
Trade of Horticultural Products from India: Performance, Competitiveness and Direction

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Abstract

Currently, horticulture sector contributes about 30% to the India's agricultural GDP and covers 13.08% of cropped area. This sector provides for about 37% of the total agriculture of India. Although India's horticultural sector faces the problem of lower productivity in comparison to other countries like USA. Productivity of India is about half of the productivity of USA both in case of fruits & vegetables. Thus increase in production of horticultural crops is generally attributed to general increase in area under these crops. Moreover, India's share in global horticulture exports is minuscule and mainly targets South Asian & Middle East Countries only which is a matter of concern. The study aims to analyze the growth and competitiveness of Indian trade of horticultural products. Besides this, the study also aims to see the direction of Indian horticultural exports. The results reveals that export of horticultural products is emerging impressively but remained less than Indian imports of horticultural crops which have resulted in to trade deficit related to

horticultural trade. The commodity wise analysis shows that India's major importing partners for the horticultural products are Bangladesh, Malaysia, Sri Lanka, UAE, Pakistan, Nepal, Vietnam Social Republic, Germany, France, UK, US, Netherland, Saudi Arabia and Kuwait.

Key words: Horticulture Sector, Productivity, Trade, Fruits and Vegetables.

Introduction

India has wide range of climate and geographical conditions suitable for the production of horticultural crops such as fruits, nuts, vegetables, flowers and spices etc. Infact India has place among foremost countries in production of horticulture crops and is just behind china. Currently, horticulture sector contributes about 30% to the India's agricultural GDP and covers 13.08% of cropped area. This sector provides for about 37% of the total agriculture of India. Although India's horticultural sector faces the problem of lower productivity in comparison to other countries like USA. Productivity of India is

about half of the productivity of USA both in case of fruits & vegetables. Thus increase in production of horticultural crops is generally attributed to general increase in area under these crops as the area under horticulture grew by more than two and a half per cent per annum over the last decade. Moreover, India witnessed sharper increase in acreage in horticulture crops as compared to food grain crops during the period of last seven years, where the area under horticulture crops increased by around 18 percent, the expansion of area under food grains was just by 5 per cent during 2010-11 to 2014-15.

Due importance has been given by policy makers and farmers to shift from traditional agriculture to horticulture products as horticultural products not only have a high income elasticity of demand but also have good potential for generating employment, improving land's productivity, improving farmer's economic conditions as well as enhancing exports and as a result foreign exchange earnings. In addition to this, provides high nutrition as have immense food value in vitamins and minerals. Keeping the importance of this sector in mind Indian government initiated the scheme namely *National Horticulture Mission* (NHM) in 2005-06 for

holistic growth of the horticulture sector. Many incentives have been provided to the exporters/farmers for export of their goods/products including fruits and vegetables to specified markets under the Merchandise Exports from India (MEIS) scheme of Foreign Trade Policy 2015-20. All horticultural crops have been covered under the micro irrigation scheme under PMKSY. Under the Rain fed Area Development (RAD) as a component of National Mission for Sustainable agriculture crops/cropping system has been integrated with activities like horticulture, livestock, fishery, agro-forestry, etc. After the launch of *National Mission* (NHM) in 2005-06 and efforts done under other schemes, significant progress has been made in area expansion under horticulture crops and productivity of these crops. But India's share in global *Horticulture* exports is minuscule. Moreover, mainly targets South Asian & Middle east Countries only which is a matter of concern. In present study an attempt has been made to analyze the growth and competitiveness of Indian trade of horticultural products. Besides this, the study also aims to see the direction of Indian horticultural exports.

Objectives

Following are the objectives of present study:

1. To analyze the growth and competitiveness of Indian trade of horticultural products.
2. To see the direction of Indian horticultural exports.

Data and Methodology

The study is based on secondary data pertaining to the period 2007 to 2016. To find out the direction of Indian exports of horticulture products data for the time period from 2014-15 to 2016-17 has been considered. Moreover to find out the direction of Indian exports data on some

selected commodities and commodity groups (having major share in Indian export of horticulture products) namely onion, other fresh vegetables, walnuts, fresh mango, fresh grapes and other fresh fruits has been taken in to account. The data to see the direction of Indian exports has been taken from annual report of DGCIS. On the other hand the data on total value of India's exports and imports of Horticulture Products and India's Share in total World's export and import of horticulture products has been compiled from <https://m.trademap.org>.

Results and Discussion

Table-1
India's Exports and Imports of Horticulture Products (in US dollar thousands)

Years	Exports	Imports	Trade Balance
2007	1506328	2113993	-607665
2008	1816967	2635968	-819001
2009	1833094	3169254	-1336160
2010	2051004	3190541	-1139537
2011	2458009	3956197	-1498188
2012	2247542	4138277	-1890735
2013	3080830	4467653	-1386823
2014	2761245	5259926	-2498680
2015	2641985	6719021	-4077036
2016	2756906	6828779	-4071873

Source: <https://m.trademap.org>

Table 1 depicts values of India's exports and imports of horticulture products in terms of US dollar. It is evident from the results of table that where the Indian import of horticulture products continuously increased over the period of time from 2007 to 2016, Indian exports of horticulture products also increased for the same period of time except for two years i.e. 2011 to 2012 and 2014 to 2015. Moreover Indian imports of horticulture products remained considerably high in comparison of exports for the whole period of time which resulted in to continuous trade deficit in terms of trade of horticulture products. In addition to this it is clear from the data in the table that India not only has to face the negative trade balance

but this trade deficit continuously increased over time except during 2009 to 2010 and 2012 to 2013. The increase in trade deficit was considerable during 2014 to 2015 (from -2498680 to -4077036). Although a very marginal increase in trade deficit has been recorded during 2015 to 2016.

These results from the data depicted in table 1 are the clear evidences of the fact that in spite of great potential for growth of horticulture production in India and a high contribution of these products in Indian GDP, India is a net importer of horticulture products and this situation remained same over the whole time period considered in the present study.

Table- 2

India's Percentage Share in Total World's Export and Import of Horticulture Products

Year	Exports			Imports		
	Edible fruits and nuts ;peel of citrus fruits or melons	Edible vegetables and certain roots and tubers	Total	Edible fruits and nuts ;peel of citrus fruits or melons	Edible vegetables and certain roots and tubers	Total
2007	1.4	1.4	1.4	1.2	2.7	1.8
2008	1.6	1.4	1.5	1.5	2.9	2
2009	1.5	1.6	1.6	1.5	4.2	2.5
2010	1.4	1.7	1.6	1.6	3.3	2.3
2011	1.7	1.6	1.6	2.2	3	2.5
2012	1.5	1.5	1.5	1.9	3.7	2.6

2013	1.7	2.1	1.9	2	3.4	2.5
2014	1.6	1.7	1.6	2.3	3.9	2.9
2015	1.4	1.8	1.6	2.7	5.5	3.7
2016	1.5	1.7	1.5	2.4	5.6	3.6

Source: <https://m.trademap.org>

Table 2 shows the share of India's export and Import of horticulture products in total Export and Import of the world. It is clear from the results of table that where in case of exports share of both type of commodities (Edible fruits and nuts; peel of citrus fruits or melons and Edible vegetables and certain roots and tubers) remained almost equal to each other, in case of imports share of edible vegetables and certain roots and tubers in total world's import of these commodities remained considerable high as compared to the share of edible fruits and nuts; peel of citrus fruits or melons in total world's import of these commodities.

Besides this, table shows that the share of India's import of horticulture products in total import of these commodities by whole world increased over period of time considered in the study except for three years, 2009 to 2010, 2012 to 2013 and 2015 to 2016. Although even for these tree years the decline in share was marginal. One the other end, the share of India's export of horticulture products in total export of these commodities by whole world remained same during years from 2009 to 2011 and 2014 & 2015, declined during 2015 to 2016 and increased for rest of the years.

Table -3

Major importer countries of India's export of onion, other fresh vegetables and walnuts (in value terms)

Rank	Onion			Other fresh vegetables			Walnuts		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1st	Bangladesh (77964.61)	Bangladesh (95014.38)	Bangladesh (97590.93)	Pakistan (71095.53)	UAE (40346.85)	Nepal (60259.63)	Vietnam social Republic	Germany (2040.31)	France (893.70)

							(2331.82)		
2nd	Malaysia (41621.67)	Malaysia (58641.91)	Malaysia (49308.58)	Nepal (39454.99)	Nepal (27963.14)	UAE (44900.99)	UK (1941.69)	UK (1693.91)	UK (811.91)
3rd	Sri Lanka (25839.13)	Sri Lanka (44909.04)	UAE (39928.57)	UAE (30784.68)	Pakistan (27056.3)	Pakistan (36909.96)	US (1735.60)	Netherlands (1310.50)	UAE (665.68)

Source: Annual report of DGCIS

It is evident from the table-3 that Bangladesh, Malaysia, Sri Lanka and UAE are the major importer countries of Indian onion. Among these countries the maximum import of Indian onion was done by Bangladesh followed by Malaysia during the whole period by time (i.e from 2014-15 to 2016-17). Further the table reveals that Pakistan, Nepal and UAE are the major importers of other fresh vegetables from India. The

maximum import was done by Pakistan in 2014-15, by UAE in 2015-16 and by Nepal in 2016-17. As far it concerned to import of walnuts from India, the major importers are Vietnam social republic, Germany, France, UK, US, Netherland and UAE. The maximum import of Indian walnut was done by Vietnam social republic in 2014-15, by Germany in 2015-16 and by France in 2016-17.

Table -4

Major importer countries of India's export of fresh mango, fresh grapes and other fresh fruits (in value terms)

Rank	Fresh Mango			fresh grapes			other fresh fruits		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1st	UAE (21497.85)	UAE (19199.34)	UAE (24744.65)	Netherlands (36167.92)	Netherlands (58814.61)	Netherlands (61303.15)	UAE (43488.22)	UAE (59371.97)	UAE (59458.29)
2nd	Saudi	UK	UK	UK	UK	Russia	Bangladesh	Bangladesh	Bangladesh

	Arabia (1428.5 9)	(3205. 75)	(4956. 51)	(16028 .53)	(20877 .91)	(27387 .69)	desh (18411. 27)	desh (30315. 64)	desh (25879. 50)
3rd	Kuwait (1238.1 8)	Nepal (1733. 36)	Saudi Arabia (2445. 85)	Russia (11372)	Russia (13673 .07)	UK (15711 .04)	Nepal (11826. 60)	Nepal (19348. 69)	Nepal (20191. 35)

Source: Annual report of DGCIS

It is evident from table 4 that UAE, Saudi Arabia, UK, Kuwait and Nepal are the major importing countries of Indian fresh mango. Maximum import of Indian mango has been done by UAE for the whole period of time (i.e. Form 2014-15 to 2016-17). One the other end, Netherland, UK and Russia are the major importers of fresh grapes from India. The maximum import of fresh grapes from India has been done by Netherland throughout the time period considered in the study. In addition to this table shows that UAE, Bangladesh and Nepal have been the major importers of other fresh fruits from India and the first place in this regard has been continuously secured by UAE.

Concluding remarks - The study concludes that Indian imports of horticulture products remained considerably high in comparison of exports for the whole period of time which resulted in to continuous trade deficit in terms of trade of horticulture products. In addition to this it is clear from the data in the

study that India not only has to face the negative trade balance but this trade deficit continuously increased over time except during 2009 to 2010 and 2012 to 2013. The increase in trade deficit was considerable during 2014 to 2015 (from -2498680 to -4077036). Although a very marginal increase in trade deficit has been recorded during 2015 to 2016. Besides this, study shows that the share of India's import of horticulture products in total import of these commodities by whole world increased over period of time considered in the study except for three years, 2009 to 2010, 2012 to 2013 and 2015 to 2016. Although even for these tree years the decline in share was marginal. One the other end, the share of India's export of horticulture products in total export of these commodities by whole world remained same during years from 2009 to 2011 and 2014 & 2015, declined during 2015 to 2016 and increased for rest of the years.

Besides this, it is evident from the study that Bangladesh, Malaysia, Sri Lanka and UAE are the major importer countries of Indian onion and Pakistan, Nepal and UAE are the major importers of other fresh vegetables from India. As far it concerned to import of walnuts from India, the major importers are Vietnam social republic, Germany, France, UK, US, Netherland and UAE. UAE, Saudi Arabia, UK, Kuwait and Nepal are the major importing countries of Indian fresh mango. One the other end, Netherland, UK and Russia are the major importers of fresh grapes from India and UAE, Bangladesh and Nepal have been the major importers of other fresh fruits from India.

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