Kerala are the descendents of Arab traders who came to Kerala, settled down and had a family here. The Arabs, who landed here after the Jewish people, brought the first wave of Muslims settlers. They were the first people to build a Mosque in this sub-continent at Kodungallur. They concentrated in the Malabar area and up to the 18th century they were mostly agricultural labourers, petty traders and soldiers in the Zamorin army. The agriculturists in Malabar were oppressed under a system of land tenure in which the landlord had a strangle hold on them. They were accused of throwing their lot with Hyder Ali and Tippu during their invasions. There were forced conversions and selective liquidations as well. Since the land mostly belonged to the Hindus after the British restored peace, there were peasant uprisings, which gradually got a communal tinge, which was later termed as Mopilah rebellion of 1921. Subsequently, It gained momentum and developed into a peasant revolt where the peasants were Muslims and the land lords were Hindus, among whom the Namboodiris were predominant. The British ruthlessly put down the revolt.

Intermingling with the Portuguese, the Dutch and the British lead to the creation of a Eurasian Community. Most of them were Latin Christians and their culture is distinctly different from Kerala's traditional culture. There were infiltrations from Tamil Nadu and Karnataka and so were from different castes like Gujaratis and Marwaris, Konkanis, the Gowda Saraswat Brahmins, Shenoy, Parsis, Kudumbis etc. No wonder Swamy Vivekananda called Kerala a lunatic asylum of castes. Historian's pointed out that even during the Sangam period, there were no strict divisions based on castes. Caste consciousness and untouchability came much later and it is difficult to confirm the antiquity of any of the original races now in Kerala. The transformation into a cosmopolitan and egalitarian society was comparatively quick. The inherent tolerance and resilience of all original classes ensured a peaceful reformation. The gradual fusion of various groups has brought about a superficial uniformity in the state.

DISTRICT MAP OF KERALA



Kerala is a small state tucked away in the southwest corner of India. It represents only 1.18 per cent of the total area of India but 3.43 percent of the population of the country. Though Kerala has a history dating back to the Christian era, the modern Kerala was created in 1956 when all the states were reorganized along linguistic lines. Kerala is different from the rest of the India in many ways. History was formed in 1957 when Kerala became the first state in the world to democratically elect a Marxist government. The state has a strong presence of left ideology. It has the highest literacy rate in the country, lowest infant mortality rate and the highest female to male population ratio. These facts speak volume of the state which is often compared to the society of the developed western countries. Kerala is made up of fourteen districts. Each of them has a distinct character. Thiruvananthapuram (also known as Trivandrum) is the capital of Kerala, famous for its Kovalam beach (rated one of the top ten beaches of the world). Among the advantages that Kerala enjoys the primary one, is the abundance of educated and skilled manpower that has made its presence felt in other parts of the country as well as abroad. Kerala recorded a decadal population growth of + 9.42 per cent (2,740,101 persons). Kerala, with a sex-ratio (females per 1000 males) of 1058, is the only State in India with a positive figure. In the human development and related indices it occupies prime position among the Indian States. The land may be broadly divided into three natural divisions namely, lowland, midland and highland. Few lands of similar extent are watered by so many rivers. They rise from the Western Ghats and the landscape of their banks changes from jutting tops, crowned by thick forests in the east, to groves in midland and groves and fields in the lowland.

Richness of soil, heavy rainfall and damp climate have given rise to flora and fauna of great variety. The distinctive characteristic of the agricultural sector in Kerala deserves special emphasis. The high pressure of population on land has rendered a large part of the rural population traditionally dependent on agriculture. The cultivation of cash crops is better organized in Kerala than anywhere else in the country. In Kerala, about 65 per cent of the total area is available for cultivation, the rest being forests and lands not suitable for cultivation. More than 50 per cent of the cultivable area is under commercial crops like tea, rubber, coconut, and cardamom. It earns valuable foreign exchange for the country by the export.

Cardamom Plantation in Kerala

The civilized nations of the world have visualized India as the home of spices since the time unknown. The spices are ranked with valuable stones in the inventory of royal belongings. This proved incentive for the discovery of new waterways to the land of spices. In ancient days spices were valued as basic ingredients of cookery, preservatives, ointments, perfumes, cosmetics and medicines. So the international trade between India and the rest of the world thrived with the efforts of Greeks, Phoenicians and Arabs in the early periods. The main objectives of exploration for foreigners was nothing but the spices during early days. Thus it goes without saying that it was only in the attempt of exploring the coast of Malabar that Colombus discovered America. In the later periods, the mystery surrounding the source of spices was revealed to Egyptians which enabled them to enter into the field of spice trade. With the Roman conquest of Egypt in the middle of first century B.C., it was the turn of Romans to trade in spices. They were the most excessive users of aromatics in the history. By the close of the Middle Ages, the west European countries had gained supremacy in spices usage. Portugal initially stepped into the field followed by the Dutch and the English. Thus, India had foreign trade in spices particularly in cardamom from the very early ages. Cardamom found a place in Queen Sheba's gift box to king Solomon of Jerusalem (950 B.C.) and it was grown along with other spices in the gardens of Babylonians.

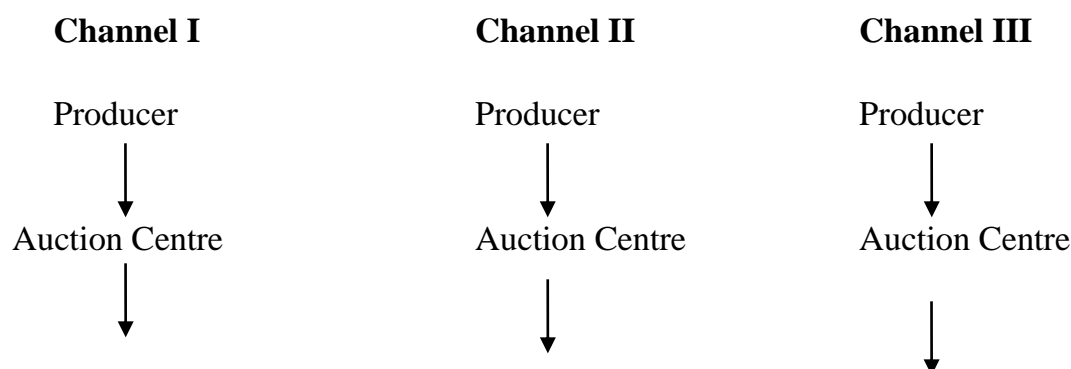
Marketing of Cardamom

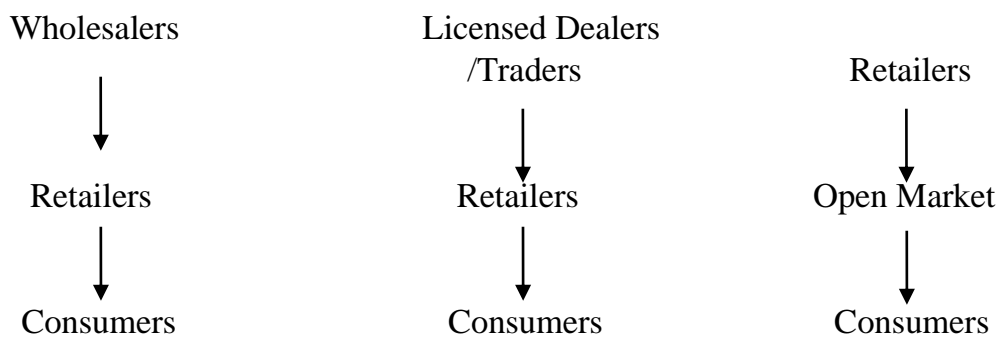
Channels of Distribution

Channels of distribution of cardamom in the study area include the various marketing channels, agents, intermediaries and traders involved in moving the produce from the producers to the consumers or users. In the present study, market structure includes different market channels, intermediates such as auctioneers, village traders, wholesalers, retailers. The cardamom planters are selling their produce through auction centers to the wholesalers, retailers and customers.

Marketing Channels

The different marketing channels used in the marketing of cardamom in the study area (Kerala) are given below:





Problems of marketing

A well established market channel for Cardamom existed even though there are several inherent problems involved. Various problems that are latent in marketing are given below:

i) Lack of Transport Facilities

The main problem that was reported was lack of transport facilities. Transport of Cardamom by cart, van, tractor and lorry was common in both small planters as well as in large planters. Non-availability of such mode of transports at the time of harvesting in this region forced them to pay higher transport charges in order to send their produce to the marketing centres. This is one of the reasons for higher marketing costs.

ii) Lack of Storage Facilities

As Cardamom is non durable goods, it cannot be stored for a long time, but it can be preserved for a few months. The producers have to sell their produce immediately at the prevailing price due to the lack of storage facilities. Disposal of Cardamoms immediately after harvesting will often fetch unfavourable prices to Cardamom producers.

iii) High Marketing Cost

Unlike the fixed cost, marketing cost, is the paid out cost. The marketing cost forms a part of the total cultivators and also a part of cost of production. Due to the lack of proper infrastructural facilities and high commission charges to the middlemen the marketing costs of the cultivators is augmented.

iv) Finance

Another important problem is finance. In fact all banks do not provide loans to Cardamom cultivations. As a result majority of the planter had to rely on money lenders and contractors who advanced credit on a long term basis with an informal but explicit understanding that once the crop commences yielding, the orchards will be leased out to them. The charged interest rate by them was stated to be exorbitant and the price offered was also subsequently very low.

v) Processing Industry and Regulated Markets

It is inconvenient to the cardamom cultivators to sell their produce directly to the cardamom processing industries as it has been situated in distant places. Thus, they sell their produce only through commission agents to cardamom processing firms located in different places. The government has included cardamom as one among the notified commodities so as to sell it through the regulated markets. It has been found out that almost all the planters do not know anything about regulated markets in the study area of Idukki District.

Conclusion

The Indian cardamom plantation Industry until the recent past has been an emperor in the realm of cardamom production and marketing. Recently, India's throne is threatened by various competitors like Guatemala. Guatemala has made deep in-roads into the already established Indian markets. It has emerged as the sovereign monarch both in production and trade. Hence, India has to encounter an invincible competitor like Guatemala in trade. As a result of such a huge opponents in the field, India had to undergo a massive restructuring in price causing a worst fall in cardamom his of India. With less price and fall in production on an average, the plantation industry staggers to make both the ends meet. The planters have to carry out the regular works and meet the recurrent expenses, which become a Herculean task. And naturally the industrial relations get strained causing heartburns and making both the parties harbour malice against each other. In such situations, issues and disputes will elude solutions. Therefore, necessary steps must be taken to sort out the constraints in order to put the industry back on the right tract. Constructive suggestions for rejuvenation and recouping of the hitherto deteriorating cardamom industry have been enlisted here and the same may be followed to make the industry usher in with fresh vigour and former glory.

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