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DIRECTION OF INDIA'S AGRICULTURAL TRADE IN THE POST-REFORM PERIOD

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ABSTRACT----------
The study is focused on evaluating the growth and trend of India's agricultural exports after the implementation of economic reforms. The changes in the composition and volume of agricultural exports and imports in the post-reform period, especially after the economic reforms of 1991, demonstrate significant shifts in India's agricultural trade. The liberalization measures adopted during this period, with the aim of integrating the Indian economy into the global market, have deeply influenced the agricultural sector. The post-reform period has seen substantial growth and diversification in India's agricultural trade, influenced by liberalized trade policies, global market dynamics, and technological advancements. While opportunities for expansion remain, addressing challenges such as climate change, market access, and sustainability will be crucial for future growth. The results indicate that India's agricultural exports have experienced remarkable growth from 1990–1991 to 2020–2021. India's agricultural exports grew from $3.35 billion in 1990-91 to $35.93 billion in 2019-20, marking a nearly 12-fold increase over 30 years. The country is currently facing significant challenges such as low productivity and high logistics costs, limited value addition, challenges in export promotion and branding, non-tariff barriers, and quality issues.----------

INTRODUCTION

The shifts in India's agricultural trade after the economic liberalization in 1991 reflect substantial shifts influenced by policy changes, globalization, and domestic agricultural advancements. India has experienced a noteworthy growth in agricultural exports. While traditional exports such as tea, coffee, spices, and cotton have maintained their strong positions, there has been a rise in new commodities like rice, meat, marine products, fruits, and vegetables. There is a noticeable shift towards exporting high-value products like processed foods, organic products, and specialty items such as basmati rice, which yield higher returns. India has expanded its export markets beyond traditional partners. The US, EU, and Middle Eastern countries remain key destinations, but there has been a growth in exports to Southeast Asia, Africa, and Latin America. Despite being a significant agricultural producer, India imports substantial quantities of edible oils and pulses to meet domestic demand. There has also been a steady import of agricultural inputs such as fertilizers, pesticides, and machinery to support domestic agriculture. Periodically, India imports wheat and rice to stabilize domestic prices and ensure food security during periods of shortage. The post-1991 reforms brought about a new era with reduced tariffs, elimination of quantitative restrictions, and encouragement of private sector involvement in agricultural trade. India has actively participated in numerous bilateral and regional trade agreements, making it easier to access foreign markets for its agricultural products. The government has introduced various initiatives to boost agricultural exports, including subsidies, the development of export-oriented infrastructure, and policy support. However, meeting international quality standards and addressing non-tariff barriers present challenges for Indian agricultural exports. The sector is also susceptible to fluctuations in global commodity prices, changes in trade policies of importing countries, and competition from other exporting nations, all of which affect India's agricultural trade. The adoption of sustainable agricultural practices and technological advancements holds the key to enhancing productivity and trade competitiveness, paving the way for a promising future for India's agricultural trade. There has been a significant increase in the export of processed food products, driven by the growing global demand for ready-to-eat and convenience foods. India is becoming a significant exporter of organic products, catering to niche markets in Europe, the US, and other developed regions. The adoption of digital platforms for trade facilitation, including e-NAM (National Agriculture Market), has improved market access and transparency for farmers and traders. India's agricultural trade in the post-reform period has been characterized by growth and diversification in exports, increased imports of essential commodities, and strategic policy shifts aimed at integrating with the global market. The country's ability to adapt to global market trends, improve product quality, and leverage technology will continue to shape the future direction of its agricultural trade.

LITERATURE REVIEW

Cannel and Jahan's comprehensive 2004 study shed light on the evolution of India's agriculture support programs from 1951 to 2003. Their research underscored the sector's focus on achieving food security and improving food

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availability. However, it also brought to the forefront the challenges faced by the sector, such as slowed growth in food grains and decreased productivity in recent years.

In Kumar and Rai (2007)study, they explored India's export performance, focusing on tomatoes and the impact of trade liberalization. They found that India had significant potential to increase tomato and tomato product exports. In Shinoj and Mathur's 2008 study, they analyzed India's comparative advantage in agricultural exports post-reform and found that it was eroding in some commodities. Kumar and Rai(2008) study focused on cucumber and gherkin crops, revealing that India made significant progress in its exports from 1990 to 2005, with major destinations being France, the USA, Russia, Belgium, and Spain.

Bhattacharya R.(2012) looked at India's competitive edge in the vegetable, fruit, and flower industries. The study found that India had a significant competitive advantage in the EU market for vegetables and fruits but not for flowers. In 2014, Shah D. studied the impact of liberalization on India's agricultural exports, highlighting high fluctuations and lower growth compared to agricultural imports from 1993-2003.

Rani (2015) and Singh and Singh (2015) both studied the impact of the World Trade Organization (WTO) on India's agriculture sector. Rani found that agricultural commodity export growth rates increased after the WTO but employment in the sector decreased. Singh and Singh discovered that some agricultural exports had negative compound growth rates while others had positive growth rates after the implementation of the WTO. Naik and Nethrayini (2018) conducted a study on India's coffee exports, focusing on trade direction, competitiveness, and stability. They used the Markov chain technique to predict the projection of Indian coffee in key exporting countries. Their analysis also included assessing Indian coffee's export competitiveness using the nominal protection coefficient. The study revealed that while overall coffee exports had increased in international markets, India's share of exports had decreased during the study period. Additionally, the proportion of exports relative to production had declined. Naik, G. (2021) delved into the trade direction and competitiveness of rice in India. Their research employed the Markov chain model to investigate structural and directional changes in rice exports. The results indicated stable export destinations for rice from India, with Bangladesh and the UAE being significant importers. Bangladesh stood out as a consistent importer from India, while Benin and the UAE were also notable importers. These findings are valuable for policymakers and those interested in the international rice trade.

METHODOLOGY

The study looks into the direction of India's agricultural trade from 1991-92 to 2019-20. It relies on secondary data and existing literature. The secondary data was collected from various sources, including the Food and Agriculture Organization's (FAO) Statistical Year Book, FAOSTAT, DGCIS (Director General of Commercial Intelligence and Statistics), World Bank's WITS trade Data, International Monetary Fund's International Financial Statistics, WTO statistics, and APEDA by the Ministry of Commerce and Industry.

RESULTS AND DISCUSSION

The export direction shows which countries ship goods. Displayed are the export destinations, indicating the size of global markets, which impacts a country's export performance. A substantial and diverse global market supports stability and consistency in the export sector. India has established a significant and varied international market for its products. Colonial ties notably influenced India's foreign trade trajectory, particularly with Britain. These ties, stemming from the colonial era, played a crucial role in shaping India's foreign trade leading up to its independence. As economic relations between nations strengthened, international diplomatic events began to increase. Since 1991, India's overseas trade has taken a new direction with the introduction of new export items and the exploration of new markets. Trade policy changes initiated in 1991 and the establishment of the WTO have significantly altered India's export strategy, resulting in notable changes in trading relationships. India is currently involved in trade with the majority of nations and major economic blocs worldwide.

Table 1 shows that in the 2019-20 period, the largest destination for India's exports was the USA, representing 16.9% of the total. The UAE represented 9.2%, and China represented 5.3% of India's exports in that year. India exported to 239 countries in 2019-20, with the top ten countries collectively making up 50% of India's total exports.

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Table 1. Country-wise share of Indian Exports (2019-20)

Countries	Amount of export (US $ Million)	Percentage share
USA	53088.8	16.9
UAE	16612.8	9.2
China	28853.6	5.3
Hong Kong	10967.1	3.5
Singapore	8922.7	2.8
UK	8737.9	2.8
Netherlands	8366.1	2.7
Germany	8290.9	2.6
Malaysia	6363.7	2
Saudi Arabia	6236.9	2

Table 2 illustrates the preferred overseas markets for agricultural exports from India. The USA held the largest portion of India's agricultural exports at 13.19 percent, with China following closely at 8.17 percent. Iran accounted for 6.1 percent, Vietnam for 5.3 percent, UAE for 4.97 percent, Saudi Arabia for 4.56 percent, and Bangladesh for 4.09 percent. Collectively, the top ten countries comprised 54 percent of India's agricultural exports in 2019-20.

Table 2. Percentage share of major countries in Agricultural Exportfrom India (2019-20)

Countries	Amount of export (in US $ Million)	Percentage share
USA	4619.8	13.19
China	2860.9	8.7
Iran	2136.5	6.1
Vietnam	1854.3	5.3
UAE	1740.4	4.97
Saudi Arabia	1597.4	4.56
Bangladesh	1430.6	4.09
Malaysia	964.1	2.75
Nepal	818.9	2.34
Indonesia	734.8	2.1

CONCLUSION

In 2020, India's agricultural product exports made up 2.2 percent of the global agricultural exports. The primary recipients of these exports were the United States, China, Iran, Vietnam, the United Arab Emirates, and Saudi Arabia. Upon analysis, a noteworthy shift in India's agricultural trade was observed. There has been a decline in market share in the traditional destinations and a rise in non-traditional markets. As of now, the top destinations for India's agricultural exports continue to be the United States, the United Arab Emirates, Malaysia, and Saudi Arabia.

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