

Export of Kendu(Bidi wrapper) leaves from India:
A brief analysis for the period 1987-88 to 2002-03

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Note from the author

The present analysis was originally done for providing inputs at the meeting convened by the Forest Department of Govt of Orissa on 4th March '05, on the revised Kendu leaf sale policy to be adopted for the state. The Director, VASUNDHARA was invited to this meeting where some people expressed interest in this analysis. The draft analysis report has since been revised for the better use of all the stakeholders.

Bikash Rath

Introduction to Kendu leaves

Kendu(tendu) leaves belong to the species *Diospyros melanoxylon*, shrubs found usually in open/degraded forests and waste lands. These are used as wrappers for *bidi*, country-cigarettes of the poor. Although there are other substitutes as bidi-wrappers, kendu leaves are preferred because of several reasons like their flavour. Their commercial use is confined to the bidi-industry, which is said to be more almost a century old.

These leaves are mostly produced in the Indian states of Orissa, Chhattisgarh, and Madhya Pradesh. The domestic bidi market is so large that most of the production is consumed within the country itself. Still India is world's largest exporter of kendu leaves.

Timber used to be the major source of forest revenue till recently; but after the moratorium imposed by the Supreme Court of India on green felling of timber, this conventional source of revenue has now been replaced by non-timber forest products of commercial importance among which kendu leaves are one. Orissa has nationalized kendu leaves so as to maximize the revenue earned from this source. In such a context, the fall in the demand of bidi has created a crisis for the trading of kendu leaves, which in turn has direct financial implications not only for the state exchequer but for millions of poor and marginalized people who either work as pluckers, or bidi-workers. The present analysis is a quick review of the situation in the export sector so as to enable the policy makers and other stakeholders design their strategy in a better way in order to face the challenges ahead.

Country-wise export of Kendu(bidi-wrapper) leaves from India

(based on data purchased from the Director General of Commercial Intelligence and Statistics, Kolkata; vide their reference # CD-II/MIS/PISS/5(5)/2004/680/D.P. of 2004-05)

<i>Year</i>	<i>Country</i>	<i>Quantity of export in kg</i>	<i>Value of export in rupees</i>
1987-88	AFGHANISTAN	7895	109589
	NEPAL	304334	1813388
	PAKISTAN	3834046	52589166
	SINGAPORE	55	580
	SRI LANKA	1791197	28970893
	U ARAB EMTS	4120	33400
	Total	5941647	83517016
1988-89	TRINIDAD	309360	4371500
	AFGHANISTAN	4000	47671
	AUSTRALIA	2100	48510
	NEPAL	466890	3187234
	PAKISTAN	4193964	58998965
	SINGAPORE	6000	110422
	SRI LANKA	2343679	49148483
	U ARAB EMTS	6000	85000
	MALDIVES	27500	580505
Total	7359493	116578290	
1989-90	SIERRA LEONE	5848	331317
	AFGHANISTAN	5470	67794
	JAPAN	12000	198078
	NEPAL	57005	633637
	PAKISTAN	3958391	90003583
	SINGAPORE	30000	1723997
	SRI LANKA	1086078	50834229
	U ARAB EMTS	1000	7614
	BELGIUM	8000	114784
	U K	24000	1477870
Total	5187792	145392903	

1990-91			
	MAURITIOUS	183	7541
	AFGHANISTAN	14859	185924
	BANGLADESH	1500	15571
	NEPAL	76888	1604892
	PAKISTAN	3386631	114448553
	SRI LANKA	1395145	94826283
	U ARAB EMTS	12000	402000
	U K	5900	321829
	Total	4893106	211812593
1991-92			
	U S A	1000	15984
	AFGHANISTAN	1650	74094
	MALAYSIA	100	717
	NEPAL	78156	1372320
	PAKISTAN	3444835	115618347
	SRI LANKA	1148415	66377121
	QATAR	938	16263
	SAUDI ARAB	530	38000
	Total	4675624	183512846
1992-93			
	EGYPT A RP	50000	1049303
	U S A	150	6201
	NEPAL	170571	3216586
	PAKISTAN	2178840	75584875
	SRI LANKA	562813	41313578
	MALDIVES	9000	248629
	Total	2921374	121419172
1993-94			
	BANGLADESH	4000	52533
	NEPAL	95339	1540343
	PAKISTAN	2857327	95176909
	SRI LANKA	1016755	70571525
	MALDIVES	7500	290811
	U K	2900	214276
	Total	3983821	167846397

1994-95		
	CANADA	800
	NEPAL	8540
	PAKISTAN	3052620
	SRI LANKA	1573438
	U ARAB EMTS	6000
	MALDIVES	10300
	U K	430
	Total	4652128
		43276
		123523
		102598787
		98777676
		195000
		309592
		5025
		202052879

1995-96		
	U S A	16000
	AUSTRALIA	7000
	JAPAN	15000
	NEPAL	19031
	PAKISTAN	2648060
	SRI LANKA	1132071
	U ARAB EMTS	7920
	MALDIVES	13750
	IRELAND	8832
	ITALY	1620
	Total	3869284
		815938
		200000
		711950
		335729
		88676189
		74996175
		187620
		371331
		289111
		63322
		166647365

1996-97		
	U S A	43000
	MEXICO	19295
	INDONESIA	48000
	NEPAL	21886
	PAKISTAN	2510972
	SINGAPORE	5900
	SRI LANKA	1090684
	MALDIVES	7750
	SWEDEN	18000
	Total	3765487
		1717086
		531633
		1667560
		350085
		84462387
		481275
		73184730
		218594
		1175864
		163789214

1997-98		
	U S A	48000
	AUSTRALIA	2000
	NEPAL	56740
	PAKISTAN	1757590
	SRI LANKA	522162
	Total	2386492
		1679932
		60849
		675940
		61937458
		34021866
		98376045

1998-99

TANZANIA REP	100000	6909799
MAURITIOUS	3000	81096
ETHIOPIA	12000	426811
CANADA	28800	790125
U S A	38000	2132002
AFGHANISTAN	19350	192000
AUSTRALIA	45300	644762
KOREA RP	6000	619643
MALAYSIA	28000	963257
NEPAL	185198	9366629
PAKISTAN	1401792	58910896
SRI LANKA	593260	46022148
SAUDI ARAB	31400	1882157
U ARAB EMTS	7200	414956
BELGIUM	8500	239232
GREECE	450	46500
SPAIN	26800	568932
U K	2000	71150
RUSSIA	40000	2230000
Total	2577050	132512095

1999-2000

CANADA	11550	1086398
U S A	18600	744012
AUSTRALIA	20000	634305
NEPAL	83430	1057214
PAKISTAN	1656690	75978740
SINGAPORE	6000	504270
SRI LANKA	1152503	73987093
OMAN	2720	25243
U ARAB EMTS	10000	287792
FINLAND	16008	1119851
Total	2977501	155424918

2000-01

EGYPT A RP	241045	21160963
U S A	1	52
BANGLADESH	14000	941752
CHINA P RP	998	75552
IRAN	353	35929
JAPAN	13725	443705
MALAYSIA	52	4023
NEPAL	191061	3128368
PAKISTAN	1203794	60264847
SRI LANKA	1578454	112957405
ISRAEL	7000	596345
MALDIVES	12421	356640
DENMARK	270	6840
U K	1100	68200
Total	3264274	200040621

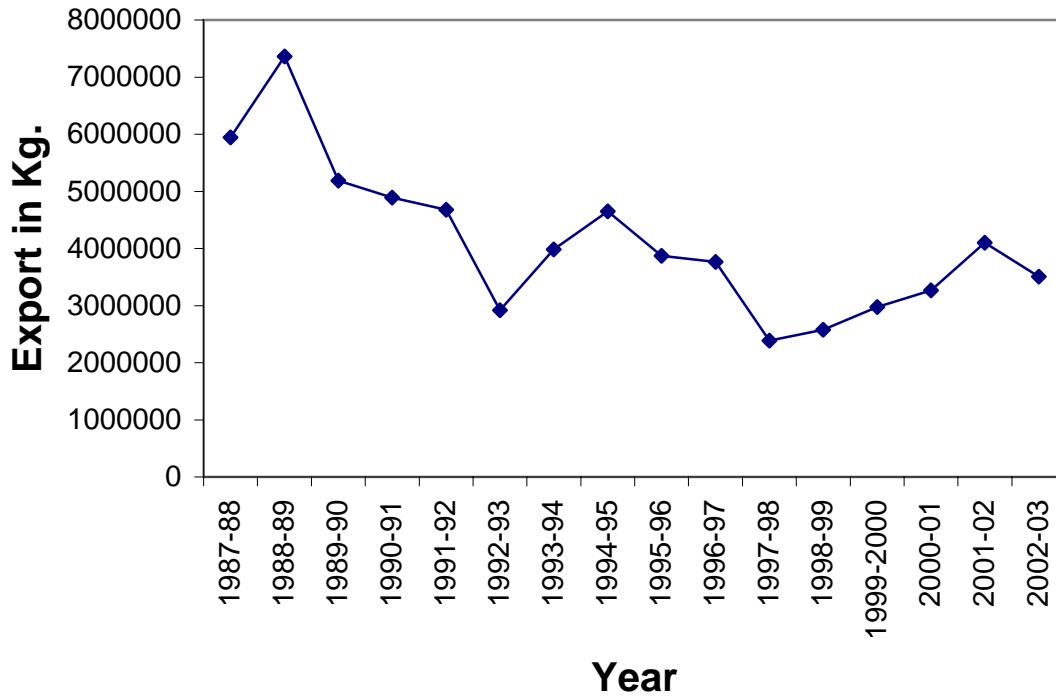
2001-02

MALAGASY RP	2500	290970
SIERRA LEONE	13900	727523
MOROCCO	6000	300510
ZIMBABWE	24000	1022900
JAMAICA	105	27368
TRINIDAD	7180	436926
NICARAGUA	12000	607950
PANAMA		
REPUBLIC	36000	1803060
BANGLADESH	9679	85525
NEPAL	525246	7073217
PAKISTAN	1474587	66920341
SINGAPORE	3000	290970
SRI LANKA	1724375	106429491
KUWAIT	30000	1278625
U ARAB EMTS	160400	2273102
YEMEN REPUBLIC	1000	129405
CHINESE TAIPEI	3000	246075
MALDIVES	55127	1856760
FRANCE	4000	294325
NETHERLAND	400	14715
SPAIN	400	16017
U K	5761	315449
Total	4098660	192441224

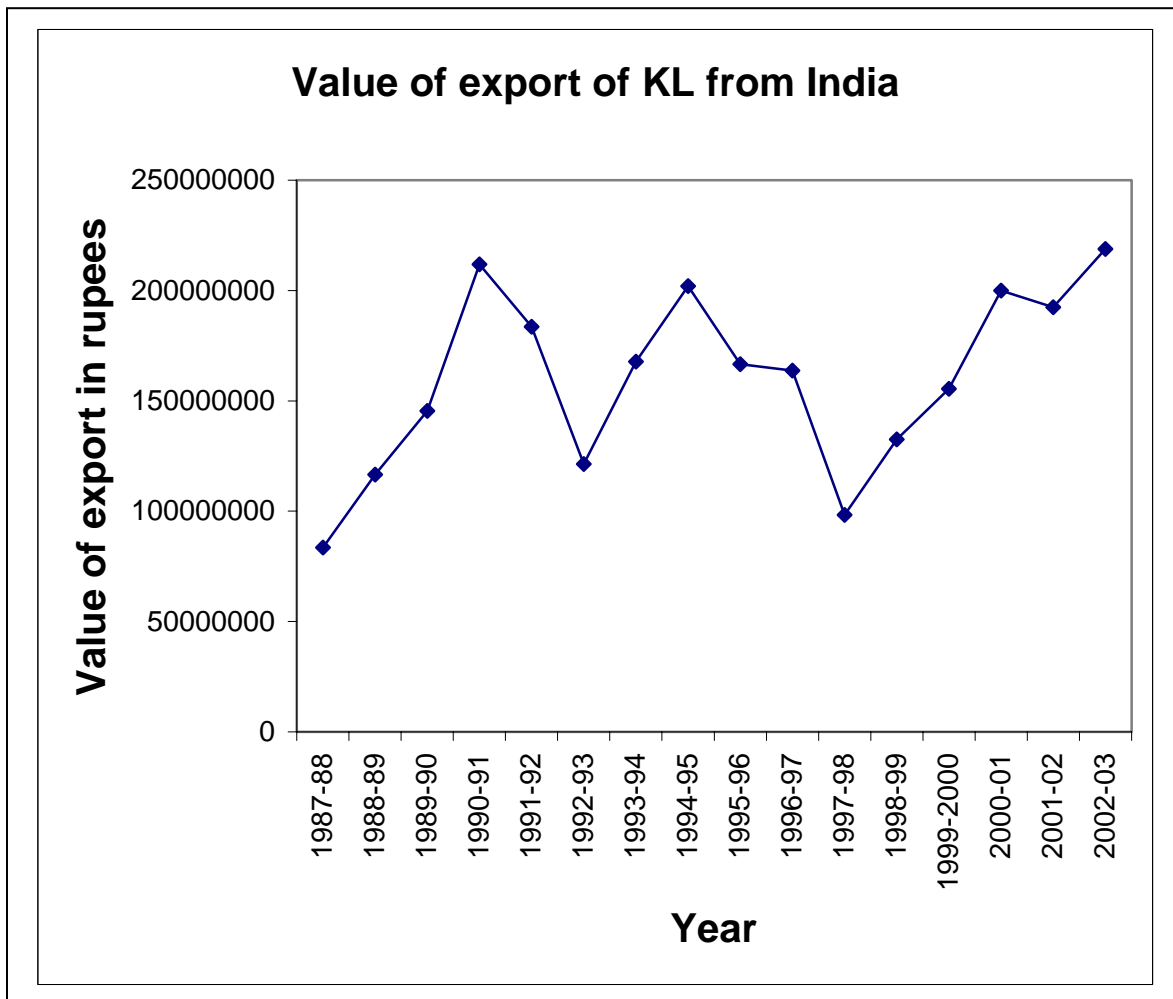
2002-03

UNSPECIFIED	12680	1212924
MAURITIOUS	46300	1105150
U S A	3237	187773
TRINIDAD	314	74958
AFGHANISTAN	18000	916650
KOREA RP	300	13694
NEPAL	118334	1686395
PAKISTAN	1405020	67823973
SRI LANKA	1699605	136178867
BAHARAIN IS	5400	222844
SAUDI ARAB	18000	801075
U ARAB EMTS	144650	6896994
ISRAEL	7000	414026
MALDIVES	12920	379666
BELGIUM	10000	638220
FRANCE	1532	96158
U K	1872	167817
Total	3505164	218817184

Quantity of export of KL from India

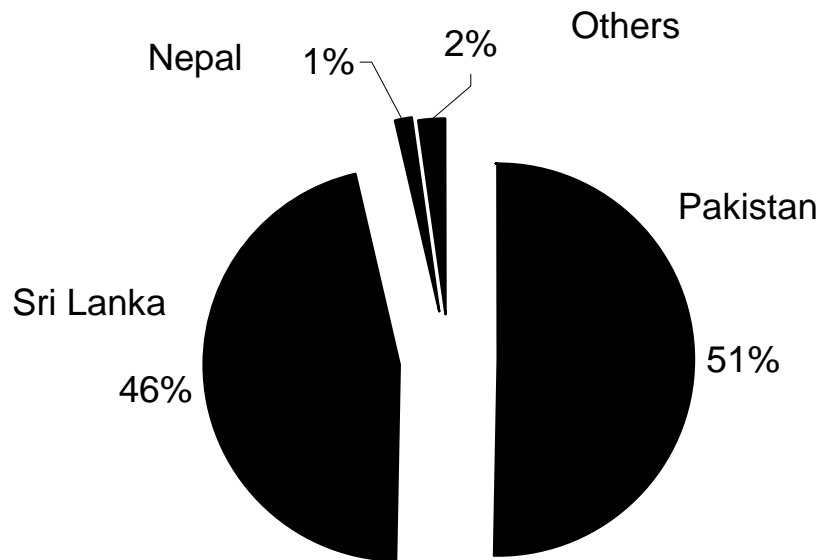


Comments: The quantity of export has declined over the years, and the status in 2002-03 was more or less similar to that in 1992-93. The average quantity of export per annum during 1992-93 and 2002-03 was 3454657.72 kg as against that of 5611532.4 kg during 1987-88 and 1991-92.

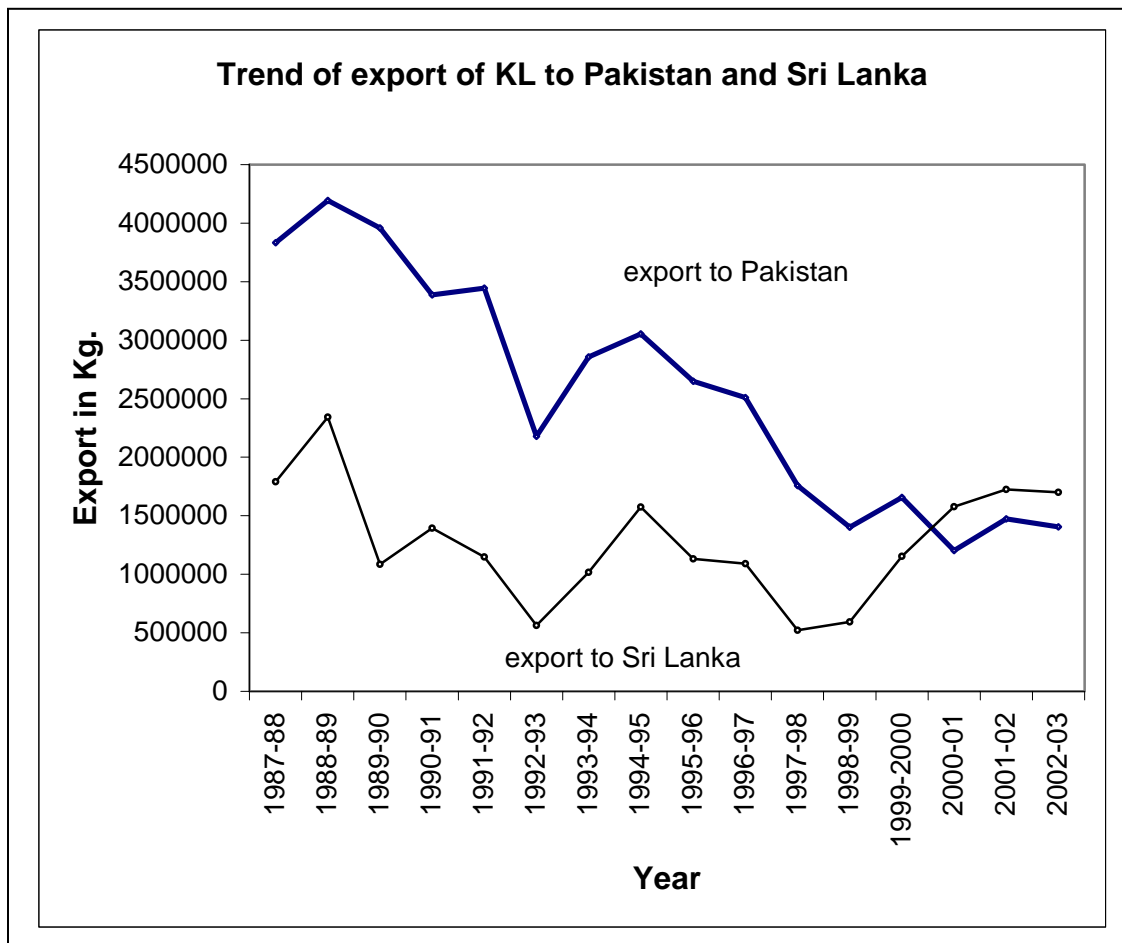


Comments: Despite a decline in the quantity of export during the last decade, the value of export has increased from 1997-98, and has been able to reach a record figure in 2002-03.

Country-wise share in the value of export of KL from India during 1987-88 and 2002-03

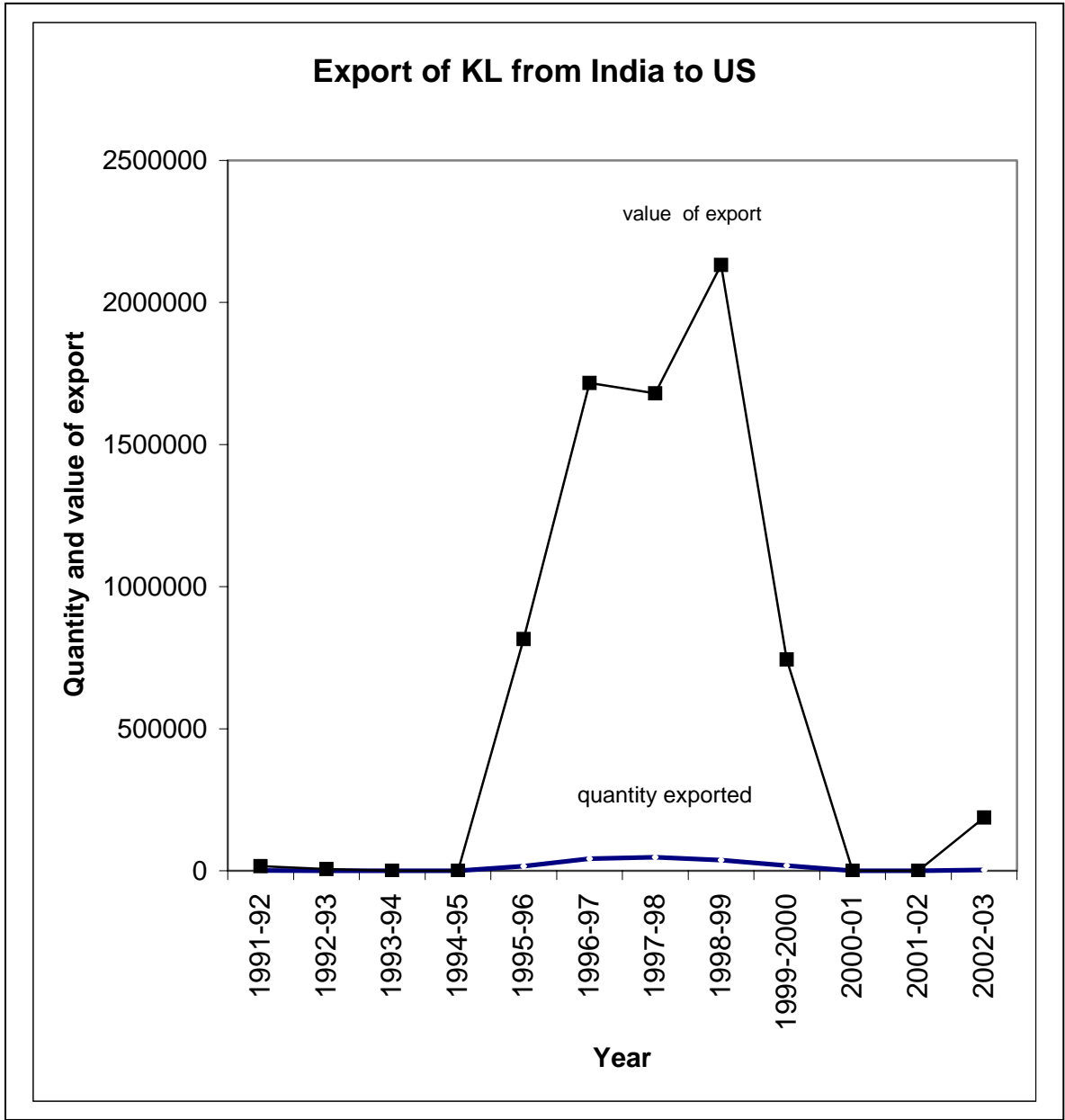


Comments: The scope of export has basically remained confined to Sri Lanka and Pakistan. Pakistan imported 40965.159 MT(62.01%) during the mentioned period as against 20410.634 MT(30.89%) by Sri Lanka. Occasional markets have been found in countries like Russia and France, etc. However, what may seem occasional today may assume importance in a later period, and what seems to be the major export market today may assume a marginal role in future. Pakistan and Sri Lanka have shown a trend that suggests that we should explore other export markets like US.



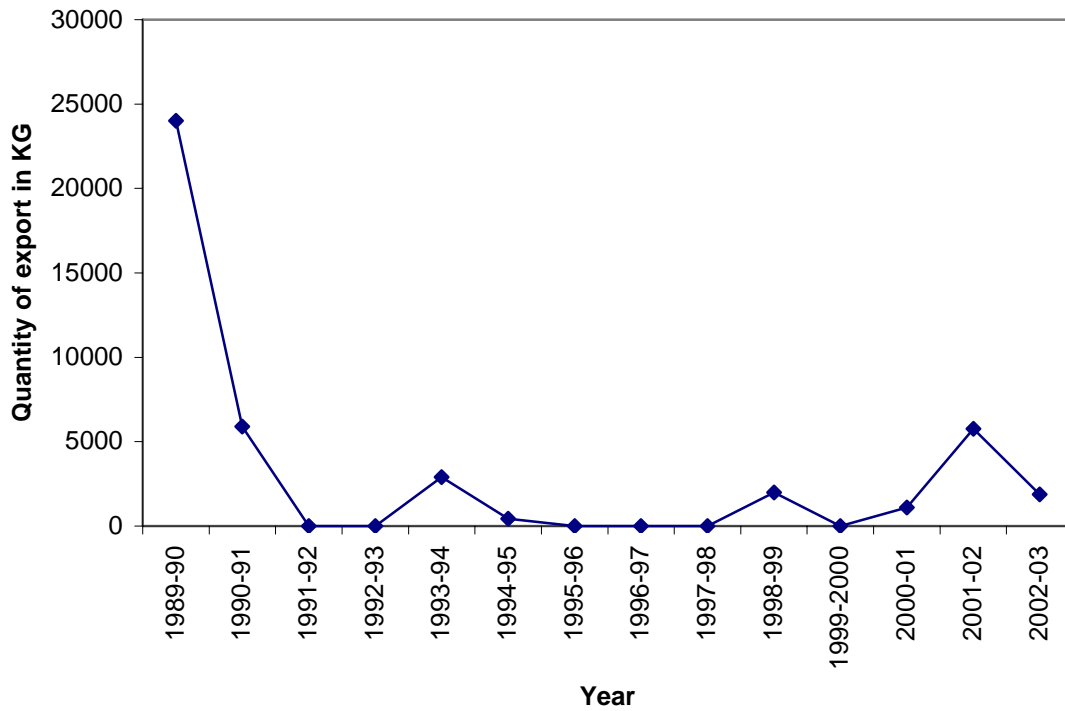
Comments:

The most remarkable feature here is that both countries have followed more or less a parallel trend upto late '90s.



Comments: The value of export to US has shown a sign of hope during 2001-02 and 2002-03. The quantity of export was highest in 1997-98, but the value of export was highest in the following year i.e., 1998-99.

Export of KL from India to UK during 1989-90 and 2002-03



Comments: The quantity of export was highest in 1989-90 and so also the value of export.

Orissa's share in the total export			
<i>Year</i>	<i>2001-02</i>	<i>2002-03</i>	<i>Net increase/decrease in quantity and value of export</i>
Pakistan	1474587 kg.; Rs.66920341	1405020 kg; Rs.67823973	69567 kg(decrease); Rs.903632(increase)
Sri Lanka	1724375 kg.; Rs.106429491	1699605 kg.; Rs.136178867	24770 kg(decrease).; Rs. 29749376(increase)
Total export to these two countries from India:	3198.962 MT	3104.62 MT	
Direct export from Orissa (by National Enterprises, Rourkela ¹)	5675 bags or 340.5 MT (10.64%); Rs.215.91 lakhs	3000 bags or 180 MT (5.79%); Rs.111 lakhs	160.5 MT(decrease); Rs.104.91(decrease)
(Note: Figures of export from Orissa are by courtesy the Export Promotion Council, Govt of Orissa)			

Comments: The above table suggests that either our share in the total export(KL) from the country is marginal, or our produce is being exported indirectly from Orissa. While there is a net gain in the value of total export despite a decrease in the quantity, in case of direct export from Orissa there is a net loss recorded. We must see why did we fail to take advantage of the trend that could ensure a net gain against a net decrease in quantity².

Even if the share of export is marginal in the total marketed quantity, we must not ignore the same as export itself serves as a major means of value addition. The net value of the produce may become several times higher than that in the domestic market if it is exported.

¹ Here direct export from Orissa means either an Orissa-based organization/individual is the exporter of Orissa's kendu leaves, or the exported KI has been officially recorded to have come from Orissa.

² The net gain against a net decrease in the exported quantity may be due to leaves qualitatively better than earlier exported; still we should know what made us lag behind.

CONCLUSION

Orissa being the only state in India to produce processed KL³, is supposed to be in the most advantageous position so far the export is concerned since exporters give top priority to the processed leaves. However, we have seen that the share of the state in direct export has become very marginal now. A declining trend in export cannot be blamed for this in the first place. What is important is that whatever the trend of export may be, we should regain our position so far the share in the export market is concerned. If we are not able to do this, then either we are lacking in the quality, or our produce is being utilized by outsiders for export. Market intelligence is recommended to be applied in this case so as to investigate the matter with an objective of improving our status in the future.

³ Processed kendu leaves are classified into various grades ranging from grade-1 to low-grade or mixed grade leaves so that the purchaser can decide which one would serve his purpose. States other than Orissa produce what is known as *phal* leaves which, being unprocessed, contain good and bad leaves, thus requiring rejection of unfit leaves at the end of the purchaser.