



Research Paper

Growth and export dimensions of Indian turmeric

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ABSTRACT : India is popularly known as the spice bowl of the world as a wide variety of spices with premium quality are grown in the country since ancient times. India has occupied around 60 per cent of the world trade in turmeric. The production and export performance of turmeric in India have been examined using secondary data for the period 1974-75 to 2009-10. The exponential form of growth function has been used for the analysis of data. The results of the study revealed that, there were significant growth rates in production and export of turmeric. Instability index has been worked for the production and export for pre-WTO and post-WTO periods. Instability has been observed high for production, export quantity and export value. The results of the Markov Chain analysis revealed that, during pre-WTO period 'other countries' and UK were the stable importers of Indian turmeric as they have retained their share to the tune of 59.74 per cent and 39.91 per cent over the years respectively. Whereas, during the post-WTO period, 'other countries', Iran, UAE and UK were the stable importers of Indian turmeric as they retained 83.18 per cent, 51.13 per cent, 32.93 per cent and 332.40 per cent of their share over the years, respectively. Thus, it is clear that the countries pooled under 'others category', Iran, UAE and UK would be the stable importers of the Indian turmeric in future and countries like USA and Japan were not the stable importers. Hence, it would be necessary to give more stress on these countries and also explore possibility for tapping other export markets through policy changes.

KEY WORDS : Growth rates, Instability index, Markov chain analysis, Pre-WTO, Post-WTO

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INTRODUCTION

India is popularly known as the spice bowl of the world as a wide variety of spices with premium quality are grown in the country since ancient times. In Vedas, as early as 6000 BC, scrupulous evidences are available regarding various spices, their properties and utility. Among the commodities that were traded during that period, spices occupied a major portion due to their superior quality and diversity which attracted foreigners to India. Turmeric-the golden spice, is widely cultivated in different countries such as India, China, Myanmar, Nigeria, Bangladesh, Pakistan, Sri Lanka, Taiwan, Burma, Indonesia, etc. Among these countries, India occupies the first position in area and production with 181 thousand ha and of 793 thousand tonnes during 2009-10. In India, turmeric is grown in 18 states. The states like Andhra Pradesh, Tamil Nadu, Karnataka, Orissa and West Bengal are the major turmeric producing states in India. The major countries that export

turmeric are India, China, Myanmar and Bangladesh. Indian turmeric fetches a premium price due to its superior quality in the international market. India has occupied around 60 per cent of the world trade in turmeric.

The study has been undertaken with the objectives to estimate the growth and instability in area, production, productivity and export of turmeric in India and to analyze the direction of trade of turmeric from India.

MATERIALS AND METHODS

The study was mainly based on the secondary data from various sources, which included Annual Reports, Yearbooks, Statistical Data publications of Spices Board, India, Ministry of Commerce and Industries and Arecanut and Spices Development Board. The study period was divided into three sub-periods, viz., pre-WTO (1974-75 to 1994-95), post-WTO (1995-96 to 2009-10) and overall period (1974-75 to 2009-10).