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TRADE PATTERN OF INDIAN HORTICULTURE SECTOR: AN ANALYSIS

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Abstract:-India is the second largest economy in the Asia, as measured in terms of its Gross Domestic Product (GDP). The horticulture sector is the major contribution to the agriculture sector GDP in India. The horticulture goods and processed products are very popular in national and international markets. The production of horticulture goods had increased, and then the horticulture plays a key role in agriculture exports in India. The main objective of the study is to examine the performance of horticulture exports and imports in India. In this study the secondary source of data (2001-2002 to 2010-2011(p)) were used and simple statistical tools adopted. The major findings of the study are, the balance of trade was surplus even though imports increased. The percentage of horticulture exports were increased in the agriculture exports from 2001-02 to 2009-10. But percentages of horticulture exports were slightly decreased in National Exports.

Keywords:Horticulture, exports, imports and trade.

1.INTRODUCTION:

International trade has often been referred as the “engine of growth” that enhanced the development of today's economically advanced countries during the nineteenth and early twentieth centuries. The developing pursued on import substitution and industrialization strategy from 1950's but failed to achieve rapid economic growth and eradicate poverty (Venables, 2001). International trade is the basic activity by which a country establishes its economic relationship with other countries. At present, liberalization of trade is a phenomenon for almost all countries. Each country's trade volume reflects the collective effects of other macroeconomics policies in their country.

Horticulture is a prominent segment under agriculture sector and the fastest growing sector. India is the second largest producer of fruits and vegetables in the world. Total horticulture production increased from 96.6 million tonnes to 240.5 million tonnes with respectively 1991-92 and 2010-11. The area under cultivation of horticulture crops were increased from 12.8 million hectare to 21.8 million hectare in 1991-92 and 2010-11 respectively. Horticulture commodities play unique role in India's economy by improving the exports and surplus trade. Fruits and vegetables are rich source of vitamins, minerals, proteins, and carbohydrates etc which are essential in human nutrition. Hence, these are referred to as protective foods and assume great importance as nutritional security of the people. Thus, exports of horticulture commodities play a vital role in agriculture exports and national exports. Fruits and vegetables are not only used for domestic consumption but also sustainable quantities are exported in fresh and processed form, bringing much needed foreign exchange for the country.

In India, after the (1991) economic reforms period, the trade liberalization has increased with the rise of regionalism and with the help of economic co-operation between the nations. The horticulture commodities have large demand in the international market.

Objective of this study:

1. To examine the performance of horticulture exports and imports in India.

Methodology:

In this study secondary sources of data were used. For the purpose of the present study with regard to secondary sources of data 10 years period from 2001-2002 to 2010-2011(p) considered. The secondary source of data includes annual reports of D.G.C.I &S, Ministry of Commerce, Kolkata, RBI, and annual reports of National Horticulture Mission. Simple statistical techniques were adopted.

Results and Analysis:

Table: 1
India's Exports, Imports and Balance of Trade of Horticulture goods
(Values in Rs. Crore)

Year	Exports	Imports	Balance of Trade
2001-02	5560.62	1691.77	3868.85
2002-03	6302.73	2464.44	3838.29
2003-04	6598.65	2738.49	3860.16
2004-05	7618.61	3499.62	4118.99
2005-06	8663.98	4167.59	4496.39
2006-07	11457.15	4472.76	6984.39
2007-08	12207.66	4546.78	7660.88
2008-09	17711.02	6121.99	11589.03
2009-10	18737.82	7352.96	11384.86
2010-11(p)	19169.64	7522.79	11646.85

P-Provisional

Source: Authors calculations based on DGCI&S, Ministry of Commerce, Kolkata.

In the above table:1, shows India's Exports, Imports and Balance of Trade of Horticulture goods. The India's exports have been increasing since 2001. Exports had increased from 5560.62 crores to 19169.64 crores with respectively 2001-02 and 2010-2011(p). The India's horticulture goods imports have been increasing since 2001. Imports had increased from 1691.77 crores to 7522.79 crores with respectively 2001-02 and 2010-2011 (p). The Balance of trade of horticulture goods were 3868.85 crores in 2001-02. It was increased from 3868.65 crores to 11646.85 crores with respectively 2001-02 to 2010-11(p).

The India's average exports, imports and balance of trade of horticulture goods are 11402.78 crores, 4457.91 crores and 6944.86 crores respectively. The trade surplus had increased to 11646.85 crores with value of exports and imports as Rs. 19169.64 crores and 7522.79 crores respectively. However, India's horticulture goods are favour of Balance of Trade in India.

Table: 2
India's Annual growth rate of Exports, Imports and Balance of Trade of Horticulture goods
(Percentage of growth)

Year	Exports	Imports	Balance of Trade
2001-02	-	-	-
2002-03	13.35	45.67	-0.79
2003-04	4.70	11.12	0.57
2004-05	15.46	27.79	6.71
2005-06	13.72	19.09	9.16
2006-07	32.24	7.32	55.33
2007-08	6.55	1.65	9.69
2008-09	45.08	34.64	51.28
2009-10	5.80	20.11	-1.76
2010-11(p)	2.30	2.31	2.30

P-Provisional

Source: Authors calculations based on DGCI&S, Ministry of Commerce, Kolkata.

In the above table: 2, shows India's Annual growth rate of Exports, Imports and Balance of Trade of Horticulture goods. The India's exports annual growth rate was highest recorded 45.08 percent in 2008-09 and lowest recorded 2.30 percent in 2010-11(p). India's imports annual growth rate was recorded 45.67 percent in 2002-03 and lowest recorded 2.31 percent in 2010-2011(p). The annual growth rate of balance of trade was highest recorded 55.33 percent in 2006-07 and lowest recorded -1.76 percent in 2009-10. However, the annual growth rate of exports of horticulture goods have been increased from 2002-03 to 2008-09, after 2008-09 annual growth rate have declined. Annual growth rate of imports have been decreased from 2002-03 to 2007-08, after 2007-08 annual growth rate have been increased in 2008-09 and decreased in 2010-2011(p) respectively.

Table: 3
India's Exports of Horticulture goods
(Percentage of growth)

Years	% of horticulture exports in agriculture Exports	% of horticulture exports in National Exports
2001-02	18.70	2.66
2002-03	18.19	2.47
2003-04	17.71	2.25
2004-05	18.31	2.03
2005-06	17.60	1.90
2006-07	18.36	2.00
2007-08	15.44	1.86
2008-09	20.61	2.11
2009-10	20.97	2.22
2010-11(p)	15.95	1.67

P-Provisional

Source: Authors calculations based on DGCI&S, Ministry of Commerce, Kolkata.

In the above table: 3, shows India's Exports of Horticulture goods. The India's horticulture exports percent had increased in total agriculture exports. In the 2001-02, 18.70 percent of horticulture exports contribute to the agriculture. Horticulture exports had increased from 18.70 percent to 20.97 percent, 2001-02 and 2009-10 respectively. 2.66 percent of India's horticulture exports contribute to national exports in 2001-02. The horticulture exports contribution have been declining from 2001-02 to 2010-11(p). However the horticulture exports contribution is increasing in agriculture exports but not in national exports. Because of lack storage facilities and infrastructure.

Table: 4
India's Imports of Horticulture goods
(Percentage of growth)

Year	% of horticulture Imports in agriculture Imports	% of horticulture Imports in National Imports
2001-02	10.41	0.69
2002-03	14.00	0.83
2003-04	12.46	0.76
2004-05	15.34	0.70
2005-06	19.38	0.63
2006-07	15.09	0.53
2007-08	15.20	0.45
2008-09	16.46	0.45
2009-10	12.35	0.54
2010-11(p)	13.39	0.47

P-Provisional

Source: Authors calculations based on DGCI&S, Ministry of Commerce, Kolkata.

In the above table: 4, shows India's Imports of Horticulture goods. The India's horticulture imports percentage had increased in total agriculture imports and decreased in national imports since 2001-02. In the 2001-02, 10.41 percent of horticulture imports in the agriculture imports. Horticulture imports have increased from 10.41 percent to 19.38 percent, 2001-02 and 2005-06 respectively, after that imports of horticulture decreased to 13.39 in the 2010-2011(p). India's horticulture imports were decreased to national imports since 2001-02. However the horticulture imports is decreasing in agriculture imports and national exports.

Table: 5
India's Exports of Horticultural Commodities (2001-02 to 2010-2011(p))
(values in percentage)

Year	% of floriculture	% of Spices	% of fresh/veg seeds	% of fresh fruits	% of fresh veg	% of processed veg	% of fresh fruit juice	% of cashew nuts shell liquid	% of Value of cashew	Total Horticulture Exports (in %)
2001-02	2.46	28.88	1.20	8.05	11.10	3.83	9.89	0.10	34.50	100
2002-03	3.06	27.98	1.66	7.56	10.86	4.34	9.70	0.14	34.70	100
2003-04	4.22	26.18	0.90	13.21	16.07	4.90	5.79	0.08	28.64	100
2004-05	3.13	26.46	0.93	12.11	12.12	5.09	5.19	0.17	34.80	100
2005-06	3.66	25.68	1.13	13.60	11.16	6.00	7.28	0.11	31.37	100
2006-07	6.18	29.90	1.15	13.39	14.64	6.16	6.74	0.15	21.70	100
2007-08	3.00	38.08	1.25	12.77	13.04	5.31	6.82	0.22	19.50	100
2008-09	2.31	39.70	0.75	12.18	15.37	4.45	6.88	0.19	18.17	100
2009-2010	1.78	37.21	0.88	13.71	17.78	4.55	7.01	0.17	16.93	100
2010-2011(p)	1.65	45.30	0.98	12.34	14.57	4.22	5.79	0.18	14.96	100

-Provisional

Source: Authors calculations based on DGCI&S, Ministry of Commerce, Kolkata.

In the above table: 5, shows India's Exports of Horticulture commodities wise. The floriculture exports had increased

from 2001-02 to 2006-07. The floriculture exports were highest recorded (6.18%) in 2006-07. The Spices of exports increased from 28.88 percent to 45.30 with respectively 2001-02 and 2010-2011(p). The fresh and vegetable seeds of exports were highest recorded (1.66%) in 2002-03. After 2002-03, its exports are decreased up to 2008-09. The fresh fruits of exports were increased from 8.05% to 13.71% with respectively 2001-02 and 2009-10. The exports of fresh vegetables increased 11.10% to 17.78% with respectively 2001-02 and 2009-10. The exports of processed vegetables increased from 3.83% to 6.16% with respectively 2001-02 and 2006-07, after that its exports were decreased. The exports of fresh fruit and juice decreased from 9.89% to 5.79% with respectively 2001-02 and 2010-2011(p). The exports of Cashew nuts shell liquid occupied least place contribute to total horticulture exports. The Cashew commodity highest recorded (34.80%) to horticulture exports in 2004-05. After 2004-05, its contribution of exports decreased to total horticulture exports.

Table: 6
India's Imports of Horticultural commodities

(values in percentage)

Year	% of Cashew nuts	% of Value of Fruits & nuts excluding cashew nuts	% of Spices	Total %
2001-02	25.48	44.73	29.78	100
2002-03	50.16	26.04	23.80	100
2003-04	50.09	29.30	20.61	100
2004-05	51.58	31.46	16.97	100
2005-06	50.14	33.36	16.50	100
2006-07	40.71	42.77	16.52	100
2007-08	37.71	40.87	21.41	100
2008-09	43.66	38.76	17.58	100
2009-2010	41.45	39.07	19.48	100
2010-2011(p)	32.96	48.97	18.06	100

P-Provisional

Source: Authors calculations based on DGCI&S, Ministry of Commerce, Kolkata.

In the above table: 6, shows India's Imports of Horticulture commodities wise. The Cashew nut commodity highest recorded (51.58%) in horticulture imports in 2004-05. After 2004-05, its imports decreased to 32.96 in 2010-2011(p). The imports of fruits and nuts excluding cashew nuts increased from 44.73% to 48.97% with respectively 2001-02 and 2010-11(p). The Spices of imports decreased from 29.78 percent to 18.06 percent with respectively 2001-02 and 2010-2011(p). However the imports of fruits and nuts excluding cashew nuts had been increased since 2001-02.

CONCLUSION:

The study reveals that the balance of trade was surplus, even though imports increased. India's horticulture exports are contribution to agriculture exports. The percentage of horticulture increased in agriculture exports up to 2019-10, but percentage of horticulture exports slightly decreased in national exports since 2001-02. The imports of horticulture goods decreased from 2001-02. The horticulture sector was balance from 2001-02 to 2010-11(p). However, the trade of pattern of horticulture sector is favour to balance of trade in India.

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