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“Development on the margin”

Export Competitiveness of Gherkin in India

NITHYA VISHWANATH GOWDRU¹, WOLFGANG BOKELMANN¹, RAVI NANDI², SAIKUMAR C. BHARAMAPPANAVARA¹

¹*Humboldt-Universität zu Berlin, Dept. of Agricultural Economics and Social Sciences, Germany*

²*Jain University, Dept. of Management, India*

Abstract

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. Among these, the most important high-value export products are fruits and vegetables. With this background the present paper analyses the comparative advantage and competitiveness of gherkin (*Cucumis sativus*) which is one of the important foreign exchange earner among vegetable crops exported from India.

The primary data was collected from Tumkur and Bijapur district of Karnataka, India and secondary data was collected from concerned government institutions, APEEDA and also from vegetable exporters. 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 gherkin. The policy distortions were measured through indicators of PAM. Garret ranking technique was used to analyse the constraints in the production and export of the selected crop.

Effective Protection Coefficient (EPC) of Gherkin (0.5) found to be less than one indicating that producers are not protected through policy interventions. Domestic Resource Cost (DRC) (0.27) and Private Cost Ratio (PCR) (0.43) values of Gherkin show positive social as well as private profit which indicates that, India has a competitive and comparative advantage in their production. The result for Garret ranking in case of gherkin shows that skilled labour and lack of superior quality are the major constraints in production and export of gherkin. The overall result shows that the cultivation as well as export of gherkin is economically profitable and efficient.

Keywords: DRC, EPC, gherkin, PAM