

## PRODUCTION AND MARKETING OF COFFEE IN TAMILNADU

**V.Karthigaiselvan**

*Ph.D Research Scholar, Dept. of Commerce,  
Mannar Thirumalai Naicker College, Madurai-625005*

**Dr.B.Maran**

*Associate Professor, Head PG & Research Dept. of Commerce,  
Mannar Thirumalai Naicker College, Madurai-625005*

### **Abstract**

A research study was conducted with an objective to understand the related issues of cultivation and marketing of coffee in Tamilnadu. In Tamilnadu have a great potential of coffee production and coffee drinker / addicted.

In our Tamilnadu state most of peoples are used in verity of coffee drink like filter coffee, Instant coffee, and piece of leaf. In our country peoples are mostly used in welcome drink such as Tea or Coffee. The coffee and tea is a traditional hot beverage is served in many occasion. The Coffee drunkard may be take bed coffee and after breakfast and also take routine regular interval. The Coffee is also served many occasions like office meeting conference and some other official discussion and family function.

In the context of the present study is undertaken in order to examine the perception of Production and Marketing coffee in Tamilnadu and also identify the possible different way. In the perception of production and marketing related issues.

**Keywords** : Area of Cultivation, Production and Marketing

### **Introduction**

Coffee was known in the first half of the century in Venice and Marseille but there was no trade in beans there. The First coffee house was in Oxford in 1650 where it was opened by a Turish Jew named Jacob. More opened soon after in London 1652 where there were soon to be hundreds - each serving their own customers.

The Popularity spread through Europe to such an extent that during the 17<sup>th</sup> and 18<sup>th</sup> centuries, there were more coffee in London than there is today. Coffee shops were nothing like trendy shops that we have today. A true coffee house was crowded, smelly, noisy, smoky, celebrated and condemned.

Two commercially significant species of coffee are coffee are Arabica, coffee roubusta. The Arabica beans best at altitudes over 3000 feet. This species produces superior quality coffees, whish possess the great flavor and aromatic characteristics. The typically contain half the caffeine of the Robusta beans. Arabica production represents 80% of the world's coffee trade. The only 10% of this meets specialty coffee standards.

Robusta beans are usually grown at lower elevations. Robusta trees are easier to grow, produce higher yields and are more disease resistant than the Arabica species. Robusta beans usually possess a woody, astringent flavor. They are used when a lower price or additionally caffeine is desired. A small percentage is typically added to many Italian espresso blends for the additional cream and complexity they contribute.

#### **Statement of Problem**

Hot beverages have always been a part of the tradition of Tamilnadu. Coffee took the first seat in Tamilnadu when traditional classes bought the down the beverages from the ruling British around the 1930s. During the early years the drinks were confined only to traditional rich families who served filter coffee in a 'davara-tumbler'. Coffee is no more confined to the rich class now, though the tradition of serving filter coffee in the davara-tumbler continues to this day.

Coffee, cultivated predominantly in the states of Karnataka, Tamilnadu, and Kerala is an important plantation crop in India with an annual production of about 2.28 lakh tones. Although it is considered as an export market crop its performance has not been encouraging in the post 1991 economic liberalization period. The relative unit value realization and share of coffee exports in India total agricultural exports have decreased in the post reform period. Despite being the traditional exporter of coffee, India does not rank even among the top 11 exporting countries to Germany. In India exports a maximum amount of its coffee. Further a report by WTO (World Trade Organization) indicates that in the Post-WTO regime, coffee prices have fluctuated widely from month to month. Thus, although coffee remains an important exportable item, the uncertainty in the export market highlights the importance of the domestic coffee market as well. With the market size of about Rs.1600/- crore.

In fact the Coffee board has proposed a big promotional campaign to increase the demand through generic marketing and advertising. In this context it becomes essential to understand the nature of demand function for coffee in the domestic market. If the price sensitivity of coffee demand is low then it justifies the use of non-price factors such as advertising and generic marketing campaigns to promote coffee demand. This attempt to estimate aggregate domestic demand for coffee econometrically and extend the marketing of coffee have been carried out in Tamilnadu.

#### **Objective of the Study**

The present study mainly focuses on cultivation and selling aspects of coffee in Tamilnadu. The following objectives are established in the study.

1. To study the origin and growth and development of coffee plantations.
2. To study the growth and development of coffee industry in Tamilnadu.
3. To study the global perspective of coffee.
4. To study the cultivators and sellers perception of coffee

**Methodology**

The reliability and validity of research depends upon the systematic methodology adopted for collecting relevant data and upon the meaningful analysis of the data collected. The Required secondary data collected from coffee development board and Tamilnadu statistical department website and Journals, magazines, newspaper.

**Source of Data Sampling Design**

Secondary data is used for the study. The required data for the study is collected and compiled for the period of 2002-2003 to 2011-2012, which is reliable and empowered corporate database collected from Coffee Development Board and Tamilnadu Statistics Department and financial related website, Journals, Magazines etc.

**Period of the Study**

The study is sequential and covers a period of ten years from the financial 2002-2003 to 2011-2012.

**Frame Work of Analysis**

The collected secondary data which were collected from coffee board and statistical department for the purpose of the study is analyzed with the help of various statistical tools such as by using Percentage Analysis.

**What is Coffee?**

Coffee trees are an average and grow to heights of 20 feet. To simplify harvesting the trees are pruned from 80 to 10 feet. Coffee cherries ripen at different times, so they are predominantly by hand. It takes approximately 2000 arabica cherries to produce just one pound of roasted coffee. Since each cherry contains two beans, your one pound of coffee is derived from 4000 coffee beans. The average coffee tree only produces one to two pounds of roasted coffee per year, and takes four to five years to produce its first crop.

The coffee plant first produces delicate clusters of white blossoms, resembling jasmine in shape and scent. These blossoms last only a few days. Small green coffee cherries then begin to appear and ripen to Yellow, Red and finally almost black, within six to nine months.

The green beans are then dried, sized sorted graded and selected usually all by hand. The beans are then bagged and are ready for shipment to local roasters around the world. Few products we use require so much in terms of human effort.

**Species of Coffee Beans**

The two commercially significant species of coffee beans are coffee Arabica, and Coffee Robusta

**Coffee Arabica**

Arabica beans grow best at altitudes over 3000 feet. This species produces superior quality coffee, which possess the great flavor and aromatic characteristics. They typically contain half of the caffeine of Robusta beans. Arabica production represents 80% of the world's Coffee trade, however only 10% of this specialty coffee standards.

**Coffee Arabica**

Robusta beans are usually grown at lower elevations. Robusta trees are easier to grow produce higher yields, and are more disease resistant than the Arabica species'. Robusta beans usually possess a woody astringent flavour. They are used when a lower price or additional caffeine is desired. A small percentage is typically added to many Italian espressos blends for the additional crema and complexity they contribute.

**Growing Coffee****Picking**

Coffee berries are picked by hand by labourers by hand and who have received by the basketful. As of 2012 payment per basket is between Rs.120 to 150. While majority labour receiving minimum wages per day. An experienced picker can collect up to 7-8 baskets per day. This discernment typically only occurs with growers who harvest for high quality beans coffee where pickers are paid better for labour. The Mixes of Green and red berries or just berries are used to produce cheaper mass consumer coffee beans, Red berries with higher aromatic oil and lower organic acid content are more fragrant smooth, and mellow. As such coffee picking is one of the most important stages in coffee production and is the determinant for the quality of the product.

**Defray**

The coffee berries are type of drupe with fruit flesh directly covering the coffee bean. The flesh of the coffee berry must be quickly cleaned by the soaking, scouring and mechanical rubbing. This stage is critical in preserving the coffee flavors since the fruit is quick ferment in coffee growing climates and will give the resulting coffee a disagreeable odour.

**Drying**

Coffee beans are spread over a large concrete or rock surface where they are dried by air and sunlight. The beans are repeatedly raked into row and spread out over the course of several days until they are largely dry. At this stage the beans are referred to as "Green Coffee".

**Sorting**

The first step in preparation is sorting of beans by colour and size. Discoloured, rotten and damaged beans are also removed at this point. In many under developed countries hand sorting is still done because of the low cost of labour. The developed countries are used some machinery for sorted automatically by the sophisticated machine and employ CCD cameras and can determine both size and colour. Automatic sorting is cost-effective for large producers.

**Roasting**

The roasting process is integral to producing a survey cup of coffee. Roasted the green coffee bean expands to nearly double its original size, changing in colour and density. As the bean absorbs heat the colour shifts to yellow and then to a light brown. During this

stage moisture in the beans is expelled. When the inside of the bean reaches about 400 degree Fahrenheit, it begins to turn brown and the oil released from the interior of the bean.

#### Planted Area of Coffee in Tamilnadu

The cultivated area of the Arabica and the robusta coffee in Tamilnadu for the period of ten years

Years	Arabica	Inc/Dec	Robusta	Inc /Dec	Total	Inc/Dec	Percentage
2002-03	25108	0	5663	0	30681	0	0
2003-04	25108	0	5663	0	30681	0	0
2004-05	25108	0	5663	0	30681	0	0
2005-06	25108	0	5663	0	30681	0	0
2006-07	25108	0	5646	-17	30664	-17	-0.05
2007-08	25108	90	5556	-90	30664	0	0
2008-09	25108	0	5556	0	30664	0	0
2009-10	25108	0	5556	0	30664	0	0
2010-11	25708	600	5636	80	31344	680	2.2
2011-12	25708	0	5636	0	31344	0	0

The table shows the increase and the decrease of planted are of coffee in Tamilnadu for the period of 10 years.

#### Descriptive Statistics

	Mean	Std. Deviation
Arabica Coffee	25252	345
Robusta Coffee	5621	62.33
Total	30873	407.33

#### Employee Strength in Tamilnadu

The listed growth and contraction of the employee strength in the plantation in Tamilnadu

Years	No. of. Employee	Increase / Degrease
2002-03	26694	0
2003-04	26830	136
2004-05	26960	130
2005-06	26960	0
2006-07	26960	0
2007-08	27430	470
2008-09	27430	0
2009-10	27640	210
2010-11	27720	80
2011-12	27760	40

The table shows the increase and the decrease of employee strength in coffee cultivation in Tamilnadu for the period of 10 years.

**Descriptive Statistics**

	Mean	Std. Deviation
No. of. Employee	27238.4	139.66

**Production of Coffee in Tamilnadu**

The listed below the production of Arabica coffee and Robusta Coffee in Tamilnadu

Years	Arabica	Inc/ Dec	Robusta	Inc /Dec	Total	Inc/ Dec
2002-03	12225	0	3525	0	15750	0
2003-04	14350	2125	3400	-125	17750	2000
2004-05	14975	625	3325	-75	18300	550
2005-06	14375	-600	4450	1125	18825	525
2006-07	13950	-425	4275	-175	18225	-600
2007-08	14050	100	4050	-225	18100	-125
2008-09	12070	-1980	4185	135	16255	-1845
2009-10	12650	580	4260	75	16910	655
2010-11	13150	500	4310	50	17460	550
2011-12	13850	700	4280	-30	18130	670

The table shows the increase and the decrease of production of coffee in Tamilnadu for the period of 10 years.

**Descriptive Statistics**

	Mean	Std. Deviation
Arabica Coffee	13564.5	1008.44
Robusta Coffee	4006	365.83
<b>Total</b>	<b>17570.5</b>	<b>947.19</b>

**Price of Coffee In Tamilnadu**

The listed the increase and decrease of the price of coffee in Tamilnadu

Years	Price	Increase / Degrease
2002-03	129	0
2003-04	164	35
2004-05	156	-8
2005-06	168	12
2006-07	184	16
2007-08	200	16
2008-09	271	71
2009-10	295	24
2010-11	310	15
2011-12	336	26

The tables indicate the price changes for selling of coffee in Tamilnadu for the period of 10 years.

#### Descriptive Statistics

	Mean	Std. Deviation
Price of coffee	221.3	20.44

#### Findings

- The “Stable price” gets the maximum scores and immediate cash payment.
- The Presents situation reduces the transportation cost and overall marketing cost and competitive price.
- The production of coffee does not involve high risk, gets the maximum return for the both varieties fetch equal price
- The adequate storage facilities provided by the Government of Tamilnadu
- To provide adequate assistance by the local agricultural department
- It is easy to get permission for the export of coffee an registered member.
- The coffee board provide adequate were housing facilities for exporter

#### Suggestion

The farmers must be educated on the practice of cultivation mould free coffee through the Training programmes. The formers may be exposed to preparing of Good Agricultural Practice (GAP) and Good manufacturing practices (GMP) for coffee estates. The Government may introduce a system of fixing indicate prices for both varieties.

#### Conclusion

In the face of the current status of production and marketing of coffee in Tamilnadu, has studied the attitude of the coffee cultivation towards the coffee marketing and the classification of personal variables and opinion on the marketing aspects of coffee and also analyzed the perception of the 4P such as a price, product, Place and Promotion and also analyzed the perception of the procedures, service of coffee board, Government assistance and promotion

#### Reference

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