

Kerala's Contribution towards India's Foreign Exchange

It is evident that agriculture holds the key to economic development in India. A peculiar feature of the Indian economy is that, while two thirds of the people are employed in agriculture, their contribution is less than half of the national income.

During the course of fifteen years after independence, plantations produce earned for the country Rs. 2095 crores (Lakshmana Gowda, 1963). In 1962-'63 alone the value of exports of plantation crops amounted to Rs. 166.61 crores.

Tea is the second largest foreign exchange earner of India next to jute. The yield of tea in Kerala is deplorably low when compared to other tea growing areas. The yield is 907 lb/acre when compared to South India's average of 900 lb/acre and that of North East India of 1,500 lb/acre. As such there is immense scope for increasing the per acre yield of this plantation crop by intensive methods of agriculture. According to Fertilizer Statistics of the Fertilizer Association of India it is seen that out of India's 8,17,000 acres under tea Kerala possesses 98,000 acres and the total production is 84.5 million lb when the all India figure is 707.8 million lb. Therefore there is immense scope for increasing the per acre yield of the plantation crop by intensive methods of agriculture.

Although coffee cannot be compared with tea in India for its importance to the export market, it is of great significance for home consumption. While Kerala grows coffee on 42,000 acres out of the total area of 274,000 acres in India, the contribution is only 16 million lb to the total Indian production of 100 million lb. The present yield is only 164 lb/acre when the yield of coffee in other countries is nearly threefold. South America could record an average yield of 1200 to 1500 lb per acre from 14 year old plantations (Hans V. Strenge, 1964). The production of natural rubber in country has increased from 24,147 tons during 1957 to 32,239 tons in 1962-'63

whereas the consumption of natural rubber at present is 48,319 tons, Indian rubber production increased by 33.6% in the course of 10 years from 1952 to 1961, but consumption increased by 171 per cent in the same period. The balance of requirement is therefore met by imports which cost a heavy drain on our foreign exchange. The average yield at present is around 400 lb/acre in Kerala when countries such as Ceylon, Malaya and Indonesia produce more than 2000 lb per acre. It is worth mentioning that the contribution of Kerala with regard to area and production of rubber is 94% and 91% respectively. Thus Kerala has a strategic importance in saving the drain of foreign exchange due to import of rubber to meet the requirements. As Ramavarma (1963) puts it the future of this industry depends to a large extent on planters' willingness to take advantage of the latest scientific advances to increase the yield per acre.

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