

# PLANTATION SECTOR IN KERALA: AN ANALYSIS OF TREND IN AREA, PRODUCTION AND PRODUCTIVITY

JEAN MARIA GEORGE  
Assistant Professor,  
Department of Economics,  
Christ College (Autonomous), Irinjalakuda, Thrissur,  
Kerala, India.

*Abstract* : A plantation is a large piece of land or a group of commercial crops of perennial nature, cultivated extensively in a tropical or semitropical area. These crops are explicitly planted for extensive commercial sale. It needs employment of labour throughout the year and the products of which are usually consumed after processing. The crops grown include fast-growing trees, cotton, coffee, tea, cocoa, sugar cane, sisal, oil seeds (e.g. oil palms), rubber trees, and various fruits. The large size of plantation sector offers the advantage of economies of scale. It is crucial to maintain adequate nutrition programs to ensure high productivity, reduce losses, pollution and to take advantage of good management practices to replenish soil fertility. Plantation crops like tea, coffee and rubber are high valued commercial crops, which constitute around 15 percent of total agricultural export earnings in India. The sector has a very high export potential along with sufficient domestic supply. Being a highly labour-intensive sector, it plays a major role in the livelihood of thousands of labourers. The aim of this paper is to study the trend in area, production and productivity of plantations crops in India as a whole and in the state of Kerala in particular.

*IndexTerms* - Plantation sector, Plantation crops, Area, Production, Productivity, Plantation agriculture.

## 1.1 INTRODUCTION

Plantations are fundamentally large agricultural endeavours with many industrial characteristics. It provides the silver lining to our agriculture sector, with high level of productivity and employment, apart from their catalyzing contributions towards rural development. Being a highly labour-intensive enterprise, supplying modern technology and management tactics, plantation sector makes the optimum use of the marginal land resources and also generate considerable foreign exchange earnings by way of export.

Plantation crops fall into the category of plantation agriculture where a single crop is raised on a large area. Plantations are cultivated on an extensive scale in a large contiguous area, owned and managed by an individual or a company. The agricultural economy of the state has been undergoing a noticeable process of diversification in the last few decades. A significant feature in the pattern of agricultural development witnessed since the early 1970s is the shift in the cropping pattern in favour of commercial crops. Food crops, largely the small farm sector, unable to withstand the domination of commercial or plantation crops, naturally lost the pride of place it once enjoyed and have become less remunerative compared to the more patronized plantation crops. The relatively higher profitability of cash crops and plantations, exemption of plantation crops from land reforms act and the promotional activities of the government are the main factors which account for the shift in the cropping pattern observed in the state. In the past, the choice of the crop was largely guided by agronomic considerations whereas the current emerging trends show that, more than anything else it is the economic forces that acts as the important determinant in decision making on the agricultural front.

An estimate by the Ministry of Commerce explains that more than two million people are involved in plantation sector directly and also another six million are engaged indirectly in the plantation sector. The major plantation crops growing states in India are Kerala, Karnataka, Tamil Nadu, West Bengal and North Eastern states. Due to the highly significant role played by the plantation sector in economic development, it is important to analyse the trend in area, production and productivity of plantation crops in India as well as in the state of Kerala. This is important to understand the role and economic importance of plantation sector in an economy as well as in the lives of large number of people, depending on these plantations alone for their livelihood.

## 1.2 OBJECTIVES

The important objective of this paper is to understand the trends in area, production and productivity of three major plantation crops, which includes tea, coffee and cardamom in India and in Kerala and relate this to the altering marketing system.

## 1.3 METHODOLOGY

The present analysis is made on the basis of time series data from 1990-91 onwards. Data are obtained from the publications of Directorate of Economics and Statistics, Department of Agriculture and co-operation, Tea Board of India, Coffee Board of India, The Spices Board, Reserve Bank of India, latest Economic survey and Kerala Economic Review, District Handbook and Agricultural Statistics of Kerala.

## 1.4 REVIEW OF LITERATURE

Looking into the origin of plantations in the state, Raman (1986) and Hayami and Damodaran (2004) explains the historic background of the plantation sector. According to them, plantations were a product of colonialism and plantation crops exhibits a dualistic structure of production, with large area of holdings and also small holdings