



INDIA'S AGRICULTURE PRODUCTION AND EXPORTS SCENARIO AFTER 90'S



ABSTRACT :

Agriculture is major factor of development in India. It has provided livelihood to several million population of our nation. The study is based on secondary information and data. India agriculture exports are declining after introducing New Economic Policy 1991. There are several reasons it may cause of less importance to traditional goods, import licensing has made increasing the manufacture interest and available traditional products in dearer than produced domestically.

KEYWORDS : Agriculture, food production, exports, trade, liberalization. Etc...

INTRODUCTION

Export sector has been described as a propulsive sector. It widens the market provides economies of scale and sets in the pace of multiplier - acceleration process in the economy. Economic development of a country is largely determined by the growth of its export sector. "One of the main assets a country has that will sustain its own economic development is its ability to produce goods for export". (William Diebold Jr., 1959) The correlation between the growth of exports and the rate of economic growth has been jointed out by several experts and

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international agencies. As Nurkse said trade is engine of economic growth. It has proved in the Eastern Europe during 19th century. Those nations have adopted policy like shifted their export composition from agriculture oriented to manufacture oriented. Low income elasticity of consumer demand for many of tradition al goods once a high standard of living has reached.

REVIEW OF LITERATURE:

Kym Anderson (2017): According to author the G-20 nations have played an important role in trade including agriculture sector. Major findings are – in 2011 the G-20 nation have not put any controlling methods over food and allied production the basis of humanity. The unrestricted structure has violated the rule which has made by WTO. The major reason to hindrance of that was majority of the developing economies is in G-20. The export controlling method was increases the price of spikes and nuts in international market. The importer has control over their imports on food production.

Emiko Fukase and Will Martin (2016): the present paper has elaborated on India and US trade agreements on agriculture. The major findings of the author were there are positive relations between both trading nations. The idea of new trade creation has improved the import condition of both partner nations. On the other hand developed nation like USA has gained more than subcontinent like India. The protection of trade scenario is comparatively more in India than United States. According to the author free trade agreement has made slight improvement over

exports of India's agriculture products. But on the other hand this trade regime has made tough to advanced liberal trading in future.

Nagor (2009): "Economic Analysis of Agriculture Exports of Major Developing Countries Under WTO Regime" author has considered period from 1995-2005 and compared the CV with period of 1995. The major findings are – the value of CV is higher, slow down in agriculture exports are due to sluggish in international economy, Asian crises has also impacted on agriculture exports during 1995-99, in 2000 global economy has recovered that clears the problem of in developing countries agri exports. According to author WTO's AOA has not impacted and improvement in agriculture exports. Export subsidies are higher in advanced economies as compare to developing economies, that leads to slow down in agriculture exports of Developing economies.

OBJECTIVE:

1. To know the relation between agriculture, trade and GDP.
2. To analyse the export trends relating to agriculture goods.

METHODOLOGY:

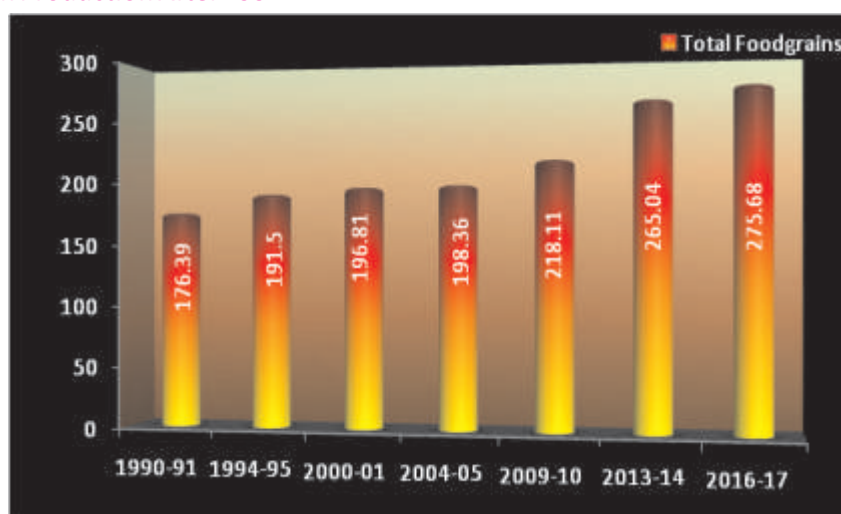
The present paper has based o secondary information and sources. Data's are collected from RBI Statistics – Hand book on Indian Economy. The time series data considered from 1990 to 2015. The present study has used simple statistical tools viz, percentage, ratio, growth rate and compound annual growth rate. also used suitable diagrams wherever is needed.

RESULT AND DISCUSSIONS:

Agriculture exports of India:

Agriculture is major issue in Indian economy. It has provided 1/3rd of income to GDP and employed two third of population. Contribution of agriculture to GDP has declining. In the mean time increase in contribution from manufacture and service sectors. Now agriculture goods are fourth highest export commodities in total exports. Since 2010 both production and yield has been improved especially in the products of rice and wheat. According to ministry of agriculture and farmer welfare the total food products production has achieved 273.28 million tonnes by 2017.

1 - India's Food Grain Production After 1991



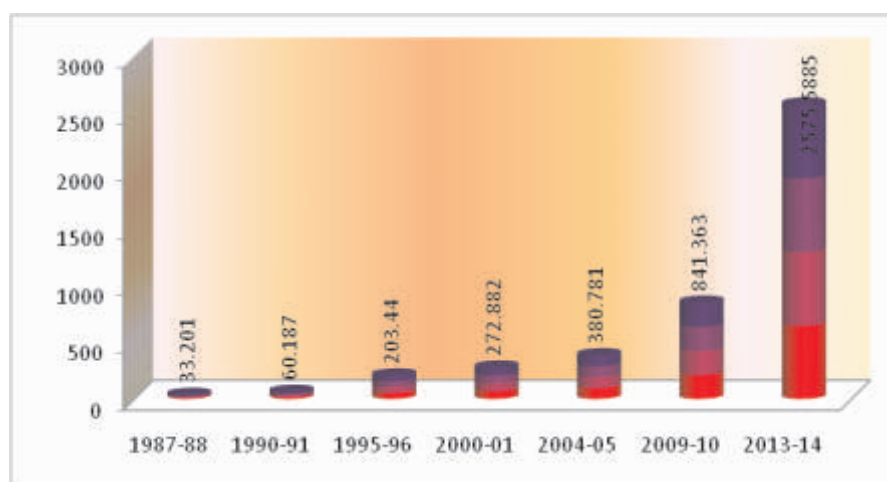
Source: RBI- Statistics Hand Book on India.

Note: Values are in Million Tonnes.

The figure one shows about India's food grain production during 1990-91 to 2016-17. In the year of

1990-91 the production of food grain was 176.39 million tonnes and it has increased to 191.5 million tonnes within next five years. After implementation of WTO India has enjoyed many relaxations they are most favoured nation, export promotion trade policies, and many quantitative restrictions. In the year of 2000-01 the value of food grain production was slightly increased to 196.81 million tonnes. And it continued to next ten years 198.36 million tonnes and 218.11 million tonnes 2004-05 and 2009-10 respectively. In the year of 2003-2006 there were continuous drought scenarios in many regions of India. That's made slowdown in food production in India. After 2010 there has sharpen raise in production of food and agriculture commodities. In the year of 2013-14 food grain production has achieved highest production ever in the history. That was 265.0 million tonnes of food grain production. That makes India has self sustained in food production matter. In 2015-16 the production was not good as compare to last year it was in negative as compare to last year (251.57 million tonnes).but there after boost in agriculture sector leads to continuous raise to 275.6 million tonnes by 2016-17. The value of CAGR was 0.018 between 1990-2016. That clearly indicating compound annual growth rate in this last two and half decades.

2 – Agriculture Exports of India after 1991



Source: RBI- Statistics Hand Book on India.

Note: Values are in Million Tonnes.

The figure two shows agriculture export values after 1991. The values are in terms of million tonnes. Before implementation of LPG (Liberalization, Privatization and Globalization) the value of agriculture exports was even less than 50 million tonnes. That clearly indicating as India was not self sustained. After implementation of new economic policy India's agriculture exports scenario was completely changed towards increasing. In the year of 1990-91 the export volume of agriculture products was 60.18 million tonnes. Again it has increased to 203.44 million tonnes. The reason behind to increase that was WTO has established and provided many relaxation trade policies for developing nation like India. India has taken best utilization of policies and achieved agriculture export to 272.88 million tonnes in the year of 2000-01. In the year of 2004-05 the agriculture export volume was increased to 380.78 million tonnes. The year 2004-05 has made an enormous mile stone Indian agriculture exports that recorded increase more than two times compare to 2004-05. It has risen again in 2013-14 vary enormously than ever in trade history. The share of agriculture exports to merchandise was 18.5 percent in 1990's and it was sharp declaim in 2005-06 due to lower production in India. Again recovered and reached to 13.60 percent in 2014-15. The CAGR value was 0.16 that indicates compound annual growth rate of Indian agriculture exports during 1990-2015.

SUMMARY:

Before implementation of liberalization policy India agriculture export and productions are in lower range. Later they have started to increase in exports. Historically evidence is that India is basically agrarian country and it produces more and more agriculture related commodities. The WTO has made an effort to improve the trade condition of third world countries. The developing governments are needed to take serious action regarding trade policy to improve the production of agriculture commodities and export too. After manufacture sector growth rate is higher compare to agriculture sector – after introducing LPG.

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