

AGRICULTURE DEVELOPMENT IN INDIA AND ITS EXPORTS AND POTENTIAL OF BIHAR

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Abstract : Agriculture has been a way of life and continues to be the single most important livelihood of the masses. Agricultural policy focus in India across decades has been on self-sufficiency and self-reliance in foodgrains production. Considerable progress has been made on this front. Foodgrains production rose from 52 million tonnes in 1951-52 to 244.78 million tonnes in 2010-11. Indian agriculture has greatly contributed to foreign trade even in its traditional form Indian Agricultural products have been facing stiff competition from Asian countries for quite some times. Due to globalization and liberalised regime, this competition is likely to increase further and new initiatives in agriculture development shall have to meet the emerging challenges. The performance of agriculture after integration with the world markets is linked to the success of exports. In its bid to increase overall exports, the government of India has decided to achieve this objective by giving a push to production and export of agricultural commodities. Agriculture has been a source of foreign exchange for India in the past. Most of the export earnings of agriculture came from the conventional items such as tea, cashew and spices.

Keywords : Agriculture, Asian countries, agriculture development, world markets.

I. INTRODUCTION

Agriculture plays a multifunctional role. Every 1% rise in agricultural productivity cuts poverty by 0.6%. World agricultural exports totaled US\$ 494 bn in 2002 – 5.1% increase over 2001 and constituted a share of 7.4% in the global merchandise trade. Exports of processed agricultural products expanded faster than those of semi-processed and unprocessed agricultural products between 1990 and 2002 from US\$ 150 bn to US\$ 238bn. The share of processed product showed a clear upward trend throughout the 1990, rising from 41% in 1990 to 48% of global agricultural trade in 2002. According to World Bank simulations, reduction of trade barriers in agriculture world yield real income gains of US\$ 358 bn in 2015. Almost 70% of these gains would be reaped by developing countries. Globally, merchandise trade is projected to increase by about 10% (more than US\$800bn), but exports from developing countries would rise by 20 % (nearly US\$ 540bn). The largest percentage increase in trade (nearly 50%) would occur in processed foods while agricultural trade is expected trade rise by 32%.

Agriculture contributes more than one-fifth to India's GDP and provides livelihood support to about two-thirds of the population. India is the largest food grain producer in the world, second in production of fruits and vegetables. Export of agri-products from the country increased from US\$ 3.3 bn in 1990-91 to US\$ 7.4 bn in 2003-04. India's major agri-exports include rice, oil meals, wheat, cashew, tea and spices. The share of India's top 10 agri exports markets increased from 53% in 2001-02 to 56% in 2003-04, thereby indicating an increased concentration of markets. India is a marginal player in the global market when it come to agri exports, although its share in world agri exports at a little over 1% is better than its share in total world exports at less than 0.8%. Export orientation of the agriculture sector is one of the prime requirements for its success in global trade. This is sustained when complemented with sizeable processing industry and strong internal market. Value addition in India is low at 7% as against 23% in China. Further, the share of processed agri products in India's total agri exports increased only marginally from 18% to 19%

during the period between 1990-91 and 2001-02 as against the global share of 48% in 2002. There are certain emerging agri products that hold good potential as export products. These inter alia, include stevia plant, vanilla jatropa, scabuckthorn and passion fruit.

II. AIMS AND OBJECTIVE:

Bihar is a major producer of fruits and vegetables (8.5% and 10.5% of India's total production, respectively). Analysis reveals that Bihar has potential for exports in lychee, guava, mango, banana, makhana. The state produces 73% of India's lychee with only 47% of total area coverage of the country, with higher concentration of production in Muzaffarpur and Vaishali. Considering that fruit exports from Bihar have to revolve around lychee, the focus of exports in terms of area should be these two districts. In case of other fruits, Bhagalpur has higher concentration in mango, East Champaran guava and lemon and Purnea in pineapple. The Government of Bihar has notified setting up of an Agri Export Zone focusing on lychee. Due to high levels of productivity in Bihar focus of the AEZ could be widened to include other important fruits and vegetables. Further, coverage of the AEZ could be expanded to include Patna, considering the importance of developing necessary handling facilities for swift movement of produce to the export markets. To enhance export orientation of mango and pineapple, a separate AEZ could be set up covering the districts of Bhagalpur and Purnea. In light of the fact that global demand of major tropical fruits (mangoes, 4.35% pineapple, papaya and avocados) is projected to grow at an annual average of 3% to 4.5%, exports of tropical fruits from Bihar holds immense potential.

III. CONCLUSION

Outward orientation would help farmers get benefits that in turn would encourage investment in the resource scarce agricultural sector. A five-pronged export strategy needs to be adopted, viz., product diversification into high value added products, market diversification, market promotion and development, value addition in the form of processed foods, and agri infrastructure up-gradation. Farmers also need to be given risk protection across various aspects like market risk protection and production risk protection.

Exim Bank is the apex institution responsible for financing, facilitation and promoting India's international trade. The Bank offers a wide range of lending programmes, tailored to meet the needs of different customer groups. In recent years, recognizing the tremendous export potential that India's agri sector holds, Exim Bank has increasingly been focusing its activities towards this sector. Accordingly, agri and allied sector has been identified as thrust sector in Exim Bank's medium term business strategy. Besides putting in place an 'Agri Business Group' which focuses on the agri sector, the Bank brings out a bimonthly newsletter titled 'Agri Export Advantage' in English, Hindi and ten regional languages. To augment its initiatives, Exim Bank has also set up an agri-portal, which is an IT initiative to promote knowledge-based agriculture enterprise. To establish a formal and operational framework of co-operation in developing the food processing industry in country, Exim Bank has a Memorandum of Understanding with Ministry of Food Processing Industries. The Bank also has a tripartite MOU with NABARD and APEDA for synergizing efforts of these organizations to leverage their respective strengths with a view to augmenting agricultural exports from India.

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