

Export performance and trade direction of Indian groundnut

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ABSTRACT

An attempt has been made to study the direction of trade and export growth of groundnut from India. The quantity of groundnut exported from India during 2010-11 was 0.89 million tonnes valued at Rs. 407.45 crores. The major destinations for Indian groundnut were Indonesia (40.05 %), Malaysia (18.76 %) and Philippines (18.11 %). CGRs of export were calculated for the period 1996-97 to 2009-10, for the major countries importing groundnut from India whose total export of groundnut during the period grew at the rate of 7.12 % per annum. Thailand's imports grew at 30.61 % which was the highest CGR followed by Ukraine (18.54 %), Philippines (16.73 %) and Malaysia (15.94 %). Negative CGRs were noticed in Netherland (-9.12 %), United Kingdom (-8.20). In terms of value of imports the CGR for Thailand was the highest (79.99 %) followed by Philippines (56.03 %) and UAE (52.46%). Markov Chain analysis showed that Indonesia was one of the stable importers of Indian groundnut followed by Malaysia and others. This implied that there is a demand for Indian groundnut in eastern Asian countries. During the period 2001-02 to 2009-10, groundnut production decreased (from 7.03 million tonnes to 5.51 million tonnes) and demand for export (0.11 million tonnes in 2001-02 and 0.34 million tonnes in 2009-10) tripled. The domestic demand too was stable. Thus, there was a need to strengthen the production and productivity of crop through expansion of area under groundnut cultivation (both rainfed and irrigated), through development of improved and drought resistant varieties, price support, targeted subsidy in terms of improved seeds and fertilizers.

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Key words : Export, Compound growth rate (CGR), Markov chain subsidy

Groundnut is considered to be the one of the most important oilseed crops in the world. It is grown in over 100 countries of the world and its seeds are a good source of edible oil and proteins. The percentage of oil and protein extracted from the seed are approximately 55% and 28%, respectively. Groundnut contains on an average 40.1 per cent of fat and 25.3 per cent of protein and is a rich source of calcium, iron and vitamin B complex like thiamine, riboflavin, niacin and vitamin A. It has multifarious usages; it is used not only as a major cooking medium for various food items but also for manufacture of soaps, cosmetics, cattle feed, shaving creams and lubricants. Salted groundnut kernel are usually roasted in

oil and packed in retail-sized, plastic bags or hermetically sealed cans. Dry roasted, salted groundnut kernel is also marketed in significant quantities. Groundnut is often a major ingredient in mixed nuts because it is less expensive compared to cashews, walnuts, and so on.

Groundnut plays a pivotal role in the oilseed economy of India where it accounts for 25 per cent share in the total oilseeds production (Birthal *et al.*, 2010; Punia, 2010). It is cultivated mainly in the western and southern parts of the country where the climatic conditions are suited to the crop. The present analysis attempts to know the performance and direction of groundnut export from India and to predict the future prospects for the country in that regard.

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METHODOLOGY

The secondary data on production, exports etc. were collected through secondary sources such as Agricultural and Processed Food Products Export Development Authority (APEDA) of the Ministry of Commerce, Government of India, and FAO publications on the web. The data were subjected to appropriate analytical techniques which have been discussed below: