

# A STUDY ON PROBLEMS FACED BY AGRI EXPORTERS IN SELECTED REGION OF COIMBATORE DISTRICT

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## 1.1. ABSTRACT

India stands out as one of the world's swiftest growing economies, capturing global attention with its dynamism. It ranks as the seventh largest nation by geographical expanse. Presently, India holds the third spot among Asian economies, trailing only Japan and China. Despite its vast agricultural potential, India's agricultural exports on the global stage have remained relatively modest, owing partly to governmental trade policies.

In recent times, there have been noteworthy shifts in the trade balances of various agricultural commodities. However, despite strides in economic growth, over 60 percent of India's populace continues to reside in rural areas, where agriculture serves as the primary livelihood.

The Indian government is vigorously incentivizing and facilitating agricultural exports, particularly of fruits, flowers, and vegetables, through initiatives outlined in the schemes of Commodity Boards and Export Promotion Councils. These initiatives are poised to bolster the entire agricultural export sector.

Under the auspices of the Department of Commerce, the Agricultural and Processed Food Products Export Development Authority (APEDA) is spearheading numerous schemes to provide financial support to eligible exporters. These encompass schemes dedicated to market expansion, infrastructure enhancement, quality improvement, research and development, and transportation assistance.

## 1.2. INTRODUCTION

Economic development stands as a paramount objective for societies globally, with economic growth serving as a vital enabler. Within the spectrum of contributors to economic growth, exports emerge as a cornerstone. However, concerns surrounding trade persist, especially among nations reliant on exporting primary and industrial goods, where the terms of trade often disadvantage poorer nations.

Pandit Jawaharlal Nehru's famous assertion, "export or perish," underscores the critical significance of exports in the context of a developing economy. A nation with ambitious development plans often requires substantial imports of capital goods, technology, raw materials, and other essentials to effectively execute these plans. Since imports are funded by exports, a nation's ability to import hinges directly on its export performance. Exportation is therefore indispensable for a nation, fostering a robust and resilient economy by maintaining favourable trade balances. In an increasingly globalized marketplace, the role of exports becomes even more pivotal. Virtually all nations recognize the imperative of developing their export capabilities, as exports provide access to foreign markets, enabling opportunities for economies of scale, growth, and the acquisition of foreign exchange.

Agriculture has been the significant driving force of Indian economy. It gave around one-third of the Gross Domestic Product (GDP) and utilized 5 roughly two thirds of the population. The share of agriculture in the GDP has however declined in contrast with the growth of industrial and services sectors. However, agriculture still gives the greater part of wage good required by the non-agricultural sector and in addition various raw materials for industry. The direct share of agricultural and unified sectors in total exports is around 18 percent when compared with the indirect share of agricultural products in total exports such as cotton textiles, and jute goods is considered the percentage is substantially higher. Agriculture possesses a position of pride, being the largest Industry in the country. It gives the utilization and service goods but many exports additionally rely on upon it.

### 1.3. OBJECTIVE

- To examine the socio-economic status of Agri export entrepreneurs in general and particular to study area
- To explore the problems and challenges faced by Agri exporters in Coimbatore and Pollachi region
- To study the effectiveness of APEDA (Agricultural and Processed Food Products Export Development authority) export incentives to promote Export of Agricultural Processed Food Products.

### 1.4. RESEARCH METHODOLOGY

Research is comprehensive strategy for carrying out an official inquiry. The science is concerned with methods and principles for investigation and study. A research technique is a method for gathering the required data from a variety of primary and secondary sources.

**Research design** - Descriptive Research

**Area of the study** - Coimbatore

**Sampling technique** - Simple Random Sampling method.

**Data collection** - Primary and secondary data

**Sample size** - 125

**Statistical tools used for the study**- Simple Percentage analysis, chi-square, and Factor analysis

### 1.5. REVIEW OF LITERATURE

**A. Abdul Kadhar (2019)** conducted research on **challenges and opportunities' of agri export entrepreneurs** that Agricultural production developed colossally with the opening of new western lands. The Agricultural and Processed Food Products Export Development Authority (APEDA) came into existence in 1986 under an Act of the Parliament to promote Indian agricultural commodities and processed foods exports.

**Sri Durga Prasad (2018)** researched **a study on analysis of soya bean exporters in agriculture industry** mentioned that India is the third largest producer of coconut and leads 90 cocoanut producing countries of the world. The extreme fluctuations and variations in weather conditions create instability in food production and affect livelihood of millions of farmers spread all over the country.

**Lal and Lavanya (1984)** analysed **the growth rates of major crops in Agra district in Uttar Pradesh**. The study was conducted for the period from 1959-60 to 1973-74 and the crops selected were Maize, Bajra, Wheat, Barley and Potato. The results revealed the highest growth in maize production. There was a significant growth of production in all the foodgrain crops except barley which showed a decline in production. Dass et al., (1985) analysed the trends in coffee export in relation to general exports from India for the period 1956-57 to 1982-83. The annual compound growth rate of export in general had fallen during the period 1972-73 to 1982-83 in spite of buoyant world demand and high domestic production. The share of coffee exports in total exports, in value terms, had increased in the periods 1956-57 to 1971-72 and 1972-73 to 1982-83. However, unit value, quantity and export value recorded chronic instability during the same period.

**Raveendran and Aiyaswamy (1982)** analysed the **export growth and export prices of turmeric in India**. They observed cyclic pattern of variation in prices with a length of three to seven years. The export prices were studied in relation to the domestic prices and found that there was a very high correlation between export price and domestic price of turmeric. Undoubtedly it was confirmed the vulnerability of the latter to the international price fluctuations.

**The Economic Unit of the Indian Institute of Public Opinion (1999)** had suggested that **indigenous as well as imported raw materials should be made available to the small sector at reasonable prices**. Organisations such as The State Trading Corporation and The State Export Corporation should take the entire responsibility for providing raw materials and for the marketing of the products of the small sectors. It was necessary to incorporate special export promotion cells in organisations created for the development of the small-scale sector. Special attention should be paid to project the products of the small-scale sector in trade fairs and exhibitions overseas. It would be desirable to organise specialised exhibitions devoted exclusively for projecting India's small-scale sector products in strategic overseas markets. It was necessary to encourage the SSI units to participate in the overseas exhibitions free of cost. The expenses of their personnel at these exhibitions should be heavily subsidised by the Government.

Ananthi (2000) analysed the growth of area, production, productivity, and export of Indian non-basmati rice. The growth rates were calculated by sub-dividing the study period into 1949-50 to 1969-70 as first period and 1970-71 and 1997-98 as second period. The area, production and productivity showed positive trend for the export during the study period 1980-81 to 1998-99 for basmati and non-basmati rice. The growth rate was also positive and significant

Angles (2001) assessed the growth performance of turmeric in important south Indian states over the period from India 1979-80 to 1998-99 by using the exponential An Economic Analysis of India’s Basmati Rice Exports 14growth functions of the form  $Y_t = abt$ . They reported that the growth rates in area, production, and productivity of turmeric in Andhra Pradesh, Tamil Nadu and Karnataka were registered positive and a significant growth. While growth rate of area was negative (-0.02%) in Kerala but in production and productivity of turmeric were recorded positive and a significant growth. The growth rates in area (2.07 %), production (6.57 %) and productivity (3.78 %) of turmeric in India were registered positive and a significant growth. A negative growth rate of area was found (-0.02 %) in Kerala due to production of turmeric in small patches, where the plantations crop such as rubber, coconut etc. dominated and they were more profitable than turmeric. The other main problem was the labour requirement, wherein around 50 per cent of the cost of cultivation was spent on labour in turmeric production. But the labour availability was scarce and labour wage was very high. Hence, the farmers opted for plantation crops where there was no need of more labour throughout the year. Consequently, the area under turmeric was reducing year after year.

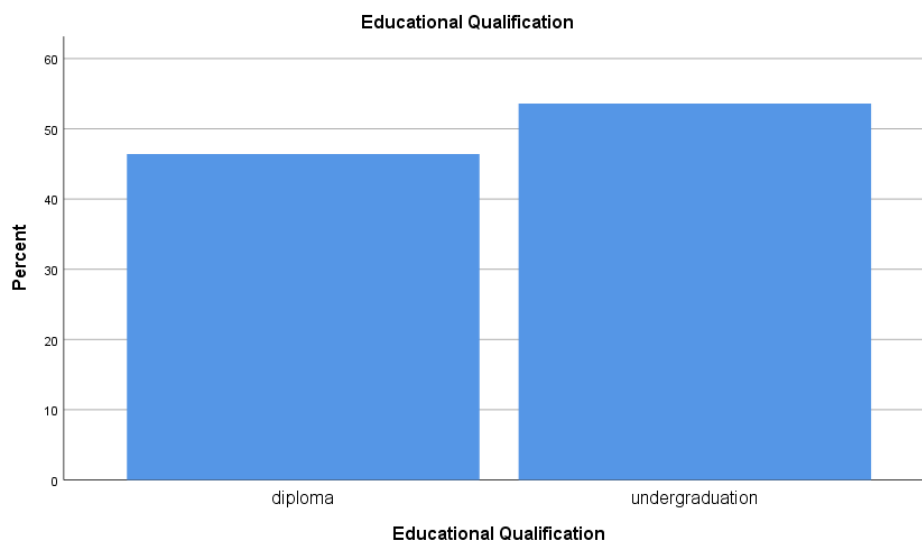
**1.6. DATA ANALYSIS AND INTERPRETATION**

**Table 1.6.1**

		Frequency	Percent	Valid Percent
Valid	Post graduation	58	46.4	46.4
	Under graduation	67	53.6	53.6
	Total	125	100.0	100.0

**INTERPRETATION**

From the above table 53.6% of the respondents are completed post-graduation,46.4% of the respondents are under graduation. Most of the respondents are (53.6%) are post-graduation.

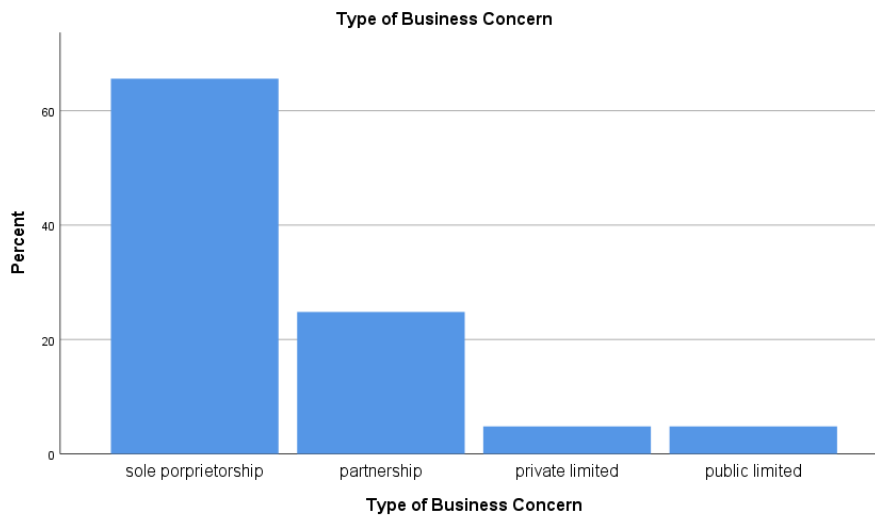


**Table 1.6.2**

		Frequency	Percent	Valid Percent
Valid	sole proprietorship	82	65.6	65.6
	Partnership	31	24.8	24.8
	private limited	6	4.8	4.8
	public limited	6	4.8	4.8
	Total	125	100.0	100.0

**INTERPRETATION:**

From the above table (65.6%) of the respondents having sole proprietorship type of business concern, (24.8%) of the respondents having partnership type of business concern, and (4.8%) of the respondents having both private and public limited company. Hence maximum number of respondents (65.6%) having sole proprietorship type of business concern.



**CHI-SQUARE**

**HYPOTHESIS:**

**H<sub>0</sub>:** There is no association between years of experience and educational qualification

**H<sub>1</sub>:** There is an association between years of experience and educational qualification.

**Table 1.6.3**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	51.817 <sup>a</sup>	6	.000
Likelihood Ratio	45.914	6	.000
Linear-by-Linear Association	23.150	1	.000
N of Valid Cases	123		

**INTERPRETATION:**

From the above table it was understood that the significant value 0.000 is less than the p value, so we reject null hypothesis. Hence. there is an association between years of experience and educational qualification

**ANOVA**

**HYPOTHESIS:**

**Ho:** There is no association between APEDA assistance and services of government agencies.

**H1:** There is an association between. APEDA assistance and services of government agencies.

**Table 1.6.4 Association Between APEDA assistance and services of government agencies.**

ANOVA					
do you take assistance of APEDA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.362	2	1.681	2.676	.073
Within Groups	76.638	122	.628		
Total	80.000	124			

**INTERPRETATION:**

From the above table it was understood that significant value 0.73 is more than the p value. So, we accept null hypothesis. Hence, there is no association between APEDA assistance and services of government agencies.

**1.7 FINDINGS OF THE STUDY**

- Maximum 53.6% of the respondents are completing post-graduation
- Maximum 65.6% of the respondents having sole proprietorship type of business concern
- Identified value is less than p value, it is rejected null hypothesis.so there is no association between years of experience and educational qualification
- Identified value is more than p value, it is accepted null hypothesis. hence there is an association between APEDA assistance and services of government agencies

**1.8. SUGGESTIONS**

Based on this study the following suggestions are put forward for consideration of Support provided by the APEDA is a function of the APEDA"s five export promotional schemes for Market Development, Infrastructure Development, Quality Development, Research & Development and Transport Assistance. It is basic to advance solid market techniques by APEDA in its plans for showcase improvement to make Indian Agricultural Processed Food Products more aggressive and upgrade its proficiency. For this reason, by and by APEDA is broadening monetary help under market improvement plans to enrolled exporters of new organic products, vegetables, blossoms, and eggs up to 25 percent of the aggregate cost of bundling material 270 subject to a roof of Rs.5 lakh. Brand advancement for those brands of Indian source, promotion in universal print/electronic media, site improvement and so forth., APEDA is broadening up to 25 percent of the aggregate cost subject to a roof of Rs.50 lakh in a year on repayment premise. There is must help 100 percent monetary help to Agri export business visionaries under Market Development Scheme of APEDA to meet front-end special consumption to quicken export development of Agricultural Processed Food Products with developed countries markets in view.

**1.9. CONCLUSION**

The APEDA helped Agri export entrepreneurs by method for different schemes booster were conceivably expanded their export capacities as far as esteem. The APEDA as of now has an obligation to advance export of Indian Agricultural processed food products, however the present limited time part by its schemes to create export intensity of Agri export entrepreneurs in worldwide market moderately wrong. A noteworthy trouble confronted by agri export entrepreneurs in

the universal market is the abnormal state of sponsorships given by created 274 nations for their agricultural processed food products. The present help plan of APEDA has imparity and absence of sufficient financial help and sponsorships. There are imperatives and issues in financial help under schemes bolster by APEDA.

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