

Direction of Major Agriculture Commodities Export and its Implication for consumption Psychology of foreigners on Indian Commodities during Globalization Era

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Abstract

The process of globalization gets momentum through the process of economic integration and in the expansion of the volume of international trade. In India Economic Reform was introduced in 1991, the main focus of these reforms has been on Liberalization, Privatization and Globalization. India has completed two and a half decades of globalization. It is needed to evaluate the impact of globalization on India's direction of export of major agricultural commodities after globalization. The data for this study have been collected from Agriculture and Processed Food Products Export Development Authority (APEDA) for 5 agricultural products viz. fresh onion, millet, basmati rice, Non-basmati rice and guar gum for 1987-88 and 2017-18 from the official website of APEDA. The Percentage analysis has been applied to calculate top five exports destinations in 1987-88 and 2017-18. In most of the studies, direction of agriculture export has been analyzed with respect to countries, but the direction of agriculture export product wise has not been analyzed, to fill this gap the present study has been carried for the major agriculture commodities and captured consumption psychology of foreigners on Indian commodities.

Keywords: Globalization, Direction of Trade, APEDA, Consumption, Psychology and Globalization.

INTRODUCTION

The process of globalization gets momentum through the process of economic integration and in the expansion of the volume of international trade. In 1991, our Government introduced some changes in its policy on trade, foreign investment, tariffs and taxes under the name of "New Economic Reforms". The main focus of these reforms has been on Liberalization, Openness, and Export promotion activity (Loganathan & Stanly Joseph, 2018). In 1990s India's direction of Trade flows has changed, earlier our exports were confined to OECD and OPEC countries. The most important development regarding direction of trade is the rapid growth of India's trade with ASEAN Group, U.A.E., Brazil, Mexico, Colombia etc

(Kaur, Amandeep, 2012). The direction of agriculture trade has been analyzed with help of gravity model (Batra, A., 2004 and Chakravarty, Smwarajit Lahiri., & Chakrabarty, Ranajit., 2014). They point out that India's trade increases with size, but less than proportionately and distance co-efficient more than unity.

India's trade pattern by using the gravity augmented model for the period 1998-12 estimated for the variables GDP per capita, distance border and globalization as a control variable (Tripathi, Sabyasachi., & Leitão, Nuno Carlos., 2013). The empirical findings of the study showed that India has enjoyed a trade surplus with OPEC, OECD, Eastern Europe, Developing countries and other type of countries

during some points of time. The study has also found that India had a surplus balance of trade mostly with the developing and other type of countries and the share of India's export and import was also found to be shifted more towards developing and other type of countries in recent times and thus representing the dominance of these two countries categories in India's current foreign trade situation (Das, P., & Roy, M., 2019). With this background, the present study is an attempt to evaluate the impact of globalization on India's direction of 5 agricultural products viz. fresh onion, millet, basmati rice, Non-basmati rice and guar gum. The direction of agriculture export has been analyzed with respect to countries, but the direction of agriculture export product wise have not been analyzed, to fill this gap the present study has been done.

OBJECTIVE

India has completed two and a half decades of globalization. It is needed to evaluate the impact of globalization on India's direction of export of major agricultural commodities after globalization.

METHODOLOGY

This research depends entirely on secondary data which are purely related to export of India's agricultural products. The data have been collected from Agriculture and Processed Food Products Export Development Authority (APEDA) for 5 agricultural product export data for 1987-88 and 2017-18 from the official website of APEDA. The percentage analysis in tabular presentation is used to compare percentage share of top five exports destinations in 1987-88 and 2017-18.

RESULTS AND DISCUSSION

This section deals with the direction of major agricultural commodities during pre-globalization and globalization periods. The year 1987-88 has been chosen to know the direction of trade of agricultural products during the pre-globalization. The year 2017-18 has been chosen for the purpose of understanding direction during the globalization periods. The export values are given in terms of metric ton, crore and percentage.

Top Five Export Destinations of Fresh Onions in 1987-88 and 2017-18

Table 1 exhibits the top five export destinations of fresh onion in 1987-88 and 2017-18. In 1987-88, India has exported highest value of onion to Malaysia (₹ 11.03 crore), followed by Singapore (₹ 10.67 crore), Sri Lanka (₹ 6.64 crore), Bangladesh (₹ 4.85 crore) and U.S.A. (₹ 4.36 crore). It is also noted from the table Malaysia and Singapore is played an important trade partners in onion export since these nations had more than 50 per cent of trade with India. In 2017-18, Bangladesh has been settled with first place with the import value of ₹ 599.52 crore followed by Malaysia with ₹ 588.59 crore, Sri Lanka with ₹ 60.39 crore, UAE with ₹ 415.55 crore and Nepal had ₹ 143.63 crore import of onion with India.

The Singapore and U.S.A. were recorded under top five export destination of onion in 1987-88 but these nations have dropped out of sight from in top five export destination in 2017-18 and has positioned 12th place with import value of ₹ 63.36 crore and 38th place with an import value of ₹ 0.34 crore respectively and it also demonstrated that Bangladesh (26 per cent), Malaysia (26), Sri Lanka (24 per cent) and UAE (18) have registered double-digit percentage share of import of onion with India.

Table 1 *Top Five Export Destinations of Fresh Onions in 1987-88 and 2017-18*

1987-88				2017-18			
Top Destination	Five	Quantity in MT	Value in Crore and Percentage share	Top Destination	Five	Quantity in MT	Value in Crore and Percentage share
Malaysia		34586.37	11.03(29)	Bangladesh		333165.5	599.52(26)
Singapore		29299.84	10.67(28)	Malaysia		276162.3	588.59(26)
Sri Lanka		19556	6.64(18)	Sri Lanka		227965.4	560.39(24)
Bangladesh		13329.85	4.85(13)	UAE		226248.4	415.55(18)
U.S.A		19726.23	4.36(12)	Nepal		100151	143.63(6)
Total		130391.6	40.61	Total		1588986	3088.82

Note: Singapore (12th Place) (30196.25) (63.36), USA (38th Place) (160.24) (0.34)

Source: APEDA (Agricultural and Processed Food Products Exports Development Authority)

It is noted from the table that Bangladesh has moved to first place in 2017-18 from fourth place in 1987-88. Singapore has moved into 12th place with a value of ` 63.36 crore from 2nd place in 1987-88 and the USA has shifted to 38th place with a value of ` 0.34 crore in 2017-18 from 5th in 1987-88.

Top Five Export Destinations of Guar gum in 1987-88 and 2017-18

Table 3 has exposed the top five export destinations of guar gum in 1987-88 and 2017-18. The USA has occupied the first place with the import value of ` 55.76 crore followed by Germany (` 12.18 crore), Italy (` 6.48 crore), Japan (` 5.72 crore) and UK (` 5.6 crore) in 1987-88. India exported 56.32per cent to the

USA followed by Germany (12.30 per cent), Italy (6.55 per cent), Japan (5.72 per cent) and UK (5.66 per cent). In 2017-18, the USA has listed in first place with the import value of ` 2241.74 crore followed by Norway (` 278.5 crore), Russia (` 261.56 crore), China (` 248.96 crore) and Germany (` 204.95 crore) in 2017-18.

India has exported 53.76 per cent of guar gum to the USA followed by Norway (6.68per cent), Russia (6.27 per cent), China (5.97 per cent) and Germany (4.92 per cent). The table also informed that UK has moved to 9th place with an import value of 82.94 crores, Italy takes root to 10th place with an import value of ` 59.35 crore and Japan moved to 11th place with import value of ` 43.68 crore.

Table 3. *Top Five Export Destinations of Guar gum in 1987-88 and 2017-18*

1987-88			2017-18		
Top Five Destination	Quantity in MT	Value in Crore and Percentage Share	Top Five Destination	Quantity in MT	Value in Crore and Percentage Share
U.S.A	29005.58	55.76(56.32)	U.S.A	214696	2241.74(53.76)
Germany	6998.14	12.18(12.30)	Norway	77754.5	278.5(6.68)
Italy	3361.06	6.48(6.55)	Russia	24475.2	261.56(6.27)
Japan	3204.7	5.72(5.78)	China	27446.65	248.96(5.97)
U.K	2638.55	5.6(5.66)	Germany	21806.58	204.95(4.92)
Total	52920.64	99	Total	494101.3	4169.56

Note: U.K (9th Place) (15796.00) (82.98), Italy (10th Place) (9280.00) (59.35), Japan (11th Place) (3336.6) (43.68).

Source: APEDA (Agricultural and Processed Food Products Exports Development Authority)

Top Five Export Destinations of Milled Products in 1987-88 and 2017-18

Table 4 exposes that the top five export destinations of milled products in 1987-88 and 2017-18. Iran was listed in first positions with an

import value of ` 2.41 crore followed by Nepal with import value of ` 0.66 crore and Malaysia with the import value of ` 0.01 crore. It is clear from the table India exported 96.72 per cent of milled products to Iran in 1987-88 followed by Nepal (2.41 per cent), Malaysia (0.40 per cent).

Table 4 *Top Five Export Destinations of Milled Products in 1987-88 and 2017-18*

1987-88			2017-18		
Top Five Destination	Quantity in MT	Value in Crore and Percentage share	Top Five Destination	Quantity in MT	Value in Crore and Percentage share
Iran	21000	2.41(96.79)	U.S.A	56472.92	255.65(29.16)
Nepal	313	0.06(2.41)	UAE	48959.18	140.58(16.04)
Malaysia	11	0.01(0.40)	Australia	13081.53	52.39(5.98)
Total	21347	2.49	Qatar	15952.18	45.57(5.20)
			U.K	11153.48	44.19(5.04)
			Total	270377.3	876.59

Note: Nepal (6th Place) (4560.8) (8.7), Malaysia (7th Place) (14768.65) (35.08)

Source: APEDA (Agricultural and Processed Food Products Exports Development Authority)

It is exhibited from the tabletop five destinations of milled products have been the same in terms of quantity, value and percentage share in 1987-88 and differ in terms of value in 2017-18. In 2017-18, India has exported ` 255.65 crore to USA followed by UAE (`140.58 crore), Australia (` 52.39 crore), Qatar (` 45.57 crore) and UK (` 44.19 crore). India exported 29.16 per cent of its milled products to the USA followed by UAE (16.04 per cent), Australia (5.98 per cent), Qatar (5.20 per cent) and UK (5.04 per cent) the table also tells that Nepal has moved into 6th place with the import value of ` 8.7 crore

and Malaysia take root to 7th place with import value of ` 35.08 crore in 2017-18.

Top Five Export Destinations of Basmati Rice in 1987-88 and 2017-18

Table 5 exposes the top five export destinations of Basmati Rice in 1987-88 and 2017-18. Russia was listed in the first position with an import value of ` 117.42 crore followed by Saudi Arabia with an import value of ` 57.86 crore, Oman with the import value of ` 31.08 crore and UAE with an import value of ` 22.55 crore.

Table 5 Top Five Export Destinations of Basmati Rice in 1987-88 and 2017-18

1987-88			2017-18		
Top Five Destination	Quantity in MT	Value in Crore and Percentage share	Top Five Destination	Quantity in MT	Value in Crore and Percentage share
Russia	158224	117.42(37)	Iran	877421.6	5829.78(22)
Saudi Arabia	62677	57.86(18)	Saudi Arabia	792480.1	5343.17(20)
Oman	35710	32.88(10)	UAE	429325.7	2820.53(11)
Kuwait	30622	31.08(10)	Iraq	429966	2805.83(10)
U.A.E	20741	22.55(7)	Kuwait	166873.9	1146.27(4)
Total	355277	317.2	Total	4056759	26870.17

Note: Oman (9th Place) (78083.35) (577.67), Russia (48th Place) (2695.70) (18.38)

Source: APEDA (Agricultural and Processed Food Products Exports Development Authority)

It is also clear from the table India has exported 37 per cent Basmati rice to Russia in 1987-88 followed by Saudi Arabia (18 per cent), Oman (10 per cent), Kuwait (10 per cent) and UAE (7 per cent). In 2017-18, India exported ` 5829.78 crore to Iran followed by Saudi Arabia (` 5343.170 crores), UAE (` 2820.53 crore), Iraq (` 2805.83 crore) and Kuwait (` 1146.27 crore) of its basmati rice and it also shows that India exported 22 per cent to Iran followed by Saudi Arabia (20 per cent), UAE (11 per cent), Iraq (10 per cent) and Kuwait (4 per cent) the table also shows that Oman has moved to 9th place with the import value of ` 577.67 crore and Russia take root to 48th place with the import value of ` 18.38 crore in 2017-18.

Top Five Export Destinations of Non-Basmati Rice in 1987-88 and 2017-18

Table 6 exposes that the top five export destinations of Non-Basmati Rice in 1987-88 and 2017-18. Saudi Arabia has parked in first position with an import value of ` 14.84 crore followed by Oman with the import value of ` 2.58 crore, UAE with the import value of ` 1.66 crore, Kuwait with the import value of ` 1.26 crore and UK with the import value of ` 0.56 crore. It is clear from the table, India exported 69.35 per cent non-basmati rice to Saudi Arabia in 1987-88 followed by Oman (12.06 per cent), UAE (7.76 per cent), Kuwait (5.89 per cent), and UK (2.62 per cent). It is exhibited from the table top five destinations of non-basmati rice has been the same in terms of quantity, value and percentage share in 1987-88 and 2017-18. In 2017-18, India exported ` 4921.68 crore to Bangladesh followed by Benin

(` 2022.33 crore), Senegal (` 1697.81 crore), Nepal (` 1546.15 crore) and Sri Lanka (` 1315.27 crore).

Table 6 *Top Five Export Destinations of Non-Basmati Rice in 1987-88 and 2017-18*

1987-88			2017-18		
Top Five Destination	Quantity in MT	Value in Crore and Percentage Share	Top Five Destination	Quantity in MT	Value in Crore and Percentage Share
Saudi Arabia	22384	14.84(69.35)	Bangladesh	1869181	4921.68 (21.43)
Oman	4518	2.58(12.06)	Benin	778778.8	2022.33(8.81)
U.A.E	3130	1.66(7.76)	Senegal	833059.2	1697.81(7.39)
Kuwait	2159	1.26(5.89)	Nepal	623933	1546.15(6.73)
U.K	550	0.56(2.62)	Sri Lanka	508366.3	1315.27 (5.73)
Total	33519	21.4	Total	8648489	22967.82

Note: USA (7th Place) (273769.97) (961.52), Saudi Arabia (12th place) (129329.04) (472.7), Oman (23th Place) (64067.75) (224.87), Kuwait (29th Place) (36928.35) (143.89), UK (72th Place) (9123.32) (49.03)

source: APEDA(Agricultural and Processed Food Products Exports Development Authority)

India exported 21.43 per cent of its non-basmati rice to Bangladesh followed by Benin (8.81 per cent), Senegal (7.39 per cent), Nepal (6.73 per cent) and Sri Lanka (5.73per cent). The table also exposed that the USA has moved to 7th place with the import value of ` 961.52 crore, Saudi Arabia has moved 12th place with the import value of 472.7 crore, Oman has moved to 23rd place with the import value of ` 221.87 crore, Kuwait takes up residence at 29th place with the import value of ` 143.89 crore and the UK take root to 72nd place with import value of ` 49.03 crore in 2017-18.

CONCLUSION

The above finding and discussions shows that export of some of the agriculture products moved towards developing countries, Asia and African countries during reform periods for examples onion, basmati and non-basmati rice. In case of export of fresh onion from India, Bangladesh has moved to first place in 2017-18 from fourth place in 1987-88.Singapore has moved into 12th from 2nd place in 1987-88 and

the USA has shifted to 38th place in 2017-18 from 5th in 1987-88.For export of Basmati rice from India, Russia take root to 48th place in 2017-18 from first position in 1987-88.In case of non-basmati rice USA has moved to 7thplace, Saudi Arabia has moved to 12th place, Oman has moved to 23rd place, Kuwait takes up residence at 29th place and the UK take root to 72nd place in 2017-18.These findings also supported by (Sahni, Priyanka, 2014), pointed out that the most remarkable change in the direction of India's exports during post-reform era has been the increasing share of developing countries and Asia. On the other hand, the export of some of the agricultures products became important in aspect of developed countries during reform periods viz. Guar gum and Milled products. The top five export destinations of Milled products have been shifted from developing countries like Iran, Nepal and Malaysia during pre-reform periods to Developed countries viz. USA, Australia and UK during reform period. In the case of export of guar gum during pre and post-reform top positions have been occupied by developed

countries like USA, Germany, Norway, Russia and UK.

Due to greater trade co-operation among Asian countries particularly South Asian countries, The series of FTAs signed by India with countries from Asia Region and India's "Look East Policy" and "Focus Africa" program of Government of India lead to increase the export of respective regions during reform periods products like Fresh onion, Basmati and Non-basmati. But, developed countries moved to out of top list for certain products, so the government could take some policies to improve export of these products towards developed countries. The export products like Milled products and Guar gum could be expanded or increased to developing economy by improving production of these products in India and finding the opportunities in the developing and underdeveloped countries. This commodity wise analysis is also shows that there is a need of commodity specific policy instead of sectorial policy to increase their export to developed, developing and underdeveloped nations.

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