

## INDIAN SPICES - CURRENT STATUS, PROSPECTS AND CHALLENGES

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India is the land of spices. It grows over 50 different varieties of spices, while spices such as black pepper and cardamom have originated in this country, it is also a major production center for many other spices like ginger, turmeric, chillies, tree spices and seed spices with a total area of 2.5 million ha. under spices cultivation. India's spice production is around 2.8 million tonnes annually. Of this about 10 percent is exported to over 150 countries. USA, European Union, Australia, Japan, the Middle east and Oceanic countries are the principal importers of Indian spices.

The current world trade in spices is about 4.5 million tonnes valued at US \$ 1,500 million. India contributes about 45-50 percent of this supply in volume and about 23 percent in value terms.

### India's strength and opportunities

Traditionally India has a virtual monopoly over global spices production and trade owing to her strength in spices genetic resources, varieties, intrinsic quality of the produce, diverse agro ecological conditions, value addition, enterprising farming community etc. These traditional strength or of spices legacy, coupled with the emerging opportunities in organic spices sector, perhaps geographical indication appellation for certain commodities and the emerging trend in replacing synthetic substitutes with natural flavouring compounds like vanillin throw up good opportunities for India in the post WTO scenario.

The annual global growth rate of organic market is around 20 percent. It is forecasted that by 2006, there would be a 5 fold increase in organic spices market all over the world. India is one of the countries having very low per capita fertilizer consumption. Further, India with her intrinsic quality

spices grown over wide agro ecological regions of the country can definitely utilize this expanding global organic spice sector. Already, the Indian capability in organic spice sector is in action with about 12 major organic spice producers and exporters plus few organic certification agencies operating in the country.

Indian commodities like 'Malabar pepper', 'Cochin ginger', Alleppey turmeric', 'Guntur chillies' etc. are rated as high quality commodities since very ancient days. The TRIPS Articles 22, 23 & 24 which seek to provide qualified trade protection to goods originating from / or identified with specific geographical locations can be invoked to provide geographical indications appellation to these commodities. However, the sustainable use of this appellation will be linked to the premium price of the commodities. We have to ensure the high quality of these produce so as to fetch a premium price in the International market.

World over now there is a demand for natural products. Synthetic vanillin, which is widely used for flavouring beverages, bakery items, cosmetics etc. at present amount to 26000MT. Synthetic vanillin is now being replaced with natural vanillin, at a very rapid rate. The current natural vanillin availability, pegged at around 5000 MT, is far below the requirement. Vanilla being the major source of natural vanillin, thus has good scope for increasing production. India can safely go for an increase in area under vanilla by another 5000-6000 ha.

### Threats and trouble shooting of the threats

Competition from other producing countries vis-a-vis the import of commodities pose a threat to Indian spices sector. It is told that Vietnam for black pepper and Guatemala for cardamom can pose a threat to India. In order to have a sound strategy to counter the threat, one has to have realistic statistics on production of these commodities in the other producing countries. Surge of import is another often talked about issue. Surge of



import can be countered by increasing the productivity levels of our crops and by increasing the bound rate to the maximum permissible level.

We should also see that our commodities confirm to the accepted pesticide residue levels and cleanliness standards so that the importing countries will not reject our consignments. We have to do some more exercise in educating the grass root growers about the need to produce 'clean spice' free from pesticide residue.

**Weakness :** Availability and quality of planting material is one of the important weaknesses of our spices sector. Efforts should be made to produce and supply good quality planting material to the farming community.

**Conclusion :** The post WTO scenario of spices is not that bad as it made out be. With our strength in spices, the weakness or negative points can be converted to our strength / opportunities.

**Epilogue :** Protection of genetic wealth of spices is very important in this post WTO Scenario. India has the rich diversity in many of the important spices. Only this country is blessed with varietal diversity in black pepper, cardamom, ginger, turmeric etc. The existing rules should be strengthened so that to see that our elite material will not be available to our competitors. This is an urgent requirement to safeguard our interest.

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