CHAPTER - VII

SUMMARY OF FINDINGS AND SUGGESTIONS

Cashew is an important agro-processing industry in India. It is a good foreign exchange earner, and also provides employment opportunities in cashew production, procurement, processing and marketing. The industry has a very special nature of absorbing female labourers especially from the socially and economically weaker strata of the population. The cultivation of cashew nuts is ecologically friendly and the cashew trees have relatively better capacity to thrive in degraded land arresting soil erosion and checking the wind erosion, water erosion and over exploitation from cattle.

Kanyakumari District is also noted for Cashew Industry's long history and its employment and foreign exchange earning potentials. Cultivation of cashew trees have a tremendous potentiality in the country especially in the degraded lands. It is estimated that in India about half of its total land mass is under one or other types of degradation; and unless otherwise checked, it is likely to worsen the agricultural and
ecological system of the country. Cultivation of cashew trees can play a major role in such lands. Thereby soil fertility of the presently degraded land can be improved. Until recently cultivation of cashew was considered as an economically non-profitable activity. Presently, the trend has changed and farmers are coming forward for cultivating cashew trees. The trend can be further accentuated if the productivity of the crop can be increased through the adoption of high yielding variety clones and by using improved package input practices. In such a context, the cultivation of cashew trees draws increasing attention from policy planners, developmental agencies and cashew processors.

Moreover, increasing the indigenous production of cashew also draws added attention because of the declining trend in the availability of raw cashewnuts through import. As a result of the inadequate availability of raw cashewnuts from traditional sources of supply, India's position in the cashew kernel market is also under threat from competitors. To sustain the present status we have to produce more raw cashewnuts within the country. This would also help us in checking the drain on foreign exchange through raw cashewnut import.
India's cashew kernels are considered to be the best in the world market. We could maintain this quality through strict international quality standard adherences and also through the skill of our cashew processing labour. Inspite of the mechanisation introduced by India's competitors, we still enjoy cost advantage with regard to processing, and the quality of the kernel is also rated high compared to the products from mechanised processing units. Thus we have obvious advantages in the world market; and, if the market potential is fully tapped, India's cashew industry can be developed many fold. This would add to the scope of generating additional employment opportunities in on-farm activities and in the factory sector also. The labour intensive nature of cashew industry allows it to be organised in rural areas, where the raw cashewnuts and labour are available in plenty. As the processing technology is simple and less capital intensive it can be easily organised by our rural entrepreneurs. This would help to absorb the surplus labour from agriculture and in reducing unemployment. Considering the vast potential of the cashew sector in on-farm and factory level developments the present study was undertaken with the objective of critically examining all the major aspects related to the cultivation and processing of cashew.
For this study secondary data / information were collected from all the major institutional agencies or those indirectly related to the development of the cashew industry. For knowing the problems of the cashew processors and cashew workers at grass root level, detailed studies were analysed and inferences drawn and presented in the foregoing analysis.

In this concluding chapter, an attempt has been made to recapitulate the major inferences drawn, and to suggest measures for further strengthening the cashew sector with the objective of increasing its indigenous production, employment opportunities, export earnings, and also to improve the living standards of cashew cultivators, and the overall working conditions and earnings of the factory labourers.

The Summary of the important findings of the study are as follows.

**GROWTH OF CASHEW INDUSTRY IN KANYAKUMARI DISTRICT**

The first objective of the study was to survey the origin and the growth of cashew industry in Kanyakumari District. Hence an attempt was made in the first and second
chapters to bring out in detail the origin, profile and the growth of cashew industry in Kanyakumari District.

1. The first cashew industry in Kanyakumari District was started in 1955 at Palavilai. Within a span of 45 years it has grown into an enormous size with 350 factories.

2. According to the information available as many as 60,000 men and women of various age groups are employed in the cashew industry in Kanyakumari District. The industry depends on the local supply and on Kerala, for its raw materials. There is no government agency in the District for the development of cashew cultivation, procurement of rawnut and marketing of cashew kernels.

3. The cashew kernels are noted for their nutritive value. Its protein, carbohydrate, fat, mineral and energy content are so rich that it had an ever-widening international market. The cashew shell liquid is used as a lubricant in breaklining and an insecticide.

4. The cashew industry in Kanyakumari district is monopolised by the business magnates of Kerala. They treat their cashew factories in the district as satellite of their massive processing centres in Kollam. They have such an enormous
control over the supply of cashewnuts that they have been able to obtain on lease almost all the cashew processing units in the district while establishing their own processing centres. The heavy inflow of smuggling raw cashewnuts from the neighbouring State of Kerala has become a regular feature.

5. In Kanyakumari District the labour available is cheap and less militant. As 93 per cent of the workers in the cashew factories are women, the tendency to form trade unions is quite negligible. All these have contributed to the growth of the cashew industry which had its humble beginning in 1960 in Kanyakumari District.

PRODUCTION PROCESS

The second objective was to study the production and the wage structure of cashew industries were discussed in chapter three and four.

6. Cashew trees were introduced in India by the Portuguese and the commercial processing of cashew was started during the 1920. The trade slowly picked up and during the fifties India emerged as the leading cashew exporter in the global market. Cashew has been a neglected crop in India.
7. In India, Cashew is cultivated in the southern states of Kerala, Karnataka, Andhra, Tamil Nadu, Maharashtra, Orissa, Goa and Kerala contributed 53 per cent of the raw cashewnutt production.

8. To meet the raw cashewnutt requirements, India imports raw cashewnuts from over 20 countries. The import constitutes during the year 1999-2000 was 253577 MT valuing Rs.1186.2 crores. Financial assistance are not provided for cashew cultivation.

9. The crop productivity was observed to be higher in Kerala State at 877 Kgs. per hectare. The productivity of the crop in other cashew producing states were observed to be very less. This indicated that there is a large scope for increasing productivity in the country.

10. Neglect the farms, poor yielding trees, inadequate availability of high yielding clones, attack of the mosquitoes, stem borer attack, poor transfer of technology etc. were the reasons for poor productivity.

11. In Kanyakumari District cultivation of the crop is carried out 90 per cent in Vilavancode and Kalkulam Taluk.
12. The uneconomic price offered to the local rawnuts made cashew cultivation unattractive and thereby the cultivation of the crop was carried out in relatively infertile soil and no attention was paid to their intensive cultivation.

13. The Tamil Nadu Government not able to supply the required rawnuts to the processing units in Kanyakumari District for extending full employment to the factory labourers and they are not satisfied with the existing wage structure.

14. The production of cashew kernels involve a series of industrial process such as conditioning, roasting, shelling, bhorma heating, peeling, grading, re-conditioning and packing.

15. The cashew kernels obtained after the successful completion of all industrial process are brought under 4 major categories viz. the wholes, pieces, perival and rejection.

**EXPORT AND DEVELOPMENTAL MEASURES OF THE GOVERNMENT**

Cashew industry is one of the most important export oriented agro-based industries in India. The third objective of
the study was to assess the export and the role of various agencies in the development of cashew industries. Hence, it has been undertaken in chapter five to show the trend.

16. As a foreign exchange earner cashew has good market potential. Presently, Indian Cashew Kernel shares 60 per cent of the world market.

17. Cashew kernels, cashewnut shell liquid, products based on cashew apple, cashew lacquer, etc. were observed to be the major cashew based products commercially available. Among them, kernel trade constituted more than 98 per cent of the value, followed by C.N.S.L., Karnataka was observed to be having the highest number of cashew shell based processing units.

18. The share of Indian Kernels in the world market declined during the seventies as a result of the capturing of the market by other cashew producing countries like Brazil, Vietnam, Indonesia, Mozambique and Kenya. But no further steps taken for increasing export.

19. India exported cashew kernels during the year 1999-2000 was 96805 metric tonnes valuing Rs.2569 crores and CNSL 1930 MT valuing Rs.3.74 crores.
20. It was observed that some of the problems faced by exporters are the competition from other countries, fluctuations in the price of kernel, frequent withdrawal from market by some countries, competition from other treenuts, presence of middlemen, non fulfilment of agreement by importers etc.

21. Among the various developmental measures initiated by the Central Government, formation of the "Cashew Export Promotion Council" and "Directorate of Cashewnut Development" were observed to be of considerable importance.

22. Cashew Export Promotion Council has a significant role in promoting cashew trade in the world market and also helped the member processors and exporters to find better markets.

23. Tamil Nadu government providing financial assistance through District Industrial Centres for the development of cashew industries if necessary like other industries.

24. The Directorate is expected to promote production process leading to the addition of value added products in the industry.
25. The Directorate is also expected to play a major role in increasing raw cashewnut production through extensive and intensive farming. However, the role played by these agencies are not satisfactory.

PROBLEMS OF CASHEW PROCESSORS AND WORKERS

The fourth and major objective of the study is to analyse and understand the problems of cashew processors and workers in Kanyakumari District. Availability of cheap female labour, lack of effective trade unionism and lack of government interference were the reasons for the migration of cashew industry from Kerala to Kanyakumari District. An attempt was being made in Chapter Six to analyse the problems of cashew processors and workers in Kanyakumari District.

PROBLEMS OF CASHEW PROCESSORS

26. All the sample units surveyed belonged to either sole trading or partnership form of units.

27. About 69 per cent of the factories are owned by the present processors while 31 per cent are lease holders.
28. Registered units constitute only 80 per cent of the sample cashew processing units.

29. Majority of the processors (74 per cent) belonged to Kerala State. Only 14 per cent of the processors belonged to Tamil Nadu.

30. The motivational factors to start the units in Kanyakumari district were mainly the availability of cheap labour, absence of labour problems and trade union activities, availability of rawnuts, low investment, availability of land at low cost and absence of Government intervention.

31. The average number of workers per sample unit was 233. Of this 88 per cent were women.

32. The average number of working days in sample units was 216 per year. None of the factories worked for less than 150 days in 1999.

33. The wage rates prevailing in Kanyakumari district were uniform for all the sampling units. Workers engaged in shelling and peeling were given piece rate, for all other categories of work, time rate was given.
34. Majority of the processors claimed that workers were provided with bonus, provident fund, gratuity and leave with wages.

35. Domestic problems, festivals, harvest of crops and marriage were the main causes of labour absenteeism.

36. Shortage of rawnuts, absence of skilled labour and Government rules and regulations were the main problems faced by the cashew processors. There is no model factory in the District.

37. Trade Unions were not causing any problem to the cashew processing units. Only 6 per cent of the sample units complained of labour problem created by trade unions.

PROBLEMS OF CASHEW WORKERS

38. Majority of the sample cashew workers (86 per cent) were women. 16 per cent of the workers were girls below the age of 16 years. 46 per cent of the workers were in the age group of 16-25 years.

39. Illiterates, together with the primary educated workers constituted 67 per cent of the workers.
40. Male workers were engaged only in roasting, packing and office work. Shelling, peeling and grading were the exclusive work of females.

41. On an average the workers got 192 days of employment per year. Majority of the workers come under this category.

42. 64 per cent of the workers believed that they were exploited by the processors. 85 per cent of the workers complained that they were getting very low wages.

43. The workers were generally reluctant to join the trade unions, though majority of them were convinced of the ability of trade unions in protecting their rights.

44. 63 per cent of the workers believed that they could find out alternative employment with higher wages. The alternative employment available was 'mason work' to male workers and 'beedimaking' and 'match works' to the female workers.

45. Workers were provided with Bonus and not provided Leave with wages, provident fund, gratuity, retirement benefits, ESI benefits, canteen and creche facilities, through majority of the cashew processors claimed that they were providing these facilities to the workers.
46. 86 per cent of the workers complained that the absence of health and safety measures in the cashew processing units.

47. Only few workers complained of the problem of job security, 27 per cent and long hours of work 18 per cent of workers.

SUGGESTIONS

1. The Central Government should form a separate 'Cashew Board' for the development of cashew cultivation, procurement of rawnut and marketing of cashew kernels. This Cashew Board should function like the tea board, coffee board, rubber board and the coir board.

2. The problem of shortage of rawnut can be solved by increasing the domestic production of cashewnut. High yielding varieties and improved technologies capable of boosting cashew production in the country. The government should frame a policy to grow cashew trees in 'Government Poramboke Land'.
3. Steps may be taken by the government to declare cashewnut as plantation crop like rubber, coffee, tea and to provide the same facilities to the cashewnut cultivators.

4. Liberal Loan facilities at low rate of interest may be provided by Banks to lure people towards cultivation of cashew trees. The government should also take necessary steps to offer subsidies to the cashew cultivators.

5. Quality upgradation and adoption of new packing technology suited to consumers in small packs should be done for increasing the export market of cashew kernels.

6. The Tamil Nadu Government should come forward to start model factory in Kanyakumari District as it is done in other states like Kerala State Cashew Development Corporation Limited, Kollam, Karnataka Cashew Development Corporation Ltd., Mangalore.

7. In Kanyakumari District, the cashew kernels produced are sent to the International market through the Cochin Port. If it is exported through Tuticorin, this would have benefited the economy of Tamil Nadu considerably by boosting up its export earnings. For this purpose suitable enactments may be made.
8. The cashew industry in Tamil Nadu should be brought under minimum wage act and the government should see that the minimum wages and welfare measures are implemented in cashew industries.

9. The government should insist upon the maintenance of wage sheets, details of labour and other records in all factories. As factories are not subject to periodic inspection by governmental officials, proper book have not been maintained by many of the factories. It is conspicuous that the provisions of the labour law has not been implemented in many factories.

10. Skill development training programme to be introduced to all categories of workers at every level of production to bring better recovery ratio and improvement in the quality of cashew kernel.

CONCLUSION

The Governments, both the State and Central must realise the realities and returns of the cashew industry, and they should have a political will in taking sound economic
decisions for the welfare of the state and the nation. The cashew community, viz, the farmers, the traders the factory owners, the processors and the exporters definitely deserve a better treatment for further developing the industry in India, especially in Kanyakumari District.

TOPICS FOR FURTHER RESEARCH


2. Development of Cashew Industry in Tamil Nadu – A Study on the socio, economic and political dimensions.