

# Indian Agricultural Trade Performance of Pulses, Spices and Cashew under WTO Regime

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## Abstract

*The present paper is an attempt to examine the Indian agricultural trade performance of pulses, spices and cashew under WTO regime. The analysis shows that, in the case of pulses, India exported a small amount in the year 1999-00 & 2000-01 only. In the whole study period, pulses imported at large level. Exports of traditional items from India like spices could keep pace but not in case of cashew. To sum up, it may conclude that India has been profited in such a traditional item like spices to a great extent. Trade performance of the commodities has been outstanding and it has been favorable for India that it has accessed new markets for its traditional products. But, in case of pulses, the import is growing in terms of volume and value which is important to considerable under WTO regime. It is suggested that Indian agricultural trade may witness a surge if India plans to export not only raw agricultural produces, but also focus on exporting processed food products and semi-finished goods.*

**Keywords:** WTO, India, Agriculture, Pulses, Spices, Cashew

## I Introduction

Trade performance of Indian agricultural has undergone significant changes during recent time. It is a tough fact that rice and tea leaves, spices and fruits all have their regional specialties and is being traded largely on the basis of these specialties.

When, it comes to trade performance of Indian agriculture under WTO trade performance of Indian agriculture should be done to assess whether joining WTO has been meaningfully useful for India or it just made our markets available to developed nations. India has been the founder member of WTO when it came into existence on January 1, 1995. WTO provisions related to international trade are now similarly applicable to agriculture which was brought within the fold of GATT. Applications of WTO provisions on agriculture contain many contentious issues and are an area of serious concern for India which is primarily an agrarian economy. Moreover the world, despite growing interdependence and integration is highly heterogeneous with regards to level of development.

WTO's assistance and mediation has helped India to get out of many long pending trade issues with other nations. It has helped India to have the access to the markets outside its own geographical boundaries. Though such trade links are based on some conditions, they are expected to be strong trade pacts in observation of the WTO. The WTO facilitated the production of one nation to travel to the point of demand in some other nation of same or other continent. This matching of demand and supply would never have been possible without the role played by WTO to bring the two or more nations involved in this process. The diverged composition of India's agricultural exports is not favourable for rapid export promotion.

The major agricultural exports of India's are coffee, tea, spices, marine products, oils, tobacco, rice, cashew, nut and meat etc. which are generally of low value high volume nature. The major share of these commodities in our agricultural exports has to face a tough competition in the international market.

## II Objective of the Study

The present paper is an attempt to examine the Indian agricultural trade performance of pulses, spices and cashew under WTO regime. In this way, the objective of the study is to analyze trade performance of pulses, spices and cashew under WTO regime.

## III Methodology

In the present study, secondary data is used for analysis and collected from various sources i.e. DGCIS Kolkata, Agricultural Statistics at a Glance, Economic Survey etc. For analysis, the study period has been taken from 1995-96 to 2014-15. Annual compound growth rate (CAGR) and graphs have been used to analyze the data.

## IV Indian Agriculture Trade Performance under WTO Regime

There are vast differences between developed countries and India with regard to the extent, economic conditions, application of modern technology, skills and literacy level of the farmers and farm size in the agriculture sector. The developed countries are highly competitive and efficient. Moreover the support infrastructure like storage, processing, finance, marketing, transport and R&D facilities are much more advanced and organized. While in India, for millions of farmers, agriculture is still a medium of livelihood and not an occupation and it is still being carried out in most traditional way. Indian farmers are mostly involved in subsistence farming with very little or no marketable surplus. While in the developed countries, agriculture is treated as an industry and being supported by all necessary means and agriculture surplus production is as far as possible being marketed and sold in international markets with proactive support from the government. Commodity wise trade performance of Indian agriculture under WTO regime has been analyzed as:

**Table 1**  
**Pulses Trade in Post WTO Period**

Year	Export		Import		Net Trade Value
	Quantity	Value	Quantity	Value	
1995-96	61367.13	131.91	490754.98	685.57	-553.66
1996-97	55229.23	131.58	654910.14	890.34	-758.76
1997-98	168056.87	360.89	1008162.64	1194.64	-833.75
1998-99	10412.69	223.03	563601.55	708.81	-485.78
1999-00	194187.66	419.56	250772.23	354.69	64.87
2000-01	244521.46	538.06	349842.87	498.47	39.59
2001-02	161981.85	370.47	2217821.43	3160.16	-2789.69

Value in Rs. Crore  
Quantity in Metric Tonne

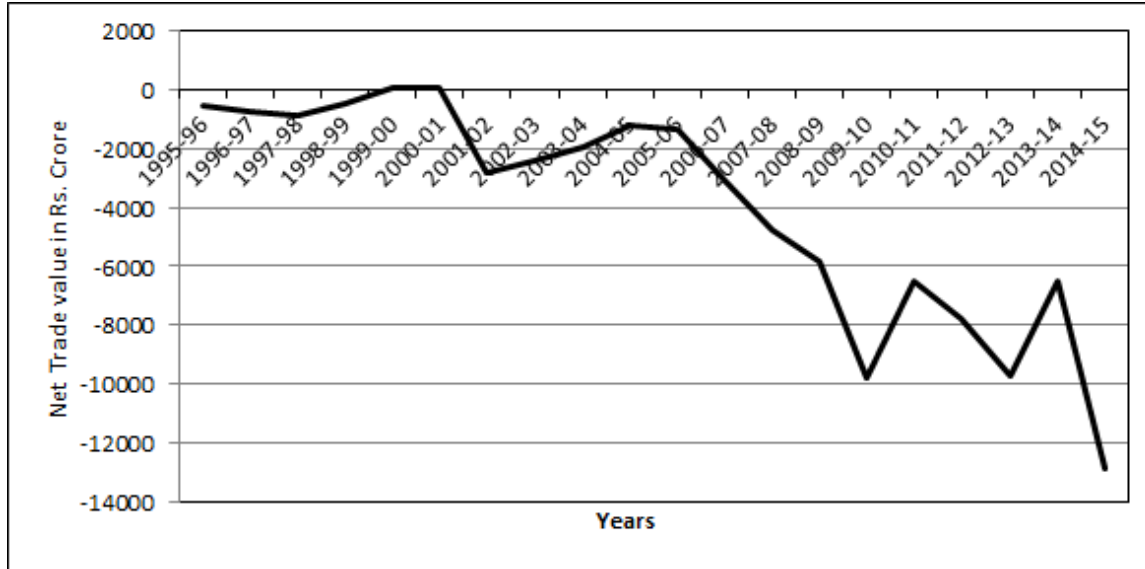
<b>2002-03</b>	151685.06	352.34	1992290.88	2737.05	-2384.71
<b>2003-04</b>	152774.18	325.57	1723332.51	2284.87	-1959.30
<b>2004-05</b>	266987.85	589.85	1339453.30	1777.58	-1187.73
<b>2005-06</b>	451626.05	1124.66	1695954.43	2476.25	-1351.59
<b>2006-07</b>	255084.47	789.99	2270979.09	3891.91	-3101.92
<b>2007-08</b>	170614.39	549.01	2791106.77	5278.02	-4729.01
<b>2008-09</b>	136880.08	542.32	2593689.40	6393.06	-5850.74
<b>2009-10</b>	100130.94	408.32	3750005.04	10176.88	-9768.56
<b>2010-11</b>	209010.49	870.04	2777827.82	7349.17	-6479.13
<b>2011-12</b>	174625.18	1067.93	3495844.53	8857.85	-7789.92
<b>2012-13</b>	202751.36	1285.01	4019695.04	11035.53	-9750.52
<b>2013-14</b>	345051.38	1746.37	3178264.11	8228.12	-6481.75
<b>2014-15</b>	220914.58	1209.50	4001965.78	14113.98	-12904.48
<b>Total =</b>					<b>-79056.54</b>
<b>ACGR (%)</b>	6.97	12.37	11.68	17.26	-29.84

- Source:** 1. Directorate General of Commercial Intelligence and Statistics, Kolkata, *Various Issues*  
2. [www.wto.org/home/resources/statistics/statistic database](http://www.wto.org/home/resources/statistics/statistic_database)  
3. [www.rbi.org.in](http://www.rbi.org.in) & RBI Bulletins on Indian Foreign Trade  
4. Agriculture Statistics at a Glance, *Various Issues*  
5. Economic Survey, *Various Issues*.

It is cleared from table 1 that the pulses, as a trading commodity have been more on imports than exports from India. Exports of pulses from India have been marginally very less as compared to imports. Indian exports of pulses were Rs. 131.91 crore till 1995-96 and it remained between Rs. 100 crore to 1000 crore up to 2009-10 except the year

2005-06 when Indian exports were Rs. 1124.66 crore. Year 2011-12 onwards exports remained above Rs. 1000 crore being Rs. 1209.50 crore in 2014-15. Highest exports of the pulses from India were recorded in 2013-14 for Rs. 1746.37 crore. Net trade value is shown in figure 1.

**Figure 1**  
**Net Trade Value of Pulses**



Source:

Table 1

Imports had been Rs. 200 crore to Rs. 1000 crore till year 2000-01 with an exception in the year in 1997-98, when imports were Rs. 1194.64 crore. Year 2001-02 onwards, exports generally have been above Rs. 2000 crore recording the highest trade in the year 2014-15 with imports costing Rs. 14113.98 crore. This wide gap between imports and

exports resulted into the shelling out of Rs. 79056.54 crore for purchasing of the stock of pulses. As far as growth rate is concerned the imports increased with higher rate than the exports in form of quantity (11.68 and 6.97 per cent) and as well as in value (17.26 and 12.37 per cent) of imports and exports respectively.

**Table 2**  
**Spices (Black Pepper) Trade in Post WTO Period**

Value in Rs. Crore  
Quantity in Metric Tonne

Year	Export		Import		Net Trade Value
	Quantity	Value	Quantity	Value	
1995-96	203732.51	793.52	24283.45	74.12	719.40
1996-97	222096.45	1202.10	29006.41	97.14	1104.96
1997-98	230531.10	1409.70	34083.67	134.92	1274.78
1998-99	209832.26	1632.56	61121.12	298.58	1333.98
1999-00	234998.80	1767.40	65083.56	294.10	1473.30
2000-01	244683.34	1617.70	43876.82	254.13	1363.57
2001-02	239296.21	1496.97	86293.22	503.87	993.10

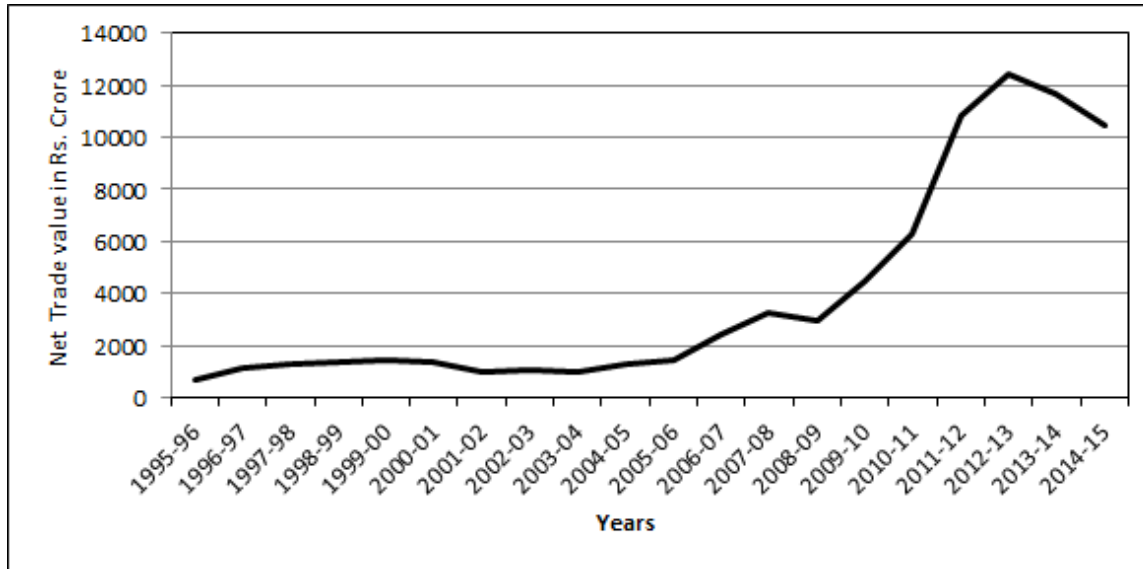
<b>2002-03</b>	277023.67	1655.50	121283.54	586.44	1069.06
<b>2003-04</b>	267476.39	1544.20	124179.76	564.42	979.78
<b>2004-05</b>	364532.71	1883.20	107221.56	593.83	1289.37
<b>2005-06</b>	400241.59	2116.00	108932.45	687.81	1428.19
<b>2006-07</b>	428802.41	3157.90	118517.54	738.90	2419.00
<b>2007-08</b>	619616.32	4176.07	140453.52	938.22	3237.85
<b>2008-09</b>	576345.70	3997.05	149990.06	1034.65	2962.40
<b>2009-10</b>	601402.12	5948.73	161782.16	1476.04	4472.69
<b>2010-11</b>	688394.39	7886.51	124494.40	1595.91	6290.60
<b>2011-12</b>	858200.11	13102.50	146767.73	2284.85	10817.65
<b>2012-13</b>	932591.86	15176.75	175559.90	2715.76	12460.99
<b>2013-14</b>	896565.40	15146.36	155577.07	3451.69	11694.67
<b>2014-15</b>	923271.28	14842.36	161072.12	4391.84	10450.52
<b>Total =</b>					<b>77835.86</b>
<b>ACGR (%)</b>	8.28	16.67	10.47	23.97	15.12

**Source:** Same as table 2.

It is cleared from table 2 that Indian spices have been in demand worldwide. Last century witnessed a mammoth shift in the demand of spices with some business conglomerates taking the exports of spice to professional level and accessing the new markets along with the traditional markets. Adoption of international standards of quantity, quality, moisture, grading and

preservation norms has helped the nation in re-establishing the image of centuries old trusted exporters of the spices. Exports have been always higher than imports in case of spices. Thus spices have been a major earning commodity group for India. Spices have been categorized as a group as it contains many constituents. Net trade value is shown in figure 2.

**Figure 2**  
**Net Trade Value of Spices (Black Pepper)**



Source:

Table 1.

In the last three years i.e. 2012-13 to 2014-15, Indian exports of spices were above Rs. 45000 crore against imports of Rs. 10500 crore. This could earn India Rs. 77835.86 crore from export of spices only. In the case

of ACGR the imports (23.97 per cent) increased with the higher rate than the exports (16.67 per cent), and the total trade has increased with 15.12 per cent of ACGR.

**Table 3**  
**Cashew Trade in Post WTO Period**

Year	Export		Import		Net Trade Value
	Quantity	Value	Quantity	Value	
1995-96	70076.98	1235.70	222821.17	760.08	475.62
1996-97	68862.35	1285.50	212865.95	687.57	597.93
1997-98	76903.78	1399.90	246201.86	767.19	632.71
1998-99	77286.54	1627.50	243354.77	968.76	658.74
1999-00	92321.92	2456.60	256002.54	1198.26	1258.34
2000-01	89165.43	2049.60	249321.66	960.85	1088.75
2001-02	98211.09	1788.68	161793.09	431.14	1357.54
2002-03	129437.34	2052.90	402987.51	1236.24	816.66
2003-04	99683.65	1699.80	442596.61	1371.80	328.00
2004-05	118112.45	2477.20	479710.07	1804.96	672.24
2005-06	125101.67	2584.70	543942.04	2089.46	495.24

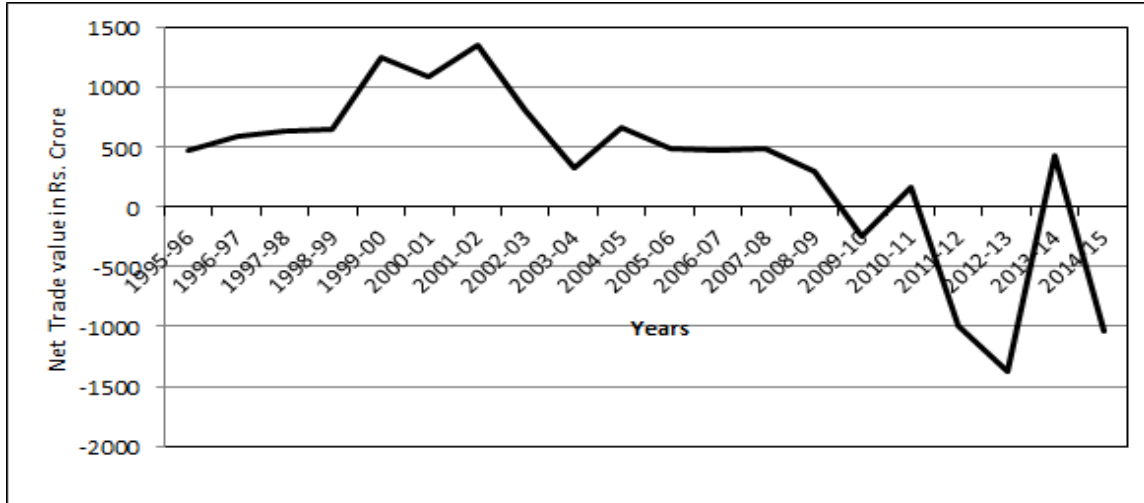
<b>2006-07</b>	122783.23	2291.20	586493.32	1820.75	470.45
<b>2007-08</b>	111283.54	2209.73	591616.66	1714.24	495.49
<b>2008-09</b>	100663.32	2095.44	678456.78	1802.32	293.12
<b>2009-10</b>	107469.91	2801.58	755956.87	3047.50	-245.92
<b>2010-11</b>	92375.41	2819.39	529734.42	2649.07	170.32
<b>2011-12</b>	107812.23	4390.16	811903.32	5381.43	-991.27
<b>2012-13</b>	104092.78	4061.21	898521.39	5433.91	-1372.70
<b>2013-14</b>	120737.94	5095.49	776334.78	4667.80	427.69
<b>2014-15</b>	134567.29	5565.77	940813.23	6599.74	-1033.97
<b>Total =</b>					<b>6594.98</b>
<b>ACGR (%)</b>	3.49	8.24	7.88	12.05	NA

**Source:** Same as table 1.

It is cleared from table 3 that the cashew is one of the main commodities which are exported from India worldwide and unlike rice and wheat, this commodity has been having more consistent in international market. And it is evident from the table shown above that this commodity has been imported as well throughout the study period i.e. 1995-96 to 2014-15. In the year 1995-96, India exported a total of 70076.98 metric tonne of cashew valued Rs.1235.70 crore while imports were for Rs. 760.08 crore. Export by trading value in Rs. crore kept growing till 1999-2000 when it recorded

export value of Rs. 2456.60 crore but witnessed a little slump in the years 2000-01 to 2003-04. It was Rs. 1699.80 crore in 2003-04. Export increased in the years to follow and crossed Rs. 2400 crore in 2004-05. It was above Rs. 2500 crore in the next year but remained under Rs. 2400 crore till 2008-09. Year 2009-10 onwards, exports grew at remarkable pace with total export value over Rs. 4000 crore, being Rs. 4390.16 crore in 2011-12, Rs. 5095.49 crore in 2013-14 and Rs.5565.77 crore in 2014-15. Net trade value is shown in figure 3.

**Figure 3**  
**Net Trade Value of Cashew**



Source:

Table 3.

Cashew, imports too have been on increasing side. The imports remained between Rs. 1000 crore to Rs. 2000 crore up to 2008-09, it crossed Rs. 3000 crore in 2009-10. Also it is important to note that year 2009-10 had imports exceeds exports by Rs. 245.92 crore. Similarly in the years to come 2011-12 and 2012-13 had imports more than exports. 2013-14 had exports slightly higher than imports, but in 2014-15 again imports exceeded by Rs. 1033.97 crore.

As a comparison, it was noticed that total trade of Cashew helped India to gain Rs. 6594.66 crore in last 20 years from 1995-96 to 2014-15. As far as growth rate is concerned the imports increased with higher rate than the exports in form of quantity (7.88 and 3.49 per cent) and as well as in value (12.05 and 8.24 per cent) of imports and exports respectively.

## V Conclusion

The analysis shows that, in the case of pulses, India exported a small amount in the year 1999-00 & 2000-01 only. In the whole

study period, pulses imported at large level. Exports of traditional items from India like spices could keep pace but not in case of cashew. To sum up, it may conclude that India has been profited in such a traditional item like spices to a great extent. Trade performance of the commodities has been outstanding and it has been favorable for India that it has accessed new markets for its traditional products. But, in case of pulses, the import is growing in terms of volume and value which is important to considerable under WTO regime. It is suggested that Indian agricultural trade may witness a surge if India plans to export not only raw agricultural produces, but also focus on exporting processed food products and semi-finished goods.

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