

Figure 5: Import of arecanut (HS Code 080280) by India (2013-14 to 2022-23)

Source: Ministry of Commerce and Industry, GoI

India's share of export of arecanut in the global market is less than five per cent while the share of Indian arecanut import is around 22 per cent (2020). During 2021-22, India exported 6,663 tonnes of arecanut worth Rs. 158.26 crores. During the latest period, major countries to which India exported arecanut were Bangladesh (34% of the total value of arecanut exports from India), UAE (19%) and Vietnam (15%). The split arecanut constituted around 39 per cent of the value of arecanut exported from India while the whole arecanut accounted for 33% during 2021-22.

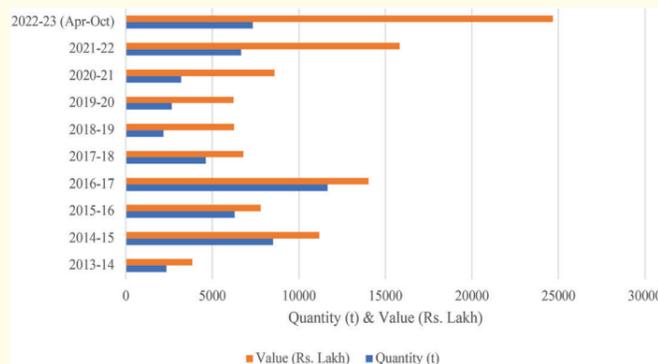


Figure 6: Export of arecanut (HS Code 080280) from India (2013-14 to 2022-23)

Source: Ministry of Commerce and Industry, GoI

Price Trends

The average monthly prices of *chali* (supari – new, white type) from a representative market, Kumta, Karnataka (April 2002 to July 2022) is depicted in Figure 7. Till 2011, prices of arecanut were Rs. 5000 to 7,000 per quintal. During the period from 2011 to 2014, prices were hovering around Rs.14,000 per quintal which increased to Rs. 20,000-25,000 per quintal during 2015 to 2019. From 2018 to 2021, prices exhibited an increasing trend.

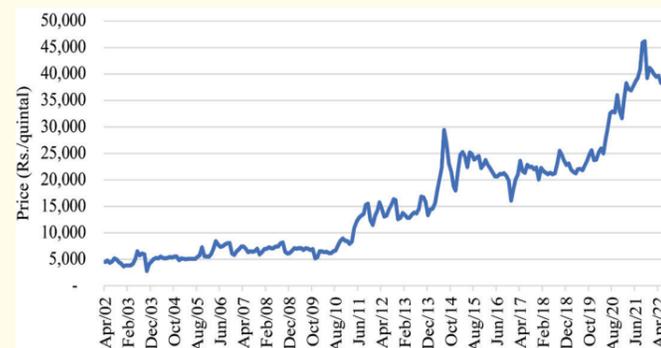


Figure 7: Monthly average price of *chali* (supari new, white type) price in Kumta market (April 2002 to July 2022)

Source: <https://www.krishimaratavahini.kar.nic.in/>

Seasonal indices derived from price data for the period April 2002 to July 2022 are shown in Figure 6. The month of September registered the highest seasonal index of 108% indicating that prices on average were eight per cent higher than the average prices. The months of July to October also showed higher seasonal indices, while the month of December registered the lowest seasonal index of 90 per cent, indicating that on average, prices were 10 per cent lower than the annual average price.

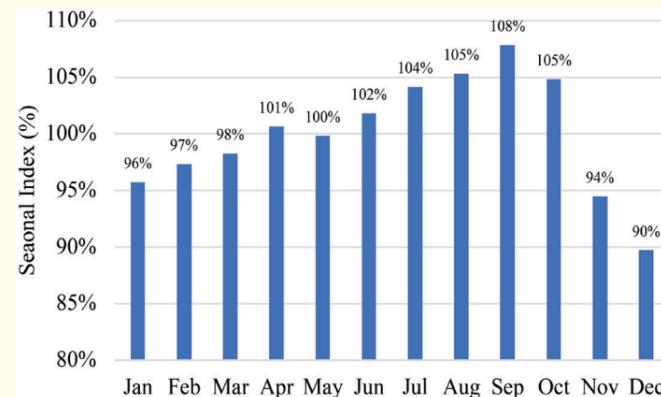


Figure 8: Seasonal indices in prices of arecanut (*chali* /*supari* new, white type) in in Kumta market (April 2002 to July 2022)

Policy issues

An import duty of 100% is levied on arecanut in India. But the least developed SAARC countries like Bangladesh, Bhutan, Maldives, Nepal and Afghanistan are exempted from paying this duty. To safeguard the farmers, the Indian government introduced the Minimum Import Price (MIP), import of arecanut below which is prohibited. The MIP imposition restricts unabated import, prevents entry of inferior quality produce and helps to stabilizes domestic prices. Changes in MIP over the years are shown in Table 2. As of 14th February, 2023, the MIP was Rs. 351/kg. In

September, 2022, India allowed import of 17,000 tonnes of fresh (green) arecanut annually without MIP condition from Bhutan.

Table 2: Changes in Minimum Import Price (MIP) for arecanut in India

Date	Interventions
14-08-2012	MIP was introduced and fixed at Rs. 75/kg
13-05-2013	MIP was raised to Rs. 110/kg
03-06-2015	MIP was raised to Rs. 162/kg
17-01-2017	MIP was raised to Rs. 251/kg
25-07-2018	Policy was amended to prohibit imports below Rs.251/kg
14-02-2023	MIP was raised to Rs. 351/kg

Some of the Institutes/Organizations involved arecanut research/development/marketing

- ICAR-Central Plantation Crops Research Institute, Kasaragod, Kerala cpcri.icar.gov.in
- ICAR-Central Coastal Agricultural Research Institute, Old Goa, Goa ccari.icar.gov.in
- Directorate of Arecanut and Spices Development, Kozhikode, Kerala www.dasdgov.in
- Central Arecanut and Cocoa Marketing and Processing Co-operative Limited (CAMPCO), Mangaluru, Karnataka campcogov.org
- Totagars' Co-Operative Sale Society (TSS), Sirsi, Karnataka www.tssindia.in
- Malnad Areca Marketing Co-operative Society Ltd (MAMCOS), Shivamogga, Karnataka mamcos.info
- Goa Bagayatdar Sahakari Kharedi Vikri Sauntha Maryadit, Ponda, Goa goabagayatdar.com

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Production and Marketing scenarios of Arecanut in India



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(An ISO 9001:2015 Certified Institute)

Introduction

Arecanut (*Areca catechu* L.) is an important commercial plantation crop of India. The economic produce of the crop is fruit, also called *supari*/betelnut and is used for masticatory purposes such as *pan masala*. Besides, arecanut is also used in religious and social ceremonies. The west coast region of India accounts for more than half the arecanut cultivated in the country. In this region, farmers follow the conventional multi-storeyed homestead system of farming, also known as *kulagar*.

Global Scenario

India is the major producer of arecanut which accounts for 50% of production and 43% area under arecanut in the world. Other major producers are South and Southeast Asian countries such as Bangladesh, Myanmar, Indonesia, China, Sri Lanka and Thailand. In 2020, the world arecanut production was 17.96 lakh tonnes from an area of 12.26 lakh hectares with an average yield level of 1.46 tonnes/ha. Over the years, both global area and production of arecanut exhibited increasing trends (Figure 1).

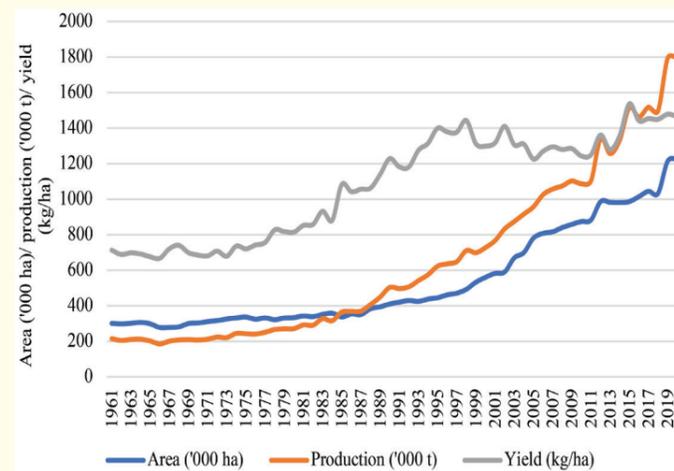


Figure 1: Global area, production and yield of arecanut (1961-2020)
Source: FAO Database, 2022

Domestic Scenario

In India, arecanut is cultivated on around 7.7 lakh hectares area with an annual production of 14 lakh tonnes and a yield level of 1.8 tonnes/ha (2021-22). The value of annual output from arecanut is around Rs. 16,392 crores (2015-06). Area, production and yield of arecanut in India registered increasing trends (Figure 2).

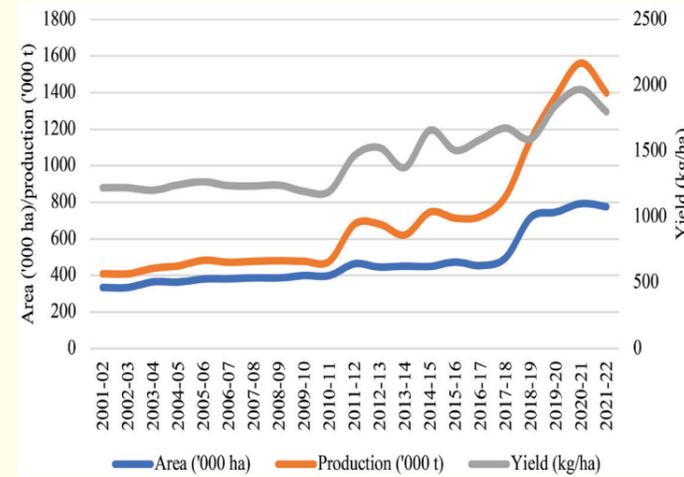


Figure 2: Area, production and yield of arecanut in India (2001-02 to 2021-22)

Source: National Horticulture Board (NHB)

The last three years' average production in India indicated that Karnataka was the major producer with a 79% share in Indian production followed by Kerala (7%) and Assam (4%) (Table 1). Coastal districts such as Dakshina Kannada, Uttara Kannada and Udipi are the major producers in Karnataka. Apart from these major producing states, arecanut is also grown in North Eastern states, West Bengal, Tamil Nadu, Andhra Pradesh, Maharashtra and Goa.

Table 1: State-wise production of arecanut in India (2019-20 to 2021-22 average)

S No	State	Production ('000 tonnes)	Share (%)
1	Karnataka	1,139.95	78.84
2	Kerala	100.05	6.92
3	Assam	61.18	4.23
4	Meghalaya	24.35	1.68
5	West Bengal	23.60	1.63
6	Others	96.72	6.69
Total		1,445.86	100.00

Source: National Horticulture Board (NHB)

The share of different size classes in total operational holdings under arecanut in India is shown in Figure 3. The share of marginal farmers (less than one ha of landholding) was 81.9% and the share of small farmers (1-2 ha) was 10.4%. Together, small and marginal farmers account for 92.3% of the total operational holdings under arecanut in India.

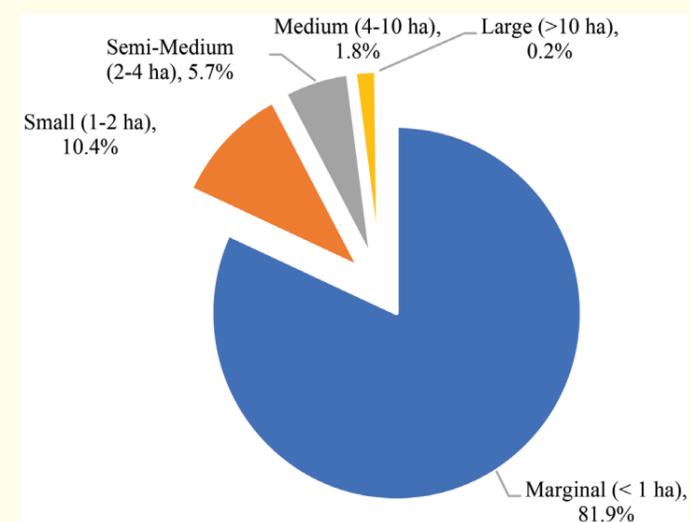


Figure 3: Share of different size classes in total operational holdings under arecanut in India

Source: Agriculture Census 2010-11

Major varieties

Many local varieties of arecanut such as Thirthahalli Local, South Canara Local (Karnataka), Kahikuchi, Nalbari (Assam), Shreewardhan, Maduramangala (Maharashtra) and Goa Local (Goa) are commonly grown by the farmers. Mangala (VTL-3) is the first improved variety introduced from China and adopted by many farmers. ICAR- Central Plantation Crops Research Institute (ICAR-CPCRI) Regional Station Vittal has evolved many improved varieties of arecanut as selections of hybrids of VTL series. Secondary selection and inter se/sibmating are done to improve Mangala variety to maintain purity. Mohitnagar is another high yielding variety from Mohitnagar Centre of ICAR-CPCRI in West Bengal. Sumangala (VTL-11), Swarnamangala (VTL-12), Sreemangala (VTL-17) and Shata Mangala (VTL-146) are other improved cultivars of arecanut. Hirehalli Dwarf is the dwarf mutant of arecanut with short stature and Hybrids VTL AH1 and VTL AH2 were developed using Hirehalli Dwarf as the female parent and improved tall varieties as the male parents.

Marketing

Major grades

There are two major grades followed at the producers' level: white type (*chali* or sun-dried ripe nuts) and red type (boiled unripe nuts). In the coastal region, the white type is more common and in the Malnad/hilly region, the red type is predominantly produced. There are several sub-grades under these two broad grades known by local names. Once farmers

sell their produce, wholesalers then grade the produce as per the prevailing commercial grades.

Marketing Channels

As per the Directorate of Arecanut & Spices Development, Calicut's estimates, around 15% of arecanut is traded by Cooperatives such as CAMPCO Ltd Mangalore, Totgar's Cooperative Sales Society, Sirsi, TUMCOS, Channagiri, Goa Bagayatdar etc. Private traders account for the remaining trade (Figure 4). A substantial quantity of arecanut is traded through APMCs. Though arecanut production is concentrated in a few states, its consumption is spread across India. Important assembling markets in the coastal region are Mangalore, Sirsi, Kumta, Cochin, Kasargod, Ponda, Bicholim etc. Gujarat, Uttar Pradesh and Madhya Pradesh are the major consuming states. Major consuming markets are Mumbai, Ahmedabad, Rajkot, Kanpur Indore, Jaipur, Delhi, Nagpur, Patna, Kolkata, Cuttack, Bengaluru and Chennai.

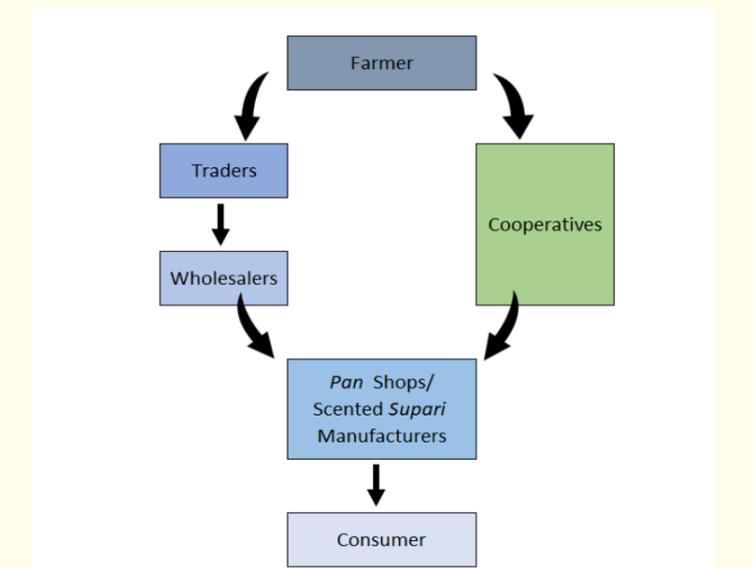


Figure 4: Marketing channels of arecanut

Arecanut Imports and Exports

The arecanut produced in India is mostly consumed domestically. During 2021-22, India imported 25,979 tonnes worth Rs. 674.08 crores. However, the import is increasing over the years and there is a substantial increase during 2022-23 (April -October) (Figure 5). Indonesia, Sri Lanka and Myanmar are the major countries from which India imports arecanut. During 2021-22, other arecanuts (HSN Code 8028090) accounted for 73 per cent of the value of arecanut imports by India followed by the whole (15%) and split (12%) arecanut.