Chapter 2
ORIGIN AND GROWTH OF SPICES TRADE
IN INDIA AND KERALA

Spices once hailed as ‘gray gold’ have played an important role in the history of civilization, exploration and commerce. Spices were the first object of commerce between the East and the West. The cultivation and use of spices go back to the beginning of history. Spices trade is the oldest known trade to man. Spices were the traditional items of international trade. Spices have had a greater impact on world trade than any other foodstuff. As Hentry N. Ridley (1981) points out “the history of cultivation and use of spices is perhaps the most romantic story of any vegetable product”. Many spices have medicinal properties and have profound effect on human health, since they affect many functional processes. Spices are being used every day in the family at all occasions of sorrow, happiness and festivals in one or other forms.

India, also known as ‘the land of spices’, is the largest producer, consumer and exporter of spices in the world. Every Indian home is equipped with some important spices, which are used as home remedies for common ailments. It was due to spices trade that ancient commercial ties existed between India and the Middle East. There had been a flourishing trade in spices successively between the Indians and the Greeks, the Romans, the Arabs, the Portuguese, the Dutch, the French and the British throughout the period of recorded history. The affluence generated by spices trade was also responsible for the historic voyages of discovery. “Fragrant cloves with their woody overtones, heady sweet cardamom, pungent black pepper, the nutmeg whose complex flavours burst forth when grated, all these and other aromatic seasonings of vegetable origin were once so highly priced, that they were literally counted out grain by grain” (Wendy Huttan, 1998).
Within India, Kerala is the leading producer of black pepper (the king of spices) and cardamom (the queen of spices). Kerala earns valuable foreign exchange through spices trade. Spices cultivation, which was once the monopoly of India has now spread to a number of other countries and the competition in spices trade, has become fierce. Though the mystery and rarity of spices have now virtually disappeared, their magical effect on food and their ability to delight the palate remain unchanged.

2.1 Concept of Spices

1. According to Chambers Twentieth Century Dictionary, “spice is an aromatic and pungent vegetable substance used as a condiment and for seasoning food”.

2. Webster’s Dictionary defines spices as, “any of the various aromatic vegetable products as pepper, cinnamon, nutmeg, mace, allspice, ginger etc; such condiments collectively enrich, or alter the quality of a thing especially to a small degree; spices alter the taste of food, give zest or pleasant flavouring or a relish”.

3. Rosengarten (1969) an expert in spices, in his book ‘The Book of Spices’ wrote that “spices were valued as the basic ingredient of incense, balms, preservatives, ointment, cosmetics, medicines and antidotes against poison; it was only later that they were used in food”.

4. The Standard ISO 676: 1995 of the International Organization for Standardization (ISO) defines spices and condiments as “vegetable products or mixtures thereof free from extraneous matter, used for flavouring, seasoning and imparting aroma in foods; the term applies equally to the products in the whole form or in the ground form”.

Much confusion prevails among specialists and laymen alike as to whether a particular material is a spice, vegetable, condiment, flavourant or a drug. The Arabic, Persian and Urdu lexicons define ‘masallah’, the plural of ‘issallah’ as substances used singularly or in combination to improve both the
intrinsic as well as the extrinsic quality of a product. Spice is one of the various strongly flavoured or aromatic substances of vegetable origin, obtained from plants of tropical, subtropical and temperate zones.

Thus, spices are substances essentially from the vegetable kingdom, characterized by strong, pungent odors or sweet or bitter taste. Spices alter the taste of food to a small degree, such as in colour, taste, piquancy and pleasant flavour. A spice shouldn’t develop woody persistent tissue like a shrub or a tree, i.e. it should be soft and it may be either leaf, bark, fruit, flower, seed or root resembling rhizomes. As Rosengarten (1969) has put it, “It is difficult to decide where a spice ends and a shrub begins”. It is the user whose taste and olfactory nerves that decide precisely what a spice should be and when the same material may be pronounced a condiment, or seasoning or a flavourant.

2.2 Varieties of Spices

Of the 109 spices listed by the ISO (ISO 676), India grows 62 varieties of spices as per their suitability in different agro-climatic conditions and congenial situations, available in various parts of the country from sea level to the dry temperate zone deep in the Himalayas. However, out of these only 52 items of spices are coming under the purview of Spices Board.

In addition to the 52 items of spices under the preview of the spices Board, the following varieties of spices are also grown in India. (Hand Book on Spices, National Institute of Industrial Research).


2.3 Commercially Important Spices

Even though India grows about 62 spices, at present only 16 spices are commercially important and they are known as the major spices. They are:

The other spices have little commercial importance and are called the lesser-known spice crops. (The list is given in Appendix III).

There is also another classification of spices as major spices, seed spices, tree spices, herbal spices and miscellaneous spices.

i. **Major Spices**

Black pepper, Cardamom (small and Large), Chillies, Ginger, Turmeric

ii. **Seed Spices**

Coriander, Cumin, Celery, Fennel, Fenugreek, Dill, Aniseed, Caraway, Mustard, Poppy seed, Parsley and Ajowan.

iii. **Tree Spices**

Clove, Nutmeg & Mace, Cinnamon, Tejpat, Kokam, Allspice, Cambodge, tamarind, Cassia, Curry Leaf, Asafoetida, Bay Leaf and Pomegranate.

iv. **Herbal Spices**

Thyme, Marjoram, Oregano, Sage, Savory, Basil, Rosemary, Horse Radish, Tarragon, Mint, Hyssop and Lovage.

v. **Miscellaneous Spices**

Garlic, Saffron, Vanilla, Juniper Berry, Pepper Long, Sweet Flag, Greater Galangal, Star Anise and Caper, in any form including curry powders, spice oil, oleoresin and other mixtures where spice content is predominant.

2.4 **Origin of Spices and Geographical Distribution**

The majority of spices originated in the Asiatic tropics, in the latitude belt lying between 25° N and 10° S of Equator, while the other quarters of the globe have produced comparatively few items of spices. Thus, we have the following distribution:
From Asia are derived pepper, cardamom, cinnamon (natives of south India and Ceylon) nutmeg and mace, cloves, clove-bark, turmeric, ginger, greater galangal from the Malay Archipelago, Cassia-bark and lesser galangal from China. Africa gave grains of paradise, Madagascar Ravensara aromatic, while the American tropics gave only vanilla, capsicums and pimento. The colder climates of northern Europe and Asia produced but few – coriander, cumin, caraway seed and mustard and root (Henry N. Ridley, 1981). The Mediterranean area including North Africa and the Middle East has supplied most culinary herbs and seeds such as bay leaves, coriander, cumin, dill, fennel, fenugreek, rosemary and sage.

India is said to be the oldest place where spices were available since time immemorial. Indian tropics have given spices like pepper, cardamom, chilli, turmeric, ginger, nutmeg, mace, basil, coriander, cassia, mustard, sea same, garlic and tamarind to the world. These spices are confined to different states. For example, black pepper is produced in Kerala, Karnataka and Tamilnadu, and the major cardamom growing states are Kerala, Karnataka, Sikkim and Tamilnadu. Turmeric is mostly confined to AndraPradesh and Tamilnadu. Likewise Andrapradesh, Maharashtra, Orissa and Tamilnadu are the major chilli growing states, though chilli produced in Bihar is considered to be the most pungent. Ginger is produced mainly in Kerala and Meghalaya, while Andrapradesh and Rajasthan are the major producers of coriander.

2.5 Uses of Spices

Spices constitute an important group of agricultural commodity, which are virtually indispensable in the culinary art. They are the secret of a housewife’s palatable dishes. In small quantities, they are used to prepare culinary dishes and have little or no nutritive value, but they stimulate the appetite, add zest to food and enhance taste. The various applications of spices include:
i) Spices are well-known appetizers or preservatives.

ii) Many spices have rich medicinal properties and are used in pharmaceutical, perfumery, religious rituals, cosmetic products etc.

iii) Spices are employed as adjuncts to impart flavour and aroma or pungency to food.

iv) Spice extracts are used to meet new demands of food processing industry.

v) Spices are employed in food industry in the preparation of pickles, biscuits, beverages, processed meat etc.

vi) Spice oils and oleoresins are employed in cosmetics, tooth paste, toilet soaps, hair oils, tobacco products etc.

vii) Spices find essential application in the preparation of Indian systems of medicines, as they have medicinal, preservative or antiseptic values.

viii) Spices are used to season insipid food – their aromatic qualities are useful in overcoming the odours of bad food.

According to Thomas and Kuruvilla (2004), “The magical properties of selected spices were used in mantras to drive away evil spirits…. spices are not just that flavours, but are integral part of quality diet that sustains and regulate healthy living – YOU ARE WHAT YOU EAT - so people spice up their food for a spicy living”.

2.6 Economic Significance of Spices Trade

India is the largest producer and exporter of spices in the world. India with varied climate and soil is the natural home of spices. No country in the world grows as many varieties of spices as India. Although different spices are produced in different countries of the world, India has the privilege of producing all types of spices. She has spices like the majestic black pepper, elusive cardamom, refreshing ginger, colourful turmeric, fiery chilli, and a host of other spices like, cumin, coriander, aniseed, nutmeg, mace and saffron. Within India, Kerala is the largest producer of leading spices like pepper and cardamom.
Spices trade in India is contributing much to the socio-economic development of the country. India earns substantial amount of foreign exchange from the export of spices. During the financial year 2006-07, India exported 373750 tonnes of spices, with foreign exchange earning of Rs.3575.75 crores, while it was 350363 tonnes of spices, with foreign exchange earnings of Rs.2627.62 crores during the financial year 2006–07 (Spice India, June 2007). The spices trade is also contributing much to the Gross National Product of the country. The contribution made by the spices export to the national exchequer is slightly more than two per cent of the total exports of the country. Spices trade also has employment potential, cultivation, farming, processing, manufacture and export of spice products are all labour intensive. With the increase in population, sophisticated habits of the people and increase in the use of instant foods, the demand for spices may go up at a fast rate. India being the far most country in respect of spices production and export, development of spices in the country (by giving necessary facilities and encouragement) can make substantial contribution to the country’s national economy.

2.7 Spices Trade - Global Scene

Spices have now become an integral part of American, Continental, Arabic, Asian and Oriental cuisine. As a result of the worldwide spread of spices, no one country has been able to keep a monopoly of any particular spice. India is the principal producer and exporter of spices in the world. Indonesia is the second largest producer and it specializes in the traditional trade of cloves, nutmeg, pepper and large quantities of ginger. Other major producers are Brazil, Malaysia and Madagasgar. The global trade in spices (excluding the trading centres of Singapore and Hongkong) amounted to 2,96,000 to 3,27,000 tonnes of spices valued at between US$ 694 million and US$ 781 million annually during the period 1978–1980 (Spices-A Survey of World Markets, 1982). It increased to 8,50,000 tonnes in quantity at the value of US$ 2200 million during 2006-07 (Spices Export Review 2006-07).
The United States is the world’s largest individual market for spices. For India also they are the single largest market. As per the statistics published by the US Department of Commerce, in 2006, USA imported 2,76,908 tonnes of spices valued US$ 499.39 million (Spices Export Review, 2006-07). USA is also a substantial producer of spices and total domestic production covers about 20 per cent of domestic needs. The principal spices cultivated are capsicum (red pepper) and paprika, which are grown only in the states of California, Louisiana, New Mexico and North and South Carolina. Pepper is by far the most significant spice imported to the United States, accounting for over 40 per cent of total spice imports. The per-capita consumption of cardamom is very low there, and the main supplier of cardamom to USA is Guatemala.

Canada is a sizeable and growing market for spices. Since domestic production is limited to small quantities of caraway and coriander seeds, requirements are met almost wholly from imports. Pepper remains the principal spice imported closely followed by capsicums, ginger, nutmeg and maces, cloves and vanilla. Canada exports mainly pre-packed and processed spices.

Argentina consumes between 4500 and 5000 tonnes of spices annually. The major spices cultivated are capsicums, cumin, coriander anissed and fennel. The country mainly imports pepper (72%), cinnamon (6%), nutmeg (3%) and spice seeds mainly cumin (8 %). Imports of cardamom are minimal, as it is virtually unknown to most consumers being used only by members of certain ethnic communities in Buenos Aires.

Mexico produces capsicums and pimento for domestic consumption and for export. The main item of import is cinnamon with Sri Lanka being the main supplier. Venezuela imports mainly pepper, capsicums, cassia and spice seeds.

North America and Western Europe are the most important regions in terms of import demands for most spices. The socialist countries of Eastern
Europe are significant outlets for pepper, particularly supplies imported from India under bilateral trading arrangements, and for pimento (all spice) from Jamaica. Latin American countries are significant importers of cinnamon and cassia while the countries of the Middle East are major markets for cardamom, accounting for over 80 per cent of the total world consumption of this spice.

Since 1972, the member states of the European Economic Community (excluding Ireland and Greece) taken as a group have imported larger quantities of spices than the United States, although the latter is still the world’s largest individual market. In 1979, EEC imports amounted to some 110,000 tonnes valued at $229 million compared with 86,000 tonnes valued at $132 million in 1976. The other European countries viz. Austria, Finland, Norway, Spain, Sweden, Switzerland and Yugoslavia together imported almost 20,000 tons of spices valued at $51 million in 1980.

The Federal Republic of Germany continues to be the largest single market in Europe and the second largest in the world after the United States. Next in importance are the United Kingdom and France. Although the Netherlands is a relatively small market, both Amsterdam and Rotterdam are major trading centres for spices and sizeable quantities are trans-shipped through these cities to other European destinations. Among the other importing countries in Europe, Sweden and Finland are the major importers of cardamom after Middle East, while Japan is now the third largest market for spices in terms of volume.

The countries of the Middle East and North Africa account for a substantial share of the spice market, in terms of value, largely because of considerable imports of high-priced cardamom. In 1980, imports into these countries accounted for an estimated US$ 209 million or 27 per cent of the value of imports of spices into these markets.
In the Asian and Pacific region, the major consumer of imported spices is Japan, followed at some distance by Australia and New Zealand. Although large quantities of spices are still traded through Singapore and Hong Kong, domestic consumption in these trading centres is very small. Unlike the other developing countries in the Asian region, Indonesia is a substantial importer of spices, being the world’s leading user of cloves.

2.8 International Pepper Community (IPC)

At the international level, the three leading pepper producing countries—India, Indonesia and Malaysia formed a pepper community in 1972 (although its permanent secretariat did not begin functioning until August 1976), to promote, co-ordinate and harmonize activities of the pepper industry with a view to achieving maximum economic development. Brazil joined the community in September 1981. With the members accounting for almost 98 per cent of the total world production of pepper, the name of the secretariat now is International Pepper Community (IPC), with head quarters in Jakarta. Among the objectives of the community are, stabilizing pepper prices, ensuring adequate returns to growers and undertaking measures to stimulate import demand for pepper. IPC has at present, Brazil, India, Indonesia, Malaysia, Sri Lanka and Vietnam as full members, and China and Papua Newguinea as associate members. Similar international action is contemplated for cardamom, pimento and nutmeg; already Madagascar, Tanzania and Comores co-operate closely on cloves.

2.9 Spices Trade in India - The Pre-independence History

From time immemorial India had trade links with foreign lands. The main and the most sought after item of trade were spices. The foreign traders regarded India as ‘the land of spices’. India has been in the international trade in spices since very ancient times, when ‘the panis’, originally Sumerians, first traded in the spices through land as well as by sea. They were the ones, who first introduced spices along with Indian novelties like sandalwood, teakwood,
gold, peacocks etc among the aboriginals of the Euphrates and Tigris around 4100 B.C.

There exists a dispute as regards the first use of spices among the various authorities. Rosengarten (1969), in his book ‘The Book of Spices’ has mentioned that the first use of spices was found in Egypt during the building of the pyramids. But, Mahindra S.N (1971) in his book ‘Spices in Indian Life’ refutes this claim. He puts forward various evidences to prove that the Hindu civilization was a much ancient civilization and that the use of spices in India was very ancient. He divides Indian history into various segments and explains the use and trade of spices during these phases.

The use of spices can be considered to be as ancient as the Hindu civilization itself. Turmeric for example has a permanent place in all religious rituals, marriages etc. from the birth of the Hindu culture. The word ‘curry’ according to chambers dictionary, originated from pro Tamil dialect, meaning, vegetables or sauces worked with ginger, black pepper etc.

The ancient law giver Manu mentions the use of spices in his writings. In India, the earliest mention of spices is found in the Vedas. The oldest literary record in India is found in Rig-Veda, and in the other three Vedas – the Yajur, the Sama and the Atharva. The Atharva Veda (which means the science of long life) elucidates the medicinal properties of spices. It prescribes the use of turmeric to charm away Jaundice. The Yajur - Veda mentions the use of black pepper. There are some references about the spices in the Ramayana also. Long back in time, in ancient India, spices were known to have been used to preserve Raja Dasharata’s body by embalming it with spice oils, similar to the Egyptian style of preparing mummies.

Later on, long after ‘panis’, the principal traders and shippers of Indian spices to overseas markets were the Arabs, Dravidians and Phoenicians. This
monopoly continued during the Gupta period also. Since the trade in spices was very lucrative at the international markets, their principal traders kept as a secret, the country of their origin and the technology of their harvesting and processing. The Arabs in a bid to keep the others away from finding out the sources of the spices narrated many awful stories according to which, there were super natural creatures from which the spices had to be cleverly stolen. Such stories were so fearsome that the Arabs could extract a selling price several times more than the cost of the spices they sold. The Indian traders on their part kept the sea-route from Broach to Babylon a secret from the Egyptians and the Greek up to 120 B.C. The Arabs never presented black pepper along with other spices, since the Greeks knew that black pepper came from the Malabar coast and then it would have been anybody’s guess about the source of other spices. The Egyptians however came to know of the sea route to India, when an Indian sailor who had lost his ship, drifted towards the Red sea in a boat.

The use of spices was known to the Babylonians and Assyrians around 3000 B.C. Spices were first exported to Alexandria for re-export to the Mediterranean countries. However, it was only from the 1st century AD that a notable increased use of spices was observed in Rome. During the Mughal rule, Akbar established a firm economic situation in his Kingdom and during his reign many spices came to be cultivated.

The Bible, particularly the Old Testament gives many instances of the use of spices from India. During the reign of King Solomon his warships brought to Israel, several items of merchandise, which were believed to be from Kerala. Owing to the prosperity that emerged out of this commercial traffic, King Solomon has been pictured in the Bible as a rich resourceful Emperor.

All the vessels, out of which King Solomon drank, were of gold; there was no silver, nor was any account made of it in the days of Solomon. For the Kings’ navy once in three years, went with the Navy of Hiram by sea to
Tharses and brought from thence gold and silver and elephants teeth and Apes and peacocks (The Holy Bible).

The following is mentioned in the scribblings on the walls of the Jews Synagogue at Mattanchery in Kochi (which was the nerve centre of spices trade in Kerala) “there was trade between King Solomon’s Kingdom (992 – 952 BCE) and Malabar coast. The Biblical name for India was ‘ODHU’ – Teak, Ivory, spices, sandal wood and peacocks were exported from India”.

During ancient times Indian spices brought peace between Queen Sheba and King Solomon. Queen Sheba visited King Solomon of Israel (1015 – 977 BC) with camels carrying spices for trade (Prem Singh Arya, 2003).

The fragrance of Indian cardamom wafted through the royal chambers of Cleopatra, when she set out to seduce Mark Antony. The discovery (AD – 40) of the monsoon winds Hippolos (S.W) and vulturnus (N.E) made possible annual voyages from Europe to India and the fleets of the Phoenicians, the Greeks and the Romans landed on Indian shores for loading the coveted cargo of Indian spices.

Indian traders voyaging in south east Asia, especially to Sumatra and the coast of Indo-China not only introduced Hindu beliefs and elements of art and architecture, but also many of their spices. Both the Chinese and the Indians had been trading in parts of South East Asia, for centuries and spices, which they themselves did not produce, were brought to the Asian mainland by sailing boats. From there camel-laden caravans traveled the Silk Road from Western China past northern India and Afghanistan. Their cargoes of silk and spices, eventually reached the ports of Syria. Here they were loaded on to Arab ships for transport to Venice from where they were distributed to the rest of Europe. By the end of the 14th century, Venice was importing an estimated 180,000 Kilograms of spices annually, around half of it pepper and dried
ginger, the rest made up of cloves, cinnamon, mace, cardamom and fresh ginger (Wendy Hutton 1998).

By the time these spices had traveled, as far as the markets of mediaeval Europe, the prices were astronomical and spice cupboards in homes that could afford such luxuries were kept under lock and key. It was in an effort to break the Arabian monopoly on spices provided to the Venetian markets and to therefore reduce their price that European explorers such as Christopher Columbus and Vasco de Gama set out on their epic voyages across uncharted oceans.

The Marco Polo tales made Europeans believe that ships could reach the exotic and far away spice producing regions. With the fall of Constantinople to the Turks in 1453, and the heavy imposition of duties on materials passing through Egypt, the need for a sea route to the East became very pressing for the spice merchants of Europe. Thus began the great voyages of Columbus and Vasco de Gama, leading to the arrival of the Portuguese, the Dutch, the French and the English to Indian shores seeking monopoly in Indian pepper and cardamom.

The business in Indian spices paved the way for the prosperity of Venice, Genoa and many other European cities. Under the Romans, spices from India were shipped to Alexandria, from where they found their way to the markets of Roman Empire and Greece.

History has it that Indian spices were sold at 100 times their original value in the consuming markets of Europe. While we know that the export of spices added to the revenues of Indian princes, and made canons, gunpowder and muskets freely available to them, very little is known about the condition of the spice growers of India during these days.
2.10 Spice Trade in India - The Post-independence History

With the sub-continent becoming independent, on August 15, 1947, the native Government did not lag too long to rejuvenate the Indian spice industry to cope with the necessities of the period. The Government of Madras at Pannijur initiated the first pepper research scheme in 1949. Subsequently, the schemes on cardamom research were started in 1951 at Mudigree and Pampadumpara. A Spice Enquiry Committee (SEC) was constituted in 1951 to suggest specific measures to develop production and marketing of cash crops (spices). SEC submitted the report in 1953 to the Government of India, which accepted the recommendations and entrusted the work to ICAR. A central spices and cashewnut committee was registered in 1961, which reviewed the status of spices in the country.

The Central Plantation Crops Research Institute, Kasargod, Kerala, came into existence in 1970 with one of mandates on spices and All India Co-ordinated Spices and Cashewnut Improvement Project was started. During the 5th Five Year Plan, the ICAR established the Regional Station of CPCRI at Calicut in November 1975 to undertake concerted research on spice crops. The Regional Station was upgraded to National Research Centre for Spices (NRCS) in 1986 at Calicut. The AICRP on spices was also shifted to NRCS. Under AICRP on spices, cardamom research was initiated at Pampadumpara in 1971, Mudigree in 1971 and Yercaud in 1981, pepper research at Panniyur in 1971, Sirsi in 1981 and Chintapali in 1981, ginger research at Solan in 1971 and Pottangi in 1975, Jagtial in 1986 and tree spices at Yercaud in 1992. Presently, there are 20 research centres spread over 16 states in India under the AICRP on spices. The NRCS was upgraded to Indian Institute of Spice Research at Calicut on July 1, 1995.

2.11 Spices Trade in India – The Present Scenario

India is regarded as the legendary ‘land of spices’. India is presently the principal producer, exporter and consumer of spices in the world. No country in
the world grows as many kinds of spices as India. India is blessed with varied agro climatic conditions, suitable to grow almost all spices from the topical black pepper to temperate saffron. In all the states and union territories in India, one or more spices are grown in abundance. Out of the 109 spices listed by the International Organization for Standardization (ISO 676: 1995,) 62 items of spices are grown in India. (The list is given in Appendix III).

The southern tropics of the country have emerged as the ‘spice bowl’ of the world. Black pepper, and cardamom, the queen of spices are believed to have originated in the Western Ghats of the country. If South India commands sole or near monopoly in the production of pepper, cardamom, ginger and turmeric, there are a number of seed spices contributed by North Indian states in sizeable quantities. The hilly regions primarily contribute for the production of saffron and black caraway in the high altitudes of Jammu and Kashmir and Himachal Pradesh, whereas the spices like celery, ginger, turmeric, garlic and seed spices are grown in mid-hills to the lower hills of the Himalayas.

Out of the total estimated world trade of spices of 8,50,000 tonnes valued at US $ 2,200 million, India occupied a share of 44 per cent in quantity and 36 per cent in value as at the end of 2007 (Spices Export Review, 2007).

At the beginning of 2007, the total area under spices cultivation was 2.3 million hectares and the annual production of spices in the country was 27 lakh tonnes valued at Rs. 13,000 crores. The export of spices from India has steadily gone up from 20,000 MT in 195-51, to 2,62,250 tonnes, valued at Rs.2540.15 crores (US $ 625.23 million) during 2007-08 compared to the export performance of 206,150 tonnes valued at Rs.1918.94 crores (US $ 417.97 million) in the same period of 2006-07 (Spice India 2007).

For centuries until recently India had the monopoly on the production and export of black pepper, but its position in recent years has declined and at
present Vietnam tops in the production. The area and production of black pepper increased from 89,000 hectares and 28,000 MT respectively during 1955-56 to 2,23,060 hectares and 70,600 MT during 2002-03. During the year 2006-07 India exported 28,750 MT of black pepper valued at Rs. 30,620 lakhs (Spices India, 2007).

Till 1990, India was the world’s largest producer and exporter of cardamom. From 1990 onwards, Guatemala emerged as the leading producer and exporter of cardamom, with a share of 97 per cent of global export of cardamom. The area and production of small cardamom (small) has changed from 73593 hectares and 7170 MT respectively during 1996 to 54142 hectares and 11235 MT during 2006-07. During the year 2006-07 India exported 650 MT of cardamom (small) valued at Rs. 2236 lakhs (Spices India, 2007). India is also the largest producer and exporter of chilli, turmeric and dried ginger in the world.

A separate export promotion council oversaw the export of spices including black pepper, cardamom, ginger, turmeric etc. until the establishment of the Spices Board in 1986.

2.12 Organizational Support for Spices Trade in India

In India, there are three apex organizations for the development of spices and spices trade viz.

(i) The Indian Institute of Spices Research (IISR) under ICAR in Calicut,
(ii) The Directorate of Cocoa, Arecanut and Spices under the Ministry of Agriculture with head quarters at Calicut, and
(iii) The Spices Board under the Ministry of Commerce, Government of India.

IISR carries on research on all items of Indian spices except cardamom, which is done by Spices Board. Directorate of Cocoa, Arecanut and Spices is the official agency for implementing the spices related development programmes of Union Government, which is generally carried out with the
assistance of the State Government agencies like Horticulture Development Corporations and State agricultural departments.

2.13 The Role of Spices Board in the Development of Spices Trade

The Government of India, established the Spices Board by merging the Cardamom Board and the Spices Export Promotion Council by enacting the Spices Board Act 1986. The head office of the Board is at Kochi, Kerala. It has regional offices at different parts of the country and a foreign office at Brussels.

The Board is concerned with all aspects of the spices industry-production, marketing and exports. It undertakes promotional campaigns such as advertisements, exhibition, fairs etc. The functions of the Board as enumerated in the Spices Board Act, 1986 are:

1. The Board may,
   i. Develop, promote and regulate export of spices
   ii. Grant certificates for export of spices and register brokers
   iii. Undertake programmes and projects for promotion of export of spices
   iv. Assist and encourage studies and research for improvement of processing, quality, techniques of grading and packaging of spices
   v. Strive towards stabilization of prices of spices for export
   vi. Evolve suitable quality standards and introduce certification of quality through ‘Quality marketing’ for spices for export
   vii. Control quality of spices for export
   viii. Give licenses, subject to such terms and conditions as may be prescribed, to manufactures of spices for export
   ix. Market any spice, if it considers necessary in interest of promotion of export
   x. Provide warehousing facilities abroad for spices
   xi. Collect statistics with regard to spices for compilation and publication.
   xii. Import with previous approval of Central Government any spice for sale and
Advise Central Government on matters relating to import and export of spices.

2. The Board may also,
   i. Promote co-operative efforts among growers of cardamom
   ii. Ensure remunerative return to growers of cardamom
   iii. Provide financial or other assistance for improved extension of cardamom growing areas
   iv. Regulate sale of cardamom and stabilization of prices
   v. Provide training in quality testing and fixing grade of standard of cardamom
   vi. Increase cardamom consumption and carry on propaganda for that purpose
   vii. Register and license brokers (including auctioneers) of cardamom and persons engaged in business of cardamom
   viii. Improve marketing of cardamom
   ix. Collect statistics from growers, dealers and such other persons relating as may be prescribed on any matter relating to cardamom industry, publish statistics so collected or portions thereof or extracts there from
   x. Secure better working conditions and provision and improvement of amenities and incentives for workers
   xi. Undertake, assist or encourage scientific, technical and economic research.

52 spices in any form including curry powders, spice oils, oleoresin and other mixture where spice content is predominant come under the purview of Spices (The list is given in Annexure III).

Spices Board consists of a full time chairman appointed by the Government of India and 31 members of the Board, representing various interests.
Spices Board is the apex organization for the development and worldwide promotion of spices trade. It plays a far-reaching role as a developmental, regulatory and promotional agency for Indian spices. The Spices Board provides R&D services, education, registration, and licensing for both growers and traders.

The concept of India Spice Logo and the Spice House Certificate introduced in the late eighties gained momentum in the early nineties, and has changed the very face of spices industry for its quality in international market. The Spices Board quality evaluation laboratory set up during 1989-90, adopted the system of quality management during 1997, envisaged under ISO 9002: 1994 with respect to hygiene, commercial and chemical standards as per specifications of International organizations viz. USFDA, ASTA, ESA, ISO and Agmark.

The Board is the major link between Indian exporters and importers aboard. Its divergent activities include formulation and implementation of programmes of better production and quality improvement methods through systematic research and developmental activities, education and training of growers, processors, packers, exporters and promoters of Indian spices abroad.

Spices Board also acts a data bank and communication channel for importers and exporters and promotes Indian spices abroad. The Board has close association with international agencies like International Trade Centre (ITC), Geneva, United Nations Development Programmes (UNDP), International Pepper Community (IPC), Jakarta, American Spice Trade Association (ASTA), European Spice Association (ESA), All Nippon Spice Association (ANSA), Japan, International Spice Group (ISG) Food and Agricultural Organization (FAO), Commonwealth Secretariat (COMSEC), London, International General Producers Association (IGPA) and United Nations Industrial Development Organization (UNIDO).
2.14 Spices Trade in Kerala

If India is regarded as the land of spices, within that, Kerala is the spice garden. Kerala is one of the major producers of certain varieties of spices in the world, especially pepper and cardamom. So far as the export of spices from Kerala is concerned, pepper, cardamom, ginger and turmeric are the most prominent items. Kerala was famous for the cultivation of spices even during the medieval period. The Portuguese and the Dutch came to India during the 15th century, mainly with intent to make a monopoly over the spices trade from Kerala. It has been established by the geologists that gold was extracted from the soil of Wynad, the North – Eastern part of Kerala in the olden days. It is also worth noting that all merchandize and articles mentioned in the Old Testament (of the Holy Bible) are the traditional products and articles of export of Kerala. The gates of the city of Carthage, says historian Bosworth Smith, were made of sandalwood brought from Kerala (Kusuman, K.K, 1987).

The Arabs were in the vanguard of early spice traders of Kerala. Heradotus (B.C 484 -413) is of the opinion that goods brought by the Arabs from Kerala were sold to the Hebrews at Aden. A land mark in the history of foreign trade of south India was the discovery at about AD 45 by an Alexandria merchant named Hippalus, probably from the Arab sailors, of the existence of the seasonal winds or monsoons. Also he has referred to the commercial centres like Bakere (i.e Purakkad) and Nelcynda (i.e Nirkunnam). The merchants “sent large ships to these market towns on account of the great quantity and bulk of pepper and Malabathrum” (Kusuman,K.K,1987). Capecomerin, apart from being a place of worship, was also a harbour during the voyage of this adventurous traveler. The Arabs had long since secured for themselves, import rights to ginger that was served as a stomachic and medicament.

The Greeks and the Romans also had extensive commercial contacts with Kerala. “Pearls, gems mined in the Western Ghats, fine Indian fabrics and
perfumes and the exotic products of the jungle were among the commodities, which the Greeks sought, but above all they came to the Malabar Coast for pepper which the Malayalis called ‘the passion of the Greeks’” (Hugh and Collen Gantzer, 2006).

At first the Romans got their supply of spices from Phoenicians and Carthagarians. Later on, they bought them directly from Malabar. “Pepper became part of the everyday life of every respectable household in Rome, since its chief use was as a culinary spice” (Warmington, 1928) Hippocrates, the father of medical science, was well aware of the medicinal virtues of pepper: to him it was ‘the Indian Remedy’. The Roman historian Pliny refers to the large amounts (£ 20,000) spent on Indian spices and other luxuries of India. He has also specifically mentioned, the extensive pepper trade of Kerala, its chief centre being Muziris (i.e Cranganore – now, Kodungalore) and their tremendous demand in Rome, where they were bought by weight like gold and silver (Purchas – His Pilgrims, Vol.1).

China was also within the ambit of Kerala’s trade connection. Kublaikhan, the Chinese emperor, seems to have had trade relations with Quilon. According to Ibanbatuta “when vessels leave China for India, the first Indian port at which they drop anchor is Quilon”(Purchas – His Pilgrims, Vol. 1). Barbosa (16th century) has made laudable remarks upon the flourishing trade of Quilon.

Benjamin of Tudela, a Navarrean traveller of the 12th century, gives an account of the nature of trade at Quilon and its inhabitants: “This nation is very trustworthy in matters of trade; and whenever foreign merchants enter their port, three secretaries of the king immediately repair on board their vessels, write down their names and report them to him. The king grants them security for their property, which they may even leave in the open market, and receive goods that may have been found anywhere and which he returns to those applicants who can minutely describe them. This custom is observed in the
whole empire of the King” (Manuel Komroff (ed.)). Such honest transactions in business matters and the extreme courtesy shown to the traders might have had a tremendous impact upon all alien people who engaged in trade; and this in turn would have increased the volume of trade further. Marco Polo, the Venetian traveler, who visited Quilon in the 13th century records, “The merchants from Manzi and from Arabia and from Levant come thither with their ships and their merchandise and make great profits both by what they import and by what they export” (Yule (tr) Marco Polo, Vol. 1).

Thus, the spices of Malabar had a world market from times immemorial and trading classes of all civilized nations made frantic efforts to secure these products. Malabar was the familiar word used by the early travelers to denote modern Kerala and also Malabar acted as a producing centre of spices for world markets. Muziris (Cranganore), Berkarai (Varkala), Nelcynda (Nirkunnam), etc. were the principal ports of the time; and there was always the rush of foreign traders to these centres. So, Malabar or Kerala was in touch with all the ancient civilized nations of the world like Egypt, Babylon, Assyria, Phoenicia, Greece, Italy and China, and spices were the main items of trade.

2.15 Spices Trade and the Portuguese

The arrival of Vasco de Gama at Calicut at the close of the 15th century was a turning point in the commercial and political destinies of Kerala. On 17th May 1498 he anchored his ship at Kappad, a few Kilometers north of Calicut, in search of spices. He was welcomed by the Zamorin (i.e Samootiris) of Calicut and established the spice trade between Portugal and Malabar. He signed an agreement with the Zamorin for the exclusive purchase rights of spices from Malabar. The Portuguese bought spices from the Zamorin at throw-away prices and sold them at exorbitant prices to other European merchants. Thus, the discovery of the sea –route to India by Vasco de Gama made Lisbon, the capital of Portugal, the emporium of world spice trade (Reader H, 1986). Lisbon acted as a distributing centre of oriental spices and luxuries to the European countries.
Due to the high prices that the Portuguese charged for the spices, the merchants of other European nations came together and thought of direct links with India. The result was the formation of an organization named the East India Company (both the Dutch East India Company and later the British East India Company), which were first formed for purely commercial pursuits, but later meddled with Indian polities and came to rule India for about 300 years.

Of all the oriental spices, the Portuguese like all other European powers gave priority for the procurement of pepper. Pepper was the main commodity on which the Portuguese had founded their imperial ambitions. For more than a century, since 1506, when Dom Manuel, the king of Portugal turned the spice trade of Lisbon into a crown monopoly, the Portuguese sought to preserve their exclusive trade and empire in Asia, throughout the undisguised exercise of sea-power (Kusumam, K.K, 1987).

It was the Queen of Quilon, who took the initiative to extend a friendly hand to Vasco de Gama, while he was staying at Cochin. As the pepper sold in Cochin was principally produced in the Kingdoms around Quilon – which was then transported through rivers to Cochin, the queen of Quilon wanted the benefit of pepper trade to her merchants, which at that time was enjoyed by the merchants of Cochin.

The Portuguese were very particular to see that the Dutch would not get any facility for trade in the Malabar Coast. The Portuguese King, sent orders in February 1646 that the native kings should be induced to fight against the Dutch. The viceroy in reply stated that he had despatched envoys to the several native kings for the purpose suggested (Kusumam, K.K, 1987).

The political atmosphere in Kerala was highly favourable for the establishment of the Portuguese trade interests. There were only three rulers viz. the Zamorin of Calicut, Kolattiri of Cranganore and the King of Venad, who possessed and exercised sovereign power in Kerala. All others were
subordinate to one or the other of these three rulers. The Portuguese landing was fortunate both as to place and time. The India, which Vasco de Gama reached in 1498, was not the great empire of the Mughals, but a narrow shore-strip shut out from the sub-continent by a mountain wall and itself partitioned among petty rajas (Hunter, W.W, 1988). The disunited local rulers and their internecine warfare cleared the way for the systematic aggrandizement by the Portuguese.

Many agreements, which the Portuguese signed with the rulers of Kerala, were disgraceful to Kerala, but were made only in pursuit of their interest in spices trade from Kerala. For example, on 25th October 1544, during the governorship of Martin Afonso D’Souza (1542 – 45) a treaty was signed with the Ruler of Quilon, where it was agreed that the Portuguese were to be exempt from all dues; the church of St. Thomas was to be specially protected; the Portuguese on their side promised not to kill cows in Quilon territory (Panikkar, K.M, 1969).

2.16 Spices Trade and Vasco de Gama

Though we regard Vasco de Gama as a great adventurous sailor, who discovered the sea route from Europe to India, the cruelties he committed in India, for the protection of his spices trade interests are not known to many. On his arrival itself, he covenanted with the Zamorin of Calicut, for the right to secure the spice merchandize mainly pepper, cardamom, cinnamon and ginger; but the Zamorin demanded that customs duties must be paid by Gama, according to the rules of the port. But, Gama made preparations to leave the port with merchandise without paying warehouse charges and the Portuguese factors and goods were distrained. To this Gama retaliated by capturing 18 fishermen, who came to visit ships. Though the Zamorin released the distrained persons and goods, Gama carried away 5 fishermen (Kusumam, K.K, 1987).
Once Gama saw an Arab ship, near Ezhimala, sailing from Mecca, with around 400 pilgrims including women and children. He suspected the ship as one coming for procuring spices, and therefore he attacked the ship, plundered all the wealth in it and set fire to the ship killing all the pilgrims (Balarama Digest, 2004).

On another occasion, when the Zamorin’s relation with Gama was estranged, the Zamorin sent to Gama, his palace high priest – Thalappamma Namboothiri, (who was a humble Brahmin) as an emissary to negotiate and to settle the differences between the Zamorin and Gama. But, Gama cut the poor Brahmin’s lips and ear and sewed in its place a dog’s ear and sent him back to the Zamorin (Balarama Digest, 2004).

The predominance of Portuguese over spices trade in Kerala continued unabated till about 1600 AD. The beginning of 1600 AD marked the decline of the Portuguese power in the Asian seas and also their monopoly of the pepper trade in Malabar.

2.17  Spices Trade and the Dutch

The spices of Kerala like pepper, cardamom, ginger, cinnamon etc., which were in great demand in Europe, drew Holland to the Malabar Coast. Of all these, pepper was their chief attraction. In 1604, Admiral Steven Vander Hagen arrived at Calicut and this marked the formal inauguration of the Dutch activities on the Kerala coast. In 1663, the Portuguese supremacy at Cochin sustained a deathblow at the hands of the Dutch. The Dutch stepped into the shoes of the Portuguese and continued to dominate the field till the middle of the 18th century.

The Dutch’s military successes on the Portuguese strongholds at Quilon, Cranganore and Cochin during the years 1658 to 1663, created a confidence upon the native rulers regarding the power and potentialities of the Dutch. They
soon monopolized the pepper trade, excluding all European and Asiatic traders from the scene. The Dutch attempt to monopolize the spice trade embroiled them into expensive and exhausting wars. The Dutch policy in the Malabar Coast was maximum pepper trade at minimum expense (Kusuman, K.K, 1987).

The first connection of the Dutch with Malabar was the treaty they negotiated with the Zamorin as early as 1604, the object of which was the expulsion of the Portuguese from the territories of His Highness and the rest of India (Panikkar, K.M, 1969).

The Dutch, unlike the Portuguese were facing keen trade competition from the very beginning; the English, the Danes and the French were in the fray. The Dutch determined to challenge Portugal and Spain, wherever they had trade monopolies. They also wanted to act as counterpoise to Portugal in Eastern trade, for satisfying the need of other European countries, which were till then depending on Lisbon for oriental products. Hence, on 20th March 1602, the United East India Company was formed with an exclusive monopoly of Indian trade for 21 years (Hunter, W.W, 1899).

The major items bought by the Dutch from Kerala were pepper, cinnamon and textiles from Southern Travancore. The Dutch captain, New Hoff signed treaties with the kings in Kerala, whereby the Dutch secured monopoly for the trade in the items of spices in Kerala. The Dutch secured sufficient supply of spices, and the people of Kerala could get reasonable prices for their spice products. The very object of the construction of a Fort at Chettuva by the Dutch in 1714 (with the whole hearted support of the King of Cochin), was to protect the Dutch monopoly over the spices trade from Kerala and to fortify against the attacks by the Zamorins of Calicut. The proximity to the sources of pepper, low labour rates and the facilities for easy loading and unloading into the ships were the attractions of Chettuva; because of their love for Chettuva, the Dutch even named one of their important ships as ‘Chettuva’ (Balarama Digest, 2004).
At Purakkad the Dutch, did not find much demand for spices, but the demand for goods and products like opium, copper, tin, cotton, sandalwood, iron, steel etc. were high. Cochin was the chief centre of Dutch activities. Quilon was no more than a warehouse having only 14 or 15 soldiers. The Dutch took all precautionary measures to keep off the English from getting access to any of the Malabar ports. As part of the policy between Cochin and Quilon, the Dutch established six watch houses with soldiers to prevent importing opium and exporting pepper (William Foster, 1965).

Frayer John, who touched at Karunagappally has recorded the flourishing trade of the Dutch company in merchandise like pepper, cinnamon, cloves, mace and nutmegs over which they had unchallenged monopoly (Frayer John, 1950). Gradually the volume of trade expanded and it covered a wide range of products. The expansion of trade was in proportion to and in accordance with the increase of Dutch political influence, the decline of which had a negative impact on trade also.

Like the Dutch other foreigners were also equally interested in the spices trade. The English and the Danes were prepared to offer higher prices than those offered by the Dutch. Though treaties were made, the Dutch had consistently refused to specify a fixed price for pepper and their rivals exploited this. The merchants turned to those who offered better terms and higher prices, which handicapped Dutch prospects. King Marthandavarma, whose policies were opposed to the manoeuring by the Dutch, checked the Dutch supremacy over spices trade in Kerala. In his struggle for power, Marthandavarma had the upper hand and the Dutch admitted their failure by the treaty of Mavelikkara in 1753. The accession of King Marthandavarma to the throne of Travancore in 1729 and his attempts to consolidate political power in southern Kerala resulted in the decline of the Dutch power on the Kerala coast.
2.18 **Spices Trade and the English (1729 – 1758)**

The spirit of adventure of the English nation was kindled by the successful commercial attempts of the Portuguese and the Dutch. Ralph Fitch was the first Englishman destined to set foot on the soil of Malabar. He arrived at Cochin as early as 1588. He passed by Quilon and noted the pepper trade of the Portuguese with that kingdom. In 1615 Captain Keeling who bore a letter from King James came over to Calicut, seeking trade facilities in the Zamorin’s dominion. The Zamorin who was at loggerheads with the Portuguese welcomed him forthwith and concluded a treaty at Cranganore. The English gradually improved their trade in pepper in various parts of Malabar especially at Purakkad near Quilon. The English officials themselves had conflicting views on the actual annual pepper produce of Travancore. While Hutchinson had estimated that it was 9000 candies, Col. Macaulay - the Resident felt that it was 7500 candies.

2.19 **Spices Trade and King Marthanda Varma**

It was the foresight and wisdom of King Marthanda Varma that brought Travancore and the English closer. This he achieved through the Treaty of 1723, by which Travancore consented to erect a Fort at Kulachal for the English and both the parties pledged to remain in good friendship. Depending on the gesture of goodwill of Travancore, evinced by the covenant of 1723, the English gradually improved their spices trade with Kerala.

The reign of Marthanda Varma was conspicuous for the inauguration of two novel policies in the annals of Travancore. Firstly he effected a convulsion in the political set up of the country by striking at the root of the existing Nair aristocracy, which had a feudalistic pattern and fulfilled his ambition of territorial expansion. Next Marthanda Varma departed from the traditional free trade policy of the country. By taking effective control over the import – export trade of a country (mainly in tobacco salt and pepper), he strengthened the grip of the ruler over the economy of the country. This calculated move was a
master – stroke of Marthanda Varma, for since the adoption of this policy the trading community in general and the foreign companies in particular had to submit to the direction of the sovereign for trading in monopoly goods. His reign also witnessed the checking and containing of a foreign power viz; the Dutch, who had been attempting to dominate the political and commercial affairs of Kerala Kingdoms. But, this was to a large extent realized with the assistance and co-operation of the English.

King Marthanda Varma in 1743, decided to take over the control of the trade in pepper. He utilized this product as a powerful lever for obtaining war materials, which were required by him for the wars with his enemies. Under the supervision of Dalava Ramayyan, Marthanda Varma introduced several reforms, which effected sweeping changes in the traditional trade systems. Rules were framed and established for the guidance of commercial department and special Royal proclamations were issued, legalizing the monopoly of all such articles by the Sirkar and prohibiting all private dealings in them. Pantakasalas (warehouses) were opened at Padmanabhapuram, Trivandrum, Quilon, Mavelikkara and Muvattupuzha, each one being in charge of an officer called Vijarippukaran. Besides pepper, products like cassia, arecanut, tobacco etc. also were collected and sold by the state. The King interpreted this change as a measure of knowing what quantity his kingdom produced.

The observation of Buchanan reveals that the new commercial policy of Travancore was a grand success and the revenue accrued from it was considerable. As the pepper trade of Travancore has always been more flourishing than any other, we may fairly infer that this is the way in which a tax may be levied from it with the greatest advantage to the extent of cultivation. The whole pepper raised in the dominions of Travancore amounted to 11752 candies. For this the Raja gave to the cultivators Rs.30 a candy, amounting to Rs.352560.
On all occasions when arms were supplied, the East India Company reminded the King of the necessity to supply more pepper. Thus, it was a ‘Pepper for Gun’ trade that dominated the reign of Marthanda Varma and both the king and the company made capital out of it. Thus, one can observe that king Marthanda Varma wanted to have complete control over the economy of the country, for which effective control over trade was indispensable. The State took the responsibility of the trade in important merchandise like pepper. The merchants were prohibited from making contracts with the European companies directly. Travancore very often turned to foreigners other than the English. As the State was the custodian of the entire pepper, the English could not procure it from elsewhere and as such they had to keep the sovereign in good humour.

The monopoly over pepper trade, which he organized and developed, brought immense benefit to the country. However, the trade monopoly of Travancore organized by him disappeared within less than half a century, during the reign of Karthika Tirunal Rama Varma (1758 – 1798) along with the political power of the country.

The spices trade remained in the hands of British East India for many decades in the nineteenth century and first half of the twentieth century.

2.20 Spices Trade in Kerala – The Present Scenario

Kerala is the leading producer of black pepper, cardamom (small), ginger and nutmeg in India. Other major spices produced in Kerala are turmeric, nutmeg, chillies, garlic, clove, cinnamon, tamasind, vanilla and curryleaves. Kerala alone accounts for more that 95 per cent of both the area under cultivation as well as total output of black pepper. Black pepper cultivation is found in almost all districts in Kerala, in the land holdings of rural farmers either on a large scale or on a small scale. During the year 2002-03, the area under black pepper cultivation in Kerala was 28016 hectares with an annual production of 67360 MT, with an average yield of 285 kg per hectare.
Kerala is also the major cardamom (small) producing State, accounting for 56 per cent of the total area and 76 per cent of total output. During the year 2003-04, the total area under cardamom cultivation in Kerala was 41332 hectares (while the national total 73237 hectares) with a production of 8575 MT (while the national total production of cardamom (small) was 11580 MT).

In Kerala large-scale cultivation of black pepper is found in the hill districts Wynad and Idukki. The loamy soil at places like Pampadumpara and Aanavilasam panchayats in Idukki (Dist) is the best suited for cardamom production.

Kerala is also an important ginger producing state accounting for a major part of both the total area and production of ginger in the country. During the year 2002-03, the total area under ginger cultivation in Kerala was 9000 hectares, with an annual production of 32410 MT.

After the fall in the domestic prices of leading spices like black pepper and cardamom, a large number of small and medium spices cultivators in Kerala, particularly those in the Wynad, Idukki, Ernakulam and Kottayam districts started the cultivation of Vanilla and Nutmeg in the early 2000. Nutmeg cultivation, which was once confined mainly to the Kalady, Koratty and Kadukutty panchayats and certain parts of Kottayam district in Kerala has now become widespread all over Kerala and therefore Kerala has now emerged as the leading producer of nutmeg also in India.

A notable feature of the spices trade in Kerala is the presence of a large number of spice oils and oleoresin industrial units in the state. There are eight such active units in Kerala out of the total 30 spice oils and oleoresin units in 90 per cent of the spice oils and oleoresins production in India. During the year 2006-07, the total spice exports from Kerala were of Rs.976 crores, of which the share of spice oils and oleoresin was Rs.495 crores, that of black pepper
Rs.275 crores, nutmeg and mace Rs.35crores, turmeric Rs.30crores, ginger Rs.24crores, cardamom (small) Rs.13 crores and vanilla Rs. 65crores (Spices India, 2007). Hence the sharer of exports earnings spices oils and oleoresins in Kerala in the total export earnings of spices from the State is now almost equal earnings from the export.

Thus, it can be concluded that the Indian spices, especially black pepper and cardamom from Kerala were at the forefront of the spices trade all over the world from time immemorial. The spices of Malabar had a world market from very early times and trading classes of all civilized nations made frantic efforts to secure these products. The prime objective behind the arrival of the Portuguese, the Dutch and the English in Kerala, was to gain predominance over the spices trade in Kerala. It was King Marthandavarma, who first nationalized spices trade in Travancore and ensured fair prices for the products of spices growers in the erstwhile Travancore State. Despite the tough global competition from the other spice-producing countries, India is still the leading producer, consumer and exporter of spices in the world. Kerala, which was the leading producer of black pepper and cardamom in India, has now emerged as the leading producer and exporter of nutmeg also in the country.