

Research
Paper

A study on growth and export competitiveness of Indian cashew

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ABSTRACT

The growth of cashew kernel export between pre and post- liberalization and overall periods in terms of quantity, value and unit value shows the increasing trend, but highest growth was observed in pre-liberalization (12 per cent) as well as overall periods (14.60 per cent) in terms of value. This was mainly due to increase in unit value realization. The nominal protection coefficient was less than unity (0.98) indicating that cashew kernel was competitive for its export to other countries from India, while nominal protection coefficient of raw cashew nut imports by India from abroad (East and West African countries) was also less than unity (0.88) which revealed that raw cashew nut was an efficient import substitute.

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Key words : Pre-liberalization, Post-liberalization, Realization, Competitive, Substitute, Cashewnut

INTRODUCTION

Cashew nut occupies a prime place in the Indian economy, accounting for 16.95 per cent of the total area under plantation crops, which stood second position after coconut, and production of cashew nut accounts to 18.14 per cent of total production of selected plantation crops in India during 2007-08. At present, Vietnam is the single largest producer (28 per cent) in the world production, followed by India (25 per cent), Nigeria (10 per cent), Brazil (8 per cent), Tanzania (6 per cent), Indonesia (4 per cent) (Samyukta Karnataka, 2007). India is the largest producer of raw cashew nut in the world as well as in Asia, accounting 26.40 per cent of world cashew production in 2007 and its share in the world production ranging from 37.75 to 34.00 per cent during 1997 to 2001 and nearly 44.92 per cent of the world's export of cashew kernels in 2006-07. Therefore, it is imperative for us to study the market opportunities and to plan for appropriate export marketing strategy and policy so as to strengthen the export trade in cashew. Apart from this, in the world market, at present, we are facing stiff competition from Vietnam, Brazil and other tree nuts. Looking into the importance of this crop for the Indian economy and their

problems in export front, it was found worthwhile to measure the growth in the export of cashew during pre and post liberalization period and to analyze the export competitiveness of cashew.

MATERIALS AND METHODS

The area under consideration for analyzing of various compositions of cashew, whole of India was taken into consideration at aggregate level so as to facilitate data compilation and prices in the international market. The nature of data used for the study was entirely based on secondary source of data. The yearly data on export quantity, value and unit value were compiled from various published journals, periodicals and websites for the period of 30 years (1978-79 to 2007-08). The secondary data were collected on spot prices, and volume of trade in exchanges were collected from the official web site of Forward Market Commission (FMC), Mumbai and respective web sites of the National Level Commodity Exchanges in India (NCDEX, MCX), APEDA, other publications and official reports of the GOI, GOK, etc, for the period of 30 years.