CHAPTER IV

AGRO-EXPORT POTENTIALITIES OF ANDHRA PRADESH

PART I

The economy of Andhra Pradesh is primarily agricultural oriented. Besides food crops, which account for a major portion of agricultural production, a wide variety of commercial crops are grown in all the three regions of the state. Among these, tobacco, groundnut cake, De-oiled rice-bran, cashew, palmyran fibre chillies, turmeric etc., are important which figure in the country's export trade.

The following pages are devoted to explain the need and importance of standardisation and export promotion in respect of the agro-commodities exported from Andhra Pradesh have been dealt.

Standardisation and Export Promotion:

Export play a very important role in the economy of any country. Exports not only bring valuable foreign exchange which is badly needed, but also helps in building up the image of the country by popularizing the goods produced indigenously.
To achieve these aforesaid objectives, we have to specify certain standards which reflect the requirements of consumer, either within the country or abroad. It also serve as a guide to the producer hence it serves as the only understandable and acceptable link between the supplier and the importers. Standards also facilities certification.

In India, as begining was made with the establishment of India Standards Insititution which was entrusted with this responsibility. So far the Institution has formulated over 5,500 Indian Standards covering such diverse fields as Electrical, Mechanical, Agricultural, Food product etc. Over 10 per cent i.e. more than 600 Indian Standards in the field of Agriculture and Food Product Bakery and Confectionary product, by products of oil seed milling industry, meat and fish product etc.

In a developing country like India standardisation has a vital role to play in the all round development in industry and trade. More so in the field of Export Trade. Shortage of goods offer still 'Sellers Market' internally and maintenance of quality standard has yet to assume importance. Products exported are facing stiff competition in the field of price and quality. As a result we are forced to sell our products at unremunerative price for want of quality standards. In this context we have to adhere to standardisation, in order to meet the challenge effectively by offering competitive price through reduced cost of production, consumer satisfaction and high quality

standard. It is, therefore, quite essential for exports that not only the standards for the products be fixed but adhered to. A periodical revision of standards is also important in view of the technological changes. But the level of available technology within the country is to be taken into consideration while determining the standard. The rise in standard of the product manufactured will speak of the level economic development and the prestige that our country is enjoying in the field of export trade from the time immemorial, particularly those of agriculture and food product. The pattern of export from India has also changed considerably from purely traditional agricultural commodities and the raw material to increasing value of manufactured goods. We cannot, therefore, be indifferent to the changes that the are taking place in the field of export trade, it is not natural that we have to march with other nations only to maintain the present position but also to increase the volume of exports. Thus, the enforcement of quality field control in the field of exports cannot be over emphasised. It has manifold advantages of producing better quality products, reducing the cost of production, protecting consumers interest and ensuring protection of health against hazards. The ultimate aims of quality control are to provide an economic means of attaining, maintaining and checking an objective standards quality.

In order to put the exports on sound footing Govt. of

India took legislating measures for variety of commodities in 1963. As a result, Fruit Products Control Order, Vegetable Oils Products Control Order, the Preservation of Food Adulteration Act, The Drugs Act etc. have came into light. Lately a large number of agricultural products have come under the purview of agricultural marketing organisation, whose 'Ag-mark' on the packages of goods is now considered as a taken of guaranteed quality. Another important event that took place towards a rational quality promotion in export was the appointment of special committee under the chairmanship of Dr. Lal. C. Verma, who examined the various aspects of export Vis-a-vis quality standard prevailing and recommended the setting up of a special Agency for Pre-shipment inspection, of export goods and certification of the quality on the basis of national standard. Accordingly the export quality control and inspection Act was passed in 1963 and the Export Inspection Council has been constituted to operate pre-shipment inspection for the major portion (more than 85 percent) of export commodities. However, the advantages offered by these schemes have not been fully utilised by industries concerned with the development of Export Trade. These schemes are yet to make a full impact on those industries. Even though it is practically impossible to formulate standards for every product we export (specially for some traditional commodities) in the interest of trade and with a view to popularise the products abroad, some kind of control in respect of quality and pre-shipment inspection is desirable as a measure of long range policy.
Since agro-industrial products are governed by standards, and come under quality control and pre-shipment inspection, it is felt that there is a need for improving the existing arrangements of grading for export in respect of commodities like tobacco and cashew kernel. Besides, there is a need to bring into the fold of quality control some more commodities like de-oiled ground nut, de-oiled rice bran and palmyra-fibre.

**PART II**

Position of Exports of Agro-Commodities and products from Andhra Pradesh:

In the following pages an attempt is made to explain the exports of agro-commodities and products from Andhra Pradesh in respect of Tobacco, De-oiled cakes, De-oiled Groundnut cake, De-oiled rice bran, Cashew Kernel, palmyra fibre and other items on the basis of the table given below.

**ESTIMATED EXPORTS FROM ANDHRA PRADESH**

<table>
<thead>
<tr>
<th>S.NO.</th>
<th>COMMODITY</th>
<th>EXPORTS DURING 1970-71</th>
<th>1971-72</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tobacco (Virginia)</td>
<td>2,854.67</td>
<td>3,901.88</td>
</tr>
<tr>
<td>2.</td>
<td>Chillies</td>
<td>10.87</td>
<td>28.56</td>
</tr>
<tr>
<td>3.</td>
<td>Turmeric</td>
<td>130.38</td>
<td>98.74</td>
</tr>
<tr>
<td>4.</td>
<td>Sann Hemp Fibre.</td>
<td>4.53</td>
<td>6.10</td>
</tr>
<tr>
<td>5.</td>
<td>Wheat Bran</td>
<td>2.89</td>
<td>--</td>
</tr>
<tr>
<td>6.</td>
<td>Cashew Kernels</td>
<td>5.53</td>
<td>2.17</td>
</tr>
<tr>
<td>7.</td>
<td>Sandal Wood Oil.</td>
<td>43.45</td>
<td>42.71</td>
</tr>
<tr>
<td>8.</td>
<td>Sandal Wood Spent Dust,</td>
<td>1.56</td>
<td>1.34</td>
</tr>
<tr>
<td>S.NO.</td>
<td>COMMODITY</td>
<td>EXPORTS DURING 1970-71</td>
<td>EXPORTS DURING 1971-72</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------</td>
<td>------------------------</td>
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</tr>
<tr>
<td>9.</td>
<td>Sandal Wood Powder &amp; Chips</td>
<td>0.05</td>
<td>0.12</td>
</tr>
<tr>
<td>10.</td>
<td>Davana Oil.</td>
<td>0.77</td>
<td>1.36</td>
</tr>
<tr>
<td>11.</td>
<td>Palmyra Fibre.</td>
<td>122.65</td>
<td>118.06</td>
</tr>
<tr>
<td>12.</td>
<td>Palmyra Stalks.</td>
<td>1.42</td>
<td>0.97</td>
</tr>
<tr>
<td>13.</td>
<td>De-Oiled Rice Bran.</td>
<td>124.91</td>
<td>86.96</td>
</tr>
<tr>
<td>14.</td>
<td>De-Oiled Cakes (Grondnut Cotton, gingelly, Kardi)</td>
<td>332.29</td>
<td>252.70</td>
</tr>
<tr>
<td>15.</td>
<td>Cigarettes.</td>
<td>0.42</td>
<td>--</td>
</tr>
<tr>
<td>16.</td>
<td>Instant Coffee.</td>
<td>72.92</td>
<td>78.24</td>
</tr>
<tr>
<td>17.</td>
<td>Sugar</td>
<td>101.64</td>
<td>642.90</td>
</tr>
<tr>
<td>18.</td>
<td>Fruits Juices.</td>
<td>26.46</td>
<td>6.50</td>
</tr>
<tr>
<td>19.</td>
<td>Pickles and Chutneys</td>
<td>0.24</td>
<td>0.19</td>
</tr>
<tr>
<td>20.</td>
<td>Tamarind Seed &amp; Flour</td>
<td>0.81</td>
<td>1.80</td>
</tr>
<tr>
<td>21.</td>
<td>Annato Seeds.</td>
<td>0.34</td>
<td>0.97</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>3,838.80</td>
<td>5,272.27</td>
</tr>
</tbody>
</table>

Seminar on Standards Appraisal & Utilisation in Export Promotion Souvenir, Directorate of Commerce & Export Promotion (Govt. of A.P.) & India Standards Institution 14, December, 1973, Hyderabad pp.22-

I. Tobacco:

Andhra Pradesh occupies a prominent place among the tobacco-growing states in India. The two main varieties of tobacco grown in the state are flue cured verginal (F.C.V.)
and the NAXU or DESI tobacco. Andhra Pradesh virtually accounts for the production entire Virginia tobacco in India. The largest demand in the international market is for F.C.V. tobacco of which India is second largest exporter. Out of total exports of Rs 31.39 crores and Rs 42.25 crores in 1970-71 and 1971-72 respectively the F.C.V accounts for Rs 29.24 crores and Rs 39.49 crores. Exports are made mainly from Guntur and Prakasam districts.

Except in the year 1972, the tobacco exports are either stationary or showing a downward trend particularly to the traditional markets in U.K. and Europe. The tobacco exports are being replaced in traditional market by Thailand, South Korea, China and Latin American Countries on the price factor. We are unable to reduce value of the tobacco paid to the farmers as he has to get a fair return from tobacco compared to other cash crops. Further in view of the general inflation, labour and the prices of other materials used for packing etc. too have gone up considerably. In order to be made competitive in the export markets the plea made by the ILTD Co.Ltd. for reduction in export duty is quite reasonable and genuine.

U.K.
For a long time, has been our single largest customer for Virginia tobacco. U.K.'s entry into the European Economic community has made the situation very critical.

The phase wise adjustments in U.K. tariff with effect India's exports particularly tobacco. The position will become more critical after July 1977, by that time, all imports from EEC member countries will be admitted without duty, while non-EEC countries including India will be subjected to full tariff. Under these circumstances, our tobacco will cost more in U.K. and in the course of time, the Indian tobacco will be out of demand. This in turn effects the production of tobacco in the state. In the interest of all those who are concerned with the industry, and in the economy of the state in general there is a imperative need to prevail upon the U.K. to seek protection for the India tobacco in the U.K. Market. This can not be a permanent solution, but such concession is inevitable till we stabilise ourselves. For want of required railway wagons, the tobacco exports are being sent to Madras port by road, which results in higher transport charges and consequently the f.o.b. charges are increasing. It is for this reason the exports have become expensive in shipping these products. Particularly to U.K., as there is fall in the frequency of the ships going to U.K. in these days. To come out of this situation, efforts should be made to divert the exports from Visakapatnam and also to from Kakinada port in future.

Frequent increase in freight rates in the another reason which is going against the interest of Indian Exporters. It is quite amusing to note that ocean freight rates South Korean and Thailand to U.K. are cheaper than from Indian ports to U.K., inspite of the additional distance involved. Unfortunately, in India we do not have a agency
like Maritime Boards as in U.S.A. without its permission to enhancement of ocean freight rates by the conference lines is possible. Frequent increases in ocean freights by the conference lines may come in the way of the export promotion activities, and therefore, the government of India may take appropriate action to remedy the situation.

The system of grading followed by farmers is known as 'Kutcha' grading, under this system the tobacco can be graded from IV to 8 V. While the Agricultural Marketing Organisation prescribed as many as 23 grades "Ag-mark". The method followed in these cases is otherwise called as 'Colour Grading' based on colour, size and blemish in tobacco to suit the requirements of different cigarette manufacturers.

In recent years, there has been a marked change in consumer preference abroad from the United Kingdom, there is now a demand for stems, while Japan wants the lower leaves in the plant because they are said to contain low nicotine content. By and large the tobacco industry is governed by the consumer preference and therefore, fluctuates very widely.

In view of the above factors and in conformity with the structural changes in the cigarette manufacturing patterns, the emphasis is being given to the internal chemical qualities of the leaf rather than the external quality. These factors lead to the adoption of a new grading called 'plant position grading' replacing the old system of 'colour grading' in almost all the countries of the world with the exception of India. This system is intended to emphasise the basic characteristics of the leaf in relation to its nicotine
and sugar contents. Apart from these the other qualities tobacco in like texture, thinness, colour and blemish of the leaf are also important, which can be judged by feel and sight.

It is an admitted fact that the present method of grading in India is out dated and does not suit the requirements of foreign buyers. It is, therefore, imperative that India should also switch over the new method of 'plant position grading' in the interests of all those who are connected with the industry.

The world demand of flue cured tobacco in the year 1974-75 has been estimated to be to the tune of 21,97,000 tonnes of which India's share is expected to be 48,000 tonnes as against an export feasibility of 63,000 tonnes, if satisfactory assurance about the supply of quality tobacco can be provided.

In short, the future prospects of tobacco trade appears to be grim, unless the some of the above stated problems of the industry are solved, tobacco industry not be put on sound footing.

II. De-Oiled Cakes:

Andhra Pradesh has to previlage of producing a large variety of oil seeds. De-oiled cake industry is concentrated mainly in Kurnool district. The varieties of de-oiled cakes have been produced in the state. The important are, groundnut cake, cotton seed cake, safflower (Kard), seasman (gingely) cake.

a) **De-Oiled Groundnut Cake**

De-oiled groundnut cake is one of the important agro-base product which is being exported from India regularly. India is meeting 20 percent of the world's total demand. This commodity constitutes about 78 percent of India's bulk export of de-oiled cake.

As far as de-oiled groundnut cake is concerned, no standard specifications have been evolved for the purpose of exports. At present exports are made according to the buyers specifications which form the basis for quality control and pre-shipment inspection.

In case of exports to the United Kingdom, specifications stipulated in contract number six of the London Cattle Food Trade Association, London, are followed. The specifications laid down in the contract are as follows:

1. **Moisture**
   - Not more than 10 percent.

2. **Oil and alluminoids**
   - Not less than 50 percent (acceptable up to 44 percent at discount)

3. **Oil**
   - Not more than 1.5 percent.

4. **Sand & Selica**
   - Not more than 2.5 percent.

5. **Fibre**
   - Not more than 3-12 percent.

6. **Castor Rusk.**
   - Nil.

Out of the total exports of De-oiled ground nut cake of 6 lakh tonnes from India during 1971-72, Japan was the principal buyer importing about 20 percent, East European

7. Ibid.
countries accounted for about 70 percent, while the share of U.K. was only 10 percent.

b) Exports of Japan, East European Countries, are made according to their own requirements as these are no standard specifications from evolved as in case of the United Kingdom.

Hence there is a need to set up standard specifications for de-oiled ground nut cake to suit the requirements of all the major importing countries.

b) De-Oiled Rice Bran:

There is currently a world market for de-oiled rice bran with low acid insoluble ash content. Such a stipulation is desired in the interest of the animals. If the necessary precautions are taken, it would be possible to produce rice bran with 1.0 - 1.5 percent of acid insoluble ash. Such a precaution will also ascertain about 15 percent protein and 2.5-3.0 mg. of Vitamin B, in 100 gms. With such precaution this product can be even used as human food, at any rate, in combination with cereals and other starchy foods so as to reduce the average acid insoluble ash content to less than 0.5 percent. It is suggested that such a preparation can be used for the manufacture of Bakery products and also in low cost food preparations. At present, an average high quality bran is produced containing about 5 to 8 percent of acid insoluble ash. Such a bran gets the highest international price ranging between £ 25 - 30 per

1. Recent advances in Rice Processing Milling and By-productibsaison op. cit. 11 (Cyclostyled).
Japan requires cakes of superior quality with only 3 to 8 percent of silica content. The grade with 5 to 8 percent of silica content fetches lower price and the same is preferred by the continental countries. In London Market, the standard terms of the London Cattle Feed Marchants Association are as given below:

- **Oil content**: 16 percent
- **Alluminoids**: 5 to 7 percent
- **Silica**: 8 to 10 percent

At present export of rice bran to Japan is very little, but we can look forward to Japan as a potential buyer in future as the demand for cattle feed is on increase. Secondly the bran exported to Japan is fetching 2½ times more than from other countries. In view of the prevailing higher price of the product and also to earn more foreign exchange, it is desirable that the manufacturers should come forward increasingly to produce quality bran in conformity with the standard specifications regarding Silica content. Much depends upon the quality of the raw rice bran which become the raw material for rice bran extraction.

The quality of rice bran can be enriched by taking very simple precaution at the time of processing. It is said that during the process of rice milling, some particles of husk, stones, sand etc, are collected through a waste pipe, and instead of being separated are allowed
to be mixed up in the rice bran out of sheer negligence or some time intentionally. This ultimately spoils the quality of the bran. The solvent extraction plant manager complained during the course of my survey that "if the millers do not mix foreign material in the bran it is enough to gain the weight. Thus we are losing much needed foreign exchange due to excessive presence of silica content in the de-oiled rice bran manufactured at present.

Andhra Pradesh being a major rice producing state in the country, accounts for a considerable share in exports of de-oiled rice bran. The de-oiled rice bran industry as spread over the entire coastal districts of Andhra Pradesh. There has been an increase in the exports, from year to year and reached a level of Rs 1.25 crores during 1970-71.

3) Palmyra fibre

Palmyra fibre is a heavily export oriented industry. Andhra Pradesh ranks first with 59 percent of the total export from the country, followed by Tamil Nadu and Kerala with 40 percent and one percent respectively. Fibre extraction is heavily concentrated in East Godavari, West Godavari, Visakhapatnam and to a lesser extent in Srikakulam, Krishna, Guntur and Nellore district. The exports are made from Kakinada and Visakhapatnam ports. Fibre valued more than one crore of rupees is being exported to other countries annually from Kakinada port.
Figures relating to 1911 show that 4,508 tonnage of fibre has been exported from this country. It is presumed that the trade has been in existence at least 10 years prior to 1911. Export during 1911 to 1917 was 4,000 tonnes on an average, but after the First World War the exports have fallen to 3,100 tonnes. The year 1919-20 showed a tremendous increase of 8,383 tonnes and gradually it went up to 8,700 tonnes in 1929. During the Second World War period again the exports have fallen, the lowest being 2,635 tonnes due to non-availability of shipping operations. After the war again the exports picked up steadily and touched a higher figure during 1946-47 of about 10,000 tonnes.

The following table shows the figures indicating the quality and value of fibre exported from Kakinada port during the periods.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>Quantity in (M.Tonnes)</th>
<th>Value (in rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1966-67</td>
<td>6450.887</td>
<td>101,78,206</td>
</tr>
<tr>
<td>2</td>
<td>1967-68</td>
<td>5799.934</td>
<td>118,01,506</td>
</tr>
<tr>
<td>3</td>
<td>1968-69</td>
<td>4845.000</td>
<td>94,60,481</td>
</tr>
<tr>
<td>4</td>
<td>1969-70</td>
<td>5027.963</td>
<td>103,50,495</td>
</tr>
<tr>
<td>5</td>
<td>1970-71</td>
<td>5416.176</td>
<td>122,64,881</td>
</tr>
</tbody>
</table>

Source: Andhra Pradesh Palmgur Co-operative Federation Ltd., Nidadavolu, West Godavari district (A.P.).

Palmyra Stalks:

In the recent past, palmyra stalks have also gained a place in the exports from Andhra Pradesh. A byproduct which is obtained from the palmyra leaf during the process stripping of leaves for matting is known as palmyra stalk. One Palmyra leaf generally contains 26 to 36 stalks which weigh about one lb. Village merchants collect these stalks in small bundles and pass on the whole salers, who undertake sorting operation according to the quality and length. Generally sorting is done between fine and coarse qualities and out into various length. Sometimes dyeing is also undertaken before packing them for export it is used for making brooms in mechanically operated road and street cleaning machines in foreign countries. Palmyra stalks are being exported mainly to U.S.A. Hongkong, France and also to China through Hongkong.

The extraction of stalks in confined to Andhra Pradesh and Tamil Nadu Practically the whole produce of palmyra stalks is exported.

The following table shows the quantity and value of exports of palmyra stalks during the periods 1967-71.

<table>
<thead>
<tr>
<th>S.no.</th>
<th>Year</th>
<th>Quantity (in Tonnes)</th>
<th>Value (Rs in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1967-68</td>
<td>2,128</td>
<td>17.58</td>
</tr>
<tr>
<td>2.</td>
<td>1968-69</td>
<td>1,626</td>
<td>8.89</td>
</tr>
<tr>
<td>3.</td>
<td>1969-70</td>
<td>1,517</td>
<td>8.40</td>
</tr>
<tr>
<td>4.</td>
<td>1970-71</td>
<td>1,252</td>
<td>6.90</td>
</tr>
</tbody>
</table>

Source: Survey on India’s Export Potentialities of Palmyra fibre and allied products in U.K., U.S.A and Japan, Indian Insitute of Foreign Trade, op. cit p.44.
It is known from the above table that there is a steady fall in the exports of stalks during the year 1967-68. There has been a considerable fall in the exports to U.S.A. and U.K. The principal buyer is U.S.A. and exports have declined from 7.14 lakhs in 1967-68 to 2.25 in 1970-71.

**Reasons for the fluctuations in the export of palmyra fibre from Kakinada and fall in the exports to U.S.A. and U.K. and suggestions for improvement**

In recent years, it has been found that there is an increasing tendency on the part of the importers to switch our gradually to synthetic fibre, or man-made fibre. Hence, the use of vegetable fibre is on its decline and consequently the use of synthetic fibre is on its increase.

In some countries palmyra fibre is being used along with others fibres in different proportions for the manufacture of brushes etc. The other reason for this fall in exports from Andhra Pradesh, particularly from Kakinada, may be the sub-standard material which is being processed and exported.

The survey conducted by the Institute of Foreign Trade on "India's export potentialities of palmyra fibre and allied fibres in U.K. U.S.A. and Japan" makes reference to the complaints received by the importers on the quality of fibre which is being exported from India particularly from Kakinada.

It is pointed out that the fibre exported from Kakinada has not been consistent in quality and that the dyes are not fast. Besides this, the fibre is dirty, uneven and poorly mixed. Since the fibre supplied is not clean enough to be

1. **India's Exports (country side) of palm leaf stalks**, Department of Commercial Intelligence and Statistics, Calcutta.
fed directly into the machines, the importers have to undertake further processing. The machines used are highly sophis
ticated and it is for this reason that slightest variation in the quality of the fibre with either break the fibre or the machine stops working. The importers have also expressed concern about short weight, and the wide variation in the samples shown and the subsequent deliveries.

In the recent past, there has been a rapid progress in field of man-made or synthetic fibre, which is posing a serious threat to the very existence of this industry. The exporters prefer synthetic fibre to palmyra or any other natural fibre for the following three reasons namely (1) lack of quality (2) price rise and (3) irregular delivery schedules. The exporters are not in a position to supply fibre due to irregular shipments of fibre from India, mainly from Kakinada. If this irregularity is rectified, we can improve the position of export of fibre from Kakinada. It is also pointed out that a small rise in price by the exporters results in an increase in the manufacturing cost.

Besides synthetic fibre this industry, is facing heavy competition from other natural fibres like Mexican fibre, coco fibre, African piassava, bahia piassava etc. Stability of prices, and maintenance of quality of the fibre exported are the two important considerations, which require consistent efforts on the part of the exporters. In order to control the prices at the current level there is an urgent need to eliminate the middlemen who are operating
between the primary processor and the exporter. The economic condition of thousands of poor village artisans who depend either wholly or partly on the fibre processing profession can be improved bringing them under the cooperative fold. Primary Fibre Processing Industrial Cooperatives may be established in various centres under the purview of Andhra Pradesh Palmyra Cooperative Federation at Nidadavole. The Corporation has been engaged in training persons in the art of processing and other allied matters. This facility can be extended to these artisans who become members in the primary cooperative societies. This federation is the most proper channel to take up the export of the fibre processed in these primary societies at the village level. If the above stated steps are taken and implemented properly, the efforts may bring manifold benefits to the primary processor at the village level, the exporter, and the importer.

The government should improve the shipping facilities at the Kakinada port till such time, arrangements may be made to export palmyra fibre from the Visakhapatnam port on a large scale.

There is an urgent need to bring this product under the purview of voluntary preshipment inspection and quality control, in order to ensure the export of quality products and also to check the irregularities. Otherwise, there is an inherent threat of the importers switching over the synthetic substitutes in future. But care should be taken, as far as
possibility to ensure that there is no dislocation of the shipments. Otherwise, this may effect the working of the industry and the poor labour will be put to available hardships.

4) Sandalwood Oil:

The production of sandalwood oil is concentrated in Koppam of Chittor district of Andhra Pradesh. The annual export of sandalwood oil are of about ₹ 43 lakhs. In recent years efforts have been made to export Davana oil from Andhra Pradesh in small qualities.

5) Processed food:

Instant coffee, fruit juices, biscuits, confectionery, pickles and chutneys are the important items of processed food figures in exports from Andhra Pradesh. Of these, instant coffee and fruit juice account for major portion of processed food exported from Andhra Pradesh. The mango jelly industry is concentrated mainly in Krishna, East Godavari, East Godavari and Visakhapatnam districts to coastal Andhra. A large number of units (cottage industries) are engaged in the manufacture of mango jelly. If the units are modernised with improved packing and labelling, production can be taken up on a large scale and exports can be increased.

Exports of processed foods accounted for about ₹ 86 lakhs during 1971-72.

6) Spices:

Of late efforts have been made to grow pepper, in the
forest areas of the coastal districts of Andhra Pradesh. Experiments have proved to be successful, and the area under this crop may go up in the coming years. At present export of spices is limited to turmeric, chillies, coriander and ginger from Andhra Pradesh. Of these, turmeric and chillies are being exported through middlemen of Tamil Nadu. The government should encourage the export of these items directly from the state. The exports of spices from Andhra Pradesh are estimated to be of about Rs 1.27 crores 1971-72.

7) Sugar:

Export of sugar from Andhra Pradesh is made on the basis of the quotas apportioned by the Government of India every year. Exports are being from Visakhapatnam port. Exports made through this port have been estimated at Rs 6 crores during 1971-72.

8) Handloom Products:

The export of handloom products is made through All India Handloom Fabrics Cooperative Marketing Society, Bombay, Handkerchiefs, towels, bedspreads, lungies etc are the important items of export of handloom fabrics manufactured in Andhra Pradesh.

9) Handicrafts:

Andhra Pradesh has earned a name in the field of handicrafts in India as well as abroad. Of these, Bidriware, Rumroo, Nirma artwave silver filigree, woollen pile carpets
and crochet lace are important. Crochet lace industry is concentrated mainly in West Godavari district. The annual exports of crochet lace is about ₹ 13 lakhs. Woollen pile carpets is another important item of handicraft exported. Eluru in West Godavari district is the main centre of woollen pile carpet manufacturing industry. Mirmal artistic paintings and Bidriware reflect the artists talent of Andhra Pradesh. Exports are directed through government Emporia at New Delhi and Hyderabad. Besides these some exports are also made through other merchants. The famous Kandapalle toys and Trivpathi red sanders are produced in Andhra Pradesh. The total exports of all these items from the state accounts for over ₹ 2.4 crores annually.

10) Cashew Kernel:

The image of the India cashew Kernels has been built over many years. But the dependence on foreign countries for raw nuts has created a challenging situation. The need and utility of quality control and preshipment inspection assumes paramount importance in the field of exports. The government had initiated a scheme of quality control and pre-shipment inspection from 18th April 1963. Consequent to the formation of Export Inspection Council this work has been entrusted to the cashew promotion council a specialised agency, with effect from Ist. April, 1966. This scheme is intended to see whether the cashew kernels processed confine to the specifications recognised by the Government of India under export (quality control and inspection) Act. 1963 and
that proper designation labels have been affixed on the tins containing cashew or nut.

An exporter intending to export cashew kernels submits an application to the Export Inspection Agency giving particulars of the consignment to be exported, not less than 24 hours before the date of commencement of loading to the ship. The Export Inspection Agency after inspection, issues certificate of grade and export worthiness, specifying the in the number of the grade designation labels used.

The cashew kernels are first graded into wholes and splits. The wholes are sub-divided according to American Market standards into different counts. The wholes according to standard specifications are graded into seven standards under the grade designations, as given below:

**Specifications of cashew Kernels:**

**General Characteristics:** Cashew kernels which are obtained after thorough shelling and peeling of cashew nuts, should be reasonably dry, free from insect damage, free from rancid kernels and testa.

**Tolerance:** In all grades, tolerance upto 5 percent of the next lower grade is allowed except in Dessert cashew Kernels (Pieces) where it is allowed upto 10 percent, at the time of packing.
### Cashew Kernels (Whole)

<table>
<thead>
<tr>
<th>Grade Designations</th>
<th>Number of Kernels per Lb.</th>
<th>General Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>W 210</td>
<td>200/210</td>
<td>Shall have the characteristics</td>
</tr>
<tr>
<td>W 240</td>
<td>220/240</td>
<td>Shall be white, pale inorn or light ash in colour, free from black or brown spots.</td>
</tr>
<tr>
<td>W 280</td>
<td>260/280</td>
<td></td>
</tr>
<tr>
<td>W 320</td>
<td>300/320</td>
<td></td>
</tr>
<tr>
<td>W 400</td>
<td>350/400</td>
<td></td>
</tr>
<tr>
<td>W 450</td>
<td>400/450</td>
<td></td>
</tr>
<tr>
<td>W 500</td>
<td>450/500</td>
<td></td>
</tr>
</tbody>
</table>

Source: Indian cashew grades, the cashew Export promotion Council, Eranakulam, Cochen.

Similarly, for scorched kernel (whole) the grade designation is "SW" and for Dessert Kernels (Whole) the grade designations are "SSW" or "SWIA" and "DW". Likewise, for the brokens (white pieces), five grades have been adopted, the grade designations being "BS", "LBP", "SFP", "BB". Similarly, for scorched pieces the grades are designated as "SB", "SS", "SP", AND "SSP" and for dessert kernels pieces, as "SPS", "DP", "DSP", "DB" and "DS".

Position of Andhra Pradesh:

The grades mentioned above are being followed by processors all over India. With an exception to A.P. especially the cashew processing units at palasa adopt only three categories for wholes namely 'special jumbo wholes'
and 'standard American.' While the brokens are classified as 'halves' and 'pieces.' Since the cashew processing units in palasa have failed to adopt the type of export grading (mentioned above) notified by the government of India, they are not in a position by the government of India, they are not in a position to export their products. The industrialists at palasa are of the opinion that the specifications notified by the government of India are based on the availability of raw nuts in Kernels and Tamil Nadu. This is the reason why the cashew Kernels processed in palasa could not be exported. They also believe that there will a sizeable demand in America for the palasa quality of Cashew Kernels. In case their grades are also included in the grades notified by the government, it will be an incentive for them to produce kernels economically and to take part in the exports. There by cashew kernel industry in the state can develop and expand on sound lines. Since there is a local market for their products to fall back, they think that there is no need to adopt the grades specified by the government of India. Because they do not have export performance, as a rule they cannot get the imported raw materials for processing purpose.

In a way these processors are at loss in two ways:
1. They cannot export their products directly.
2. They are not entitled to get the quota of imported raw material.

For an industry to develop and expand regular supply of quality raw material as well as the exports are essential. In the interests of the processing of cashew
palasa as well as in the interest of the Industry as a whole, it is advisable that the government should assess the demand for palasa quality in América and other countries. In case there is a sizeable demand, they should be allowed to export their producing and their grades to be included in the permissible quality grades for export.