## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of Tables</td>
<td>i</td>
</tr>
<tr>
<td>List of Figures</td>
<td>ix</td>
</tr>
<tr>
<td>List of Annexures</td>
<td>x</td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td>xi</td>
</tr>
</tbody>
</table>

### Chapter

1. **INTRODUCTION** 1-33

1.1 Review of Literature

1.1.1 History and Development of Spices Trade 2

1.1.2 Problems and Prospects of Spices Trade 6

1.1.3 Impact of WTO Agreements and Free Trade Agreements 15

1.2 Statement of the Problem 20

1.3 Scope of the Study 22

1.4 Spices Under Study 22

1.5 Relevance of the Study 27

1.6 Objectives of the Study 28

1.7 Hypotheses 28

1.8 Selection of Sample 29

1.9 Collection of Data 30

1.10 Tools of Analysis 30

1.11 Period of the Study 30

1.12 Variables used for the Study 31

1.13 Limitations of the Study 32

1.14 Presentation of the Study 33
# ORIGIN AND GROWTH OF SPICES TRADE IN INDIA AND KERALA

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Concept of Spices</td>
<td>35</td>
</tr>
<tr>
<td>2.2 Varieties of Spices</td>
<td>36</td>
</tr>
<tr>
<td>2.3 Commercially Important Spices</td>
<td>36</td>
</tr>
<tr>
<td>2.4 Origin of Spices and Geographical Distribution</td>
<td>37</td>
</tr>
<tr>
<td>2.5 Uses of Spices</td>
<td>38</td>
</tr>
<tr>
<td>2.6 Economic Significance of Spices Trade</td>
<td>39</td>
</tr>
<tr>
<td>2.7 Spices Trade-Global Scene</td>
<td>40</td>
</tr>
<tr>
<td>2.8 International Pepper Community (IPC)</td>
<td>43</td>
</tr>
<tr>
<td>2.9 Spices Trade in India – The Pre-independence History</td>
<td>43</td>
</tr>
<tr>
<td>2.10 Spices Trade in India – The Post Independence History</td>
<td>48</td>
</tr>
<tr>
<td>2.11 Spices Trade in India – The Present Scenario</td>
<td>48</td>
</tr>
<tr>
<td>2.12 Organizational Support for Spices Trade in India</td>
<td>50</td>
</tr>
<tr>
<td>2.13 The Role of Spices Board in the Development of Spices Trade</td>
<td>51</td>
</tr>
<tr>
<td>2.14 Spices Trade in Kerala</td>
<td>54</td>
</tr>
<tr>
<td>2.15 Spices Trade and the Portuguese</td>
<td>56</td>
</tr>
<tr>
<td>2.16 Spices Trade and Vasco de Gama</td>
<td>58</td>
</tr>
<tr>
<td>2.17 Spices Trade and the Dutch</td>
<td>59</td>
</tr>
<tr>
<td>2.18 Spices Trade and the English</td>
<td>62</td>
</tr>
<tr>
<td>2.19 Spices Trade and King Marthanda Varma</td>
<td>62</td>
</tr>
<tr>
<td>2.20 Spices Trade in Kerala – The Present Scenario</td>
<td>64</td>
</tr>
</tbody>
</table>

# PERFORMANCE OF SPICES TRADE IN INDIA AND KERALA

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Performance of Black Pepper in India and Kerala</td>
<td>68</td>
</tr>
<tr>
<td>3.1.1 Area Under Cultivation and Production of Black Pepper In India and Kerala</td>
<td>68</td>
</tr>
<tr>
<td>3.1.2 Production of Black Pepper in India and Kerala</td>
<td>69</td>
</tr>
</tbody>
</table>
3.1.3 Productivity of Black Pepper in India and Kerala 70
3.1.4 Export of Pepper from India and Kerala 70
3.1.5 Trend of Prices of Pepper in Kerala 72

3.2 Production of Cardamom in India and Kerala 72
3.2.1 Area Under Cultivation of Cardamom in India and Kerala 73
3.2.2 Production of Cardamom (small) in India and Kerala 74
3.2.3 Productivity of Cardamom in India and Kerala 74
3.2.4 Export of Cardamom from India and Kerala 75
3.2.5 Price Trend of Cardamom in India and Kerala 76
3.2.6 Share of Black Pepper and Cardamom (small) in the Total of Export of Major Spices from India 77

4 PROBLEMS AND PROSPECTS OF SPICES TRADE IN KERALA 82-171

4.1 General Problems of Spices Trade 84
4.2 Problems and Prospects of Black Pepper Cultivation in Kerala 86
4.2.1 Black Pepper Cultivation in Kerala 86
4.2.2 Black Pepper Crisis in Kerala 88
4.3 Problems and Prospects of Cardamom Cultivation in Kerala 106
4.3.1 Cardamom Cultivation in Kerala 106
4.3.2 Cardamom Crisis in Kerala 108
4.4 Perceptions of Spices Cultivators and Traders on the Problems and Prospects of Spices Trade in Kerala 122
4.4.1 Is Spices Trade in Kerala Facing a Crisis 122
4.4.2 Problems of Spices Trade in Kerala 123
4.4.3 Labour Problems of Black Pepper and Cardamom in Kerala 126
4.4.4 Cultivation Problems of Black Pepper and Cardamom in Kerala 128
4.4.5 Trade Problems of Black Pepper and Cardamom in Kerala 131
4.4.6 Manifestations of Spices Trade Crisis 134
4.4.7 Cultivation of Pepper and Cardamom is Now Profitable of Not 136
4.4.8 Prevailing Market Prices of Black Pepper and Cardamom 138
4.4.9 Interest in Enlarging the Area under Spices Cultivation 139
4.4.10 Alternative Course of Action if the Present Trend of Unremunerative Prices for Pepper and Cardamom Continue 140
4.4.11 Alternative Spice they Prefer if the Present Trend of Low Prices of Pepper and Cardamom Continue 141
4.4.12 Prospects of Nutmeg Cultivation in Kerala 142
4.4.13 Vanila Crisis in Kerala 143
4.4.14 Reason for the Fall in the Domestic Price of Pepper 145
4.4.15 Measure for Minimizing the Adverse Impact of Import of Pepper to Kerala 146
4.4.16 The Present Spices Market is a Global Market 147
4.4.17 Can Kerala regain its Past Glory in Pepper and Cardamom Trade 148
4.4.18 Reasons for Kerala to Regain its Past Glory in the Pepper and Cardamom Trade 149
4.4.19 Suggestions for Improving Pepper and Cardamom Cultivation in Kerala 151
4.4.20 Organic Farming of Spices Will be a Solution to Spices Trade Crisis in Kerala 152
4.4.21 Application of Pesticides, Insecticides and Fungicides in Spices Cultivation 153
4.4.22 Willingness of Spices Cultivators to Take up Organic Farming of Spices 154
4.4.23 Suggestions for making Organic Farming of Spices More Effective 155
4.4.24 Participation in Future’s Trading in Pepper and Cardamom 156
4.4.25 Impact of Future’s Trading on Spices Trade 157
4.4.26 Suggestions for making ‘Good Agricultural Practices’ more Popular 158
4.4.27 Prompt Re-payment the Agricultural Loans 159
4.4.28 Financial Assistance and Subsidy for Spices Cultivation 160
4.4.29 Sources of Financial Assistance for Spices Cultivation 161
4.4.30 Assistance from Krishibhavans for Spices Cultivation 162
4.4.31 Level of Measures taken by the Government of Kerala for the Promotion of Spices Trade in Kerala 162
4.4.32 Level of Satisfaction of the Measures Taken by the Spices Board for the Promotion of Spices Trade in Kerala 164

5 IMPACT OF THE WTO AGREEMENTS ON SPICES

TRADE IN KERALA 167-208
5.1 Origin of the World Trade Organisation 167
5.2 WTO Agreements and Spices Trade 168
5.2.1 Agreement on Agriculture (AOA) 170
5.2.1.1 Impact of the Agreement on Spices Trade 171
5.2.2 Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) 173
5.2.2.1 SPS Measures Affecting Spices in Major Markets 175
5.2.2.2 Impact of SPC Agreement for Spices Trade Developing Countries 176
5.2.3 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) 178
5.2.3.1 IPRS of Direct Relevance to the Spice Trade 179
5.2.3.2 Impact of Agreement on TRIPS on Spice Industry and Trade in Developing Countries 180
5.2.4 Other Agreements 182
5.2.5 Agreement on Safeguards 183
5.2.5.1 Impact of Agreement on Safeguards on Spices Trade 183
5.2.6 Agreement on Technical Barriers to Trade (TBT) 184
5.2.6.1  Impact of TBT on Spices Trade  
5.2.7  Agreement on Subsidies and Countervailing Measures (SCM)  
5.3  Impact of WTO Agreements on Spices Trade in Kerala  
5.4  Perceptions of Spices Cultivators and Spices Traders on the Impact of WTO Agreements on Spices Trade in Kerala  
5.4.1  Awareness of WTO Agreements  
5.4.2  Sources of Awareness about WTO Agreements  
5.4.3  Whether WTO Agreements are the Cause of the Spices Trade Crisis in Kerala  
5.4.4  Adverse Effect of the AOA on Spices Trade  
5.4.5  Measures Taken to Improve the Quality and Standard of Spice Produces from Kerala in the Light of WTO Agreements  
5.4.6  The provision of AOA Most Adversely affect the Spices Trade in Kerala  
5.4.7  Measures to be Taken to Protest the Spices Trade in Kerala from the Adverse Effect of WTO Agreements  
5.4.8  Steps Taken for Making the Spices Cultivators Aware of the WTO Provisions Affecting Spices Trade  
5.4.9  Steps Taken by Government of Kerala or Spices Board for Preventing the Adverse effect of WTO Agreements on Spices Trade in Kerala  

6  IMPACT OF INDIA’S FREE TRADE AGREEMENTS ON SPICES TRADE IN KERALA  
6.1  Concept of Free Trade, Free Trade Area and Free Trade Agreements  
6.1.1  Levels of Economic Integration  
6.1.2  Dynamic Effects of Integration  
6.1.3  Politics of Integration  
6.1.4  Economic Effects of FTAs  
6.1.5  Regional Vs. Global Free Trade  
6.1.6  Major Free Trade Agreements of the World
6.1.7 Free Trade Agreements in Western Europe
6.1.8 Free Trade Agreements in Eastern Europe and Former Soviet Union
6.1.9 Free Trade Agreements in the Americas
6.1.10 Free Trade Agreements in Africa and Middle East
6.1.11 Free Trade Agreements in Asia and the Pacific Rim
6.1.12 The SOUTH ASIA, SAARC, SAPTA and SAFTA
6.1.13 BIMSTEC
6.1.14 Asia Pacific Economic Co-operation (APEC)
6.1.15 Free Trade Agreements and WTO
6.2 India’s Free Trade Agreements and Trade with its Neighboring Countries
6.3 Indo-Sri Lanka Free Trade Agreement (ISLFTA)
6.3.1 Rules of Origin
6.3.2 Import of Spices from Sri Lanka to Kerala (after the ISLFTA)
6.3.3 Import of Black Pepper from Sri Lanka to Kerala (after the ISLFTA)
6.3.4 Impact of ISLFTA on the Spices Trade in Kerala
6.3.5 FTAs Adversely Affecting the Spices Trade in Kerala
6.4 Indo-Singapore Comprehensive Economic Co-operation Agreement
6.4.1 Impact of Indo-Singapore CECA on Spices Trade in Kerala
6.5 Indo-Thailand Free Trade Agreement
6.5.1 Impact of the Indo-Thailand FTA on Spices Trade in Kerala
6.6 Indo-Nepal Treaty of Trade and Transit
6.6.1 Impact of the Indo-Nepal Treaty of Trade and Transit on Spices Trade in Kerala
6.7 Agreement on South Asian Free Trade Area (SAFTA)
6.7.1 Impact of SAFTA on Spices Trade in Kerala
6.8 Proposed Indo-Asian Free Trade Agreement
6.9 Impact of India’s Free Trade Agreements on Spices Trade in Kerala

6.9.1 Awareness of the FTAs
6.9.2 Sources of Awareness of FTAs
6.9.3 FTAs as the Cause of the Present Crisis in the Spices Trade in Kerala
6.9.4 Overall Effect of Indian’s FTAs on Spices Trade in Kerala
6.9.5 Measures to Protect the Spices Trade in Kerala from the ill Effects of India’s FTAs
6.9.6 Agreements which Cause more Threat to Spices Trade in Kerala
6.9.7 Prospects of WTO Agreements and India’s Free Trade Agreements for the Spices Trade in Kerala

7 SUMMARY OF FINDINGS AND RECOMMENDATIONS 260-271

7.1 Major Findings of the Study
7.1.1 Performance of Spices Trade in India and Kerala
7.1.2 Problems and Prospects of Spices Trade in Kerala
7.1.3 Impact of World Trade Organisation Agreements on Spices Trade in Kerala
7.1.4 Impact of Free Trade Agreements on Spices Trade in Kerala

7.2 Recommendations

ANNEXURES 272-287

Annexure I 272
Annexure II 279
Annexure III 285
Annexure IV 287

SCOPE FOR FURTHER RESEARCH 288

SELECT BIBLIOGRAPHY 289-295

INDEX 296-297