MARKETING OPPORTUNITIES FOR INDIAN COMMODITIES IN GULF COOPERATIVE COUNCIL (GCC) COUNTRIES: A SPECIAL FOCUS ON FRUITS AND VEGETABLES.

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Indian fruits and veg. sector

- About 70% of the households and 10% of the urban population is dependent on agriculture.

- NHM forecasts annual production growth is at 8.8 percent for fruits and 10.9% for veg. by the year 2015.

- The total consumption of 90 million tons of fresh produce is supplied through 7300 wholesale assembly markets and 27294 rural weekly markets.

- The consumption of fresh produce is expected to reach 140 million tons by 2015.
# Demand trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Demand (Million tons)</th>
<th>Per Capita Demand (Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fruits</td>
<td>Vegetables</td>
</tr>
<tr>
<td>Base Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>12.37</td>
<td>79.15</td>
</tr>
<tr>
<td>2010</td>
<td>17.43</td>
<td>103.16</td>
</tr>
<tr>
<td>2015</td>
<td>21.06</td>
<td>119.12</td>
</tr>
<tr>
<td>2020</td>
<td>25.47</td>
<td>137.25</td>
</tr>
</tbody>
</table>
## Supply trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Area (Million ha)</th>
<th>Yield (tons/ha)</th>
<th>Production (Million tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vegetables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999-00</td>
<td>5.82</td>
<td>14.4</td>
<td>83.8</td>
</tr>
<tr>
<td>2010-11</td>
<td>6.49</td>
<td>20.2</td>
<td>131.1</td>
</tr>
<tr>
<td>2015-16</td>
<td>6.49</td>
<td>23.5</td>
<td>152.5</td>
</tr>
<tr>
<td><strong>Fruits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999-00</td>
<td>3.74</td>
<td>11.8</td>
<td>44.3</td>
</tr>
<tr>
<td>2010-11</td>
<td>4.43</td>
<td>15.1</td>
<td>66.9</td>
</tr>
<tr>
<td>2015-16</td>
<td>4.43</td>
<td>16.9</td>
<td>74.9</td>
</tr>
</tbody>
</table>
Indian exports scenario

- The total agri-export from India to the world is largely dominated by the cereals like Basmati and Non-Basmati rice, wheat, Milled products and other cereals.

- These products are accounted for $3,535 million and having a share of 46% of total agricultural exports.

- The next position in Indian agri-exports is occupied by processed foods like Groundnut, Cocoa, cereal preparations, Alcoholic and beverage preparations and confectionery with worth of $1553 million and 20% share.

- India has a narrow product mix for the export market as the bulk of Indian exports consist of mango, onions, potato and mango pulp.
Exports to GCC countries

- India’s trade with GCC countries is highly cooperative and existing from many centuries.
- India is a regular importer of crude oil and exporting varieties of agri-commodities like fresh fruits, vegetables, Animal Products and cereals.
- The total trade balance is showing a negative balance of $102,079 millions.
- Indian trade account with Oman is having a very negative balance of $79026 millions. Hence there is need to nullify the negative trade with Oman and rest of the GCC member countries.
- The GCC countries need more agricultural products as their countries agricultural production is very poor compare to the rest of the countries in the world.
Balance of trade between India and GCC countries

<table>
<thead>
<tr>
<th></th>
<th>Saudi Arab</th>
<th>Qatar</th>
<th>Oman</th>
<th>Kuwait</th>
<th>Bahrain</th>
<th>UAE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Export</strong></td>
<td>3,708</td>
<td>538</td>
<td>377,358</td>
<td>682</td>
<td>252</td>
<td>15,635</td>
<td>398,173</td>
</tr>
<tr>
<td><strong>Import</strong></td>
<td>19,411</td>
<td>2,457</td>
<td>456,384</td>
<td>7,694</td>
<td>830</td>
<td>13,477</td>
<td>500,252</td>
</tr>
<tr>
<td><strong>Total Trade</strong></td>
<td>23,119</td>
<td>2,996</td>
<td>833,743</td>
<td>8,376</td>
<td>1,082</td>
<td>29,112</td>
<td>898,426</td>
</tr>
<tr>
<td><strong>Trade Balance</strong></td>
<td>-15,702</td>
<td>-1,919</td>
<td>-79,026</td>
<td>-7,012</td>
<td>-578</td>
<td>2,157</td>
<td>-102,079</td>
</tr>
</tbody>
</table>
Agri-commodity exports from APEDA India
GCCs' Total Imports comparison

UAE: 13,2494
Bahrain: 1,148
Kuwait: 2,112
Oman: 16,025
Qatar: 22,005
Saudi: 90,217

Total Imports (In Millions US$)
GCC Agri-Import Comparison

Total imports (Million USD)

- **UAE**: 10599
- **Bahrain**: 64332
- **Kuwait**: 2534
- **Oman**: 1650
- **Qatar**: 1100
- **Saudi**: 978

- **Worth of Agriculture imports**
- **Indian Exports worth**
Constraints to export of Fruits and Vegetables

Poor processed food

Despite being the second largest producer of fruits and vegetables in the world, India has not done well in the export. One important reason for this is that commercial processing of these commodities is highly limited and costly. This leads to considerable wastage of these commodities.

Institutional Problems

Poor infrastructure (in terms of storage, transport, cargo space, facilities at air/sea ports, vapors heat treatment, etc.), insufficient institutional support (credit arrangement, promotion of Indian fruits & vegetables overseas) and low research and development efforts (in terms of quality and productivity comparable to those in other producing and exporting countries) are the major constraints to the export of fresh fruits and vegetables.

Sanitary and Phytosanitary (SPS)

Increasingly stringent food safety and agricultural health standards in industrialized countries cause major challenges for continued developing country success in international markets for high-value food products, such as fruit, vegetables, fish, meat, nuts, and spices.
Conclusions

- India’s export markets are limited. Major importers of Indian fresh fruits and vegetables are the Middle East countries with only small quantities.
- Efforts must be made to tap GCC and transnational markets to expand and diversify India’s export markets.
- Existing orchards are in a state of neglect and need to be rejuvenated through scientific methods and management.
- Concentrated efforts must be made to promote export of other commodities to expand the product mix.
- Direct contact between producers and processing factories should be encouraged.
Policy implications

- Co-operatives should strive hard to enhance the bargaining power of producers and they can be a viable and potential alternative to private trade in both the domestic and export sectors.

- There are also considerable losses during transit. Processing centres in the producing areas will help to reduce transportation costs and transit losses, consequently making the processed products cheaper.

- There is a need to undertake research and development not only to increase productivity levels but also to develop varieties with product characteristics which are suitable for export marketing and processing.

- Grading and sorting should be done at the production site so that repacking can be done at terminal markets.
Policy implications

- Proper packaging will reduce transit losses and help to maintain the quality of the product that reaches the consumer for affordable price.

- Branded products are preferred as brand names are associated with particular quality characteristics. Thus, proper branding of products, including fresh fruits and vegetables, especially for the export markets, needs to be encouraged.

- Post harvest losses in fruits and vegetables are very high because of the perishable nature and short shelf life of these products. However, with the help of certain pre and post-harvest operations, which can be easily undertaken at the farm, the magnitude of these losses can be minimized.
THANK YOU