

INDIA'S FOREIGN TRADE AND AGRICULTURE EXPORTS

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Abstract

Emerging world demand for Indian agricultural commodities offers great opportunity and Indian agricultural exports have increased manifold. However, the contribution of agricultural exports in the total exports of the country shown as declined. The article study explores the performance of India's agricultural exports for the time period 1990-91 to 2009-2010, by analysing Magnitude, Direction and Composition. The trade to GDP ratio in 1990-91 was around 12 per cent which has increased to more than 33 per cent in 2009-10 in India indicating tremendous growth in trades. This article clearly indicates greater degree of openness of Indian Economy. The present article discusses growth and composition of India's agriculture export in India since economic liberalization. An in depth composition and structure analysis of the agricultural export is undertaken in the present article. The study also examines the changing dynamics of the contribution of individual group of commodities in the basket of agricultural export.

Key words: *Export Promotion Strategy, Agriculture Export, Foreign Trade, Growth, Composition, Stability, Economics Liberalisation.*

Introduction

Indian agricultural commodities have come to occupy a supreme position in the global market over the years. Today, India is a major supplier of several agricultural commodities like tea, coffee, rice, spices, cashew, oil meals, fresh fruits, fresh vegetables, meat and its preparations and marine products to the international market. However, the country faces fierce competition from other major players in the field, both the existing and new entrants in the fray. Ironically, the major challenge is from within Asia itself where countries like China, Malaysia, Philippines, Thailand, Singapore and Indonesia among others pose a big threat to Indian agricultural products. The demand and supply situations in the Asian continent have undergone a rapid transformation due to the growth of the world economy and lowering of trade barriers. An economic upheaval which took place in most of the South-East Asian countries has resulted in the creation of a huge supply potential in these economies along with an increase in their per capita income and a simultaneous increase in their trade potential.

Moreover, some recent developments in the international trade scenario, followed by the establishment of World Trade Organisation (WTO) and subsequent liberalization of trade have resulted in the emergence of new powers like Vietnam and Turkey with substantial potential in agricultural trade. The formation of regional trading blocks like ASEAN Free Trade Area (AFTA), Bangkok Agreement, South Asia Free Trade Agreement (SAFTA), etc. has given rise to powerful associations with strong bargaining power and these can significantly influence the demand and supply factors in the global markets.

Above all, the Indian economy in itself has undergone a rapid transformation after the inception of economic reforms in 1991.

India's ratification of the Agreement on Agriculture (AoA) with WTO also had a major impact leading to redefining of its agricultural trade. During this time span, various agricultural commodities exported from India have responded differently and their levels of comparative advantage in the global markets have altered significantly. Hence, it is imperative to have a systematic and well-structured analysis to find alterations in the comparative advantage of India visa-vis World.

India's Share of Agriculture & Non-Agriculture Export in Total Exports: (Million US\$)

Year	Total Exports	Agriculture & Allied Products Export	Percentage Share of Agri. Export	Percentage Share of Non-Agri. Export	Ratio of Agri. Export to Non-Agri. Export
1991-92	17865.40	3202.50	17.90	82.10	1:05
1992-93	18537.20	3135.80	16.90	83.10	1:05
1993-94	22238.30	4027.50	18.10	81.90	1:05
1994-95	26330.50	4226.10	16.10	83.90	1:05
1995-96	31794.90	6081.90	19.10	80.90	1:04
1996-97	33469.70	6862.70	20.50	79.50	1:04
1997-98	35006.40	6626.20	18.90	81.10	1:04
1998-99	33218.70	6034.50	18.20	81.80	1:04
1999-00	36822.40	5608.00	15.20	84.80	1:06
2000-01	44560.30	5973.20	13.40	86.60	1:06
2001-02	43826.70	5901.20	13.50	86.50	1:06
2002-03	52719.40	6710.00	12.70	87.30	1:07
2003-04	63842.60	7533.10	11.80	88.20	1:07
2004-05	83535.90	8474.70	10.10	89.90	1:09
2005-06	103090.50	10213.80	9.90	90.10	1:09
2006-07	126361.50	12683.50	10.00	90.00	1:09
2007-08	159006.70	19398.80	12.20	87.80	1:07
2008-09	173865.30	17774.50	10.20	89.80	1.80
2009-10	184770.00	19572.40	10.60	89.40	1.80

Source: Directorate General of Commercial Intelligence and Statistics, Government of India

The share of agricultural exports in the total exports was 17.90 per cent in 1991-92, which has increased to nearly 3 per cent by the year 1996-97, there after the share was continuously declining and it reduced to 9.90 per cent in 2006-07. Between the year 2006-07 and 2007-08 there was an increase of 2.30 per cent. With a fall in 2008-09 to 10.20 per cent it has seen a growth of 0.40 per cent in 2009-10.

The slow rise in agricultural export calls for the change in strategic approach of Indian agriculture in a big way to achieve higher levels of production in crops in which India has comparative advantage and generate surpluses for exports. The government's commitment towards agriculture is seen from the ambitious 4 per cent growth target set under the Eleventh Plan. In its quest for accelerated growth, India has to increase its agricultural growth rates of 2.0 per cent to the long term trend of around 4 per cent per annum. Contribution of Indian agricultural export to the total export of India in 2009-10 stood at 9.40 per cent. There is an increase in the volume of agricultural export from 3130.08 million US\$ in 1991-92 to 16753.23 in 2009-10. The compound annual growth rate for these 18 years is 9.30 per cent.

Commodity wise Compound Annual Growth Rate of Agricultural Export

Commodities	Compound Annual Growth Rate		
	1991 - 1999	2000- 2009	1991 - 2009
Cereals and Cereal Preparation	10.70	15.50	11.90
Fresh and processed Vegetables	-2.50	18.40	9.30
Fresh and processed Fruits	17.30	21.00	20.80
Pulses	22.50*	-1.80	10.60
Floriculture products	-8.70	9.80	0.50
Tea and coffee	2.70	4.60	2.80
Spices	11.20	12.80	12.10
Tobacco	4.10	15.90	9.60
Cotton	14.60	-16.10	44.90
Marine Products	7.80	3.80	6.50
Meat and meat Preparations	8.10	16.10	14.80
Dairy & poultry products	9.60#	18.50	16.90
Oil cakes, oil and oil seeds	5.70	13.10	9.90
Sugar and Molasses	-20.00	12.10	7.80
Total Agriculture Export of India	5.50	11.60	9.20

Note: *indicates CAGR from 1992 to 1999. # indicates CAGR from 1994 to 1999.

Source: CMIE's publication on Foreign Trade and Balance of Payment.

The highest CAGR value of 22.50 per cent was of pulses, followed by fresh and processed fruits, cereals and spices. For tea and coffee, tobacco, marine products, meat and meat preparations, poultry and dairy products, oil, oil cakes and oil seeds the value was less than 10 per cent. The period from 1991 to 1999 had the negative CAGR values for commodities such as fresh and fresh processed vegetables, floriculture products, sugar and molasses. The CAGR of total agricultural export in this period is 5.50 per cent. All the commodities except vegetables, floriculture products, tobacco, sugar and molasses have performed better than the total agricultural export performance in this period.

A comparison of CAGR values of all the commodity groups between the two periods viz 1991 to 1999 and 2000 to 2009 shows that all the commodities except pulses, cotton, and marine higher value of CAGR for the second period. For the total agriculture export there is an improvement in the CAGR value from 5.50 in first period to 11.60 in second periods. The CAGR values for the entire study period i.e., from 1991 to 2009 reveals highest growth of 44.9 per cent is for cotton and lowest for tea and coffee.

The CAGR value for total agricultural export for the entire period under observation is 9.20 per cent, which is the result of better growth after year 2000. Commodities such as cereals and cereal preparations, fruits, pulses, spices, tobacco, cotton, meat and its preparations, dairy and poultry products have CAGR value greater than that of the total agricultural export. The growth in these commodities has positively affected the overall agricultural export growth of India.

India's Total Exports vs. Agriculture Exports

Year	Total Export	Agri and Allied Export	Growth in Total Export	Growth in Agri and Allied Export
2000-01	44.10	6.00	20.10	6.60
2001-02	43.80	5.90	-1.70	-0.70
2002-03	52.70	6.70	20.30	13.60
2003-04	63.80	7.60	21.10	13.40
2004-05	83.50	8.40	30.90	10.50
2005-06	103.10	9.60	23.50	14.30
2006-07	126.30	11.20	22.50	16.70

Source: CMIE, India Trade data base, 2008

India is among the 15 leading exporters of agricultural products in the world. As per International Trade Statistics, 2009, published by the WTO, India's agricultural exports amounted to US\$ 21.37 billion, with a share of 1.60 per cent of world trade in agriculture in 2008. Agricultural exports have shown an increasing trend. Agricultural exports have increased from Rs.79,039.72 crores in 2007-08 to Rs.85,961.82 crores in 2008-09, registering a growth of about 8.76 per cent. The most significant positive aspect of our agricultural exports is that a majority of the items in the agriculture export are net foreign exchange earners, with negligible import content unlike high import content in many manufactured products. Export of agriculture products increased from US\$ 6.0 billion in 2000-01 to US\$ 11.20 billion in 2006-07. However, the share of agriculture and allied products in total exports has come down from 13.60 per cent to 8.90 per cent during the same period. During the period 2000-01 to 2006-07, India's overall exports grew faster than agro exports. The difference has always been substantial except in 2001-02 where both experienced negative growths.

India's major agro exports (apart from marine products) include rice, oil meals, cashew, spices, tea, and wheat. The non-traditional exports include horticulture and floriculture products such as vegetables, fruits and their processed products. Star performers have in fact been the traditional agro exports like basmati rice, oil meals and castor oil. To be precise, share of oil meals in India's agriculture exports jumped to 8.60 per cent in 2004-05 from 4.60 per cent during 2001-02. Share of basmati rice also shot up from 6.30 per cent to 7.60 per cent during the same period. This was due to a significant average growth rates experienced over the last three years of 62 per cent and 22 per cent, respectively. This trend clearly reflects increasing importance of traditional agro exports, necessitating the need to diversify into non-traditional export products.

Agriculture Export Composition from 1991 to 1999:

An analysis of the composition of agricultural export of India from 1991 to 1999 for the below mentioned 14 commodity groups is presented in the following table, which includes the percentage share of each of these groups of commodities in the total agricultural export of India. In the year 1991 tea and coffee were the largest contributors followed by marine products, oil cakes, oil and seeds. Even the cereals and cereals preparations contributed 12.40 per cent. In the same year contribution of fresh fruits, floriculture products and sugar and molasses is less than 2.50 per cent. In 1992 the contribution from marine products and oil group was more than 20 per cent, the share of tea and coffee reduced to 17.70 per cent and for cereals and cereals preparations there was a marginal decline. Tea and coffee, cereals and cereals preparations, marine products and oilcakes, oil and oilseeds earned large chunk of the total agricultural export till 1999.

Composition of India' Agricultural Export (1991 To1999) (Percentage)

Commodity Groups	1991	1992	1993	1994	1995	1996	1997	1998	1999
Cereals and Cereal Preparation	12.40	11.90	11.60	11.30	28.30	20.10	15.50	27.70	15.00
Fresh and processed Vegetables	4.80	4.00	3.60	2.90	2.40	2.10	1.90	1.90	2.30
Fresh and processed Fruits	1.20	1.40	1.40	2.70	2.50	2.20	2.40	2.50	3.10
Pulses	0.00	0.50	0.60	0.70	0.70	0.60	1.40	1.20	1.80
Floriculture	2.10	1.80	1.60	0.60	0.30	0.30	0.40	0.40	0.50
Tea and coffee	21.80	17.70	14.60	16.60	15.10	12.10	14.90	17.30	16.30
Spices	5.30	4.90	5.00	5.20	4.50	5.30	6.10	7.00	8.30
Tobacco	5.30	5.60	4.40	2.60	2.40	3.30	4.50	3.80	4.50
Cotton	4.30	2.70	5.00	2.30	1.10	5.90	4.60	1.70	0.50
Marine Products	20.40	20.80	22.20	28.40	20.70	18.50	19.80	19.60	23.50
Meat and meat Preparations	3.30	3.10	3.10	3.40	3.40	3.30	3.50	3.50	3.90
Dairy products and Poultry	0.00	0.00	0.00	0.30	0.30	0.50	0.50	0.50	0.50
Oil cakes, oil and oil seeds	16.50	20.30	24.40	22.30	19.90	21.30	21.90	15.90	16.00
Sugar and molasses	2.20	3.70	2.10	0.80	2.40	4.50	2.10	0.40	0.20
Total Agricultural Export	100	100	100	100	100	100	100	100	100

Source: CME's publication on Foreign Trade and Balance of Payment.

However it can be observed that the relative importance of tea and coffee has marginally declined. The contribution of poultry, dairy products and pulses remain insignificant.

Composition Agriculture Export From 2000 to 2009

The share of four major groups of commodities i.e., cereals and cereals preparations, marine products, oil cakes, oil and oilseeds and tea and coffee has contributed as high as 79 per cent in 1994 but there has been a gradual decline to 52.30 per cent in 2009. From year 2000 to 2009 the share of cereals export has increased from 14.20 per cent to 17.20 per cent. Fruits and vegetables were below 4 per cent till 2008 have crosses this level in the year 2009. Maximum share of pulses was 2.70 in the year 2005. In 2004 dominance of cereals is visible. This group has earned 1884.18 million US\$

in 2003. Marine products earned 1411.80 million US\$ in the same year. Even the earning from oil group was above 1200 million US\$. In 2006 floriculture reached above 1.10 per cent and rest of the period it was less than 1 per cent.

Composition of India' Agricultural Export (2000 to 2009) (Percentage)

Commodity Groups	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cereals & Cereal Preparation	14.80	19.50	27.50	23.50	27.90	18.80	15.80	22.40	22.30	17.20
Fresh and Processed Vegetables	3.40	3.60	3.60	4.50	4.10	4.50	5.10	3.70	4.00	4.60
Fresh and processed Fruits	11.40	10.10	9.70	8.20	9.80	9.60	8.00	5.90	7.50	7.80
Pulses	2.10	1.40	1.20	1.00	1.70	2.70	1.50	0.80	0.70	0.50
Floriculture products	0.50	0.50	0.60	0.80	0.70	0.70	0.70	0.50	0.50	0.40
Tea and coffee	12.40	10.60	8.50	8.10	8.00	7.80	7.20	5.50	6.30	6.30
Spices	4.70	3.80	3.40	3.10	3.50	3.00	4.10	4.20	8.00	7.80
Tobacco	3.40	3.10	3.40	3.40	3.70	3.20	3.20	2.80	4.40	5.50
Cotton	1.00	0.20	0.20	3.00	1.20	7.00	11.60	12.90	3.60	12.00
Marine Products	25.20	21.70	22.80	18.70	18.80	16.90	15.10	10.00	8.90	12.50
Meat and meat Preparations	5.80	4.60	4.50	5.10	5.00	6.50	6.20	5.30	6.80	7.90
Dairy products and Poultry	0.80	1.30	1.00	1.20	1.80	2.40	1.40	1.90	2.00	1.20
Oil cakes, oil and oil seeds	12.40	12.40	7.30	15.40	12.90	14.90	13.60	15.70	19.20	16.30
Sugar and molasses	2.20	7.10	6.40	4.30	0.90	2.10	6.60	8.50	5.70	0.20
Total Agricultural Export	100	100	100	100	100	100	100	100	100	100

Source: CMIE's publication on Foreign Trade and Balance of Payment.

Tea and coffee which were the major export earners in the earlier decade declined to 13.20 per cent in 2000 and further reduced to 6.30 per cent of the total agricultural export value in 2007. There is a reduction in spices share from 7.20 per in 2000 to 5.40 per cent in 2005 which increased in next four years. Tobacco records a rise in its share in the agricultural export of India from 3.90 per cent in 2000 to 5.50 per cent in 2009. Cotton has registered an increase and its share stood at 12 per cent in 2009. Meat and meat preparations do not show any particular trend but over all there is 2.10 per cent increase in the share from 2000 to 2009. The contribution of dairy products is marginal it has increased till 2005; thereafter it is on a decline till 2009, 16.50 per cent of the total earnings in 2000

came from oil cakes, oil and oil seeds which saw a reduction till 2002 and gradually it is increasing till 2008.

Direction of India's Agricultural Exports

The agricultural commodities from India are mainly exported to many of the developed and emerging economies. The detail of India's direction of exports to principal countries in rupees is shown in the following table.

Exports of Select Commodities to Principal Countries - Rupees (Rupees crore):

Country's	1990-1991	1995-1996	2000-2001	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Tea Exports								
Germany	42.20	75.50	92.90	112.80	101.10	109.18	137.60	104.50
Iran	61.80	5.40	53.20	80.90	100.60	171.75	207.80	212.60
Russia	597.30	476.60	479.00	237.80	279.10	286.55	361.30	469.60
U.A.E.	30.10	131.30	270.20	242.20	177.40	293.20	337.90	343.50
Total	1074.82	1171.11	1788.71	1730.73	1969.51	2034.17	2688.87	2943.53
Coffee Exports								
Italy	17.00	197.70	126.90	366.30	450.90	464.80	559.30	420.70
Russia	146.20	341.00	288.20	298.40	230.50	157.16	204.30	291.60
U.K.	1.10	14.20	26.90	12.20	12.30	10.86	17.60	16.10
U.S.A	6.90	165.00	78.10	24.70	38.10	41.59	42.00	51.90
Total	253.32	1502.94	1184.87	1588.69	1969.00	1872.27	2255.76	2032.06
Rice Exports								
Saudi Arabia	143.30	492.00	1309.40	1874.10	1433.80	2451.36	3105.60	3346.60
Singapore	1.10	8.00	32.80	65.20	56.40	68.57	54.40	57.80
U.A.E.	25.70	182.70	113.20	399.90	542.40	1518.18	2902.90	3137.10
U.K.	38.40	119.80	306.20	228.40	228.70	323.82	435.70	201.00
Total	461.60	4568.10	2932.20	6221.30	7035.90	11754.60	11164.40	11254.90
Tobacco Exports								
Belgium	17.80	23.50	62.00	162.60	206.10	246.21	705.70	785.20
Netherlands	4.00	9.50	46.40	50.10	53.30	76.34	121.40	238.30
Russia	105.00	75.20	126.90	173.80	130.70	116.64	186.10	227.90
U.A.E.	3.40	23.20	70.00	98.70	166.60	223.51	229.70	234.90
Total	263.35	446.82	867.21	1330.66	1685.17	1931.89	3061.04	4344.40

Source: Directorate General of Commercial Intelligence and Statistics & RBI Handbook, 2008.

Destination wise analysis shows that during 2008-09 developing countries and OECD countries were the major markets for India's export accounting for 37.60 per cent, 37.40

per cent share respectively. Another major contributor was OPEC with 21.20 per cent shares. Country-wise the UAE become the single largest destination for India in 2009-10 with a share of 13.10 per cent in. India's total exports by replacing the U.S which remained India's largest export market for a number of years UAE was followed by the US (11.40%), China (5.10%), Singapore (4.50%), Honkong (3.60%) and UK (3.60%).

Tea export was Rs.30.10 crores during 1990-91 in 1995-96 it has reached to Rs.131.30 crores finally it stood at Rs.343.50 for UAE in the year 2009-10, followed by Russia in the same year almost same value. In the case of Germany the value wise export was not very impressive from the year 1990-91 to 2009-10 finally it stood at Rs.104.50 crores. Coffee was main export for India that was Rs.17 crores during 1990-91 in 1995-96 it has reached to Rs.197.70 crores finally it stood at Rs.420.70 crores for Italy in the year 2009-10, followed by Russia in the same period Rs.146.20 crores to Rs.291.60 crores value. In case of USA the value wise export from the year 1990-91 to 2009-10 was Rs 6.90 to Rs.51.90 crores.

Rice export are also very important for India, Export of rice to Saudi Arabia followed by U.A.E was Rs.492 crores and Rs.182.70 crores during 1995-96 it has reached to Rs.3346.60 crores & Rs.3137.10 crores. Tobacco export has second position for UAE i.e Rs.234.90 crores, during the year 2009-10, but in 1990-91 only it was Rs.3.40 crores. First position was Belgium Rs.17.80 crores. In 1990-91 it reached to Rs.785.20 crores in the year 2009-10.

Spices export are also very important for India, Export of rice to U.S.A followed by U.A.E was Rs.172.50 crores and Rs.61.60 crores during 1995-96 it has reached to Rs.906.30 crores & Rs.334.50 crores. The Cashew including cashew nut shell liquid export was Rs.57 crores during 1990-91 in 1995-96, it has reached to Rs.349.30 crores finally it stood at Rs.778.10 crores for USA in the year 2009-10. UAE in the same period the value wise export was Rs. 494.20 crores, In case of Netherlands the value wise export was impressive from the year 1990-91 to 2009-10 i.e. Rs.65.70 crores to Rs.258.50 crores. Oil Meals was main export for India that was Rs.30.10 crores during 1990-91 in 1995-96 it has reached to Rs.213.80 crores finally it stood at Rs.698.70 crores for Thailand in the year 2009-10, followed by Japan in the same period Rs.3.1 crores to Rs.803.60 crores value. In case of USA the value wise export from the year 1990-91 to 2009-10 was Rs.1.70 crores to Rs.500.70 crores.

Exports of Select Commodities to Principal Countries - Rupees (Rupees crore)

Country's	1990-91	1995-96	2000-01	2005-06	2006-07	2007-08	2008-09	2009-10
Spices Exports								
Bangladesh	19.50	43.50	70.80	47.00	173.60	198.90	124.20	226.80
U.A.E.	5.30	61.60	94.90	108.70	155.40	212.66	375.10	334.50
U.K.	10.50	47.20	112.60	140.10	188.20	227.69	317.30	357.10
U.S.A	38.50	172.50	344.60	457.90	591.20	876.95	1332.60	906.30
Total	233.21	793.52	1617.74	2115.98	3157.90	4314.86	6338.41	6157.23
Cashew nuts Exports								
Netherlands	65.70	209.20	380.10	410.70	378.20	243.78	355.30	258.50
Saudi Arabia	0.10	11.00	37.70	60.80	67.10	68.43	87.10	95.30
U.A.E.	5.40	38.40	83.70	189.20	207.70	273.79	381.30	494.20
U.S.A	57.00	349.30	924.40	984.70	975.30	798.55	963.40	778.10
Total	446.80	1237.15	2053.47	2593.37	2306.52	2234.77	2930.66	2829.20
Oil Meals Exports								
Indonesia	1.70	339.50	313.40	637.70	694.10	860.78	871.80	500.70
Japan	3.10	127.20	156.20	583.70	578.70	936.12	1552.90	803.60
Singapore	4.20	408.60	346.00	319.40	158.40	77.79	333.30	111.40
Thailand	30.10	213.80	158.60	289.80	364.90	615.66	738.40	698.70
Total	608.50	2348.61	2044.69	4875.01	5504.32	8140.55	10269.20	7831.79
Marine Products Exports								
Japan	475.20	1393.10	2329.30	1133.60	1278.20	1093.30	1028.20	1164.10
Spain	59.70	155.90	203.80	516.00	569.90	633.92	512.50	685.00
U.A.E.	9.60	337.70	325.10	246.50	278.50	237.38	263.40	328.90
U.S.A	113.40	329.40	1091.70	1555.80	1289.30	889.51	961.20	974.00
Total	959.68	3381.13	6367.29	7035.91	8001.04	6926.67	7066.37	9899.98

Source: Directorate General of Commercial Intelligence and Statistics & RBI Handbook, 2008.

Marine Products export was very impressive Japan, China was major importer from India the value of export was Rs.475.20 crores during 1990-91 in 1995-96 it has reached to Rs.1393.10 crores finally it reduced to Rs.1164.10 crores for Japan, and for the same period it was. Followed by U.S.A the value of export was in 1995-96 it was to Rs.329.4 crores finally it stood at Rs.974 crores, exports of select commodities to principal countries - (Rupees crore).

India's share in world agricultural Trade

There are two ways of looking at India's share in the world trade for major agricultural commodities. One way is to see the share of India in the total value of exports

in the world market at international prices and the other is look at India's share in the total physical quantity of Export and import in the world.

As per the International trade Statistics of United Nations Organisation the share of India in the value of total world exports of agricultural and allied products has decreased from 1.3 per cent in 1980 and to only around one per cent in 1990. However, it recovered to 1.6 per cent in 2000 and 1.8 per cent in 2007. In the case of rice, India's share in 1990 was 6 per cent as compared to only 4 per cent in 1980. In 1990, it further increased to 6 per cent of the world trade. It is on an increasing trend and was 18 in 2007.

Trend in Indian's Share in World Trade (Exports) (Value in US \$ Million)

Commodity Group	1980			1990			2000			2007		
	World	India	%	World	India	%	World	India	%	World	India	%
Rice	4355	160	4	3995	254	6	6411	654	10	13120	2353	18
Other Cereals & Preparation	37634	41	0	41319	31	-	47164	129	0.3	95977	561	0.6
Sugar & Preparation	16183	46	0	14236	21	0	13866	118	0.9	29884	1080	3.6
Vegetables & fruits	24018	259	1	50225	400	1	68355	856	1.3	150523	1713	1.1
Meat etc.	17832	67	0	34118	77	0	44690	324	0.7	91655	846	0.9
Fish etc.	12258	242	2	32847	521	2	50875	1391	2.7	85605	1745	2
Coffee, tea & spices	22121	879	4	21131	842	4	27953	956	3.4	57666	1545	2.7
Tobacco etc.	3423	151	4	17860	145	1	21628	147	0.7	29554	329	1.1
Total	137824	1843	1	215731	2291	1	280952	4575	1.6	553984	10172	1.8

Source: Economics Survey 2002-03 and 2009-10, Ministry of Finance, New Delhi.

*Negligible

In coffee, tea spices, the share of India in the total world trade has continuously decreased from 4 per cent in 1980 to 2.7 per cent in 2007, despite absolute value of export from India showing an increased. In fish products group, the values of India's exports have been rising from US\$ 242 million in 2007. However, India's share in world's exports of fish and fish products, which was four or more than four per cent in 1980 & 1990, declined to 2.7 per cent in 2000 and further to two per cent in 2007. The exports of fruits and vegetables from India increased from US\$ 259 million in 1980 to US\$ 1713 million in 2007 but the share in world trade hovered around 1.2 per cent. As far as other group of commodities such as other cereals, sugar, meat & meat preparations and tobacco are concerned, India's share in total world trade in value terms continues to been around one

per cent, export that in recent years, when the share in the exports of sugar group went up and was 3.6 per cent in 2007.

India's Balance of Trade: Total and Agricultural

The Balance of Trade from agriculture remains always positive since 1991. The surplus generated in agricultural trade would help enhancing non-agricultural imports, which would promote growth in all sectors of the economy. The main destination of India's agricultural exports include Saudi Arabia, UAE, Bangladesh, Malaysia, USA, UK, Kuwait, Iran, Vietnam, Indonesia etc. The products that have registered higher growth (CAGR) are-cotton raw including waste, castor oil, other cereals, oil meals, gaur gum meal, poultry and dairy products, meat and reparations, spices, fruits and vegetables etc. The products having high instability in expert are sugar, groundnut, jute, cotton raw including waste, rice other than basmati, wheat, other cereals etc.

Suggestion for Promoting Agricultural Exports from India

The data on agricultural exports reveal that the performance of agricultural exports in terms of their share in total exports of the country and in terms of their share in world trade is not satisfactory. For this, following suggestions are put forth to boost the agricultural exports from the country.

- There is need to have a long term policy to promote the agricultural exports on a sustainable basis, as the frequent shifts in the trade policy adversely affect the country's reputation in the international market.
- Government should take the export promotion activities on a wider scale to boost the country's share in the world market.
- There is need to encourage contract farming to enhance agricultural exports. Contract farming benefits both the farmer as well as the company by supply of quality products in the international market.
- Investment on infrastructural development such as grading facilities, cold storage facilities, processing facilities, market information network etc. which have positive impact on export marketing, needs to be stepped-up.
- Establishment/Strengthening of Export Promotion Organizations at state level is necessary.
- There is a need to re-orient the agricultural research, extension and education system in the light of world Trade Agreement.
- It is advisable to establish WTO cells in the states to assess the impact of WTO commitments on Indian agriculture and to suggest steps to safe guard the interests of the sector.

- India should continue to build pressure on developed countries to reduce the subsidies being given to their farmers, which adversely affect the agricultural exports of India and other developing countries.

Conclusion

The buoyancy in exports of agricultural products is clearly visible. Agriculture export had been occupying the place of pride in the export basket of India. Even though, there is an increase in the absolute quantum of agricultural exports, there is consistent decline in the percentage share of primary products in total export from 17.90 per cent to 10 per cent during the study period. This is an indicator of slow rise in agricultural export in comparison to national exports. There is considerable increase in the agricultural export since the onset of globalization and liberalization. The ratio of Indian agricultural export to that of non-agricultural export has increased during the study period. Growth of percentage share of each of the commodity groups indicates improvement for all except tea and coffee which has negative growth. Indian agriculture sector as well as world agriculture are in the midst of tumultuous changes brought about by a number of internal and external factors.

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