CHAPTER 6

FINDINGS

AND

SUGGESTIONS
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The major findings of the present study on export marketing are summarised as follows.

6.1.1 : The economy scenario of the country has undergone a vast change particularly after the liberalization of Indian economy. The regime of restrictions has ended & now free air is experienced by the business sector. India's foreign trade sector is no exception to this change.

6.1.2 : Opening up the doors for multi nationals has resulted into increased level of competitive strength & technological upgradation in the domestic market. Exporting has become competitive, & profitable.

6.1.3. : In preliberalisation era, large manufacturing capacities have been developed which are now efficiently utilized for product manufacturing & exporting in post liberalization era.

6.1.4. : The export composition of India has witnessed notable changes both in terms of commodities & market as well. The export of agricultural products amounted to 4227.28 million dollars in 94-95 the year 95-96. During 96-97, the same grew at 12.33 percent. Despite couple of years of disappoints show, the agro exports once again recorded an increase of about 7.08 percent in 2000-01.
6.1.5. : Looking to the agricultural exports, principal commodities included are rice, pulses are imported oilseeds, vegetable, tea, coffee, & other agro produce. In the liberalization era, Indian agriculture has a new role to play as the country enjoy comparative advantage in this field.

6.1.6. : With the development of processed food industry, exports of processed foods & vegetables have increased & it is now regarded as a thrust area in view of rising global demand for this product.

6.1.7. : India enjoys a comparative advantage in the export of several agro products like coffee, tea etc & new areas like horticulture, floriculture & processed fruits & vegetables have emerged.

6.2.1. : The production of agriculture & allied sector was estimated worth Rs. 269383 crores at (at 93-94 pricing ) in 97-98 which increased up to Rs. 286094 crores in 98-99 showing an increase of about 6.7 percent. There was a marginal increase in the value of agricultural out put at a rate of 1.3 percent in 99-2000. During the year 2000-01, the production of agriculture & allied sector was valued at Rs. 281994 crores showing a negative growth of about 0.2 percent from the previous year.

6.2.2 : In India, food crops covers three forth proportion of the total cropped area. Rice & wheat have the larger share in this category. Sizeable proportion of total cropped area is also represented by commercial crops.
6.2.3: The concept of organic farming is fast picking up in the country. The future appears promising & the country should become the producer of organic products like oil cakes & oil meals. World over, health food concept & organic farming are fast receiving the attention. People are ready to pay high price for organic food.

6.2.4: Another concept emerged in agriculture field is soilless farming. It can be a solution to food problem. It uses nutrient-enriched water rather than soil as a growing medium in controlled conditions in green houses.

6.2.5: Two varieties of rice are grown in India Basmati & non-basmati rice. Basmati rice is produced in Punjab, Haryana, & U.P. Non-Basmati rice is grown in other state of India.

6.2.6: The world output of rice was about 577350 thousand Mt. In 98 which grew up to 596485 thousand Mt in 99 at a rate of about 3.31 percent over the previous year. The rice output of Asia continent was 529854 thousand Mt in 98 which rose to 5406621 thousand Mt in 99 at a rate 2.03 percent. The rice output of India, according to FAO estimates, was 125720 thousand Mt in 98 which grew up to 131200 Mt in the year 99 at a rate of about 2.88 percent over the previous year.

6.2.7: According to FAO estimates, the world out put of pulses was about 55934 thousand mt in 1998 which grew up to 56275 thousand mt in 1999 at a rate of 5.97 percent. The share of India in world pulses out put was 23.37 percent in 1998 which came up to 27.15 percent in 1999.
Likewise, the share of tea & coffee of India in the world output was about 28.76 & 4.41 in 1998. Which came down to 26.07 percent & 4.09 percent respectively during 1999.

India’s share in world production of vegetables & fruits was about 9.26 percent & 8.92 percent respectively in 1998. The share in vegetable output came up to 9.45 percent in 1999 as against a decline up to 8.67 percent in the coffee output during the same year.

According to C.S.O, India, 2000 estimates, the total area under rice cultivation was estimated at 44604 Lakh hectares in India as against that of 22280 lakh hectares for pulses & 438 lakh hectares for tea.

Out of the total gross cropped area of about 190762 thousand hectares in 97-98, 123847 thousands of area was under the food grain category which is about 64.72 percent of the gross cropped area.

The index number of area under all crops in India was 104.7 in 99-2000 as those of 111.3 for rice, 97.9 for pulses, 113.8 for tea, 145.4 for coffee & 147.0 for fruits & vegetables.

The area under rice cultivation has increased at a rate of 3.12 percent as against 4.29 percent increase in output during 98-99. Which area of rice cultivation recorded a negative growth of about 0.38 percent in 99-2000 as against an impressive growth of about 3.95 percent in output over the previous year.
6.2.14 : The area under cultivation of pulses in India has been constantly declining. In 97-98, it declined at a rate of 1.14 percent against a decline of about 17.01 percent in output of pulses. During 98-99, which area under cultivation of pulses reduced at a rate of 2.98 percent, the output grew at 8.02 percent. In the year 99-2000, a decline of 1.82 percent was observed in area under cultivation as against an increase of 1.46 percent in output of pulses.

6.2.15 : In tea cultivation, the area covered recorded an increase of about 0.60 percent in 97-98, & 0.53 percent in 98-99. As against this, tea output in India rose at the rate of 3.89 & 7.38 during these two years. In 99-2000, no change is noticed in the area of tea cultivation, but the output recorded a decline at the rate of 7.44 percent.

6.2.16 : The area under coffee cultivation increased marginally at a rate of 0.62 percent in 97-98, which grew at 7.62 percent in 98-99. During 99-2000, the area of coffee cultivation in India recorded a negative growth of about 3.37 percent over previous year. As against this the coffee output in India increased at a much higher rates of 10.82 percent, 16.07 percent & 10.19 percent respectively during the years of 1997-98, 98-99 & 99-2000.

6.2.17 : In case of vegetables, the area under cultivation recorded an increase of about 1.66 percent in 97-98 against a fall in output at a rate of 3.18 percent in the same year. However, the area under vegetable cultivation declined at 0.73 percent in 98-99,
production increased at a higher rate of about 20.44 percent. In 99-2000, cultivation of vegetables recorded an increase of about 7.67 percent as against 3.76 percent increase in vegetables output. The yield of vegetables in Kg/hectares grew from 12960 in 97-98 to 14920 in 98-99 & stood at 15156 in 99-2000.

6.2.18 : During the years of 97-98 to 99-2000, area under fruits growing increased at the respective rates of 3.42 percent, 0.67 percent & 1.88 percent. Against this, output of fruits increased at the respective rates of 6.93 percent, 1.75 percent & 3.30 percent during these years. The yield of fruits increased from 11690 Kgs/hectares in 97-98 to 11820 kgs/hectares in 98-99 and stood at 11983 kgs/hectares in 99-2000.

6.2.19 : The total area under the cultivation of spices was about 2370.7 thousand hectares in 97-98 which rose to 2384.9 thousand hectares in 98-99 & there after declined up to 2220.6 thousand hectares in 99-2000. As against this, output of spices was about 2896 thousand tns in 97-98 which increased up to 3064.5 thousand tns in the year 98-99. During 99-2000, the same came down to 2952.9 thousand tns.

6.2.20 : During 2000-01, the production estimates of rice declined at 3.5 percent as against that of 33.3 percent in case of pulses. The output of tea & coffee is to increase at the rate of 3.9 percent & 36.2 percent respective in 2000-01. During 2001-02, the production estimates of rice expected to grow by 4.3
percent as against that of 56.3 percent for pulses while tea output is expected to increase at the rate of 3.2 percent in 2001-02 against a fall about 8.6 percent in coffee output.

6.2.21 : As against the total rice procurement of about 11.85 million tones in 8-99, it grew up to 17.27 million tones in 99-2000 & 19.10 million tones in 2000-01. This registered an increase of about 45.8 percent & 10.6 percent respectively over the previous years. In 2001-02, procurement of rice was estimated to be 13.75 million tones recording increase of about 4.6 percent over previous year.

6.2.22 : Up to January 2002, procurement of rice from Punjab was about 69.65 lakh tones followed by Haryana with 12.66 lakh tones & Andhra Pradesh with 10.17 lakh tones. Which procurement in case of Punjab & Haryana showed an increase of 8.6 percent & 4.4 percent, it declined at 49.2 percent in case of A.P.

6.3.1 : Export-marketing is composed of several broad decision areas of entry to export market, suitable marketing mix and the mode of entry.

6.3.2 : Export marketing involves a number of significant features. These are procedural set up, exporting as management responsibility, profitability, movement of goods & services, highly competitive, long terms function, extensive use of marketing research & active support from other institutions.
6.3.3: The need of export marketing is felt for earning forex, employment generation, effective use of resources realization of potentials, building international relations balance of payment & growth of service sector.

6.3.4: If export marketing environment in the decades of pre & post liberalization era is examined, many strategic changes are seen. The most vital is the division of earstwhile U.S.S.R. & unification of several European countries and floating of common currency EURO.

6.3.5: When export-marketing environment is to be assessed, it is done by adopting economic, cultural, political, legal & technological basis. It is risky & difficult to take up export marketing due to language, distance & currency barriers.

6.3.6: Globalization has brought about many changes in international marketing environment like fostering product standardization, accelerating foreign trade, increased competition & free movement across the globe for factors of production.

6.3.7: The first decade of independence India observed a continuous decline in the export volume consecutively for four years from 1952-53 to 55-56 if compared with the first year of 1951-52. The average export & import stood at 1292.85 million dollars & 1794.32 million dollars respectively at the end of the first decade of planned era. The commodity composition continued
to be traditional. The export performance was slow due to limited manufacturing base, lack of clear export policy & priorities set for structural development.

6.3.8 : The average exports & imports during the second decade amounted to 1706.04 million dollars & 2581.15 million dollars respectively with an average increase in export at a rate of 4.52 percent & the decline in imports at the rate of 0.26 percent. The government took some decisions both financial & institutional to create attraction for exports. The notable development in this decade was the declaration of Export policy Resolution in 1970 to boost India's export operations.

6.3.9 : The total exports & imports volumes stood at 52366.15 million dollars & 68709.69 million dollars respectively in the last year of third decade, i.e. 1980-81. It was the year of 76-77 of the third decade in which positive trade balance of 75.89 million dollars was found. This is a historical landmark in the Indian economy.

6.3.10 : The total exports of India amounted to 116593.34 million dollars against the imports of 172789.41 million dollars with a negative trade balance of 59496.07 million dollars during the end of the fourth decade, i.e. 81-82 to 90-91. It was during the year of 87-88 that exports grew at a higher rate of 24.03 percent. While India's exports registered a growth of about 15.61 percent in 88-89, the same grew at a higher rate of
18.89 in the subsequent year of 89-90. During the latter half of the forth decade, imports grew at a much lower rate than those of exports.

6.3.11 : The fifth decade of Indian economy, i.e. 1991-92 to 2000-01, witnessed several historical developments. Prominent among them is the liberalization of economy. The total export volume stood at the end of fifth decade was 299846.86 million dollars against the import volume of 352729.35 million dollars with a trade deficit of about 52882.49 million dollars. During the years of 99-2000 & 2000-01, Indian exports grew at the rates of 10.68 percent & 20.79 percent respectively. As against this imports increased at a rate of 17.50 percent in 99-2000 but declined at 0.16 percent in the year 2000-01.

6.3.12 : Exports have registered higher growth rates of about 206.94 percent in third decade, 122.65 percent in fourth decade & 157.17 percent in the fifth decade over the respective previous decade. As against this, imports grew at a rate of 166.19 percent in third decade, 151.48 percent in fourth decade & 104.14 percent in the fifth decade over the respective previous decade.

6.3.13 : Commodity composition of Indian exports reveals the fact that exports of agricultural & allied products have declined continuously during 97-98, 98-99 & 99-2000. A modest recovery is observed during the year 2000-01. As against this, exports of manufactured products have grown constantly during 98-99 to 2000-01. As against the export of agro
products amounted to 6012.57 million dollars in 2000-01, the export of manufactured goods valued at 34567.35 million dollars.

6.3.14 : Major destinations of India’s exports are U.S.A, Germany, Japan U.K, U.A.E and Malaysia. U.S.A. has a share of about 16.3 percent on an average in India’s exports followed by 5.7 percent of Japan, 5.3 percent each of Germany & U.K. U.A.E. has an average share of about 4.6 percent in India’s exports during 90-91 to 99-2000.

6.3.15 : India’s total exports to middle-east countries of study amounted to 2247.24 million dollars in 98-99 which rose to 2464.87 million dollars in 99-2000 & 3075.91 million dollars in the year 2000-01. The share of export to middle-east was about 6.7 percent in India’s total export during 98-99 & 99-2000 which grew up to 6.9 percent in the year 2000-01.

6.3.16 : Industrial countries accounted for a share of about 57.46 percent in India’s total exports in 98-99, which came down to 56.77 percent in 99-2000 & stood at 51.99 percent in 2000-01. In case of African countries, share in India’s total exports have declined from 3.36 percent in 98-99 to 2.73 percent in 99-2000 & 2.70 percent in 2000-01.

6.3.17 : All Middle-east countries accounted for a share of 12.22 percent in India’s total exports during 98-99 which reduced up to 11.92 percent in 99-2000 & there after observed a recovery & stood at 12.13 percent in the year 2000-01 other countries
included in the group of MECs are Saudi Arabia, Israel, Egypt, Iran, Iraq, Yemen, Jordan, Syria & Lebanon.

6.3.18 : During the year 2000-01, India's exports to European countries recorded the lower growth rate of about 8.99 percent over the previous year of 99-2000. As against this, Indian exports grew at a much higher rate of about 19.43 percent in case of African countries & 22.86 percent in middle-east countries.

6.3.19 : Exports of developing countries amounted to 1763.59 billion dollars in 1998 which rose to 1869.96 billion dollars in 1999 & 2257.17 million dollars in the year 2000. As against this, the imports were much lower at 1843.36 billion dollars in 1999 and 2187.47 billion dollars in 2000.

6.4.1 : India's total export of basmati rice stood at 446.03 million dollars in 98-99 which came down to 411.35 million dollars in 99-2000. In the year 2000-01, export of basmati rice increased up to 469.62 million dollars. As against a decline of 7.76 percent in 99-2000, export of basmati rice registered on increase of about 14.17 percent in 2000-01.

6.4.2 : India exported non-basmati rice valued at 171.73 million dollars in 2000-01 which showed a decline of about 44.70 percent in that year over the previous year.

6.4.3 : India's export of pulses to world stood at 53.00 million dollars in 98-99 which rose to 96.94 million dollars in 99-2000 and increased further up to 117.76 million dollars in the year 2000-
01, As against a growth of 82.91 percent in 99-2000, export of pulses recorded an increase of 21.48 percent in 2000-01 over the respective previous years.

6.4.4 : In terms of share of tea in India’s total exports of agricultural & allied products in 98-99 it was 8.92 percent. which came down to 7.50 percent in 99-2000. In the year 2000-01, share of tea in agro exports was about 7.20 percent.

6.4.5 : Coffee exports declined at a rate of 19.22 percent in 99-2000 which eroded at a much higher rate of 21.38 percent in 2000-01. Share of coffee in India’s total exports of agro products was around 5.81 percent in 98-99, 5.90 percent in 99-2000 & 4.34 percent in 2000-01.

6.4.6 : In 98-99, India exported spices worth 387.96 million dollars which grew up to 408.37 million dollars at a rate of 5.26 percent in 99-2000. During 2000-01, a share fall was observed in spices export which stood at 355.76 million dollars recording a decline of about 12.89 percent over the previous year.

6.4.7 : India exports variety of agricultural products to many countries of the world. However, the major destinations are U.S.A., U.K., Far East countries, & Middle-East countries. U.A.E. is a leading destination of India’s export of agricultural products. During 2000-01, export of agro products to U.A.E. recorded an increase of 20.01 percent over the previous year.
6.4.8: U.S.A. accounted for a share of 11.23 percent in India’s total export of agro products in 98-99 which rose to 15.16 percent in 99-2000. In 2000-01, the share declined up to 13.01 percent.

6.4.9: Share of middle-east in India’s export of basmati rice was 0.67 percent in 98-99, 1.07 percent in 99-2000 & 1.23 percent in 2000-01. The share of middle-east in India’s export of non-Basmati rice was about 0.23 percent in 2000-01. Export of pulses to middle-east accounted for a share of 0.16 percent in India’s total export of pulses in 2000-01.

6.4.10: Tea accounted for a share of 0.23 percent in case of middle-east in 98-99. The share of middle-east in India’s total export of tea was about 1.04 percent in 2000-01. Coffee exports to middle-east accounted for a share of 0.21 percent in 98-99.

6.4.11: In terms of share of spices export to middle-east in India’s total export of agro product, it was about 0.32 percent in 98-99 which grew marginally up to 0.36 percent in 99-2000 & 0.42 percent in 2000-01.

6.4.13 : Export of basmati rice to Bahrain increased at a rate of 122.07 percent in 99-2000 as against a decline of about 69.92 percent in 98-9. In 2000-01, it grew at a rate of about 23.39 percent over the previous year.


6.4.15 : In India’s total export of pulses, share of middle-east countries declined from 22.90 percent in 98-99 to 11.23 percent in 99-2000 & 7.99 percent in 2000-01. In case of cereals, the share came down from 38.35 percent in 98-99 to 14.84 percent in 99-2000 and 11.08 percent in 2000-01.

6.4.16 : During 2000-01, tea exports to middle-east accounted for a share of about 14.40 percent as against those of 3.26 percent and 7.07 percent for coffee & spices.

6.4.17 : As against an increase of 23.29 percent in basmati rice, 47.08 percent in tea & 7.86 percent in coffee during 2000-01 in the exports to middle-east, the same decided at 26.02 percent in case of non-basmati rice & 13.49 percent in case of pulses.

6.4.18 : During 2000-01, Kuwait accounted for a share of about 66.68 percent in basmati rice export to middle-east as against those of 22.45 percent by U.A.E., 5.87 percent by Oman and 2.84
percent by Bahrain. In export of pulses & coffee to middle-
east, Kuwait accounted for a share of 33.42 percent & 39.06
percent respectively during 2000-01.

6.4.19 : U.A.E. accounted for a share of about 48.81 percent in non-
basmati rice as against those of 17.91 percent by Oman & 9.76
percent by Bahrain in the year 2000-01.

6.4.20 : In the export of spices to middle-east countries, U.A.E.
enjoyed the highest share of about 82.66 percent in 2000-01
followed by 12.69 percent in case of Kuwait & 4.65 percent in
case of Oman.

6.4.21 : In the total exports of fruits & vegetables from India during
2000-01, the share of onions was 32.72 percent as against only
1.37 percent for potatoes. Other vegetables like tomatoes,
cabbage, cauliflowers & pumpkins, the share in total agro
export is less than 1 percent in 2000-01.

6.4.22 : In the total exports of fruits & vegetables from India during
2000-01, the share of grapes was about 9.83 percent followed
by 8.13 percent for mangoes, 1.92 percent for papayas & about
1.17 percent for pomegranates.

6.4.23 : During 2000-01, U.A.E. accounted for a share of about 12.90
percent in India’s total export of vegetables & fruits as against
those of 14.12 percent by Bangladesh, 15.26 percent by U.K.,
6.11 percent by U.S.A. & 11.36 percent by Malaysia.
6.4.24: In the total exports of vegetables to middle-east countries, export of onion accounted for a highest share of about 11.72 percent in 2000-01. In case of potatoes, the share was about 0.21 percent. In the total exports of fruits to middle-east countries, the share of mango was about 6.69 percent with 5.94 percent for grapes & 3.47 percent for banana.

6.4.25: In India's total export of processed foods, dried & preserved vegetables accounted for a share of about 15.44 percent in 2000-01. as against those of 4.33 percent & 1.06 percent respectively for other processed vegetable & fruits and frozen meat with bones in the same year.

6.4.26: In India's total export of processed foods in 2000-01, frozen boneless meat accounted for a share of about 20.52 percent as against those of 0.60 percent and 0.23 percent respectively for milk powder and frozen and preserved eggs during the same year.

6.4.27: In India's total export of processed foods, U.S.A. accounted for a share of 2.79 in 2000-01 as against those of 4.34 percent by U.A.E., 1.96 percent by Bangladesh, 2.70 percent by Shrilanka, 1.05 percent by Indonesia & 0.79 percent by Kuwait during the same year.

6.4.28: During 2000-01, exports of dried and preserved vegetables to middle-east countries declined at a rate of 9.01 percent. As against this, export of other processed vegetables & fruits grew at a rate of 3.28 percent to middle-east countries. While
export of frozen meat with bones to middle-east countries grew at a rate of 27.17 percent in 2000-01, export of boneless meat to MECs recorded an increase of about 17.20 percent in the same year.

6.4.29: During 2000-01 export of milk powder to middle-east region grew at a rate of about 1211.67 percent over the previous year, frozen & preserved eggs export to middle east countries increased at a rate of about 113.83 percent over the previous year.

6.4.30: Export of dried & preserved vegetables to U.A.E. was highest followed by Kuwait & Bahrain during 2000-01 in volume as well as value terms.

6.4.31: While exporters of other processed fruits & vegetables increased at a rate of 275.38 percent in case of Kuwait in value terms, it declined in case of all other countries of middle-east under study during 2000-01.

6.4.32: Share of U.A.E. in India’s total export of boneless meat to middle-east was about 16.43 percent followed by 3.09 percent for Oman and 2.00 percent for Kuwait in 2000-01.

6.4.33: India’s export of milk powder to U.A.E. amounted to Rs. 474.39 lakhs as against that of Rs. 494.64 lakhs for Oman during the year 2000-01. U.A.E. accounted for a share of about 16.09 percent in India’s total export of milk powder in 2000-01 as against that of 19.31 percent by Oman in the same year.
6.4.34 : In value terms, export of frozen eggs to Kuwait increased at a rate of 191.19 percent in 2000-01 as against that of 155.62 percent increase in case of U.A.E. in the same year.

6.4.35 : In the total export of dried & preserved vegetables from India, middle-east countries accounted for a share of 13.73 percent in 98-99, 8.33 percent in 99-2000 & 6.06 percent in 2000-01. In the export of other processed vegetables & fruits from India, the share of middle-east countries was 8.50 percent in 98-99, 10.00 percent in 99-2000 & 5.86 percent 2000-01.

6.4.36 : In India’s total export of frozen meat with bones, middle-east countries accounted for a share of 69.84 percent in 98-99 as against that of 30.96 percent in 99-2000 & 10.65 percent in 2000-01. In the export of boneless meat from India, share of middle-east countries was 36.92 in 98-99, 49.95 percent in 99-2000 & 22.66 percent in 2000-01.

6.4.37 : During 99-2000 & 2000-01, share of middle-east countries in India’s total export of milk powder was 16.00 percent & 37.49 percent respectively. In case of frozen eggs, the share was 54.97 percent in 98-99, 54.09 percent in 99-2000 & 57.31 percent in 2000-01.
6.5.1 Regarding the selection of sources of supply, it is revealed in the survey of exporters that export promotion council as well as chamber of commerce as sources of supply are less used. Most of the agro exporters have either their own arrangements or often they prefer to visit business areas.

6.5.2 From among many factors being considered by exporters to selected supplier of agro produce, timely delivery & quality of products have been ranked first. Thus, exporters give priority to these factors at top. Equally the factor like capacity to provide in bulk is also considered. Price is not that much vital factor for exporter.

6.5.3 About 70 percent of the agro-exporters surveyed have been found maintaining business tie-ups with suppliers as against 20.00 percent of them found selecting supplier when export order is obtained.

6.5.4 Most of the respondents exporters have their own processing units which is about 73.33 percent of the respondents surveyed.

6.5.5 Selection of overseas market for agro products is a challenging job. From among many factors identified for selecting overseas market, four factors have much value from exporter's point of view. These are market potentials existing, product specification, profitability & export assistance available.

6.5.6 For locating overseas buyers, exporters use variety of sources. The study reveals that majority of the respondents have established direct contact which is about 83.33 of the total
respondents surveyed. Export promotion council as a source for locating overseas buyers comes next to direct contact. Other sources are not much popular among the exporters of agro products.

6.5.7 In appraising overseas market for penetration, the survey reveals that 53.33 percent of the total units give top priority to price as against 23.33 percent of respondents giving top priority to competition & 20.00 percent giving top place to demand-supply position. Business conditions & trade practices are not much considered by the survey respondents.

6.5.8 Majority of the exporters survey which is about 66.67 percent use distributor[direct importers for marketing their agro products to overseas countries.

6.5.9 An important finding is that the dropping out rate of overseas distributors is almost minimum as 83.33 percent of the respondents surveyed have stated this fact. Thus good relations between exporters & importers can be concluded.

6.5.10 The survey of agro exporters reveals the fact that two factors are more vital in selecting overseas distributors. These are customer base available & payment regularity. This is evident from the fact that about 76.67 percent of the survey respondents have stated customer base available & 66.67 percent of the total respondents have stated payment regularity.

6.5.11 Majority of the exporters of agro products have been found using pre-shipment finance option, the proportion of them is about 66.67 percent. No one is found using forfeiting finance option.
6.5.12 : It is known during the survey that majority of the exporters respondents surveyed have been found using documentary bills which is about 60.00 percent of total units surveyed. As against this, under letter of credit method of payment is used by about 43.33 percent of the total respondents contacted during field study.

6.5.13 : From among a select group of internal & external factors for fixing export price, 90.00 percent of the respondent surveyed have given more significance to cost followed by nature of transportation by about 50.00 percent of total units.

6.5.14 : In the group of external factors, 60.00 percent of the total respondents give weightage to competition, 43.33 percent of the respondents to exchange rates & credit and about 36.67 percent found weightage to demand.

6.5.15 : From among the various components of export price, 63.33 percent of the total surveyed respondents have given weightage to cost followed by about 50.00 percent of total respondents giving importance to special packaging cost as the components of export price.

6.5.16 : Transport cost is thought of important by about 30 percent of the total respondents as against 13.33 percent of the total units contacted stating storage cost as a vital component of export price.
6.5.17 : Most of the exporters contacted are found quoting price on FOB basis, the proportion of them is about 63.33 percent. As against this, about 43.33 percent of total respondents are found quoting export price on C & F basis as against 36.67 percent of total respondents found quoting C.I.F. Price for export transactions.

6.5.18 : About 63.33 percent of the total respondents surveyed are founding shipping the goods after receiving export order as 26.67 percent of total units ensuring delivery of goods within a fortnight.

6.5.19 : Regarding the satisfaction of the services of clearing & forwarding agents, about 56.66 percent of total respondents are found averagely satisfied as against 36.67 percent found moderately satisfied. None is found dissatisfied with the services of clearing & forwarding agents.

6.5.20 : Regarding the services of various governmental agencies, about 70.00 percent of the respondents are found averagely satisfied as against 20.00 percent found moderately satisfied. There are also few respondents found either averagely dissatisfied or extremely dissatisfied with the services of governmental agencies.
SUGGESTIONS

1. In India’s total exports, the share of agricultural & allied sector is very low if compared with those of other countries of the world. As against the continuous decline in agro-products during 97-98 to 99-2000, the year 2000-01 recorded 7.08 percent increase. In view of increasing potentials of agro products in the world, India’s export of agro products should be increased.

2. The ongoing process of globalisation & liberalisation of economies in the world has leveled certain challenges before the existing export enterprises. As against this, the same process has helped in generating enormous opportunities in the world for exporting. Therefore, Indian agro exporters have to meet these challenges & tap the rising potentials.

3. Processing of agro foods needs to be encouraged by removing hardies of many types. In view of large production of agricultural products & about 40 percent wastage of the same, the Government should make concentrated efforts to avoid this & ensure a steady supply of agro products to food processing units.

4. The Government should try to attract more & more people to invest in agro based or food processing industry. There

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is a need to rationalize the various laws & regulations of both Central & state Governments.

5 : Commodity wise analysis of agricultural products state that the share of basmati rice in total export was 1.02 percent in 99-2000. & 1.06 percent in 2000-01. Against this, share of non-basmati rice in total export was 0.85 in 99-2000 & 0.39 in 2000-01. This is despite larger production. Efforts should be made to increase the export of non-basmati rice.

6 : In vegetables category, onion is leading in India’s exports of variety of vegetables. Particularly in case of middle-east countries, export of onions is highest. Other vegetables like potatoes, tomatoes, cabbage, cauliflowers & pumpkins, the export performance is not much satisfactory. It is suggested to concentrate on exporting of these vegetables along with onions.

7 : Though Indian mango is a flagship fruit item in export, its performance is declining particularly in case of middle-east markets. Other two types of fruits attracted are banana & grapes. This country is capable to export variety of fruits apart from mango, banana, & grapes. Efforts should be made in this direction.
8: Middle-east region is an attractive overseas destination for India's agro products, animal based & dairy products. The export performance during 98-99 to 2000-01 reveals that U.A.E. & Kuwait have been more concentrated. Other countries like Oman, Bahrain & Qatar are to be concentrated to improve further the export performance in middle-east market.

9: Fruits & Vegetables have very specific handling & storing requirements if their quality & freshness are to be maintained. The overseas buyers are extremely quality conscious. Thus, it is essential to see Indian quality standards meet with the international standards as per the conditions of WTO. Thus, the quality of agro products should be upgraded strictly.

10: The area of preserving the quality of agro products need immediate attention. Priority should be given to establish cold chains that work right from the farm gate to the consumer's doorstep. It will reduce wastage & ensure good quality.

11: Other infrastructures like transportation network, storage, communication etc should be strengthened. Research & development for better varieties & technologies should be emphasized. The farmers should be allowed & encouraged to use new research techniques in farming operations.
12: The government should speed up the setting up and functioning of food parks to further increase the exporting of agro products. The government is expected to provide basic infrastructure like water & energy at subsidized rates. Common facilities like cold storage, testing labs, information technology are proposed to be provided in food parks. This is a step in right direction.

13: The area of packaging requires urgent attention. This is because of its role of attracting consumers attention. Good packaging preserves freshness of the product, prevent spoilage & maintain the shelf value.

14: It is found through survey of agro exporters that they face lot of problems in the areas of claiming assistance & documentation. These problems are to be solved urgently.

15: Many exporters face difficulties of inadequate transportation, storage in availing containers from ICD, delay in rail transportation, delay in custom clearance & often the loss of vessel. For further improving performance, these difficulties are to be removed.