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Export performance of agriculture commodities in post LPG reforms

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Abstract
The primary driver of the Indian economy is agriculture, which also serves as a source of raw materials for the secondary sector. However, as agriculture's growth is slowing, research into agri-export is necessary. This study's goal is to assess the performance of agricultural export products following LPG reforms. Agri-export is the most underutilized area for raising farmer income, which would therefore reduce farmer suicide rates and eradicate poverty in India. The official APEDA website's secondary data has been taken. The mean of the 28 years of data, which were divided into three sup-periods, was used for analysis. While non-basmati rice, walnuts, lentils, and wheat have showed declines, commodities like buffalo meat, fresh onions, and basmati rice have all shown increases recently. The government must take a number of crucial steps to ensure that farmers receive a fair price for their produce by boosting exports of their goods.

Keywords: Agricultural export, buffalo meat, fresh onions

Introduction
India's agricultural export has been a tale of possibilities that went unrealized. India is second in the world for agricultural production, although it exports less than 2% of its agricultural products. The agricultural sector employs 54 percent of the rural population and provides 17 percent (approximately) of India's GDP, down from more than 50 percent at the country's independence. When the Agreement on Agriculture (AoA) was established in 1995 with the goal of changes in the trade sector and making regulations more market-oriented, agriculture entered the WTO Regime for the very first time. Three major topics—market access, domestic assistance, and export competition—have been handled by this agreement. However, because of the rise in agricultural prices, the results of the AoA have not been favourable for developing countries due to increase in subsidies and non-tariff measures.

India changed from being a net importer of food grains to being a net exporter of them in the 1950s. India's agriculture sector has a relatively small international footprint, notably in exports. The policy shifts from the substitution of imports to the expansion of exports in 1991, following the most recent structural changes. India has a competitive advantage for agricultural exports in numerous commodities because of its affordable labour, ability to produce its own

food, and diverse climatic conditions. Some goods, like rice and other dairy products, have a specialised market in India. Despite the above-mentioned characteristics giving India an advantage in exports, trade has been extremely competitive since the establishment of the WTO, and India's competitive edge could disappear if it cannot keep up with its rivals' infrastructure standards.

Without a parallel increase in the growth of agriculture, it will be challenging for the nation's GDP to rise at a rate higher than 7%. The EXIM (2002-07) and the Foreign Trade Policy (2004-09) have implemented a number of initiatives to make Indian agriculture competitive under the WTO system. These interventions include the involvement of the private sector in the establishment of Agricultural Export Zones (AEZs), preference for Special Economic Zones (SEZs), duty-free importation of capital goods under the Export Promotion Credit Guarantee (EPCG) programme, and a liberalised trade policy to promote the export of herbal products and other products made from plants.

Due to a number of factors, including a lack of storage, legislation, and supply chains, Indian agriculture has unrealized potential to increase exports.

Agriculture export growth will boost farmer income since they will receive a higher price for their produce. In order to assess their effectiveness and provide additional advice to the stakeholders, it is crucial to look at the export trends of agricultural commodities.

Objectives

1. To examine the export patterns of different agricultural products between 1991 to 2019.
2. To analyze the export trends for different agricultural goods between 1991 to 2019.
3. To offer suitable ideas for increasing the exports of specific agricultural commodities.

Material and Method: -

Research papers, articles, books, and journals were used to gather the secondary data for the current study. The study focuses on the export of agricultural products such fresh onions, pulses, wheat, buffalo meat, basmati and non-basmati rice, walnuts, and wheat. Secondary data for the 28-year time frame from 1991 to 2019 has been gathered from APEDA. The statistical approach used compares the means of three sub-periods separated by 28 years in terms of export volume and revenue.

Result and Discussion

Commodity 1: - Walnut (HS 08023200)

It is categorized as commodities having export potential by the national commission on agriculture. LPG exports surged as a result of the reforms. India's top producing state of walnuts is Jammu & Kashmir. The two countries that import the most walnut from India are the United Kingdom and Germany. Its productivity level has increased in the post-WTO era, but not at the expected rate.

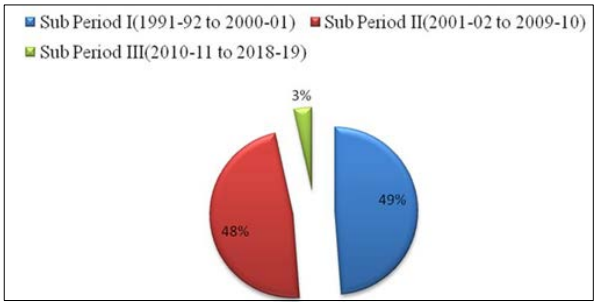

Fig 1: Walnut export (Qty in MT)

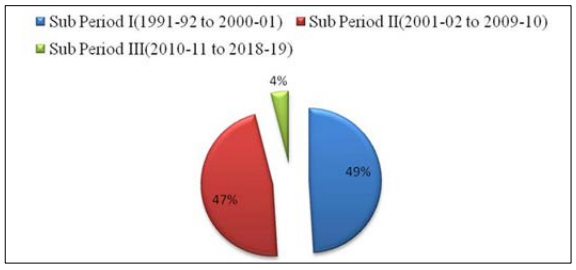

Fig 2: Walnut (Export earning in US $ mill)

Inference

There is decline in export of walnut during Sub period III because of decrease in quality of walnut, Global recession and poor backward integration.

Commodity 2: Basmati Rice (HS 10063020)

Basmati rice from India has exceptional grain, cooking, eating, and digestive properties. The most popular and highest-priced basmati rice in both the domestic and international markets is of its superfine quality. The types Taraori basmati, Basmati 370, and Basmati type 3 are grown for commercial purposes. India mostly exports rice to Arab nations including Iran, Saudi Arabia, and Iraq. India's top rice-producing states are Punjab, Haryana, Uttar Pradesh, and Madhya Pradesh. Pakistan's basmati rice is the only rice export competitor of India.

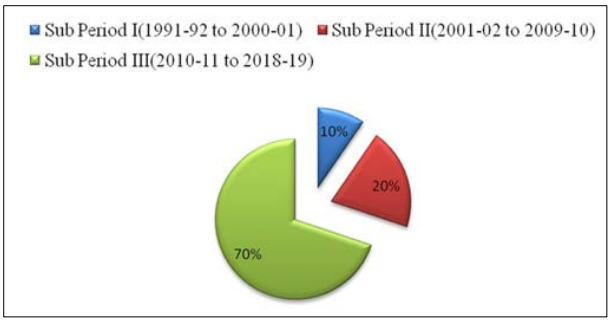

Fig 3: Basmati rice (Export Qty in MT)

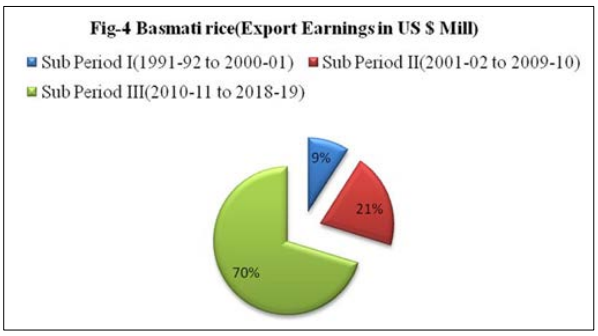

Fig 4: Basmati rice (Export earning in US $ mill)

Commodity 3:- Non–Basmati rice (HS 10063010)

Most of its exports go to Benin and Nepal. India's primary rival in this market is Thailand. To enhance its export, India should benefit from Thailand's Pledging pricing.

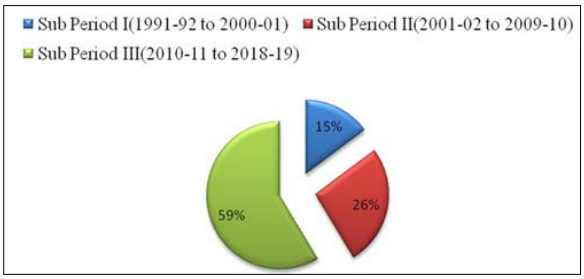

Fig 5: Non–Basmati rice (Export Qty in MT)

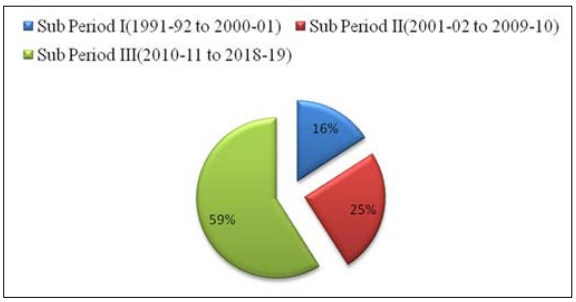

Fig 6: Non–Basmati rice (Export earning in US $ mill)

Inference
Due to various government measures, its export has decreased, but export earnings have climbed during Sub Period III as a result of a fall in the export to production ratio.

Commodity 4: - Buffalo Meat (HS 2023000)
It is still heavily traded, driven by rising demand from developing nations, rising consumption, and a growing cow supply. A shift towards more fresh and less processed options is one of the broad global consumer trends that affects Buffalo consumption through food services and retail outlets. Buffalo meat from India is advertised as a cheap source of protein. Indian buffalo meat exports to other nations are enhanced by its price advantage over other SAARC nations. Due to cost competitiveness, even throughout the global recession, its cost was unaffected.

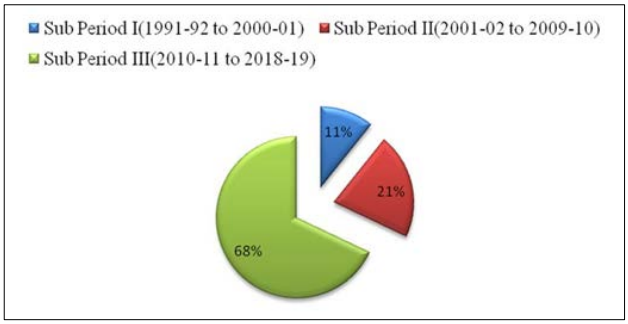

Fig 7: Buffalo meat (Export Qty in MT)

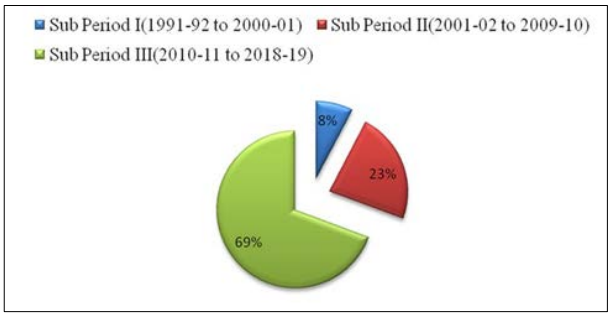

Fig 8: Buffalo meat (Export earning in US $ mill)

Inference
During Sub Period III, exports of buffalo meat significantly increased. The leading meat importer is still the United States.

Commodity 5: - Wheat (HS 10019910)
Nepal is Bangladesh's second-largest wheat importer in 2018–19. Wheat supply has increased steadily since LPG reforms, but the amount of land planted in wheat is decreasing**.**

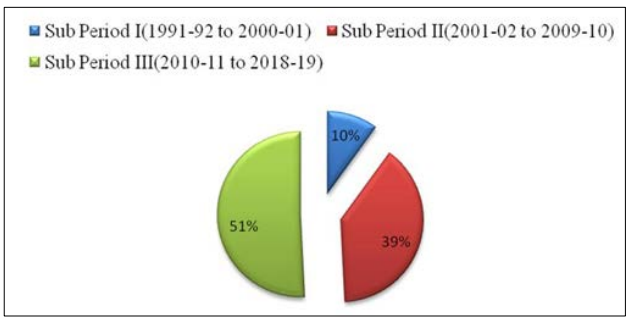

Fig 9: Wheat (Export Qty in MT)

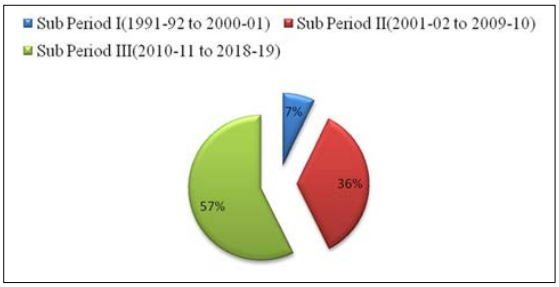

Fig 10: Wheat (Export earning in US $ mill)

Inference
The amount of wheat exported increased significantly during subperiod II, while subperiod III saw a steady growth as India's acreage dedicated to growing wheat decreased. Its earnings have increased significantly in the interim Period III.

Commodity 6:- Pulses (HS 0713)
India is the world's biggest producer and consumer of pulses. Because the majority of Indians are vegetarians, they must eat pulses once a week in order to receive their protein. The majority of Algeria's imports of pulses from India.

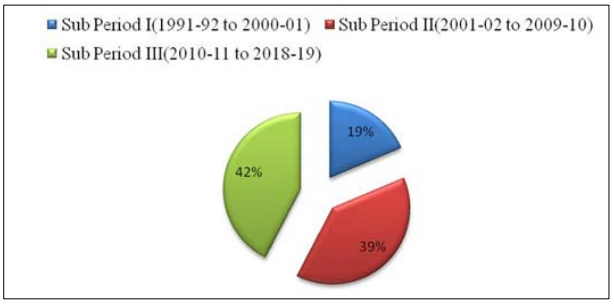

Fig 11: Pulses (Export Qty in MT)

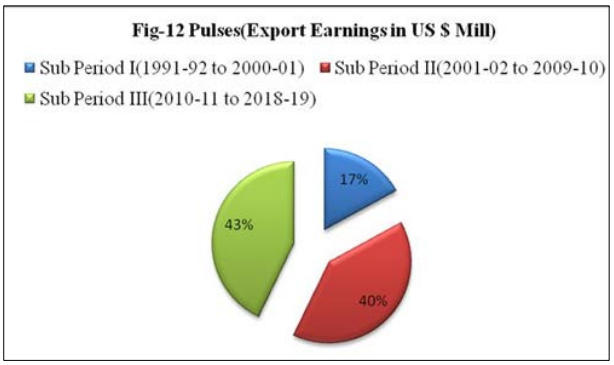

Fig 12: Pulses (Export earning in US $ mill)

Inference
The export of pulses rose in Sub Period II, while Sub Period III saw little growth as India's domestic consumption of pulses rose.

Commodity 7: - Fresh Onions (HS 07031010)
Indian farmers generate good money farming onions. The product continues to be in demand no matter what the season. The three most profitable states for developing onions are Maharashtra, Gujarat, and Tamil Nadu. Because they take great care to protect the export market quality of the items, channeling agencies, particularly NAFED, have been successful in opening up markets for Indian onions abroad. The ability of the economies in the European Union and other

growing nations needs to be utilized in order to raise the perception of unit output.

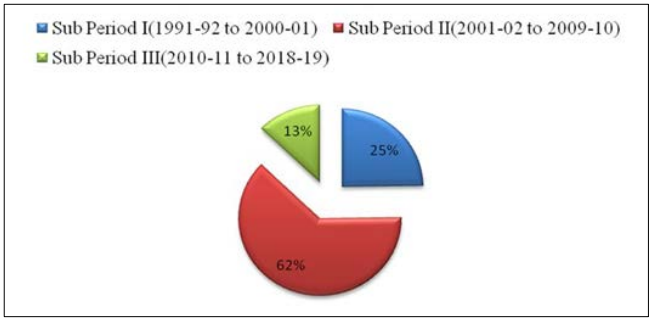

Fig 13: Fresh Onions (Export Qty in MT)

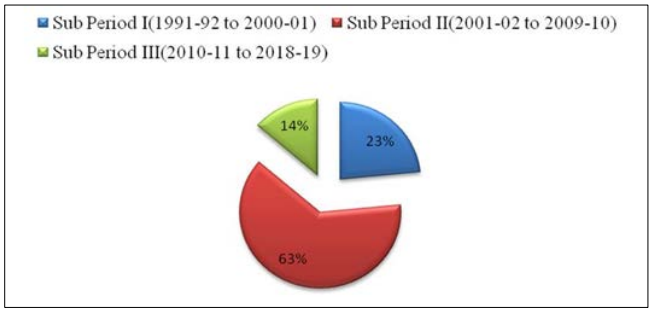

Fig 14: Fresh Onions (Export earning in US $ mill)

Inference

Due to the export ban enforced by the Indian government to stabilise the country's domestic pricing, its export has been dropping.

Conclusion

The pre- and post-LPG reforms agro-export from India is highly erratic. In the early stages of trade liberalization under the WTO, agricultural exports' percentage of total exports dropped sharply, but subsequently, in the post-2000 period, it adjusted to the competition on the global market. Following is a summary of this chapter's findings and suggestions:

1. Walnut (HS 08023200)

Walnut production area has been increased but its quality has been declining due to the following reasons:

- Decrease in quality.
- Global recession.
- Poor backward integration.

2. Basmati rice (HS 10063020)

Its export has been increasing but we can increase it in more efficient way by overcoming problems in such as

- Infrastructure facilities.
- Rice price is inelastic due to high cost of production.
- Rice mills are not modernized (high recovery reducing percentage of broken rice).
- It is prone to lodging and lodging affects.
- Post-harvest handling.
- Absence of genetically pure seeds of basmati rice.

3. Non -basmati Rice (HS 10063010)

It includes broken rice of basmati as well as other rice varieties other than basmati. Its export has been fallen due to

- Infrastructure facilities.
- Rice price is inelastic due to high cost of production.
- Rice mills are not modernized (high recovery reducing percentage of broken rice).
- It is prone to lodging and lodging affects.
- Post-harvest handling.

4. Buffalo Meat (HS 2023000)

Compound annual growth rate of buffalo meat has remained -6.8 percent for the last five year. Global buffalo consumption is forecast to grow at 1.2 percent out to 2022 but its global share of meat consumption is expected to decline at 21.5 percent due to

- Faster expansion of poultry sector.
- Growing household income.
- Differentiated segments.
- National animal disease control Programme.
- Strong price competitiveness.
- Domestic and international trade regulations.

5. Wheat (HS 10019910)

Its export has not been increased as expected due to decline in area of production as farmers are shifting towards pulses production as MSP of pulses has been increased by the Government and LPG has bought global competition.

6. Pulses (HS 0713)

Its growth is increasing but at constant rate due to:

- Domestic consumption of pulses.
- Its price is elastic among low price consumers.
- Biotic and Abiotic stress.
- Pest and disease attack.
- Low temperature stress in winter.
- Non availability of moisture at critical stages.

7. Fresh Onion (HS 07031010)

Its export has been declining due to

- Government had imposed MEP on onions and then it had increased manifolds to curb exports and increase domestic supply.
- No storage facility.

Suggestions

There are certain issues to be addressed to increase the export such as:

- Proper Research and development of the scientific genetic lines is required.
- There is also need of good supply chain management so that agricultural commodities do not get deteriorated before getting to market.
- Foundation seeds should be distributed among farmer so that yield obtained possess quality which can be exported.
- Perishables need to be transported in cold storage refrigerators so that product does not lose its quality before reaching in the hands of consumer.
- Proper connection with Agri-export zones of the rural areas is also required.
- Agri inputs like seeds fertilizer, seeds etc to be distributed to farmer after having quality check through their regulating agency.

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