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Export Competitiveness of Pomegranate in India

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Abstract

Indian agriculture is vested with the herculean responsibility of feeding more than one billion people. 72 % of India's population live in rural areas, and three quarters of the rural population depend on agriculture for their livelihoods. Agricultural growth in India slowed down to 2.1 % between 1998–99 and 2004–05, largely due to a decline in the food grain sector. Given the high dependence of the poor on agriculture, the stagnation in this sector is currently threatening to stall poverty reduction in India. The immediate question to be addressed is how agricultural growth can be accelerated. The question can be answered by diversifying the consumption pattern towards high value agricultural commodities in general and high value horticultural products in particular.

Horticulture is an important component of agriculture accounting for a very significant share in the Indian economy. Rising consumer income and changing lifestyles are creating bigger markets for high-value horticultural products in India as well as throughout the world. The most important high-value export products are fruits and vegetables. The present paper analyses the comparative advantage and competitiveness of pomegranate, which is the important foreign exchange earner among major fruit crops exported from India.

The primary data was collected from Bijapur district of Karnataka, India and secondary data was collected from concerned government institutions (as APEDA) and also from exporters of fruits and vegetables. The Policy Analysis Matrix (PAM) was selected as the analytical tool to analyse the export competitiveness, comparative advantage, and the degree of government interventions in the production and export of pomegranate. The policy distortions were measured through indicators of PAM.

The effective protection coefficient (EPC) of pomegranate (0.45) values were found to be less than the value that indicate that producers are not protected through policy interventions. Whereas the domestic resource cost (DRC of 0.28) and the private cost ratio (PCR of 0.59) values show positive social as well as private profit which indicates that India has a competitive and comparative advantage in their production. The overall result shows that the cultivation as well as export of pomegranate is economically profitable and efficient.

Keywords: EPC and DRC, PAM, pomegranate